

22 August 2019

The Manager
ASX Market Announcements
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Electronic Lodgement

**AMCIL Limited
Statutory Annual Report, Annual Shareholder Review,
Notice of Meeting and Proxy Form**

Dear Sir / Madam

Please find attached the 2019 Statutory Annual Report, Annual Shareholder Review, Notice of Meeting and Proxy Form being sent to shareholders.

Yours faithfully

A handwritten signature in grey ink, appearing to read 'M. Rowe'.

Matthew Rowe
Company Secretary



ANNUAL
REPORT
2019

A Focused Portfolio
of Australian Equities

AMCIL

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AMCIL manages a focused portfolio covering large and small companies in the Australian equity market. As a result, small companies by market size can have an equally important impact on portfolio returns as larger companies in the Australian market.

Year in Summary

Profit for the Year

\$7.0m

Up 12.3% from 2018

Total Shareholder Return

2.9% Including franking*

Share price plus dividend

Total Fully Franked Dividends

7.0¢

4.25 cents in 2018

Management Expense Ratio

0.72%

0.69% in 2018

Total Portfolio Return

7.0% Including franking*

S&P/ASX 200 Accumulation Index 13.4% including franking*

Total Portfolio

\$266.2m

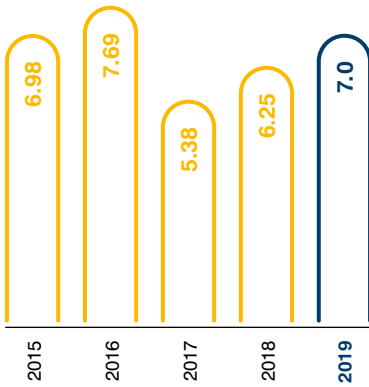
Including cash at 30 June \$263.2 in 2018

* Assumes a shareholder can take full advantage of the franking credits.

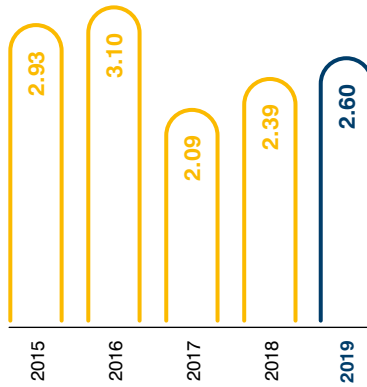
DIRECTORS' REPORT

5 Year Summary

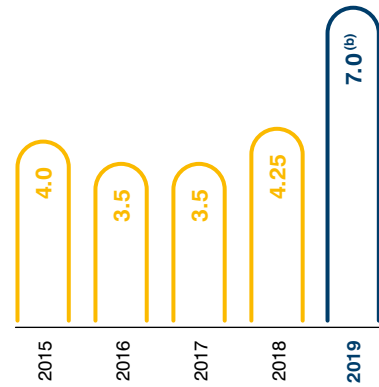
Profit After Tax (\$ Million)



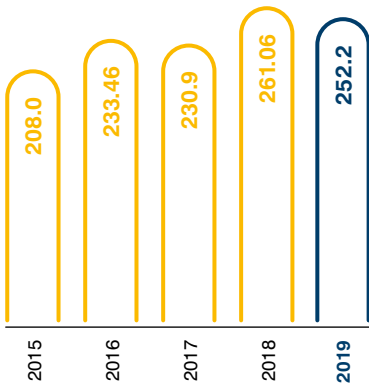
Net Profit Per Share (Cents)



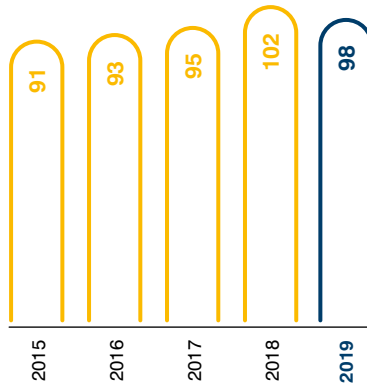
Dividends Per Share (Cents)^(a)



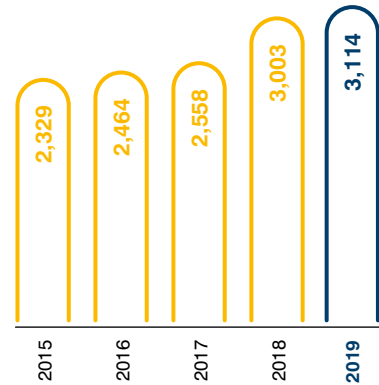
Investments at Market Value (\$ Million)^(c)



Net Asset Backing Per Share (Cents)^(d)



Number of Shareholders (30 June)



Notes

(a) 2019 final dividend carries 4.29 cents attributable 'LIC gain' per share, 2019 interim: 1.43 cents, 2018: 2.76 cents, 2017: 2.1 cents, 2016: nil, 2015: 2.1 cents.

(b) Includes 3.5 cents dividend paid in February 2019.

(c) Excludes cash.

(d) Net asset backing per share based on year-end data before the provision for the final (and where applicable, special) dividend. The figures do not include a provision for capital gains tax that would apply if all securities held as non-current investments had been sold at balance date as Directors do not intend to dispose of the portfolio.

About the Company

Investment Objectives

AMCIL is a medium to long-term investor in the Australian equity market. Its investment approach is to construct a focused portfolio in which large and small companies can have an equally important impact on investment returns.

The number of holdings in the portfolio depends on market conditions and investment opportunities. The Company aims to provide shareholders with:

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

Approach to Investing

We seek to create a diversified portfolio of quality companies which are likely to sustainably grow their earnings and dividends over this medium to long-term timeframe.

Our assessment of quality includes criteria such as the board and management, financial position, margin creation as well as some key financial metrics such as the level of gearing in the balance sheet, product margins and cash flow. The structure of the industry and a company's competitive position in its industry are also important indicators of quality. Linked to this assessment of quality is the ability of companies to grow earnings over time, which ultimately should produce good dividend and capital growth. Recognising value is also an important aspect of AMCIL's investment approach. Our assessment of value tries to reflect the opportunity a business has to prosper and thrive over the medium to long term.

Given the focused nature of the portfolio, AMCIL is more active in managing the holdings. Our preference is that positions will be held for the long term. However, in managing the risk in the portfolio, the Company is prepared to scale back or exit holdings completely if the investment case alters markedly, the position becomes too large in the portfolio or share prices become excessively high. In managing



the portfolio in this way, we believe AMCIL can offer investors returns in excess of the S&P/ASX 200 over the long term. Given the greater concentration of the portfolio, there may be periods when the performance of AMCIL can vary quite markedly from the Index. The objective is to deliver outperformance over the medium to long term.

From time to time, the Company also uses options written against some of its investments and a small trading portfolio to generate additional income.

The other important feature to note is AMCIL's dividend policy, of maximising the distribution of available franking credits each year. As a result, the amount of fully franked dividends are likely to fluctuate from year to 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

Review of Operations and Activities

Profit and Dividend

Profit for the year was \$7.0 million, up 12.3 per cent from \$6.2 million from the corresponding period last year. Following adjustments to the portfolio and a special dividend from BHP, investment income increased 8.8 per cent to \$9.2 million.

