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Chairman's Address – Annual General Meeting

10 November 2023

Fellow Shareholders, friends and colleagues,

As I wrote in our Annual Report, the market during the financial year ended 30 June 2023 reflects a lot of competing themes. In addition, key global events remained prominent; including the Russian invasion of Ukraine and widespread global inflation which triggered aggressive interest rate responses from central banks. In Australia, while the RBA has cooled its tone, the recent rate rise means that interest rates could go higher and will at the very least remain close to the current level for the foreseeable future.

During the financial year ended 30 June 2023, the Flagship Investments Portfolio has returned 15.4% compared to the ASX All Ordinaries Index which increased by 9.7%. This maintains the since inception performance which is now 11.9% compared to the ASX All Ordinaries Index which has increased by 4.0% over the same period.

Happily, the ongoing performance of the portfolio has allowed the Board to increase the dividends paid to Shareholders. The interim dividend paid in February 2023 was increased by 5.5% to 4.75cps, and the final dividend paid in August 2023 was increased to 4.9cps. This makes the total FY23 dividend 9.65cps, a 4.3% increase on the prior year and a 5.8% yield on the closing share price as at 30 June 2023. As a Board, we believe that by continuing to reward our long-term Shareholders with an increasing yet sustainable dividend that we are meeting the objectives of the Company and providing a yield that will also be attractive to new investors.

The performance we have enjoyed to date is a direct result of the skill of our Investment Manager: EC Pohl & Co led by Dr Manny Pohl AM. Its investment process and diligent execution has delivered exceptional long term returns for Shareholders and was considered when the Board reviewed the Management Services Agreement (MSA) with the Investment Manager. Importantly, however, the MSA was rewritten in 2010 and gave primacy to accounting terminology and the Board is now looking to give primacy to current market standards including the approach adopted by other listed investment companies. Importantly, Item four on our agenda is to consider an amendment to the MSA, and I will welcome further discussion on that topic when we come to it.



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In a climate of economic uncertainty and a fresh international conflict between Israel and Hamas it is easy to adopt an approach of understandable procrastination. Nevertheless, the Board remains focused on the future of the Company and on a few key initiatives to achieve our goal of growing the Company to a market capitalisation above \$100 million without diluting or disadvantaging existing Shareholders. To that end, first and foremost is maintaining the investment performance of the Company and, while the Investment Manager drives this, it is ultimately the Board's responsibility to monitor progress and ensure the incentives are aligned.

Currently, we are also working on a rebrand of the business to create a fresh modern image, and we continue to work on our social media and online engagement to attract new investors to our business.

I encourage our investors old and new to subscribe to our accounts on social media and share the word with the wider community. I thank you for your time, and your ongoing support of Flagship Investments Limited.

A handwritten signature in black ink, appearing to read 'D. McGann', located below the main text.

Dominic McGann
Chairman

10 November 2023