

Mirrabooka Investments Limited ABN 31 085 290 928 Level 21, 101 Collins St Melbourne VIC 3000 T 03 9650 9911 F 03 9650 9100 invest@mirra.com.au mirra.com.au

5 October 2021

The Manager ASX Market Announcements Australian Securities Exchange Exchange Centre Level 4 20 Bridge Street Sydney NSW 2000

**Electronic Lodgement** 

#### Mirrabooka Investments Limited 2021 Annual General Meeting Presentation

Dear Sir / Madam

The following presentation will be delivered to shareholders at the Company's Annual General Meeting to be held today.

Yours faithfully

Matthew Rowe Company Secretary

Authorised for release by the Company Secretary





# Annual General Meeting 2021 - Presentation

### **Disclaimer**

Mirrabooka Investments Limited and Australian Investment Company Services Limited (AFSL: 303209), its related entities and each of their respective directors, officers and agents (together the Disclosers) have prepared the information contained in these materials in good faith. However, no warranty (express or implied) is made as to the accuracy, completeness or reliability of any statements, estimates or opinions or other information contained in these materials (any of which may change without notice) and to the maximum extent permitted by law, the Disclosers disclaim all liability and responsibility (including, without limitation, any liability arising from fault or negligence on the part of any or all of the Disclosers) for any direct or indirect loss or damage which may be suffered by any recipient through relying on anything contained in or omitted from these materials.

These materials have been prepared solely for the purpose of information and do not constitute, nor are they intended to constitute advice nor an offer or invitation to any person to subscribe for, buy or sell any shares or any other securities.



### **Objectives**

### **Investment Objectives**

The Company aims to provide medium to long term investment gains through holding core investments in selected small and mid sized companies.

#### To provide attractive fully franked dividend returns.



# **Our approach**





# ESG is integrated into our investment framework

### Approach to Environmental, Social and Governance (ESG) factors

- Assessment of ESG risk factors is an important part of our investment process as the sustainability of a business is a key input in our assessment of a company.
- As a long-term investor, we seek to invest in companies that have strong governance and risk management processes, which includes consideration of environmental and social risks.
- We regularly review companies to ensure ongoing alignment with our investment framework.



### Engagement with companies



Voting on resolutions is one of the key functions that a shareholder has in ensuring better longterm returns and management of investment risk:

- We conduct our own evaluation of the merits of any shareholder resolution and also take input from proxy advisors.
- We vote on all company resolutions as part of our regular engagement with companies.
- We actively engage with companies when we have concerns those resolutions are not aligned with shareholders' interests.



### **Board Members**

*Our Board has significant experience as Executives, Directors and investors in ASX listed emerging* companies.



**Terrence A Campbell AO** Chairman and Independent Non-Executive Director



Mark Freeman Managing Director



Ian A Campbell Independent Non-Executive Director

**Jacinth Fairley** Independent Non-Executive Director

**Greg W Richards** Independent Non-Executive

Director



Annette Kimmitt AM Independent Non-Executive Director



David E Meiklejohn AM Independent Non-Executive Director (retires at this meeting)



