



## AMCIL 2021 AGM Report

ASX Code	AMH
Meeting Time/Date	1:30pm, Thursday 7 October 2021
Type of Meeting	Virtual
Monitor	Frank Thompson
Pre AGM Meeting?	No

## Profits down but Dividend Increased

### What the Company Does

AMCIL is a small LIC associated with AFIC that invests in both large and small Australian listed companies.

### Developments in the Financial Year

After adjusting for the Endeavour Group's demerger dividend, the income was down, falling from \$7.1m in 2020 to \$6.2m in 2021. This was caused by covid's negative affect on dividends received. Options trading profit was down from \$1.3m to \$0.4m. This resulted in a fall in full year profit from \$6.0 in 2020 to \$4.6m in 2021. Divestments resulted in a profit after tax of \$12.6m. This was used to increase the dividend from 2.5c/share in 2020 to 4.5c/share in 2021.

In summary, not a good year for AMCIL having income badly affected by Covid.

### Debate and Voting at the AGM

The meeting was a vast improvement from last year. In 2020 it was audio only, this year it was video as well which gave a far better feel. It was well run but the chair did not allow enough time between asking for questions and moving on. Even a speed typist would have failed! Good questions were asked, and responses were generally thorough and well thought out.

The ASA asked 2 questions. Firstly, regarding ESG issues, how they are measured and how they work with companies to improve them. Whilst not quoting clear measurements and targets they did quote a couple of recent examples of working with companies and seeing improvement. Secondly it was recognised that AMH had recently reduced their exposure to oil and gas. It was pointed out that that there would need to be an extended time of transitioning from oil and gas and that society needs to support companies that will responsibly manage current assets through to retirement or to take a path to other energy sources. Whilst recognising this AMH claimed that the reduced exposure happened as much due to poor performance/management of the companies they had reduced as to their being in this sector.

The ASA voted in favour of all motions, and they were comfortably passed.

Several potential issues were identified as threats into the future. These included the level of inflation, interest rates, covid and current elevated valuation multiples. However, they also

expressed confidence in uncovering opportunities for quality emerging growth companies, particularly if there is increased volatility.

### Meeting Statistics

Number of Holdings Represented by ASA	19
Number of Shares represented by ASA	1,343,000 (0.44 % of units)
Value of Shares represented by ASA	\$1.6 m
Number Attending Meeting	Unknown - Virtual
Market capitalisation	\$377 m
Were proxies voted?	Yes, on a poll, all motions supported

### Monitor Shareholding

*The individual involved in the preparation of this report has no shareholding in this company.*