



12 October 2017

The Manager
ASX Market Announcements
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Electronic Lodgement

**AMCIL Limited
2017 Annual General Meeting Presentation**

Dear Sir / Madam

Please find attached a presentation that will be delivered to shareholders at the Company's Annual General Meeting to be held today.

Yours faithfully

A handwritten signature in dark ink, appearing to read 'M Rowe', written in a cursive style.

Matthew Rowe
Company Secretary

The title 'Annual General Meeting 2017' is written in a white, sans-serif font, centered within a solid blue horizontal bar that spans the width of the slide.

Annual General Meeting 2017

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Results and Shareholder Returns

Annual General Meeting 2017

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AMCIL's Approach

Focused portfolio covering large and small companies.

Aim is to provide:

- attractive returns through strong capital growth over the medium to long term; and
- the generation of fully franked income.

Our size means small companies can have an equally important impact on portfolio returns as large ones.

Use of the trading portfolio and buy and write option strategies to generate additional fully franked income.

Financial Year Summary – to 30 June 2017

Profit for the Year

\$5.4m

Down 30.0% from 2016

Management Expense Ratio

0.68%

0.65% in 2016

Fully Franked Dividend

3.5¢

3.5 cents in 2016

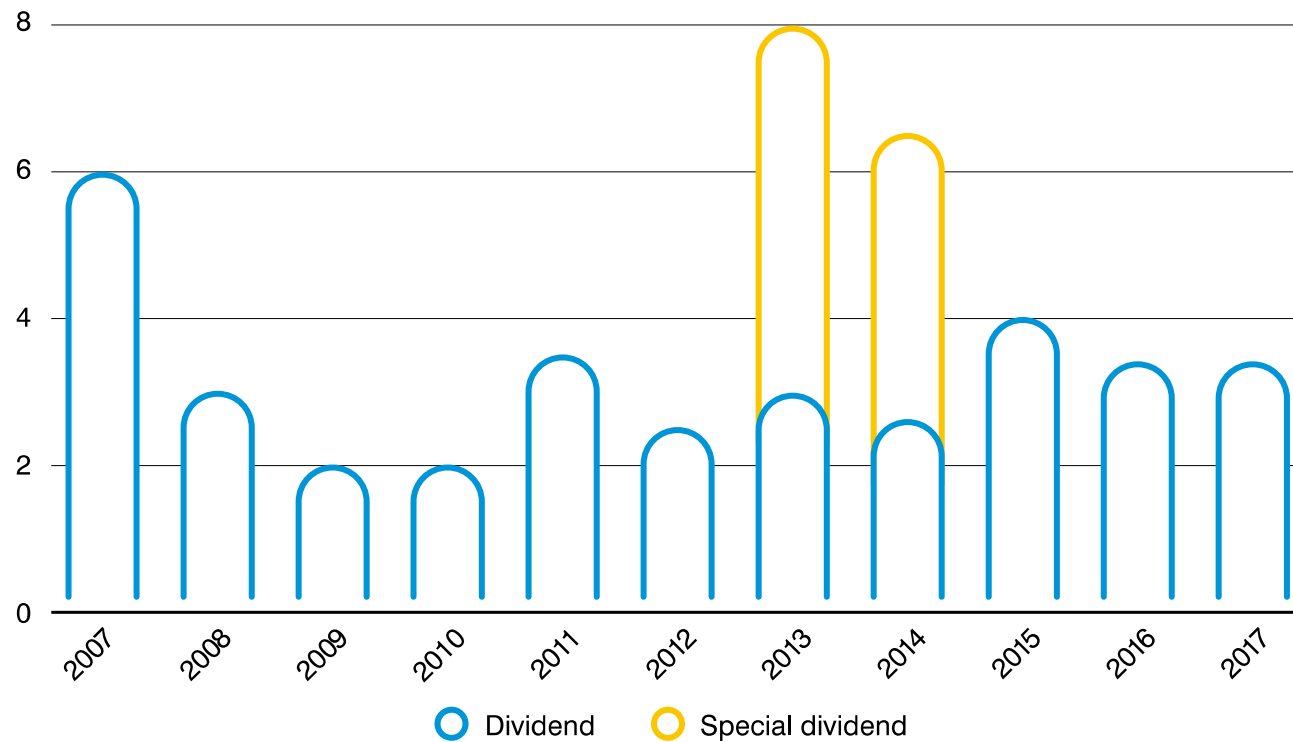
Total Portfolio

\$245.9m

Including cash at 30 June

\$240.8 million in 2016

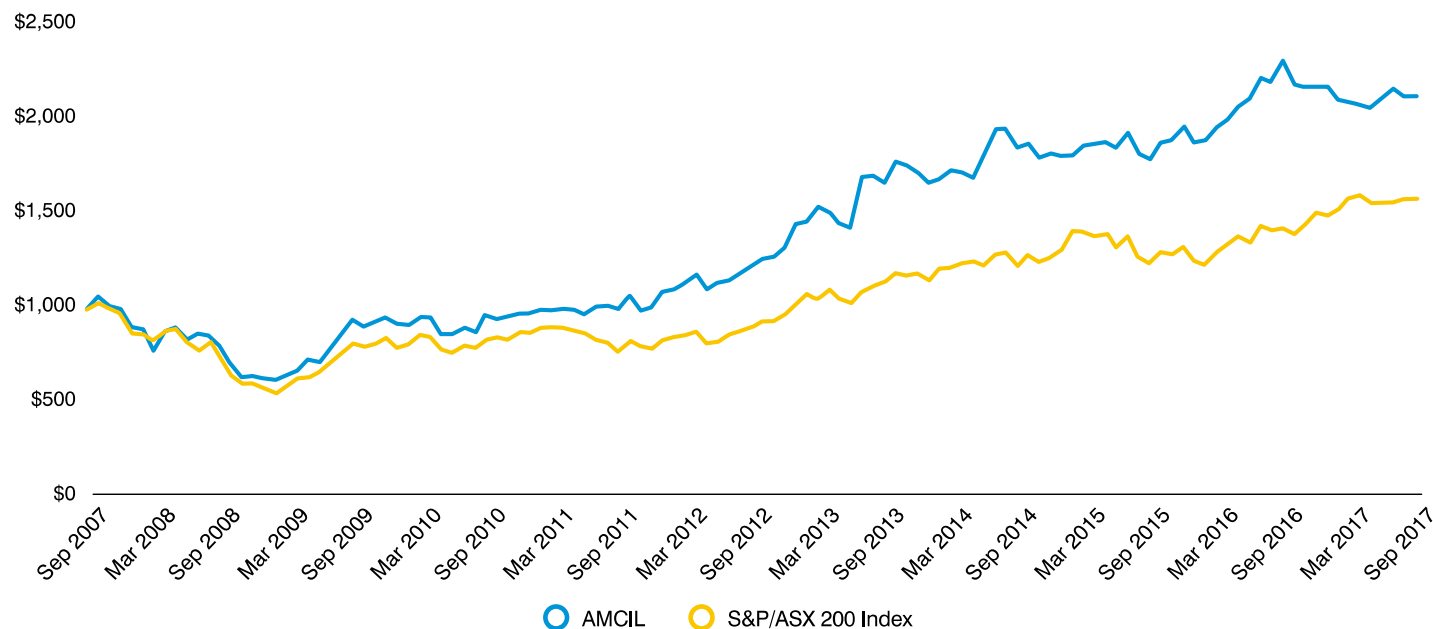
Dividend Reflects the Policy of Paying out all Available Franking Credits Each Year