### Investment Team – over 100 years of ASX investing experience



**Kieran Kennedy** Portfolio Manager

David Grace Portfolio Manager





Stuart Low Investment Analyst



Olga Kosciuczyk Investment Analyst

Jeremy Moore



Nga Lucas Investment Analyst

Jaye Guy Investment Analyst

**Nicky Sun** Graduate Investment Analyst







Dealer





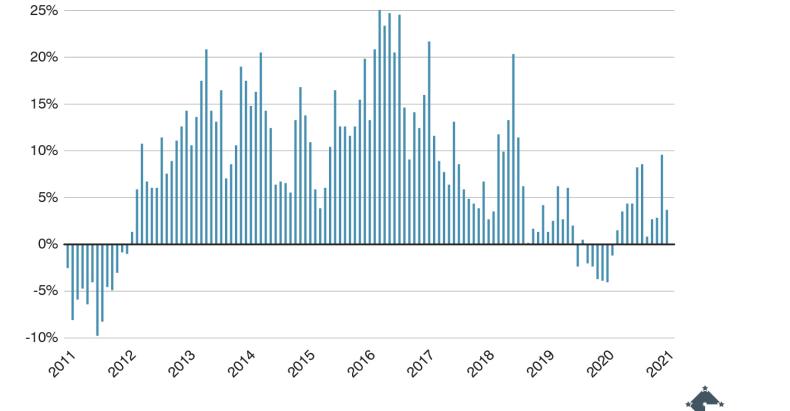
Annual General Meeting 2021



\*Assumes an investor can take full advantage of franking credits



### Share price premium/(discount) to net asset backing



RABOOKA Investments Limited

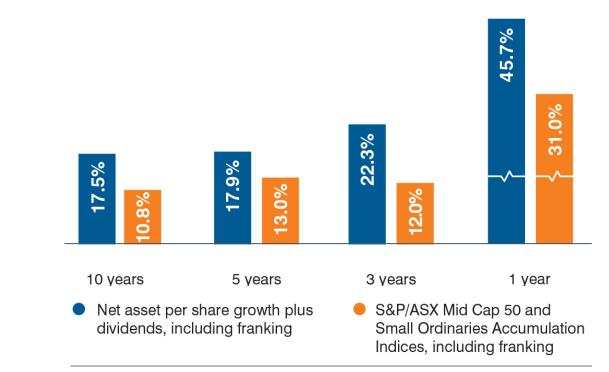
# Portfolio attributes and performance





V

### **Portfolio Performance to 31 August 2021**



Figures assume an investor can take full advantage of the franking credits. Past performance is not indicative of future performance.





# **Key benefits**

### The key unique benefits of Mirrabooka are the combination of:



Consistency of long term returns.

Alignment of interests

- Comparatively low management cost
- ✓ No performance fees



Tax effectiveness from a low turnover, long term, investment approach.



### **Consistency of long term returns**



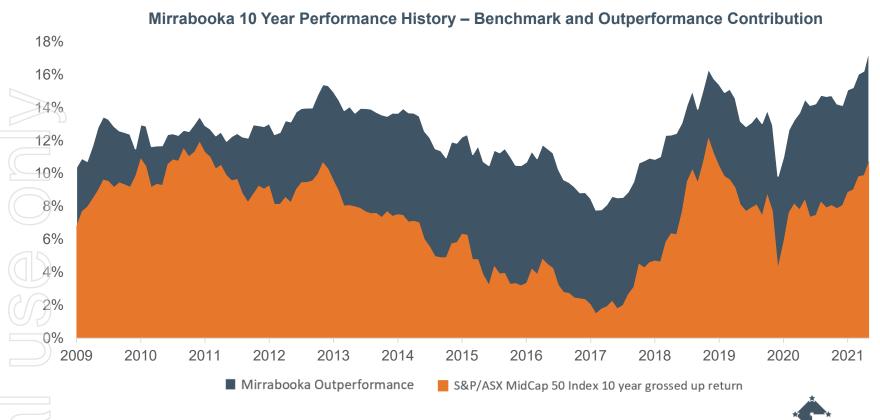
Figures assume an investor can take full advantage of franking credits distributed.

Note: Mirrabooka's net asset per share growth plus dividend series is calculated after management fees, income tax and capital gains tax on realised sales of investments. Past performance is not indicative of future performance.

Annual General Meeting 2021

Investments Limited

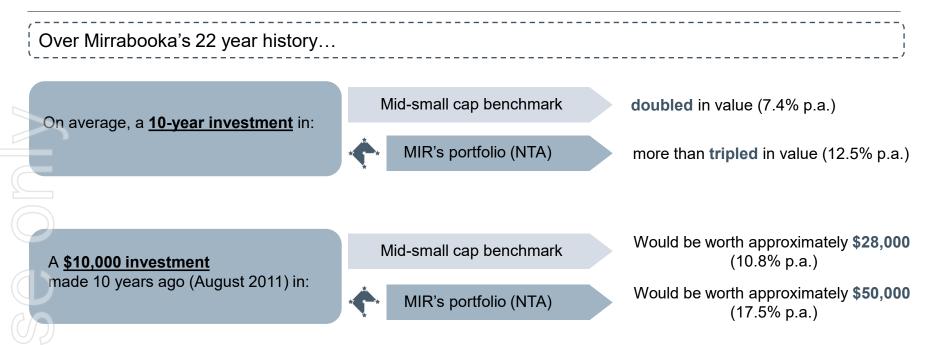
### Consistency of long term returns continued



Annual General Meeting 2021

RABOOKA Investments Limited

### Consistency of long term returns continued



Figures assume an investor can take full advantage of franking credits distributed.