The final dividend was 3.5 cents per share fully franked. In February 2019 dividends of 3.5 cents per share were also paid, comprising a special dividend of 1.5 cents per share fully franked following the Company's participation in the Rio Tinto and BHP off-market share buy-backs and an interim dividend of 2.0 cents per share fully franked.

Total fully franked dividends for the year, including the special, are 7.0 cents per share compared with 4.25 cents per share last year.

Three cents of the final dividend are sourced from taxable capital gains, on which the Company has paid or will pay tax. The amount of the pre-tax attributable gain on this portion of the dividend, known as an 'LIC capital gain', is therefore 4.29 cents. The dividend paid in February 2019 also carried a LIC capital gain of 1.43 cents. These LIC capital gains enables some shareholders to claim a tax deduction in their tax return.

Management Expense Ratio

AMCIL's management expense ratio is 0.72 per cent. AMCIL's portfolio is managed internally and does not charge portfolio performance fees which leads to lower costs for shareholders.

The management expense ratio compares very favourably with the average fees charged by managed funds with a similar investment focus and size as AMCIL. For retail investors, these fees can typically be in excess of one per cent and can also include additional performance fees.

Portfolio Returns

After negative returns in the first half of the financial year, the market experienced very strong growth from year lows in December, primarily in response to extremely low interest rates as investors looked for yield and pockets of expected growth. This produced a market that had a very mixed profile for returns, with the combined Small and Mid-Cap Accumulation Indices up

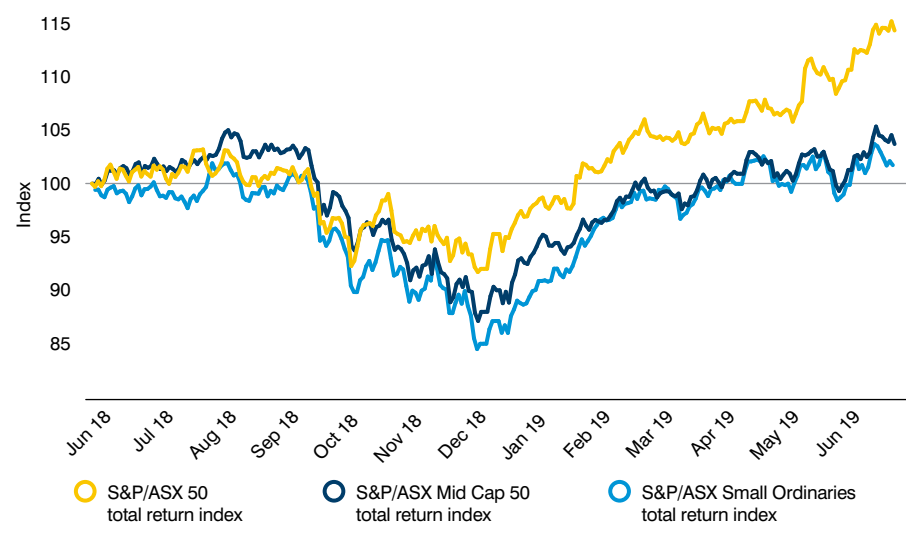
2.8 per cent over the year to 30 June 2019 whereas the Fifty Leaders Accumulation Index was up 14.2 per cent over the corresponding period (Figure 1). Between industry sectors there were also marked variances in returns.

AMCIL's objective is to run a concentrated portfolio of large, mid and small companies which is meaningfully different from the market. As a result, there will be periods when the performance of AMCIL can vary quite markedly from the Index. Assuming the full benefit of franking credits, AMCIL's portfolio delivered a return of 7.0 per cent, whereas the S&P/ASX 200 Accumulation Index return was 13.4 per cent on the same basis over the year. It is appropriate to

add franking credits to total returns, given AMCIL's dividend policy seeks to maximise the distribution of franking credits, including those arising from taxable realised gains. Noting the difference in annual returns from the Index, the key objective is to deliver a sustained outperformance over the medium to long term. AMCIL has produced returns of 12.5 per cent per annum over the 10 years to 30 June 2019 (Figure 2). This is ahead of the Index return of 11.7 per cent per annum over the same period. Both figures include the benefit of franking credits.

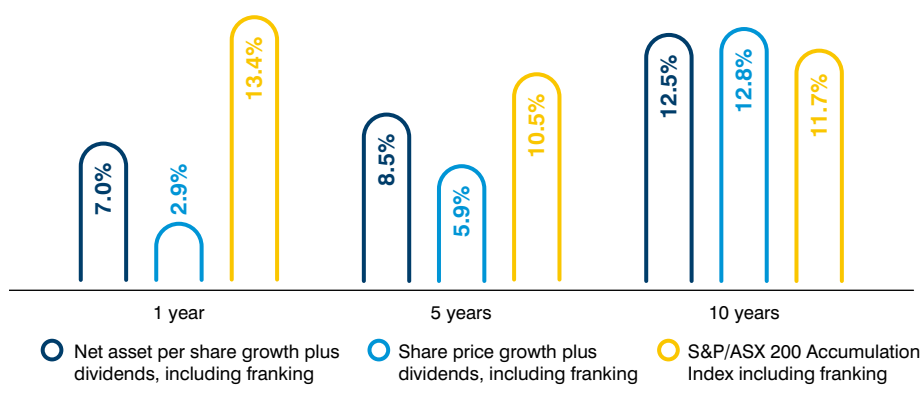
The more significant positive contributors to the portfolio over the year were Mainfreight, Breville Group, BHP, EQT Holdings and Brambles.

Figure 1: Performance of S&P/ASX 50 Leaders Index Relative to Small and Mid Cap Indices



Source: FactSet

Figure 2: Portfolio and Share Price Performance – Per Annum Returns to 30 June 2019, Including Franking Credits*



* Assumes an investor can take full advantage of the franking credits. AMCIL's portfolio return is also calculated after management fees, income tax and capital gains tax on realised sales of investments. It should be noted that Index returns for the market do not include management expenses or tax.

Figure 3 outlines the performance each financial year of the portfolio versus the S&P/ASX 200 Index over the past 10 years, including the benefit of franking credits. This highlights that annual performance will vary quite differently from the Index.

The investment objective is to deliver outperformance over the medium to long term. Figure 4 shows the cumulative return of the AMCIL portfolio over the 10-year period.

Adjustments to the Portfolio

There were a number of adjustments to the portfolio this year with holdings in the investment portfolio reduced from

46 to 38 companies. There was a focus on strengthening existing positions in quality holdings in a more uncertain environment, reducing or exiting positions because of stretched valuations or where the outlook had deteriorated, and adding new holdings that fitted the emphasis on quality companies with strong industry positions. Major purchases included new additions to the portfolio: Sydney Airport, Ramsay Health Care, Wesfarmers and Alumina. National Australia Bank was the other large purchase building on an existing position, given the very attractive dividend yield on offer at the time.

In smaller companies, Freightways, a New Zealand listed company was added to the portfolio. Freightways, which has operations in New Zealand and Australia, engages in the provision of express package and business mail services; and information management services. It operates through the following segments: Express Package and Business Mail; Information Management; and Corporate. The Express Package and Business Mail segment covers network courier, point-to-point courier, and postal services. The Information Management segment offers paper-based and electronic business information management services. The Corporate segment includes corporate, financing, and property management services. The company was founded in 1964 and is headquartered in Auckland, New Zealand.