Changes to Tax Legislation – Franking Credits

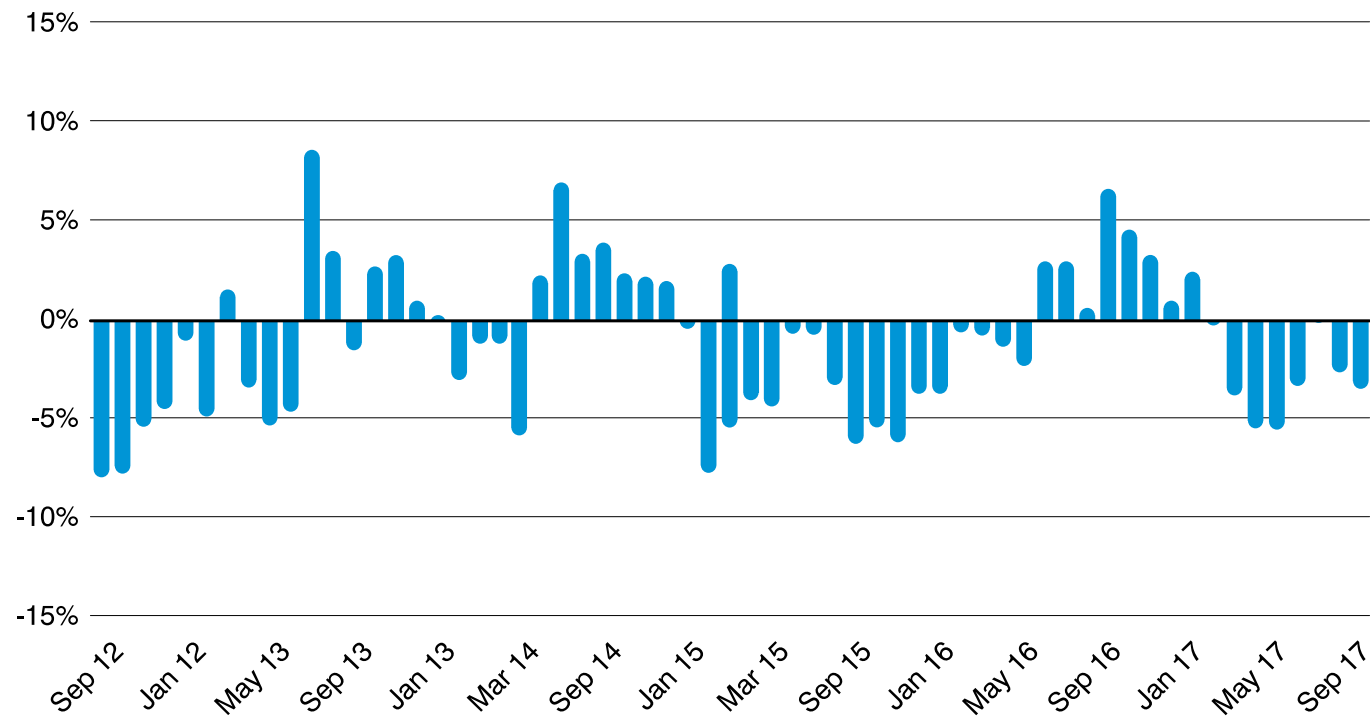
- The Federal Government has proposed retrospective legislation to prevent Investment Companies claiming the lower company tax rate until 2023–24.
- If enacted, AMCIL will continue to pay tax at 30%, and frank its dividends at 30% until 2023–24.
- This includes the 3.5 cent final dividend (franked at 27.5%), paid to shareholders in August 2017. If legislation is confirmed, AMCIL will re-issue a dividend statement before the end of the financial year.
- What does it mean for franking credits? – assuming a dividend of \$100:
 - *previous dividend with franking credits at 27.5% of \$37.93 will be replaced.*
 - *new statement showing dividend of \$100 with franking credits at 30% of \$42.86.*
 - *does not change shares issued under DRP or cash payment.*

Share Price Return Including Dividends and Benefit of Franking Credits – 10 Years to 30 September 2017



* Assumes the reinvestment of dividends. This chart calculates the benefit of franking credits at the time dividends are paid for both AMCIL and the index. In practice there is a timing difference between receipt of the dividend and the realisation of the franking benefit in the following tax year.