Note: Mirrabooka's net asset per share growth plus dividend series is calculated after management fees, income tax and capital gains tax on realised sales of investments. It should also be noted that the index returns for the market do not include the impact of management expenses and tax on their performance.

Past performance is not indicative of future performance.



## **Alignment of interests**

Shareholders fully enjoy the cost efficiencies arising from our long term investment gains.

#### 1.4% Shareholders 1.2% currently incur 50c of cost pa for every \$100 invested 1.0% 0.8% 0.6% 0.4% \$123 F115 F119 EX07 ×103 EXIT Ex10° Ex11 205 Annual General Meeting 2021 30

Mirrabooka's Management Expense Ratio (MER) history

BOOKA Investments Limited



Mirrabooka is not run by a funds management business charging performance fees, which can be as high as 20% of outperformance.

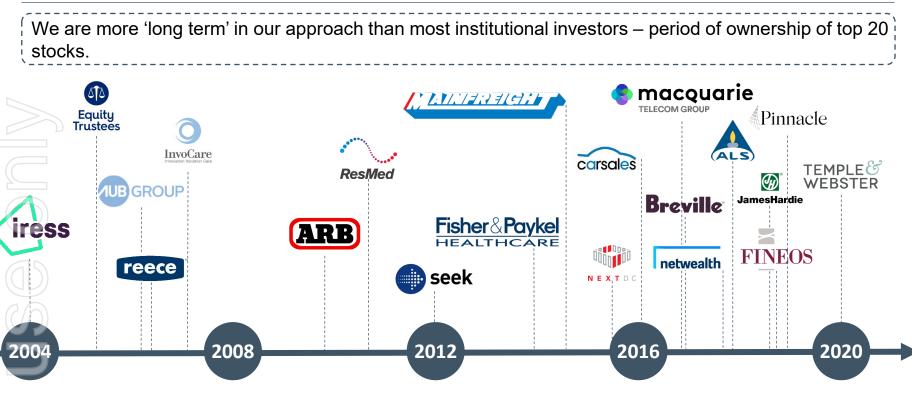
The benefits of portfolio performance are instead retained within the portfolio for the future compound return benefit of all shareholders.



Directors and staff are significant investors in Mirrabooka, our interests are fully aligned with fellow shareholders.



### **Tax effectiveness**



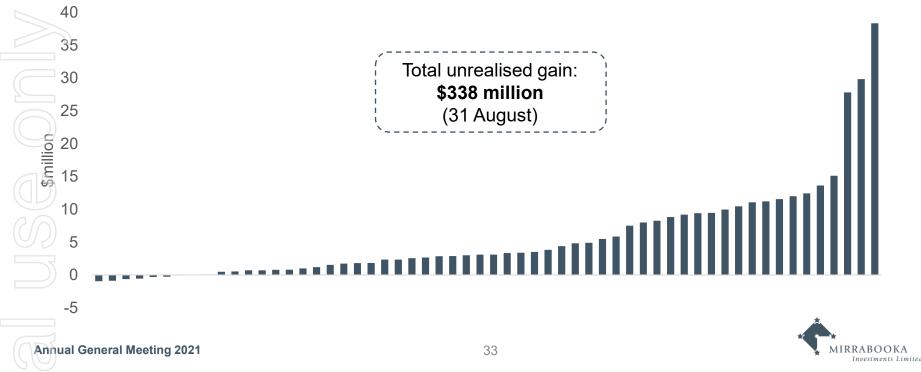
Note: James Hardie and NEXTDC have been held in prior periods.