Major sales included reducing the position in Lifestyle Communities and the complete sale of Freedom Foods, Rio Tinto (including participation in the off-market buy-back), Challenger and CYBG (Clydesdale Bank), with these last two companies being disappointing performers in the portfolio.

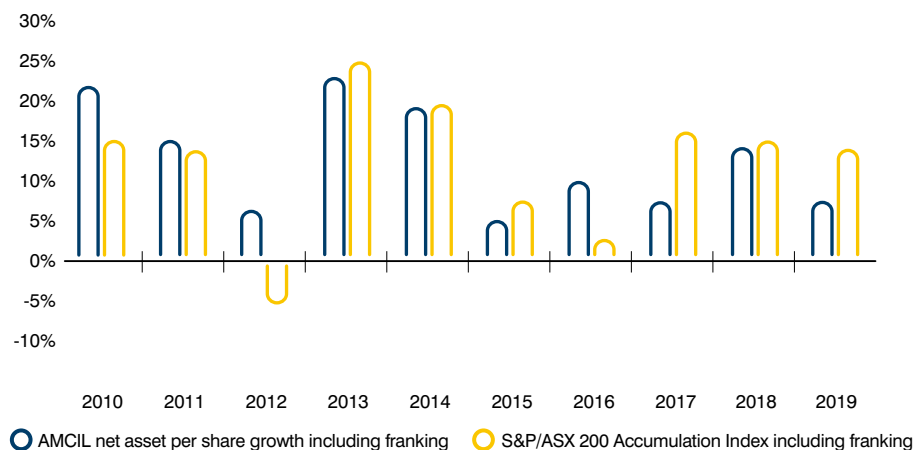
AMCIL's portfolio is very different from that represented by the S&P/ASX 200 Index. Figure 5 (on page 6) highlights the profile of the total portfolio by the various sectors of the market at the end of the financial year and the portfolio's variance from the S&P/ASX 200 Index.

AMCIL does not hold any property trusts which have been very strong over the year as investors seeking income respond to very low bond yields. Our observation is that over the long term industrial companies have tended to outperform property trusts. The distribution from these trusts also do not carry franking credits.

Share Price

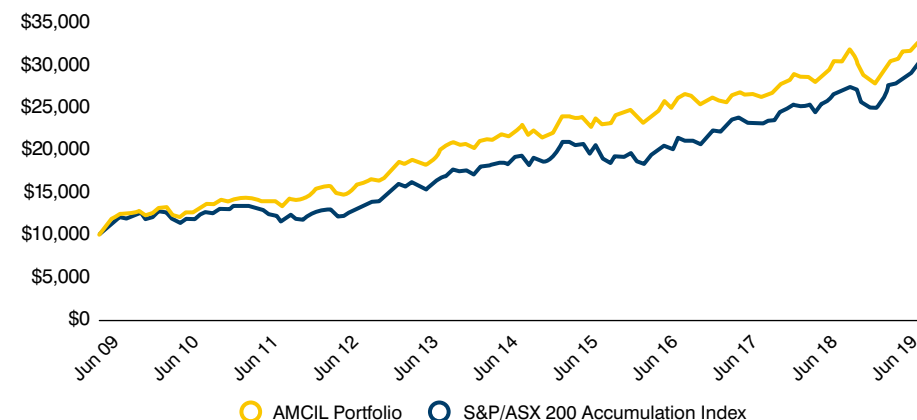
The share price was trading at a discount of 10.4 per cent to the net asset backing (before tax on unrealised gains) at 30 June 2019, compared with a discount of 6.2 per cent at the end of the prior year. The share price return for the year of 2.9 per cent (including franking), which was below the portfolio return for the year of 7.0 per cent (including franking), was because of the widening of the discount over this period (Figure 6, page 6).

Figure 3: Performance Each Financial Year of AMCIL Including Dividends and Franking Credits Versus the ASX 200 Accumulation Index With Franking*



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

Figure 4: Ten Year Portfolio Performance of AMCIL (Including Benefit of Franking) – to 30 June 2019



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

Figure 5: Investment by Sector as at 30 June 2019

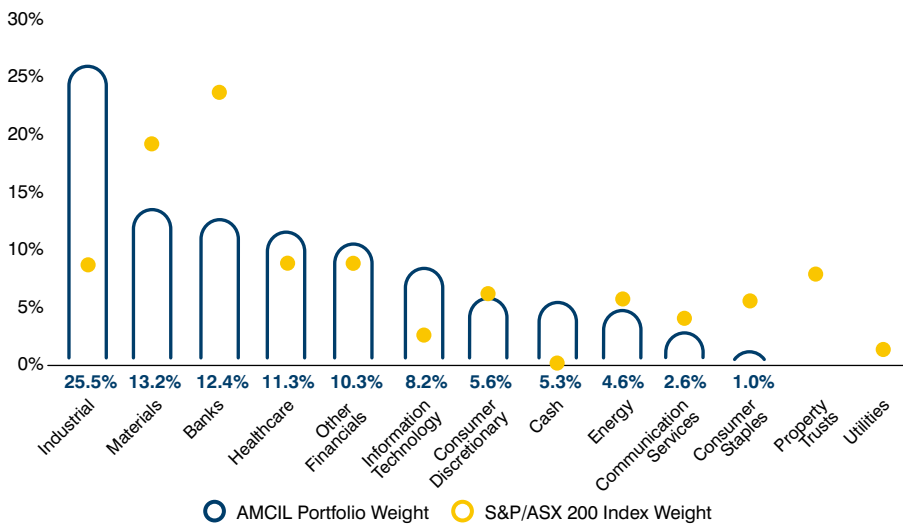


Figure 6: Share Price Premium/Discount to Net Asset Backing

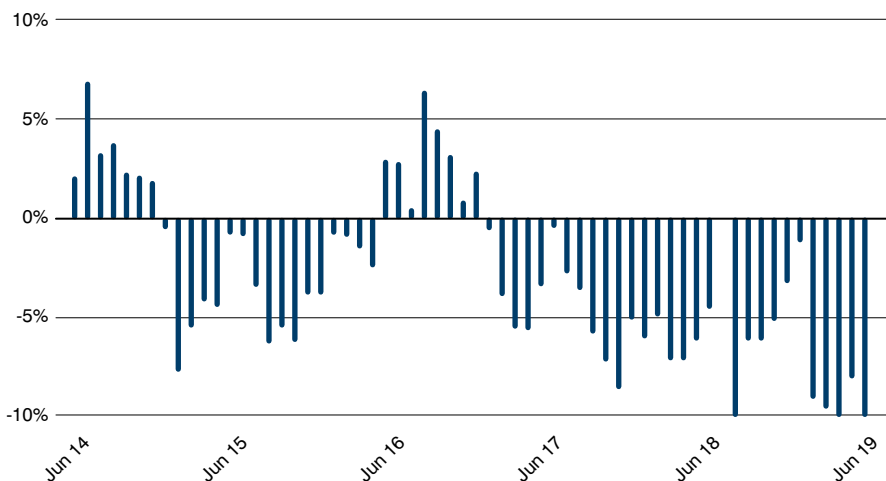
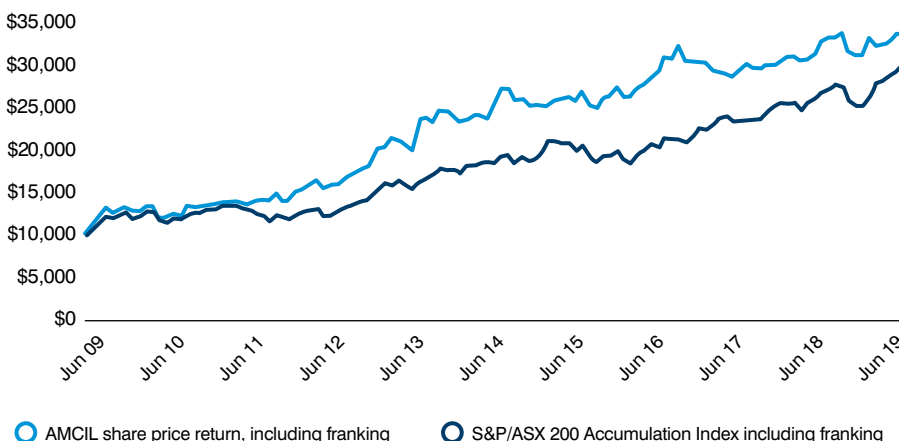