Share Price is Trading at a Small Discount to Net Asset Backing



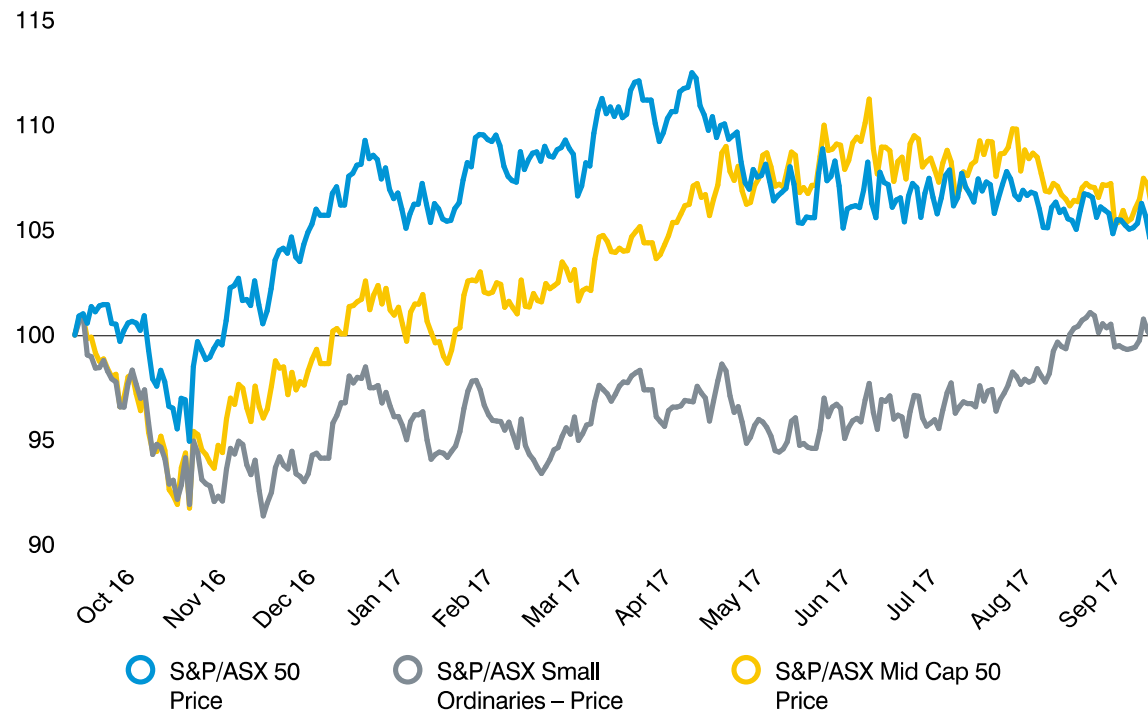


The Market and Portfolio

Annual General Meeting 2017

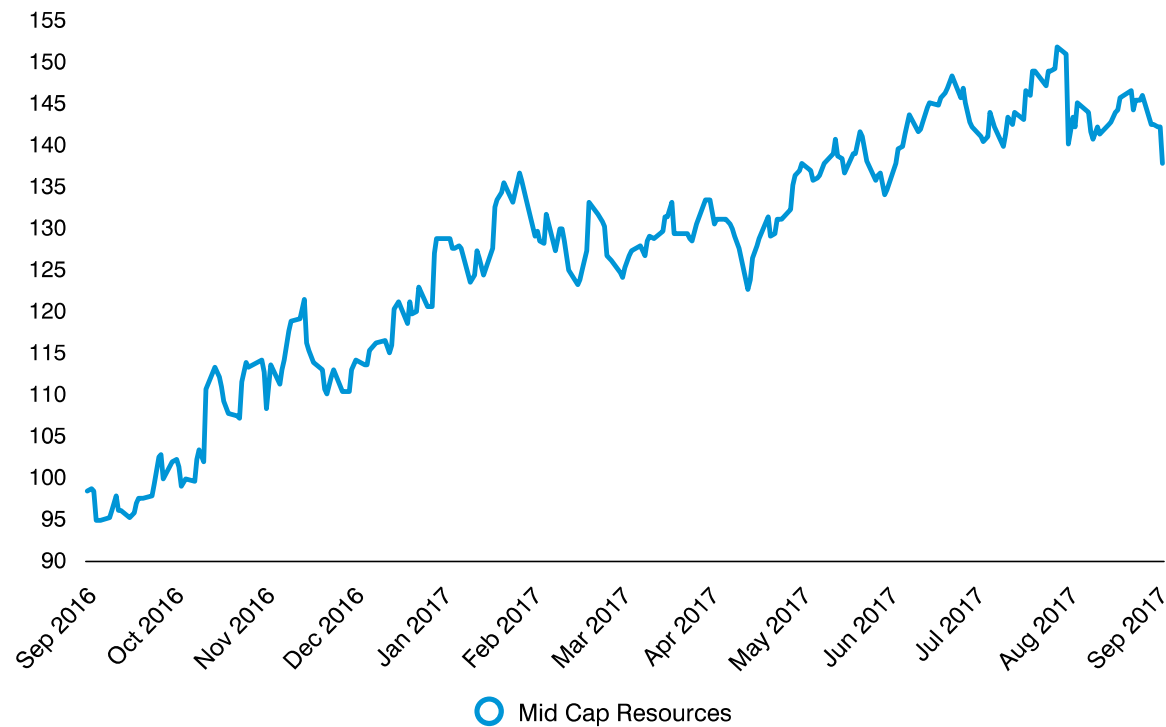
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The Market by Company Size Over the Year to 30 September 2017