Annual General Meeting 2021

### Tax effectiveness continued

We manage the portfolio with a tax inclusive mindset - crystallising gains creates a tax drag on performance

### Mirrabooka Investment Portfolio Unrealised Gains/Losses



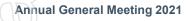
# **Current State of our Portfolio**

Contributors to strong recent performance

- > Top 20 holdings
- Recent material transactions
- Recent portfolio additions

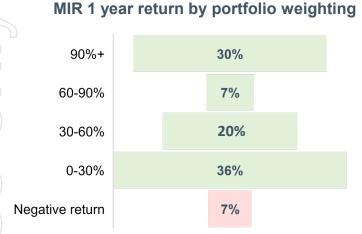






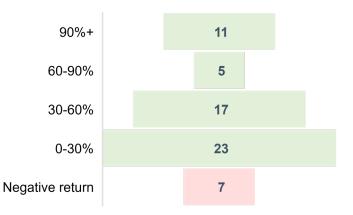
### **Contributors to strong recent performance**

Our significant 1-year outperformance was the result of very consistent, and in many cases very strong, share price performance from our larger holdings.



51% of the portfolio by stock weighting outperformed the 34% benchmark return in FY21.

#### MIR 1 year return by number of stocks



28 out of the 63 stocks we held during FY21 outperformed.



Annual General Meeting 2021

### Contributors to strong recent performance continued

11 stocks representing 30% of the Mirrabooka portfolio returned more than 90% in FY21.

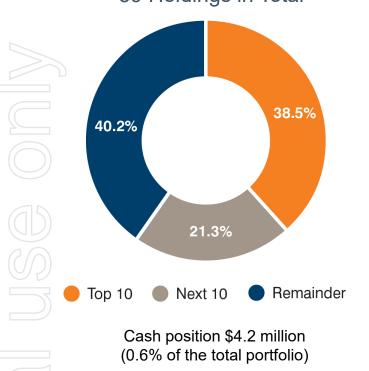


### Contributors to strong recent performance continued

	Cost	Value	Long-term Perspective
	\$6.9m	\$45.3m	Recent results providing confidence that Mainfreight's culture led service differentiation is gaining traction in much larger US and European markets.
ARB 4X4 ACCESSORIES	\$8.5m	\$36.3m	Very large opportunity in global markets, especially in the US with large OEM (Ford USA) deals and ARB branded store rollout commencing.
reece	\$5.3m	\$17.3m	Dominant market position in Australian plumbing complemented by a very large US opportunity still in its early stages.
Valuation at 31 August 2021	\$6.5m	\$15.3m	Despite very strong growth, Netwealth still only accounts for 5% of the platform market. We believe the exodus of advisors from traditional bank-owned platforms will remain a tailwind for a number of years.
Annual General Meeting 2021			37 MIRRABOOKA

# Portfolio - Top 20 holdings at 31 August 2021 (excluding cash)

Diversification of the Portfolio - 59 Holdings in Total



#### Annual General Meeting 2021

### Top 10 Holdings

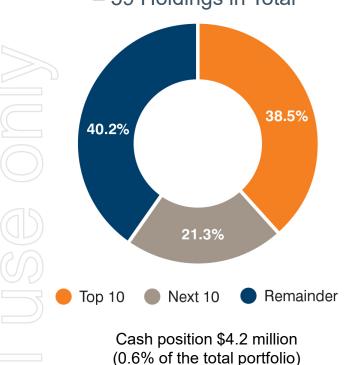
Rank	Company	% of Portfolio
1	Mainfreight	6.7%
2	Macquarie Telecom Group	5.6%
3	ARB Corporation	5.4%
4	IRESS	4.0%
5	Pinnacle Investment Management Group	3.2%
6	Breville Group	2.9%
7	Carsales.com*	2.8%
8	James Hardie Industries	2.7%
9	ResMed	2.6%
10	Reece*	2.6%

\* Options were outstanding against part of the holding.