Figure 7: Ten Year Share Price Return of AMCIL Including Dividends and the Full Benefit of Franking Credits



Note 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.

Importantly over the long term the share price return has performed broadly in line with the portfolio return, with the share price up 12.8 per cent per annum versus the portfolio which was up 12.5 per cent per annum (both figures include franking).

Figure 7 outlines the benefit of compound returns and the value of AMCIL's investment approach. It shows the total share price return (including dividends and the full benefit of franking credits) from an investment of \$10,000 in AMCIL shares over a 10-year period relative to the return from the ASX 200 Accumulation Index, including franking credits.

Outlook

In our opinion, global markets still face heightened economic uncertainty. Following adjustments to the portfolio, we are satisfied the portfolio is well positioned across a broad range of companies that have resilience in their businesses. In the event of increased volatility, AMCIL also has cash available should the opportunity arise to further invest in quality businesses at more attractive prices.

In this context, we are very conscious that at this stage of the market cycle, valuations are trading well above the long-term average in this low interest rate environment (Figure 8).

Directorship Matters

As previously advised to shareholders in the Half-Year Report, Mr Richard Santamaria retired as a Director of the Company on 5 October 2018. Mr Santamaria was a Director of the Company since 1996. The Board deeply appreciates Mr Santamaria's 22 years of dedicated service to shareholders and outstanding contribution to Board matters, including as a member of the Investment and Audit Committees. We wish him well for the future.

Mr Michael Hirst was appointed as a Non-Executive Director of the Company, on 23 January 2019.

Mr Hirst was Managing Director and Chief Executive Officer of Bendigo and Adelaide Bank Limited from 2009 to 2018. Mr Hirst has extensive experience in banking, treasury, funds management and financial markets, including previous Senior Executive and management positions with Colonial Limited, Chase AMP Bank Limited and



Westpac Banking Corporation. He is a Director of GMBHA Limited, Health.com.au, GMHBA Services Limited and Deputy Chairman of Racing Victoria Limited. He is an honorary member of the Business Council of Australia and a Board member of the Grow 21 Strategic Advisory Board.

We are delighted to welcome Mr Hirst to the Board and look forward to the contribution he will make.

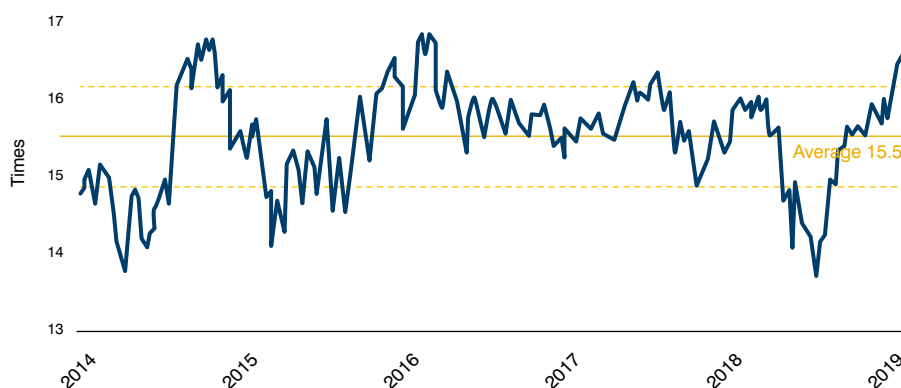
Financial Condition

The Company’s financing consists predominantly of shareholders’ funds.

Likely Developments

The Company intends to continue its investment activities in future years as it has done since recapitalisation. The results of these investment activities depend upon the performance of the companies and securities in which we invest. Their performance in turn depends on many economic factors. These include economic growth rates, inflation, interest rates, exchange rates and taxation levels.

Figure 8: Valuation of the Market – Price Earnings Ratio of the S&P ASX 200 Index



Source: FactSet

There are also industry and company specific issues such as management competence, capital strength, industry economics and competitive behaviour. The Directors do not believe it is possible or appropriate to make a prediction on the future course of markets or the performance of the Company’s investments. Accordingly,

Directors do not provide a forecast of the likely results of our activities. However, the Company’s focus is on results over the medium to long term.

Review of Operations and Activities continued

Dividends

Directors have declared a fully franked final dividend of 3.5 cents per share (4.25 cents final dividend, also fully franked, last year).

Dividends paid during the year ended 30 June 2019 were as follows:

	\$'000
Final dividend for the year ended 30 June 2018 of 4.25 cents fully franked paid on 24 August 2018	11,114
Interim dividend for the year ended 30 June 2019 of 2.0 cents plus a special dividend of 1.5 cents, both fully franked paid on 22 February 2019	9,478
Total	20,592

Listed Investment Company Capital Gains

Listed Investment Companies (LICs) which make capital gains upon which tax is payable on the sale of investments held for more than one year are able to attach to their dividends a LIC capital gains amount which some shareholders are able to use to claim a tax deduction. This is called an 'LIC capital gain attributable part'. The purpose of this is to put shareholders in Listed Investment Companies on a similar footing with holders of managed investment trusts with respect to capital gains tax on the sale of underlying investments.

Tax legislation sets out the definition of a 'listed investment company' which AMCIL satisfies. Furthermore, from time to time the Company sells securities out of the

investment portfolio held for more than one year which may result in capital gains being made and tax being paid. The Company is therefore on occasion in a position to be able to make available to shareholders a LIC capital gain attributable part with our dividends. In respect of this year's final dividend of 3.50 cents per share for the year ended 30 June 2019, it carries with it a 4.29 cents per share LIC capital gain attributable part (2018: 2.76 cents). The amount which shareholders may be able to claim as a tax deduction depends on their individual situation. Further details are provided in the dividend statements.

Significant Changes in the State of Affairs

Directors are not aware of any other significant changes in the operations of the Company, or the environment in which it operates, that will adversely affect the results in subsequent years.

Events Since Balance Date

The Directors are not aware of any other matters or circumstance not otherwise disclosed in the Financial Report or the Directors' Report which has arisen since the end of the financial year that has affected or may affect the operations, or the results of those operations, or the state of affairs of the Company in subsequent financial years.