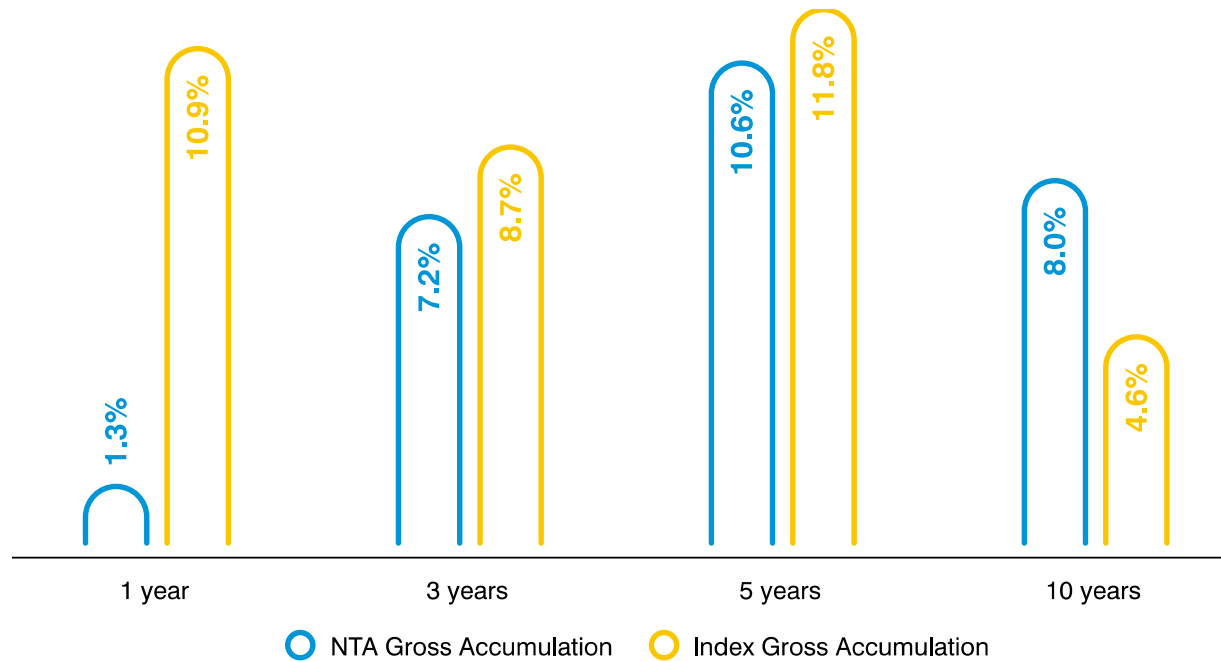


Source: FactSet

Mid Cap Resource Sector Returns Have Been Very Strong Over the Year to 30 September 2017 – Iluka is in AMCIL's Portfolio