# Portfolio - Top 20 holdings at 31 August 2021 (excluding cash) continued

Diversification of the Portfolio - 59 Holdings in Total



Annual General Meeting 2021

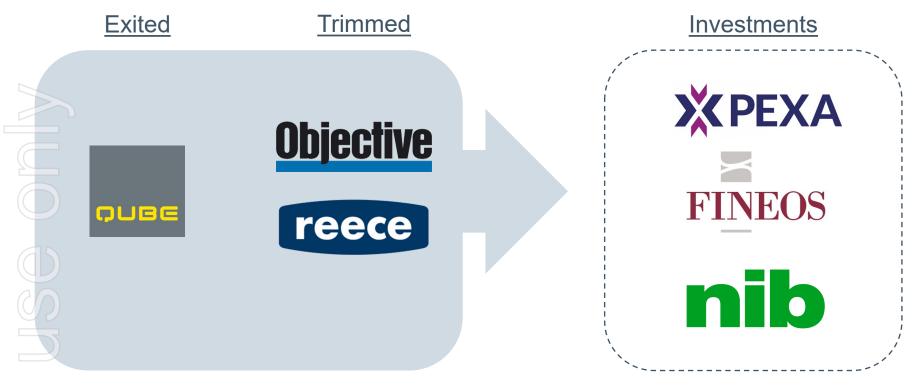
### Next 10 Holdings

Rank	Company	% of Portfolio
11	AUB Group	2.5%
12	NEXTDC*	2.3%
13	Netwealth Group	2.3%
14	Temple & Webster Group	2.3%
15	FINEOS Corporation	2.2%
16	Seek	2.0%
17	Fisher & Paykel Healthcare Corporation	2.0%
18	EQT Holdings	1.9%
19	ALS	1.9%
20	Invocare	1.9%

\* Options were outstanding against part of the holding.



### **Recent material transactions**





### **Recent portfolio additions**

### Beamtree



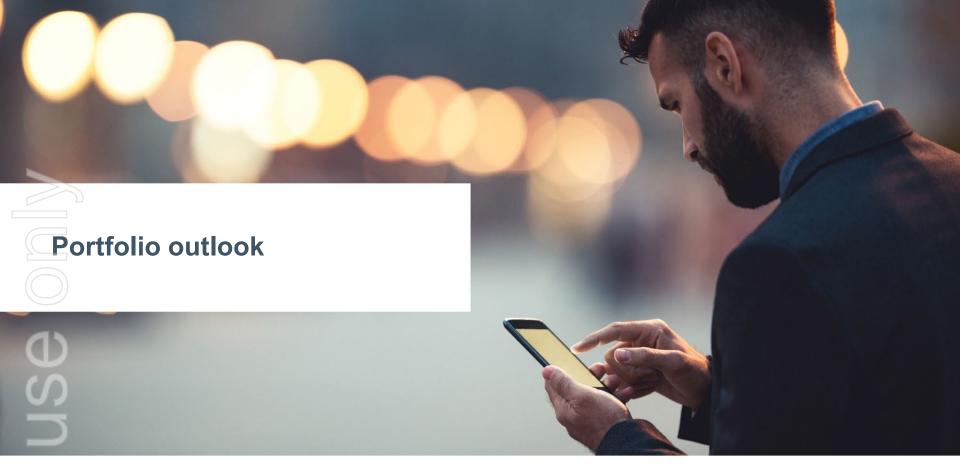
Emerging software business producing technology for the hospital and pathology industries.

Globally recognised infection prevention business with a leading position in ultrasound decontamination.



Branded Tasmanian spirits producer developing a strong reputation in the whiskey market.









### **Portfolio outlook**

	Equity markets	Portfolio
Short term (1-2 years)	<ul> <li>Valuations are elevated but are supported by:</li> <li>ample liquidity and</li> <li>a lack of attractive investments as an alternative to equities.</li> </ul>	Strong recent performance of many large holdings may weigh on near term portfolio returns, our focus remains long term.
Longer term (3 years and beyond)	Elevated valuations are likely to lower future equity market returns vs recent experience.	We remain confident in the relative return potential of our portfolio of high-quality companies.









VINC **N** 