Environmental Regulations

The Company's operations are such that they are not directly affected by any material environmental regulations.

Rounding of Amounts

The Company is of the kind referred to in the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, relating to the 'rounding off' of amounts in the Financial Report. Amounts in the Financial Report have been rounded off in accordance with that Instrument, to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Capital Changes

As a result of the Company's Dividend Reinvestment Plan 4,284,414 new shares were issued at \$0.91 per share in August 2018 and 3,779,527 new shares were issued at \$0.86 per share in February 2019.

As a result of the Company's Share Purchase Plan 5,022,738 new shares were issued at \$0.86 per share in November 2018.

The Company's buy-back facility remains open although no shares were bought back during the year.

The Company's contributed equity rose by \$11.5 million to \$186.2 million from \$174.7 million. At the close of the year the Company had 274.6 million shares on issue.

“

The more significant positive contributors to the portfolio over the year were Mainfreight, Breville Group, BHP, EQT Holdings and Brambles.

”



Returns Per Annum Including
Franking Over 10 Years

12.5%

Top 20 Investments

As at 30 June 2019

Includes investments held in both the investment and trading portfolios.

Valued at Closing Prices at 28 June 2019

	Total Value \$'000	% of Portfolio
1 CSL	16.9	6.7
2 BHP*	14.5	5.7
3 Mainfreight	12.8	5.1
4 National Australia Bank*	12.1	4.8
5 Macquarie Group	10.7	4.2
6 Westpac Banking Corporation*	10.6	4.2
7 Commonwealth Bank of Australia*	10.2	4.1
8 Transurban	9.4	3.7
9 James Hardie Industries	7.8	3.1
10 EQT Holdings	7.8	3.1
11 Qube Holdings	7.3	2.9
12 Carsales.com	6.9	2.7
13 Oil Search	6.5	2.6
14 Sydney Airport	6.5	2.6
15 IRESS	6.3	2.5
16 Wellcom Group	6.0	2.4
17 Seek	5.9	2.3
18 Woodside Petroleum*	5.8	2.3
19 Brambles*	5.7	2.3
20 ARB Corporation	5.6	2.2
Total	175.1	

As a percentage of total portfolio (excludes cash)

69.4%

* Indicates that options were outstanding against part of the holding.

Cash position at 30 June 2019 – \$14.0 million.

Board and Management

Directors

Bruce B Teele BSc, BCom (Melb). Chairman and Non-Executive Director. Chairman of the Investment Committee.

Mr Teele was elected to the Board in 2003 and appointed Chairman in 2004. He was formerly the Chairman of Australian Foundation Investment Company Limited (AFIC) and Djerrivarrh Investments Limited and the Executive Chairman of the JBWere Group.

R Mark Freeman BE, MBA, Grad Dip App Fin (Sec Inst), AMP (INSEAD). Managing Director and Member of the Investment Committee.

Mr Freeman became Chief Executive Officer and Managing Director in January 2018 having been Chief Investment Officer since joining the company in February 2007. Prior to this he was a Partner with Goldman Sachs JBWere where he spent 12 years advising the investment Companies on their investment and dealing activities. He has a deep knowledge and experience of investments markets and the Company's approaches, policies and processes. He is also Managing Director of AFIC, Djerrivarrh Investments Limited and Mirrabooka Investments Limited.

Ross E Barker BSc (Hons), MBA (Melb), F Fin. Non-Executive Director. Member of the Investment and Audit Committees.

Mr Barker has been a Director of the Company since May 1996 and was Managing Director from February 2001 to December 2017. Mr Barker transitioned to a Non-Executive Director in January 2018. He is also a Non-Executive Director of AFIC and Mirrabooka Investments Limited. He is also Chairman of Melbourne Business School Ltd.

Roger G Brown B.Eng, MBA. Independent Non-Executive Director. Member of the Investment Committee.

Mr Brown was appointed to the Board in February 2014. He has been the Non-Executive Chairman of ARB Corporation Limited since 2016. Mr Brown also held the position of Executive Chairman of the company from 1987 to 2016.

Mr Brown has wide experience as a CEO and Director and brings to the Company a wealth of knowledge from ARB Corporation's involvement in the automotive industry in Australia and overseas.

Michael J Hirst B Com (Melb), SF Fin. Independent Non-Executive Director.

Mr Hirst joined the Board in January 2019. He is a Director of GMHBA Limited, Health.com.au, GMHBA Services Limited and Deputy Chairman of Racing Victoria Limited. He was Managing Director and Chief Executive Officer of Bendigo and Adelaide Bank Ltd from 2009 to 2018. He previously held Senior Executive and management positions with Colonial Limited, Chase AMP Bank Limited and Westpac Banking Corporation. He is an honorary member of the Business Council of Australia and a Board member of the Grow 21 Strategy Advisory Board.

Siobhan L McKenna B.Ec. (Hons), MPHIL. Independent Non-Executive Director. Member of the Audit Committee.

Ms McKenna joined the Board in March 2016. She is Chairman of Foxtel, Fox Sports and Australian News Channel; a Non-Executive Director of Woolworths Limited; and a Director of Illyria Pty Ltd and Nova Entertainment.

Ms McKenna is a former partner of McKinsey & Company, a former Commissioner of the Australian Productivity Commission, and a former Chairman of NBN.

Rupert Myer AO BCom (Hons)(Melb), MA (Cantab). Independent Non-Executive Director. Chairman of the Audit Committee and Member of the Investment Committee.

Mr Myer is a company Director and was appointed a Director in January 2000. Currently, he is Chairman of the Yulgilbar Group and a Director of eCargo Holdings Limited, Mutual Trust Pty Limited and Myer Family Investments Pty Ltd. Mr Myer was formerly Deputy Chairman of Myer Holdings Ltd, a Director of Diversified United Investments Limited and Healthscope Limited.

Jon Webster AM BCom, LLB (Hons) LLM. Independent Non-Executive Director.

Mr Webster was appointed to the Board in November 2016. Mr Webster is a consultant at Allens having been a partner of Allens practicing in the area of mergers and acquisitions for over 30 years and was a Board member of Allens for 12 years. He is a Trustee of the R E Ross Trust and a Director of Hillview Quarries Pty Ltd and of the Human Rights Law Centre. He is a former Chairman of the Audit Committee of the Northern Land Council, Chairman of the Corporations Committee of the Law Council of Australia, a former member of the ASX's Listings Advisory Panel and of the Federal Government's Consultative Group to the Corporations Law Simplification Task Force.

Board and Management continued

Senior Executives

Geoffrey N Driver B Ec, Grad Dip Finance, MAICD. General Manager, Business Development and Investor Relations.

Mr Driver joined the Company in January 2003. Previously, he was with National Australia Bank Ltd for 18 years in various roles covering business strategy, marketing, distribution, investor relations and business operations. Mr Driver is Deputy Chairman of Trust for Nature (Victoria).

Andrew JB Porter MA (Hons)(St And), FCA, MAICD. Chief Financial Officer.

Mr Porter joined the Company in January 2005. He is a Chartered Accountant and has had over 23 years experience in accounting and financial management both in the United Kingdom with Andersen Consulting and Credit Suisse First Boston, and in Australia where he was Regional Chief Operating Officer for the Corporate and Investment Banking Division of CSFB. He is Chair of The Group of 100 (G100), the peak body for CFOs and a Director of the Anglican Foundation.