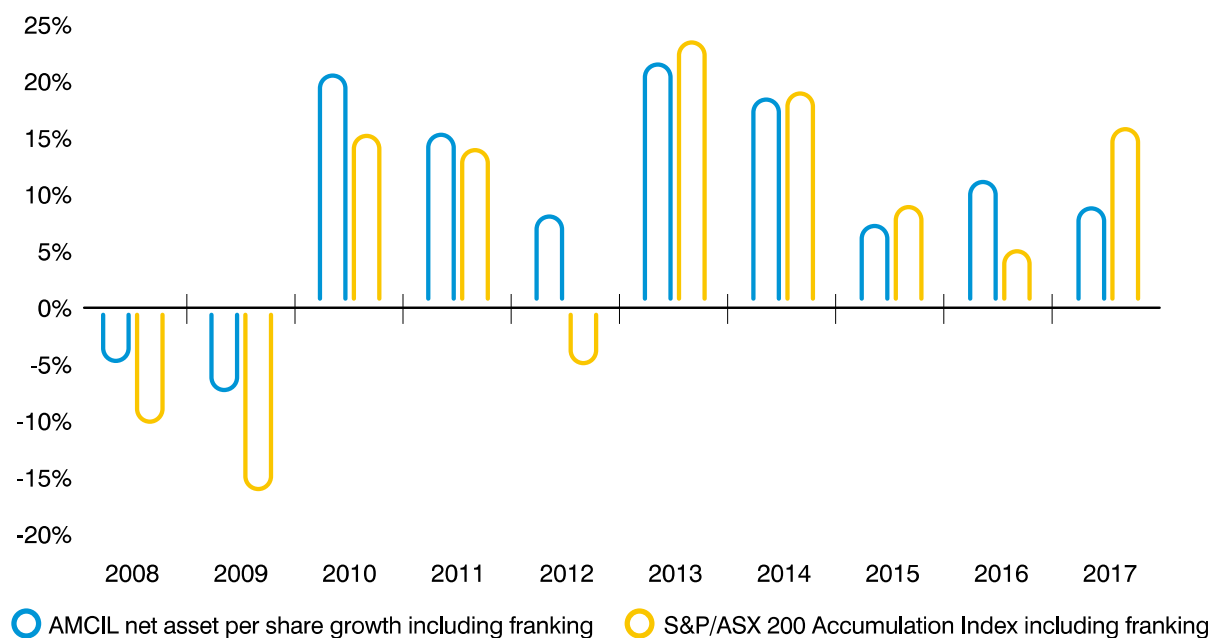
Portfolio Performance Including Benefit of Franking Credits* – to 30 September 2017



After tax and expenses. Ignores benefits LIC tax credits.

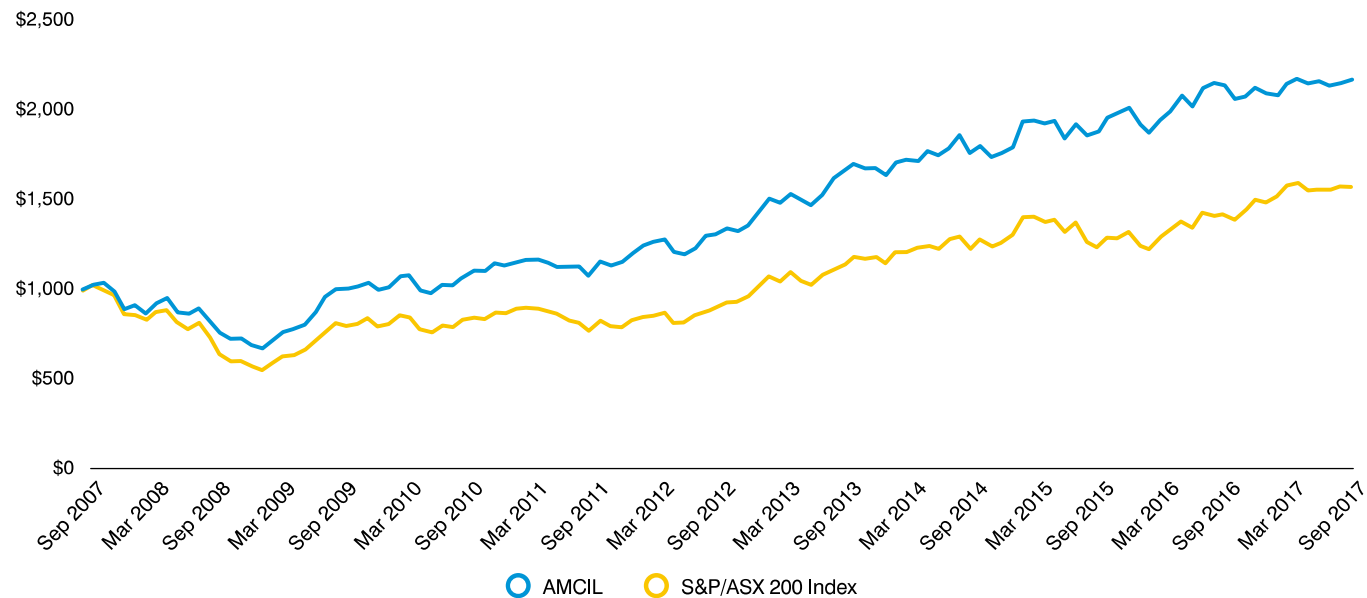
* Assumes an investor can take full advantage of the franking credits.

