

NTA
\$2.209

FULL YEAR DIVIDEND
10.3cps

SHARE PRICE
\$1.935

DIVIDEND YIELD
5.32%

➤ INVESTMENT ACTIVITY

During the quarter we added Temple & Webster (TPW) to the portfolio with multiple factors contributing to its future growth potential. We also added to our holdings of GYG and Block.

We removed Fisher & Paykel from the portfolio because while it remains a quality business, it no longer met our IRR threshold.

Our holdings of GQG, JHX and CSL were also reduced.

\$10,000 investment in FSI under management of EC Pohl & Co



	3 m	1 yr	3 yr p.a.	5 yr p.a.	10 yr p.a.	Since Inception*
Portfolio^	-8.8%	-2.2%	7.1%	15.2%	11.1%	12.1%
Bloomberg Bank Bill Index	1.1%	4.5%	3.6%	2.2%	2.0%	3.9%
ASX All Ordinaries	-4.4%	-1.2%	1.1%	9.5%	3.2%	4.1%
ASX All Ord Accumulation	-3.3%	2.2%	5.2%	13.6%	7.4%	8.3%

^ Source: EC Pohl & Co Pty Ltd
* per annum returns since inception: 1 May 1998
Gross performance before impact of fees, taxes and charges. Past performance no predictor of future returns

➤ MARKET COMMENT

US equities declined in Q1 with the S&P 500 falling by 4.6% and the MSCI World Index falling by 2.1%, led by sharp falls in information technology and consumer discretionary stocks. In contrast, most other sectors fared better, with energy and healthcare posting gains. Markets reacted to news that China's DeepSeek had developed a low-cost AI model rivalling top players, prompting a reassessment of US dominance in AI and putting pressure on the "Magnificent Seven" stocks that have led recent gains. Trade tensions resurfaced, with President Trump announcing tariffs on countries including Mexico and Canada, and on goods such as cars, steel, and aluminium. Investors looked ahead to further measures expected on 2 April, dubbed "Liberation Day." Concerns grew that tariffs and planned public sector job cuts by the new Department of Government Efficiency (DOGE) could hit consumer confidence. Meanwhile, the Federal Reserve cut its 2025 growth forecast to 1.7% (from 2.1%) and raised its inflation outlook to 2.7%. Interest rates remained steady at 4.25-4.50%.

Eurozone equities rose strongly in Q1, driven by a rotation out of US large-caps and optimism over Germany's February elections. Friedrich Merz's CDU victory and pro-growth agenda boosted sentiment, particularly as he moved to loosen borrowing rules. Financials led gains, while consumer discretionary, tech, and real estate lagged. Economic data improved, with rising business confidence and manufacturing growth. The ECB cut rates twice, and inflation eased. In the UK equities rose, led by large-cap financials, energy, and healthcare, as investors moved away from pricey US tech. However, small and mid-caps underperformed. Economic concerns persisted despite avoiding recession, and spending cuts in the Spring Statement dampened sentiment. Consumer-facing sectors were weak, and the pound stabilised after a shaky start. The FTSE rose by 5.0%, the CAC rose by 5.6%, and the DAX rose by +11.3% over the quarter. In Australia, equities declined with the ASX All Ordinaries falling 4.4% for the quarter, ASX 200 3.9%, and the Small Ordinaries 3.0% respectively.

The RBA reduced the cash rate by 25bps to 4.1% in its February meeting. Economic highlights include a 0.6% GDP growth in Q4 2024, driven by household spending, resulting in a 1.3% annual growth. Inflation slowed to 2.4% in February, aided by electricity subsidies, with core inflation at 2.7%, within the central bank's 2-3% target. Unemployment held steady at 4.1%, despite a drop in employment and participation (67.2%). Retail sales grew 0.3% in January, boosted by hospitality and events, while consumer sentiment rose to 95.9 in March due to lower inflation and rate cuts. Housing prices also increased by 0.4% in March, supported by improved borrowing conditions. The FY2026 Commonwealth Budget introduced tax cuts for lower incomes alongside energy and Medicare subsidies. The AUD appreciated during the quarter, posting 0.9% against the US Dollar (62.47 US cents), depreciated 2.2% against the Pound (48.36 pence) and depreciated 3.4% against the Euro (57.75 cents).

OBJECTIVE

Long-term capital growth and income

STRATEGY

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

DIRECTORS

Dominic M McGann
Non-Executive Chairman
Angela Obree
Non-Executive

Dr Emmanuel (Manny) C Pohl AM
Managing Director

COMPANY SECRETARY

Scott Barrett

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

A QUALITY FRANCHISE

The "Pillars of a Quality Franchise" is an integrated framework developed by the Investment Manager to assess the investments. Through in-depth, detailed analysis, companies are measured under each pillar ensuring they meet the criteria for investment and exhibit the requisite sustainable growth prospects to be incorporated in the portfolio.



SECTOR BREAKDOWN

GICS Sector	FSI %
Financials	27.2%
Consumer Discretionary	26.8%
Health Care	16.5%
Information Technology	11.9%
Communication Services	7.0%
Materials	5.7%
Cash	3.1%
Industrials	1.8%
Consumer Staples	0.0%
Energy	0.0%
Utilities	0.0%

TOP 10 HOLDINGS

Company	Weight
HUB24 Ltd	7.6%
GQG Partners	5.9%
Block Inc	5.7%
IDP Education Ltd	5.7%
ResMed Inc	5.5%
Domino Pizza Enterprises	4.1%
Lovisa Holdings Ltd	4.0%
Seek Limited	3.9%
Cochlea Limited	3.8%
Xero Ltd	3.8%

OTHER INFO

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.

Fees Management fee of NIL. Performance fee of 15% of the annual outperformance over the Bloomberg Bank Bill Index.

MER* 0.0%

* Calculated in accordance with ASX defined terms as at 30 June 2024

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