Matthew Rowe BA (Hons), MSc Corp Gov, FGIA, FCIS. Company Secretary

Mr Rowe joined the Company in July 2016. He is a Chartered Secretary with over 12 years of experience in corporate governance with a particular focus in listed investment companies. He was previously a corporate governance advisor at a professional services firm which included acting as Company Secretary for three ASX listed companies. Prior to that Matthew was the Company Secretarial Manager for a Funds Management Company based in the United Kingdom.

Meetings of Directors

The number of meetings of the Company's Board of Directors and of each Board Committee held during the year ended 30 June 2019 and the numbers of meetings attended by each Director were:

	Board		Investment Committee		Audit Committee	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
BB Teele	12	12	20	19	-	-
RE Barker**	12	12	20	19	2	3 [#]
RG Brown	12	10	20	18	-	1 [#]
RM Freeman	12	11	20	19	-	3 [#]
S McKenna [^]	8	8	-	6 [#]	3	2
MJ Hirst	5	6 ^{^^}	-	7 [#]	-	-
RH Myer	12	11	20	18	3	3
RB Santamaria*	0	0	1	0	1	1
JJ Webster	12	12	-	14 [#]	-	3 [#]

[#] Attended meetings by invitation.

[^] S McKenna was granted a formal leave of absence from 20 September to 31 December 2018.

^{*} RB Santamaria was granted a formal leave of absence from 19 April to 20 September 2018 and retired in October 2018.

^{^^} Attended one meeting as an observer.

^{**} RE Barker was appointed to the Audit Committee with effect from January 2019.

Insurance of Directors and Officers

During the financial year, the Company paid insurance premiums to insure the Directors and Officers named in this report to the extent allowable by law. The terms of the insurance contract preclude disclosure of further details.

Corporate Governance Statement

A copy of the Company's Corporate Governance Statement for the financial year ended 30 June 2019 can be found on the Company's website at:

amcil.com.au/Corporate-Governance.aspx

Remuneration Report

(a) Principles Used to Determine Nature and Amount of Remuneration

The constitution of AMCIL requires approval by the shareholders in general meeting of a maximum amount of remuneration to be allocated between Non-Executive Directors as they determine. In proposing the maximum amount for consideration in general meeting, and in determining the allocation, the Board takes account of the time demands made on Directors, together with such factors as the general level of fees paid to Australian corporate Directors. The amount of remuneration excludes amounts that were owing to them when the Directors retirement allowances were frozen at 31 December 2003. Shareholders approved an aggregate maximum amount of \$600,000 for the remuneration of Directors at the AGM in October 2012.

Directors hold office until such time as they retire, resign or are removed from office under the terms set out in the constitution of the Company.

AMCIL does not pay any performance-based remuneration.

Mr Barker (until 31 December 2017) and Mr Freeman (from 1 January 2018) were made available as Managing Director of AMCIL by Australian Investment Company Services Ltd (AICS). As part of their remuneration arrangements with AICS, Mr Barker received and Mr Freeman receives an 'at risk' component which is based on performance, as do other Executives. The performance criteria include quantitative and qualitative assessments which include, amongst other things, the services that they have provided to AMCIL and for which AICS is paid.

The Directors and the Company have agreed to freeze Directors retirement benefits at the 31 December 2003 level. This frozen amount will be paid to the respective Directors when they ultimately retire, without further adjustment. The Company continues to pay SGC contributions on Directors' fees.

(b) Remuneration of Directors

Directors of the Company determine the fees of Directors within the aggregate limit established by shareholders in general meeting.

Details of the nature and amounts of each Director's remuneration in respect of the year to 30 June 2019 were as follows:

	Short Term Fee/Base Salary \$	Post-employment Superannuation \$	Total Remuneration \$
BB Teele – Chairman (Non-Executive)			
2019	116,895	11,105	128,000
2018	106,849	10,151	117,000
RE Barker – Managing Director (Executive until 31 December 2017, Non-Executive from 1 January 2018)			
2019	58,447	5,553	64,000
2018	26,712	2,538	29,250
RG Brown – Director (Non-Executive)			
2019	58,447	5,553	64,000
2018	53,425	5,075	58,500
RM Freeman – Managing Director (Executive)(appointed 1 January 2018)			
2019	-	-	-
2018	-	-	-
MJ Hirst – Director (Non-Executive)(appointed 23 January 2019)			
2019	25,501	2,423	27,924
SL McKenna – Director (Non-Executive)			
2019	58,447	5,553	64,000
2018	53,425	5,075	58,500
RH Myer – Director (Non-Executive)			
2019	58,447	5,553	64,000
2018	53,425	5,075	58,500
RB Santamaria – Director (Non-Executive)(retired 5 October 2018)			
2019	15,261	1,450	16,711
2018	53,425	5,075	58,500
JJ Webster – Director (Non-Executive)			
2019	58,447	5,553	64,000
2018	53,425	5,075	58,500
Total Remuneration: Directors			
2019	449,892	42,743	492,635
2018	400,686	38,064	438,750

Remuneration Report continued

(c) Directors' Retirement Allowances

The Board proposed and shareholders approved at the 2004 AGM discontinuing the practice of paying Directors' retirement allowances.

The Director's retirement allowance provided in past years was equal to the total emoluments that the Director received in the three years immediately preceding retirement, where a Director had held office for five or more years and a proportionate part for less than five years' service.

For relevant Directors in office at 31 December 2003, the amounts accrued as at that date will be paid to them upon their ultimate retirement. No further accruals of Directors retiring allowances will be made after 31 December 2003. New Directors appointed to the Company, including Mr Teele who was re-appointed on 19 December 2003, will not be entitled to any Directors' retirement allowance.

The amounts payable to the respective current Directors who were in office at 31 December 2003, which will be paid when they retire, are set out below. \$87,000 was paid to Mr Santamaria during the year, being the amount accrued in respect of his retirement allowance. These amounts were expensed in prior years as the retirement allowances accrued.

	Amount Payable on Retirement \$
RE Barker	87,000
RH Myer	68,150
	155,150

Holdings of Securities Issued by the Company

As at 30 June 2019, Directors and Executives who held shares issued by the Company for their own benefit or who have an interest in holdings in the name of another party, and the total number of such securities, are as follows:

2018	Balance at 1 July 2018	Net Changes	Balance at 30 June 2019
BB Teele	44,402,590	3,764,311	48,166,901
RE Barker	4,752,083	84,874	4,836,957
RG Brown	1,302,451	116,311	1,418,762
RM Freeman	753,177	71,005	824,182
MJ Hirst	n/a	345,000	345,000
SL McKenna	648,000	30,263	678,263
RH Myer	1,148,826	106,639	1,255,465
RB Santamaria	383,354	-	n/a
JJ Webster	342,538	1,328,791	1,671,329
GN Driver	342,537	48,740	391,277
AJB Porter	46,864	4,768	51,632
MJ Rowe	1,000	3,114	4,114

It is the Company's policy that no AMCIL shares owned by Directors or Executives are held subject to margin loans.

