

Flagship Investments Limited
 ABN 99 080 135 913
ASX: FSI

DIVIDEND INFORMATION

(Cents per share, fully franked)

4.75 cps paid on 23 February 2023
 4.75 cps paid on 26 August 2022
 4.50 cps paid on 24 February 2022
 4.75 cps paid on 20 August 2021

OBJECTIVE

Long-term capital growth and income

STRATEGY

High-conviction portfolio of quality Australian listed equities from a research driven, bottom-up investment philosophy

INVESTMENT PHILOSOPHY

- ◆ High quality growth companies outperform over the longer term
- ◆ Investments should outperform the risk-free rate
- ◆ The price one pays determines the ultimate long-term return

INVESTMENT PROCESS

INITIAL SCREENING PROCESS

- ROE
- IPOs
- Revenue Growth
- Broker Ideas
- Interest cover
- Internal Ideas

FUNDAMENTAL ANALYSIS

- Understanding the Business Model
- Sustainable Competitive Advantage
- Organic Growth Opportunities
- Assessing Management
- Assessing the Operating Environment

PORTFOLIO WEIGHTING

- 3 Year Risk Adjusted Total Return
- Market Risk Analysis

HIGH CONVICTION

PORTFOLIO OF COMPANIES

This process is the basis for all our Australian equities investment decisions

NTA (Before Tax on Unrealised Gains)	Share Price	Full Year Dividend	Dividend Yield
\$2.108	\$1.80	9.5 cps	5.28%
Figures as at 31 March 2023. Dividend yield based on prior 12 months of dividends paid divided by closing share price at 31 March 2023.			

INVESTMENT ACTIVITY

During the quarter, three new investments were added to the portfolio: Fineos Corp (ASX: FCL), Nuix Limited (ASX: NXL), and Wisetech Global (ASX: WTC). All of these positions have been owned across portfolios in the past and due to attractive valuations have been added to the FSI portfolio. During the quarter there were no positions exited.

UNDERLYING PORTFOLIO PERFORMANCE

	3 months	1 year	3 years p.a.	5 years p.a.	10 years p.a.	Since Inception (1 May 1998) p.a.
Portfolio [^]	5.8%	-4.8%	16.3%	12.4%	12.0%	12.0%
Bloomberg Bank Bill Index	0.8%	2.0%	0.7%	1.1%	1.7%	3.8%
ASX All Ordinaries Index	2.1%	-5.3%	13.0%	4.7%	4.0%	4.0%
ASX All Ord Accumulation	3.6%	-1.1%	17.3%	8.8%	8.3%	8.3%

[^] Source: EC Pohl & Co Pty Ltd

Gross performance before impact of fees, taxes and charges. Past performance no predictor of future returns

MARKET COMMENT AND OUTLOOK

Despite the collapse of Silicon Valley Bank (SVB) and the subsequent bailout of Credit Suisse by UBS, global equity markets saw gains in the first quarter of the year. While these events caused a dip in market sentiment in March, the global economy continued to pick up momentum due to the fading of supply side drags and falling energy prices. Growth stocks outperformed value stocks during this period. In fixed income, government bond yields decreased as a result of reduced inflationary pressures across most regions.

In the US, the Federal Reserve raised the policy rate by 25 basis points in both February and March in an environment where inflation was cooling, potentially indicating the end of the increasing cycle. The brief market turbulence that came after the SVB fiasco did not impede the optimism of investors, who drove stocks higher for the quarter with the tech sector having some of the strongest gains. The Fed also reassured investors of their confidence in the US banking system which resulted in the S&P500 increasing by 7.0%, while the Nasdaq posted +16.8% over the quarter.

In Europe, the Eurozone experienced strong gains, headlined by the information technology, consumer discretionary, and communication services sectors. The financial sector faced a period of instability after the collapse of SVB, and a week later the Swiss authorities were forced to broker a deal for UBS to acquire troubled Credit Suisse. Despite these challenges, the eurozone financial industry recorded positive growth for the quarter, with Credit Suisse's issues considered to be under control. Across the region, inflation declined and the purchasing managers index was at a ten-month high. The FTSE increased by +2.4%, the CAC 13.1%, and the DAX by 12.3%.

In Asia, Japanese quarterly earnings were mixed, with exporters having a difficult time due to yen appreciation, with the slowdown in production mainly affecting the technology sectors. Asia ex Japan equities were positive, with Taiwan, Singapore, and South Korea leading the way. China saw strong gains due to loosened Covid restrictions, with other countries rebounding later in the quarter as the fears of market contagion following the SVB collapse eased. The Shanghai Composite posted +5.9%, the Hang Seng +3.1%, and the Nikkei +7.5%.