Performance of the Portfolio Each Financial Year can vary quite markedly from the S&P/ASX 200 Accumulation Index



Note assumes an investor can take full advantage of the franking credits.

Total Portfolio Returns including Dividends and Benefit of Franking Credits – 10 Years to 30 September 2017



* Assumes the reinvestment of dividends. This chart calculates the benefit of franking credits at the time dividends are paid for both AMCIL and the index. In practice there is a timing difference between receipt of the dividend and the realisation of the franking benefit in the following tax year.

How AMCIL Invests – What we Look for in Companies

Quality First



Growth
Including dividends



Value



Portfolio of small and large
companies that is actively managed
to deliver superior returns

Board and management, financial position, as well as some key financial metrics – the level of gearing and cash flow.

Ability of companies to grow earnings over time, which ultimately should produce good dividend and capital growth.

Value tries to reflect the opportunity a business has to prosper and thrive over the medium to long term.

How we have gone about Positioning the Portfolio

- Larger companies offering growth and/or income through the use of buy and write option strategies.
- Companies with good prospects for expansion:
 - very good management,
 - credible growth; and
 - unique product positions
- Opportunities where value is more immediately on offer.

Positioning of the Portfolio – Larger Companies

Offering growth



For buy and write option strategies



Positioning of the Portfolio – Growth Companies

Very good management, credible growth, unique product positions.



Positioning of the Portfolio – Value Opportunities

Undervalued situations:

Recent purchases.



BHP

Incitec Pivot Limited

Reducing positions.



Top 20 Investments as at 30 September 2017

Rank	Company	% of Portfolio
1	BHP*	5.4%
2	National Australia Bank*	4.9%
3	Westpac Banking Corporation*	4.8%
4	Lifestyle Communities	4.5%
5	Commonwealth Bank of Australia*	4.1%
6	CSL*	4.0%
7	Qube Holdings*	3.4%
8	Mainfreight	3.4%
9	James Hardie Industries*	3.2%
10	Oil Search*	2.9%

* Indicates that options were outstanding against part of the holding.
 Note percentage of Portfolio excludes the impact of cash holding at \$16.6 million.

Top 20 Investments as at 30 September 2017 continued

Rank	Company	% of Portfolio
11	Transurban Group	2.7%
12	IRESS*	2.6%
13	Treasury Wine Estates*	2.6%
14	CYBG	2.3%
15	Computershare*	2.3%
16	Amcor*	2.3%
17	Seek*	2.3%
18	Rio Tinto*	2.2%
19	Iluka Resources*	2.1%
20	Wesfarmers*	2.1%

* Indicates that options were outstanding against part of the holding.
 Note percentage of Portfolio excludes the impact of cash holding at \$16.6 million.

Some Recent Adjustments to the Portfolio

Added:



new addition



new addition



Complete sales:



Significant Repositioning of the Portfolio has occurred already this Financial Year

- Total sales \$37.7 million – 9 holdings sold completely.
- Purchases of \$34.1 million – 4 new holdings added.
- One of the key characteristics is the quality of management.
- \$58 million of the portfolio covered by call options – of this \$6 million are subject to being exercised.