(d) Executives

The Company has four executives, RM Freeman, Managing Director; GN Driver, General Manager – Business Development and Investor Relations; AJB Porter, Chief Financial Officer; and MJ Rowe who is Company Secretary (30 June 2018: four executives).

No remuneration is paid to the executives directly by AMCIL as their services are provided pursuant to an arrangement with AICS as outlined in the Notes to the Financial Statements. However, the Managing Director, General Manager-Business Development and Investor Relations, the Chief Financial Officer and the Company Secretary are all required to purchase AMCIL shares as part of their Annual Incentive Plans. All executives purchased shares during the year under this Plan.

Non-audit Services

Details of non-audit services performed by the auditors may be found in Note F2 of the Financial Report.

The Board of Directors has considered the position and, in accordance with the advice received from the Audit Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Audit Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in the *Corporations Act 2001* including reviewing or auditing the auditor's own work, acting in management or a decision-making capacity for the Company, acting as advocate for the Company, or jointly sharing economic risk and rewards.

A copy of the Auditors' Independence Declaration is set out on page 16.

This report in relation to the financial year to 30 June 2019 is presented by the Directors of the Company in accordance with a resolution of Directors.



BB Teele
Chairman

Melbourne
23 July 2019

Auditor's Independence Declaration



Auditor's Independence Declaration

As lead auditor for the audit of AMCIL Limited for the year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'Nadia Carlin', written over a horizontal line.

Nadia Carlin
Partner
PricewaterhouseCoopers

Melbourne
23 July 2019

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Liability limited by a scheme approved under Professional Standards Legislation.

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Income Statement

For the Year Ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
Dividends and distributions	A3	8,984	8,243
Revenue from deposits and bank bills		199	205
Other revenue		10	-
Total revenue		9,193	8,448
Net gains/(losses) on trading portfolio	A3	(376)	129
Income/(losses) from options written portfolio	A3	251	(552)
Income from operating activities		9,068	8,025
Finance costs		(63)	(59)
Administration expenses	B1	(1,846)	(1,724)
Profit before income tax expense		7,159	6,242
Income tax (expense)/credit	B2, E2	(144)	5
Profit for the year		7,015	6,247
		Cents	Cents
Basic earnings per share	A5	2.60	2.39

This Income Statement should be read in conjunction with the accompanying notes.

Statement of Comprehensive Income

For the Year Ended 30 June 2019

	Year to 30 June 2019			Year to 30 June 2018		
	Revenue ¹ \$'000	Capital ¹ \$'000	Total \$'000	Revenue \$'000	Capital \$'000	Total \$'000
Profit for the year	7,015	-	7,015	6,247	-	6,247
Other comprehensive income						
Gains for the period	-	5,651	5,651	-	25,323	25,323
Tax on above	-	(1,298)	(1,298)	-	(9,059)	(9,059)
Total other comprehensive income	-	4,353	4,353	-	16,264	16,264
Total comprehensive income	7,015	4,353	11,368	6,247	16,264	22,511

1. 'Capital' includes realised or unrealised gains or losses (and the tax on those) on securities in the investment portfolio. Income in the form of distributions and dividends is recorded as 'revenue'. All other items, including expenses, are included in profit for the year, which is categorised under 'revenue'.

None of the items included in other comprehensive income will be recycled through the Income Statement.

This Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Balance Sheet

As at 30 June 2019

	Note	2019 \$'000	2018 \$'000
Current assets			
Cash	D1	13,988	2,150
Receivables		2,993	7,070
Total current assets		16,981	9,220
Non-current assets			
Deferred tax assets	E2	137	88
Investment portfolio	A2	253,395	262,118
Total non-current assets		253,532	262,206
Total assets		270,513	271,426
Current liabilities			
Payables		173	253
Tax payable		851	1,465
Borrowings – bank debt	D2	-	1,000
Options sold	A2	1,217	1,060
Total current liabilities		2,241	3,778
Non-current liabilities			
Deferred tax liabilities – investment portfolio	B2	20,718	22,290
Total non-current liabilities		20,718	22,290
Total liabilities		22,959	26,068
Net assets		247,554	245,358
Shareholders' equity			
Share capital	A1, D6	186,168	174,748
Revaluation reserve	A1, D3	36,784	39,285
Realised capital gains reserve	A1, D4	19,637	20,721
Retained profits	A1, D5	4,965	10,604
Total shareholders' equity		247,554	245,358

This Balance Sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the Year Ended 30 June 2019

Year Ended 30 June 2019	Note	Share Capital \$'000	Revaluation Reserve \$'000	Realised Capital Gains Reserve \$'000	Retained Profits \$'000	Total \$'000
Total equity at the beginning of the year		174,748	39,285	20,721	10,604	245,358
Dividends paid	A4	-	-	(7,938)	(12,654)	(20,592)
Shares issued under Dividend Reinvestment Plan	D6	7,149	-	-	-	7,149
Share issued under Share Purchase Plan	D6	4,319	-	-	-	4,319
Other share capital adjustments		(48)	-	-	-	(48)
Total transactions with shareholders		11,420	-	(7,938)	(12,654)	(9,172)
Profit for the year		-	-	-	7,015	7,015
Other comprehensive income (net of tax)						
Net gain for the period on investments		-	4,353	-	-	4,353
Other comprehensive income for the year		-	4,353	-	-	4,353
Transfer to realised capital gains reserve of realised gains on investments sold		-	(6,854)	6,854	-	-
Total equity at the end of the year		186,168	36,784	19,637	4,965	247,554

This Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Changes in Equity continued

For the Year Ended 30 June 2019

Year Ended 30 June 2018	Note	Share Capital \$'000	Revaluation Reserve \$'000	Realised Capital Gains \$'000	Retained Profits \$'000	Total \$'000
Total equity at the beginning of the year		171,658	27,120	20,492	9,516	228,786
Dividends paid	A4	-	-	(3,870)	(5,159)	(9,029)
Shares issued under Dividend Reinvestment Plan	D6	3,101	-	-	-	3,101
Other share capital adjustments		(11)	-	-	-	(11)
Total transactions with shareholders		3,090	-	(3,870)	(5,159)	(5,939)
Profit for the year		-	-	-	6,247	6,247
Other comprehensive income (net of tax)						
Net gain for the period on investments		-	16,264	-	-	16,264
Other comprehensive income for the year		-	16,264	-	-	16,264
Transfer to realised capital gains reserve of realised gains on investments sold		-	(4,099)	4,099	-	-
Total equity at the end of the year		174,748	39,285	20,721	10,604	245,358

This Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Cash Flow Statement

For the Year Ended 30 June 2019

	Note	2019 \$'000 Inflows/ (Outflows)	2018 \$'000 Inflows/ (Outflows)
Cash flows from operating activities			
Sales from trading portfolio		9,373	2,315
Purchases for trading portfolio		(10,596)	(715)
Interest received		199	205
Proceeds from entering into options in options written portfolio		1,621	4,633
Payment to close out options in options written portfolio		(1,214)	(4,765)
Dividends and distributions received		8,473	6,536
		7,856	8,209
Other receipts		10	-
Administration expenses		(1,923)	(1,722)
Finance costs paid		(64)	(58)
Income taxes paid		(1,435)	(956)
Net cash inflow/(outflow) from operating activities	E1	4,444	5,473
Cash flows from investing activities			
Sales from investment portfolio		79,836	107,810
Purchases for investment portfolio		(60,028)	(119,066)
Tax paid on capital gains		(2,243)	(2,119)
Net cash inflow/(outflow) from investing activities		17,565	(13,375)
Cash flows from financing activities			
Shares issued		11,469	3,101
Share issue transaction costs		(48)	(11)
Net borrowings		(1,000)	1,000
Dividends paid		(20,592)	(9,029)
Net cash inflow/(outflow) from financing activities		(10,171)	(4,939)
Net increase/(decrease) in cash held		11,838	(12,841)
Cash at the beginning of the year		2,150	14,991
Cash at the end of the year	D1	13,988	2,150

For the purpose of the cash flow statement, 'cash' includes cash and deposits held at call.