In Australia, recent evidence has indicated that inflation has peaked in Australia, with the year-on-year inflation rate for February dropping to 6.8%. The housing market remains a key factor in inflationary pressures, which appears to have reached a state of stabilization with house prices increasing by only 0.6% in March. The labour market remains tight and is robust with the participation rate high and the unemployment rate sitting at 3.5%. Retail sales in February were up by 0.2%, however the overall trend is one of deceleration.

The ASX All Ordinaries posted +2.1% for the quarter, ASX 200 +2.0%, the Midcap 50 -1.2%, and the Small Ordinaries was +0.9%, respectively. The AUD struggled during the quarter, posting a -1.9% against the US Dollar (66.9 US cents), -3.8% against the Pound (54.2 pence), and -3.2% against the Euro (61.7 cents).

FUND MANAGER

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EC.POHL
& CO



RATINGS

- Independent Investment Research
– Recommended¹

DIRECTORS

Dominic M McGann
Non-Executive Chairman

Dr Emmanuel (Manny) C Pohl AM
Managing Director

Angela Obree
Non-Executive

COMPANY SECRETARY

Scott Barrett

COUNTRY WHERE LISTED

Australian Securities Exchange:
December 2000

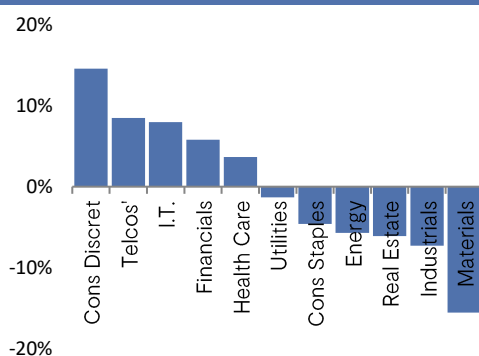
SECTOR BREAKDOWN

Financials	29.8%
Consumer Discretionary	20.7%
Health Care	12.8%
Telecommunication Services	12.6%
Information Technology	10.4%
Materials	10.1%
Cash	3.6%
Consumer Staples	0.0%
Energy	0.0%
Industrials	0.0%
Utilities	0.0%

TOP 10 STOCK HOLDINGS

Rio Tinto Limited	7.0%
HUB24 Ltd	6.7%
Commonwealth Bank	6.0%
GQG Partners	5.6%
Lovisa Holdings Ltd	4.9%
SEEK Limited	4.8%
IDP Education Ltd	4.8%
REA Group	4.6%
CSL Limited	4.3%
Corp Travel Limited	4.1%

ACTIVE SECTOR WEIGHTS to the ALL ORDINARIES



PORTFOLIO CHANGES during the Quarter

ADDITIONS

Fineos Corporation Holdings PLC	FCL
Niux Limited	NXL
Wisetech Global Ltd	WTC

REMOVALS

Nil

ACTIVELY PROMOTING THE COMPANY

Flagship Investments Limited remains visible in the digital spectrum and through multiple mediums with industry participants, Investor Associations and its Shareholders. During the quarter the Company met with and presented to various Brokers, Researchers and Financial Advisers. New interviews with the Company and Stockbrokers can be found on the Company website, Youtube and social media pages.

For further information including about other upcoming events, please contact the Company at +61 7 5644 4405 or toll-free 1800 FLAGSHIP (352 474), or via email contact@flagshipinvestments.com.au including if you would like a representative to present to you, at an investor function or your office.

STRUCTURE AND TERMS

Dividend Reinvestment Plan	Dividend Reinvestment Plan (DRP) is an optional way of reinvesting dividends to acquire additional shares. When new shares are issued under the DRP, they are free of brokerage, commission, stamp duty and other costs.
Legal Domicile	Australian Securities Exchange (ASX) Listed Investment Company (LIC)
Fees	Management fee of NIL. Performance fee of 15% of the annual outperformance over the Bloomberg Bank Bill Index.
MER ²	0.0%
Reporting and Correspondence	Monthly Net Tangible Asset Values on www.asx.com.au and Quarterly Reports, Half-Yearly and Annual Reports on www.flagshipinvestments.com.au
Auditor	Connect National Audit Pty Ltd
Registry	Boardroom Pty Limited - 1300 737 760 or enquiries@boardroomlimited.com.au
Share price and NTA	www.flagshipinvestments.com.au and www.asx.com.au

¹ This opinion is provided by Independent Investment Research and must be read together with whole report including the disclaimer and relevant legal notices which can be found at www.independentresearch.com.au

² Calculated in accordance with ASX defined terms as at 30 June 2022