

Flagship Investments Limited
 ABN 99 080 135 913
ASX: FSI

DIVIDEND INFORMATION

(Cents per share, fully franked)

4.90 cps paid on 30 August 2023
 4.75 cps paid on 23 February 2023
 4.75 cps paid on 26 August 2022
 4.50 cps paid on 24 February 2022

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
\$2.055	\$1.76	9.65 cps	5.48%
As at 30 September 2023. Dividend yield based on prior 12 months of dividends paid divided by closing share price at 30 September 2023.			

INVESTMENT ACTIVITY

During the quarter, PWR Holdings (ASX: PWH) was added to the portfolio. PWH is the world leading advanced cooling solution manufacturer for a range of industries, including all Formula 1 teams. The company's new Aerospace and Defence (A&D) division is growing materially, with new customers being added, ensuring stable revenue streams through long-term commitments. PWH's strategic growth, debt-free operations, high margins, and expansive pipeline indicate strong long-term growth potential.

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 [^]	2.7%	16.1%	5.2%	9.3%	11.0%	11.9%
Bloomberg Bank Bill Index	1.1%	3.6%	1.4%	1.3%	1.7%	3.8%
ASX All Ordinaries Index	-2.1%	8.6%	6.5%	2.8%	3.3%	3.9%
ASX All Ord Accumulation	-0.7%	13.1%	10.8%	6.8%	7.6%	8.2%

[^] 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

In September, markets echoed 2022's challenges when fixed income didn't shield investors. While 2023's economic indicators hint at a shift from last year's inflation-driven concerns, bond yields reflect fears of sustained high central bank rates. Although commodity prices, especially oil, showed promise, they also introduced risks like potential short-term inflation. With the U.S. economy's trajectory uncertain, active investors find opportunities in the current global growth and valuation divergences.

In the US, despite the optimism that the Federal Reserve had orchestrated an economic soft landing, US equities faced a challenging Q3. Enthusiasm over the end of the policy tightening rates waned as the reality of a prolonged period of higher rates set in. The US labour market showed strength, rising incrementally to 3.8%, while the manufacturing indicators highlighted a cooling US economy. The S&P500 posted -3.7%, while the Nasdaq posted -4.1% over the quarter.

In Europe, Eurozone equities navigated rough waters in Q3, primarily due to concerns about the adverse effects of interest rate hikes on economic growth. However, late-quarter data brought a silver lining, revealing a drop in Eurozone inflation to a two-year low of 4.3%. Contrary to the trends seen in the US and Eurozone, UK equities experienced a positive trajectory in Q3 aided by the falling currency. Further, signs of heightened UK consumer confidence and speculation around peak base interest rates contributed to this revival. The FTSE increased by +1.0%, the CAC by -3.6%, and the DAX by -4.7%.

In Australia, equities outperformed several global indices. Australia's inflation rose to 5.2% (year on year) in August, influenced by surging energy and food prices, though core inflation, excluding these volatile categories, dipped to 5.5%. The unemployment rate remained at 3.7%, with an impressive addition of 65,000 jobs and a slightly higher participation rate of 67.0%. House prices surged by 6.6% since January 2023, nearing their peak.

The ASX All Ordinaries posted -2.0% for the quarter, ASX 200 -2.1%, and the Small Ordinaries -2.9%, respectively. The AUD struggled during the quarter, posting -3.5 % against the US Dollar (64.3 US cents), +0.5% against the Pound (52.7 pence), and -0.4% against the Euro (60.9 cents).

FUND MANAGER

EC Pohl & Co Pty Ltd
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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

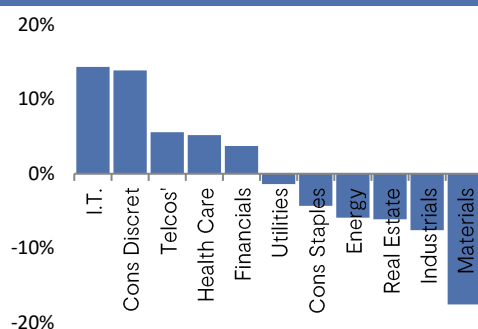
SECTOR BREAKDOWN

Financials	29.4%
Consumer Discretionary	20.2%
Information Technology	16.9%
Health Care	13.3%
Telecommunication Services	9.9%
Materials	6.6%
Cash	3.7%
Consumer Staples	0.0%
Energy	0.0%
Industrials	0.0%
Utilities	0.0%

TOP 10 STOCK HOLDINGS

HUB24 Ltd	6.7%
GQG Partners	6.5%
CSL Limited	6.0%
IDP Education Ltd	5.1%
Megaport Limited	4.8%
Lovisa Holdings Ltd	4.8%
SEEK Limited	4.5%
Domino Pizza Enterprises	4.0%
Macquarie Group Ltd	3.9%
Block	3.8%

ACTIVE SECTOR WEIGHTS to the ALL ORDINARIES



PORTFOLIO CHANGES during the Quarter

ADDITIONS

PWR Holdings Limited PWH

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 articles and interviews can be found on the Company website, YouTube and other social media pages.

For further information including about other upcoming events the Company is participating in, 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 2023