Moving Forward

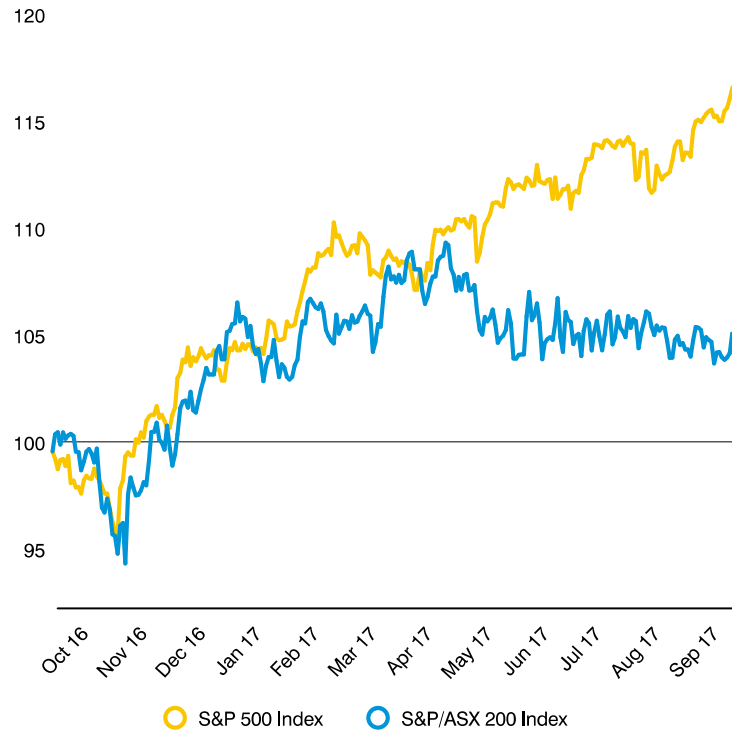


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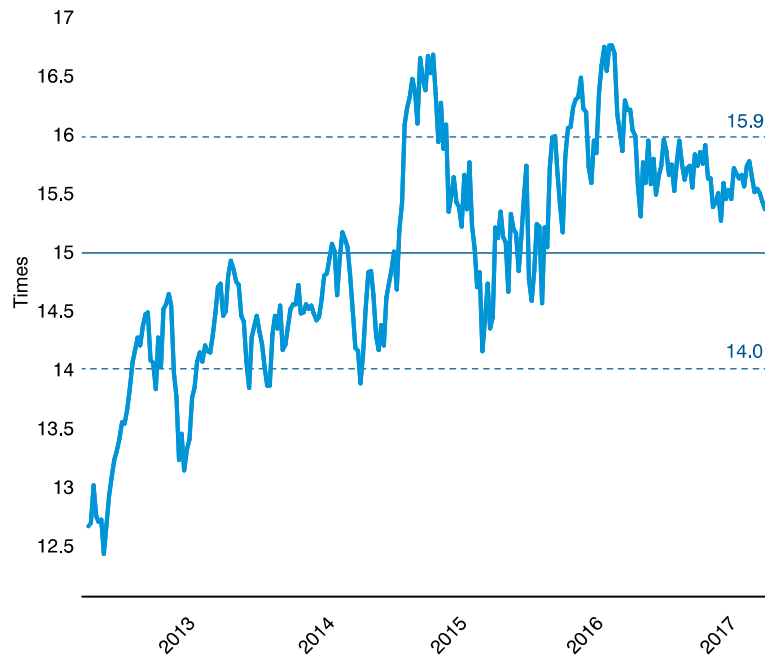
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Moving Forward

The Australian equity market has lagged the US – 1 year to 30 September 2017



Although valuations for many companies in Australia are still at the top end – P/E ratio for S&P/ASX 200 index



Moving Forward

- Significant repositioning of the portfolio has occurred.
- AMCIL holds a relatively strong cash position.
- Remain cautious about growth for a number of sectors, although buy and write strategies can still generate good returns.
- Market volatility will produce opportunities even in good companies.

