



## **FLAGSHIP INVESTMENTS LIMITED**

**ABN 99 080 135 913**

### **APPENDIX 4D STATEMENT**

**FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

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## APPENDIX 4D STATEMENT

### Results for Announcement to the Market

The reporting period is the Half-year ended 31 December 2020, with the corresponding period being 1 July 2019 to 31 December 2019.

#### SUMMARY OF RESULTS

Investment Portfolio performance was positive 25.4% in the six months ended 31 December 2020. Over the same period, Net Assets increased by \$8,056,889 after paying the 2020 final dividend of \$1,083,867.

	2020 \$	2019 \$	Movement %
Revenue from ordinary activities	457,306	597,274	(23.4)%
Comprehensive Income/(loss) (after tax) attributable to members	9,094,116	3,306,928	175%
Comprehensive Income/(loss) per share (Cents)	35.63	12.97	174.7%
Net Tangible Asset backing per share (before tax on unrealised gains) (Cents)	255.13	223.4	14.2%

#### DIVIDEND

##### Interim Dividend per share

Fully Franked Interim Dividend - payable on 5 March 2021:

4.25 cents

The record date to determine entitlements to the interim dividend

18 February 2021

##### Dividend Reinvestment Plan

The Dividend Reinvestment Plan will apply to this interim dividend with the price determined by the Directors. The last date for the receipt of an election notice for participation in the dividend reinvestment plan will be at close of business on 19 February 2021. There is no foreign conduit income attributable to the dividend.

##### Previous corresponding period

Fully Franked Interim Dividend paid on 6 March 2020:

4.25 cents

##### LIC Capital Gains Components

The capacity of the Company to facilitate access to the capital gain benefit of the dividend will depend on the Company's capacity to generate capital profits. The interim dividend will include a capital gain component.

# FLAGSHIP INVESTMENTS LIMITED

## REVIEW OF OPERATIONS

In the first six months of the financial year, dividends in the amount of \$443,591 were received compared to \$586,421 last year. The reduction reflects the cautious approach from companies, preserving capital during the uncertainty generated by COVID-19. Portfolio holdings such as Commonwealth Bank and Macquarie have dramatically cut dividends while Seek and Corporate Travel Management have not declared dividends during the recent reporting season.

Total Comprehensive Income for the half-year was \$9,094,116 compared to \$3,306,928 last year. The significant increase is due to the exceptional investment performance over the last six months. Building on the result of FY2020 the portfolio performance for the first half of FY2021 was a positive 25.4% compared to the ASX All Ordinaries Index of 14.2%. The outcome being Total Assets growing to \$68,072,842 from \$56,651,338 at the end of June 2020.

### Portfolio Performance:

	6 mths	1 year	5 years	Since Inception (1 May 1998) p.a.
FSI Portfolio	25.4%	24.0%	15.4%	13.2%
ASX All Ordinaries	14.2%	0.7%	5.1%	4.2%
ASX Accumulation Index	15.7%	3.6%	9.3%	8.5%

## MARKET COMMENT

At the end of December 2020, the Australian economy is in a better position than was anticipated in the middle of the year. In simple terms, the COVID-19 support measures of Jobkeeper and Jobseeker have stimulated private consumption expenditure leading to a recovery in the economy and the recession caused by COVID-19 lockdowns.

A number of other factors have further supported the recovery including the stimulus measures, tax cuts and infrastructure spending released as part of the Federal budget, the positive progress in vaccine development and the outcome of the US election and subsequent US stimulus. The only shadow on Australian conditions remains the trade tensions with China which, for the moment, have not escalated further.

Globally, the outlook for 2021 is still uncertain, positivity generated from the rollout of COVID-19 vaccinations and the northern hemisphere entering warmer months is hampered by cluster outbreaks and the unknown impact of new COVID strains. In Australia, it appears that policy makers will continue to support the economic recovery, with any health-related set-back to be met with further government spending. In a situation where Australia maintains low infection rates and the economic support contributes to lower unemployment and increase consumer and business confidence it could be a positive year for the Australian economy.

## OTHER DISCLOSURES

This report is based on financial statements which have been subject to independent review by the auditor, Connect National Audit Pty Ltd.

All the documents comprise the information required by ASX listing Rule 4.2A.3.

This information should be read in conjunction with the Company's most recent Annual Financial Report.

**Authorised for release by the Board.**

**For any queries, please contact:**

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