

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
<b>\$237.3</b>	<b>\$1.805</b>	<b>9.65cps</b>	<b>5.35%</b>
As at 31 December 2023. Dividend yield based on prior 12 months of dividends paid divided by closing share price at 31 December 2023.			

**INVESTMENT ACTIVITY**

During the quarter, no positions were added or removed from our portfolio.

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 <sup>^</sup>	13.2%	23.6%	5.9%	15.0%	12.2%	12.3%
Bloomberg Bank Bill Index	1.1%	3.9%	1.7%	1.4%	1.8%	3.8%
ASX All Ordinaries Index	8.0%	8.4%	4.6%	6.5%	3.9%	4.1%
ASX All Ord Accumulation	8.7%	13.0%	8.9%	10.7%	8.2%	8.4%
<sup>^</sup> 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 the last quarter, global equity markets experienced a resurgence, largely fueled by expectations that major central banks are nearing the end of their rate hiking cycles. This sentiment was buoyed by a dovish stance from the Federal Reserve (Fed) in December, prompting a reassessment of monetary policies worldwide. The changing backdrop led to a robust performance in developed market equities, overshadowing other market movements. Additionally, the quarter was marked by falling crude oil prices, which played a role in shaping the overall market climate.

In the US, the equity market witnessed notable gains, with the S&P 500 nearing its record high from early 2022, due to expectations of forthcoming interest rate cuts following easing inflation rates. Consequently, sectors most sensitive to interest rates, such as IT, real estate, and consumer discretionary, saw significant gains, while the energy sector's performance was dampened by falling crude oil prices. The S&P500 posted +11.2%, while the Nasdaq posted +13.6% over the quarter.

In Europe, the final quarter marked a period of strength for equities, which benefited from the softened inflation figures and the prospect of halted interest rate hikes. The UK market saw an upward trend, with small and mid-cap indices outperforming the broader market. This was partly due to a stronger sterling against the US dollar and moderated UK inflation rates, which fed into expectations of a halt in the Bank of England's interest rate hikes. The FTSE increased by +1.7%, the CAC by +5.7%, and the DAX by +8.9%.

In Asia, Japanese equities had a varied quarter, with equities being influenced by shifts in local politics, US economic data, and the Japanese yen's appreciation. Corporate earnings in Japan were generally strong, and the Bank of Japan indicated a move towards normalising its monetary policy, impacting the market outlook. More broadly, most Asian markets enjoyed gains, while China was an exception due to economic growth concerns and the real estate crisis. The Shanghai Composite posted -4.4%, the Hang Seng -4.3%, and the Nikkei +5.0%.

In Australia, equities performed well with gains in all sectors, particularly real estate, healthcare, materials, and IT. The Reserve Bank of Australia (RBA) kept the interest rate at 4.35%, differing from the more dovish trends of other central banks. Australia's economic growth was slow, affected by changes in consumer spending and investment, as well as a lower savings rate. The RBA maintained its interest rate due to ongoing inflation worries, even as business conditions weakened and unemployment rates rose slightly.

The ASX All Ordinaries posted +8.0% for the quarter, ASX 200 +7.7%, and the Small Ordinaries +8.0%, respectively. The AUD appreciated during the quarter, posting +5.9% against the US Dollar (68.1 US cents), +1.5% against the Pound (53.5 pence), and +1.4% against the Euro (61.7 cents).

## FUND MANAGER

EC Pohl & Co Pty Ltd  
ABN 68 154 399 916  
Level 12, Corporate Centre One  
2 Corporate Court  
BUNDALL QLD 4217  
AUSTRALIA

PO BOX 7536  
GCMC BUNDALL QLD 9726  
AUSTRALIA

Tel: +61 7 5644 4400  
Fax: +61 7 5574 1457  
Email: [flagship@ecpohl.com](mailto:flagship@ecpohl.com)  
[www.ecpohl.com](http://www.ecpohl.com)

EC.POHL  
& CO



## RATINGS

- Independent Investment Research  
– Recommended<sup>1</sup>

## DIRECTORS

Dominic M McGann  
*Non-Executive Chairman*

Dr Emmanuel (Manny) C Pohl AM  
*Managing Director*

Angela Obree  
*Non-Executive*

## COMPANY SECRETARY

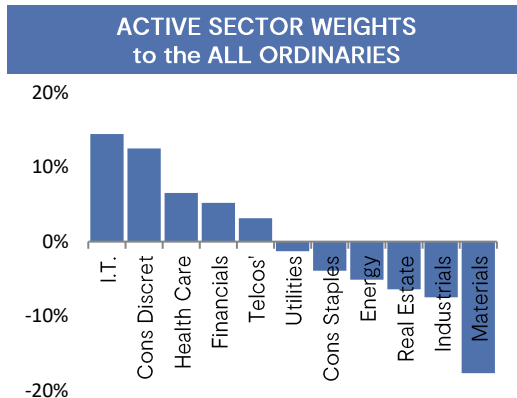
Scott Barrett

## COUNTRY WHERE LISTED

Australian Securities Exchange:  
December 2000

SECTOR BREAKDOWN	
Financials	30.2%
Consumer Discretionary	18.7%
Information Technology	16.9%
Health Care	15.0%
Materials	7.6%
Telecommunication Services	7.4%
Cash	4.2%
Consumer Staples	0.0%
Energy	0.0%
Industrials	0.0%
Utilities	0.0%

TOP 10 STOCK HOLDINGS	
GQG Partners	7.2%
HUB24 Ltd	6.6%
CSL Limited	6.0%
Block	5.7%
Lovisa Holdings Ltd	5.4%
IDP Education Ltd	4.3%
James Hardie Indust	4.1%
Xero Ltd	4.1%
ResMed Inc.	4.0%
Domino Pizza Enterprises	4.0%



PORTFOLIO CHANGES during the Quarter	
ADDITIONS	
Nil	
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](mailto: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 <sup>2</sup>	0.0%
Reporting and Correspondence	Monthly Net Tangible Asset Values on <a href="http://www.asx.com.au">www.asx.com.au</a> and Quarterly Reports, Half-Yearly and Annual Reports on <a href="http://www.flagshipinvestments.com.au">www.flagshipinvestments.com.au</a>
Auditor	Connect National Audit Pty Ltd
Registry	Boardroom Pty Limited - 1300 737 760 or <a href="mailto:enquiries@boardroomlimited.com.au">enquiries@boardroomlimited.com.au</a>
Share price and NTA	<a href="http://www.flagshipinvestments.com.au">www.flagshipinvestments.com.au</a> and <a href="http://www.asx.com.au">www.asx.com.au</a>

<sup>1</sup> 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](http://www.independentresearch.com.au)

<sup>2</sup> Calculated in accordance with ASX defined terms as at 30 June 2023