This Cash Flow Statement should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

A. Understanding AMCIL's Financial Performance

A1. How AMCIL Manages its Capital

AMCIL's objective is to provide shareholders with attractive total returns including strong capital growth over the medium to long term and to pay fully franked dividends.

AMCIL recognises that its capital will fluctuate with market conditions. In order to manage those fluctuations, the Board may adjust the amount of dividends paid, issue new shares, buy back the Company's shares or sell assets to settle any debt.

AMCIL's capital consists of its shareholders' equity plus any net borrowings. A summary of the balances in equity is provided below:

	2019 \$'000	2018 \$'000
Share capital	186,168	174,748
Revaluation reserve	36,784	39,285
Realised capital gains reserve	19,637	20,721
Retained profits	4,965	10,604
	247,554	245,358

Refer to Notes D3–D6 for a reconciliation of movement for each equity account from period to period.

A2. Investments Held and How They Are Measured

AMCIL has three portfolios of securities: the investment portfolio, the options written portfolio and the trading portfolio. Details of all holdings (except for specific option holdings) as at the end of the reporting period can be found at the end of the Annual Report.

The investment portfolio holds securities which the company intends to retain on a long-term basis. The options written portfolio and trading portfolio are held for short-term trading only. The latter is relatively small in size when utilised. The options written portfolio can contain both call and put options and call options are only written over securities held in the investment portfolio.

The balance and composition of the investment portfolio was:

	2019 \$'000	2018 \$'000
Equity instruments (at market value)	253,395	262,118
	253,395	262,118

The fair value (the price at which the option may be bought) at 30 June of the securities in the options written portfolio was:

	2019 \$'000	2018 \$'000
Call options	1,216	1,044
Put options	1	16
	1,217	1,060

If all call options were exercised, this would lead to the sale of \$23.4 million worth of securities at an agreed price – the 'exposure' (2018: \$39.6 million). If all the put options were exercised, this would require the Company to purchase \$0.5 million of stock (2018: \$1.7 million).

\$10.4 million of shares are lodged with ASX Clear Pty Ltd as collateral for sold option positions written by the Company (2018: \$9.9 million). These shares are lodged with ASX Clear under the terms of ASX Clear Pty Ltd which require participants in the Exchange Traded Option market to lodge collateral, and are recorded as part of the Company's investment portfolio.

How Investments Are Shown in the Financial Statements

The accounting standards set out the following hierarchy for fair value measurement:

Level 1: quoted prices in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices, which can be observed either directly (as prices) or indirectly (derived from prices).

Level 3: inputs for the asset or liabilities that are not based on observable market data.

All financial instruments held by AMCIL are classified as Level 1 (other than an immaterial amount of call options). Their fair values are initially measured at the costs of acquisition and then remeasured based on quoted market prices at the end of the reporting period.

Net Tangible Asset Backing Per Share

The Board regularly reviews the net asset backing per share both before and after provision for deferred tax on the unrealised gains in AMCIL's long-term investment portfolio. Deferred tax is calculated as set out in Note B2. The relevant amounts as at 30 June 2019 and 30 June 2018 were as follows:

	30 June 2019 \$	30 June 2018 \$
Net Tangible Asset Backing Per Share		
Before tax	0.98	1.02
After tax	0.90	0.94

Equity Investments

The shares in the investment portfolio are designated under the accounting standards as financial assets measured at fair value through 'other comprehensive income' (OCI), because they are equity instruments held for long-term capital growth and dividend income, rather than to make a profit from their sale. This means that changes in the value of these shares during the reporting period are included in OCI in the Statement of Comprehensive Income. The cumulative change in value of the shares over time is then recorded in the revaluation reserve. On disposal, the amounts recorded in the revaluation reserve are transferred to the realised capital gains reserve.

Options

Options are classified as financial assets or liabilities at fair value through profit and loss and usually have an expiry date within 12 months from the date that they are sold. Options written are initially brought to account at the amount received upfront for entering into the contract (the premium) and subsequently revalued to current market value.

Securities Sold and How They Are Measured

Where securities are sold, any difference between the sale price and the cost is transferred from the revaluation reserve to the realised capital gains reserve and the amounts noted in the Statement of Changes in Equity. This means the Company is able to identify the realised gains out of which it can pay a 'listed investment company' (LIC) gain as part of the dividend, which conveys certain taxation benefits to many of AMCIL's shareholders.

The realised gain or loss on options written is not recognised until the option expires, is exercised or is closed out. All unrealised gains or losses which represent movements in the market value of the options are recognised through the Income Statement

During the period \$75.7 million (2018: \$113.7 million) of equity securities were sold. The cumulative gain on the sale of securities from the investment portfolio was \$6.9 million for the period after tax (2018: \$4.1 million). This has been transferred from the revaluation reserve to the realised capital gains reserve (see Statement of Changes in Equity). These sales were accounted for at the date of trade.

A3. Operating Income

The total income received from AMCIL's investments in 2019 is set out below.

	2019 \$'000	2018 \$'000
Dividends and distributions		
Dividends from securities held in investment portfolio at 30 June	7,668	6,376
Investment securities sold during the year	1,197	1,867
Dividends from securities held in trading portfolio at 30 June	-	-
Trading securities sold during the year	119	-
	8,984	8,243

Dividends from listed securities are recognised as income when those securities are quoted in the market on an ex-distribution basis. Dividends from unlisted securities are recognised as income when they are received. Capital returns on ordinary shares are treated as an adjustment to the carrying value of the shares.

Notes to the Financial Statements continued

Trading Income and Non-equity Investments

Net gains (before tax) on the trading and options portfolio are set out below.

	2019 \$'000	2018 \$'000
Net gains		
Net realised gains/(losses) from securities in trading portfolio	(471)	129
Net realised gains from option in trading portfolio	95	-
Realised gains on options written portfolio	863	257
Unrealised gains from trading portfolio	-	-
Unrealised gains/(losses) on options written portfolio	(612)	(809)
	(125)	(423)

A4. Dividends Paid

The dividends paid and payable for the year ended 30 June 2019 are shown below:

	2019 \$'000	2018 \$'000
(a) Dividends Paid During the Year		
Final dividend for the year ended 30 June 2018 of 4.25 cents fully franked at 30 per cent, paid 24 August 2018 (2018: 3.5 cents fully franked at 30 per cent, paid on 24 August 2017)	11,114	9,029
Interim dividend for the year ended 30 June 2019 of 2.0 cents plus a special dividend of 1.5 cents, both fully franked at 30 per cent, paid 22 February 2019 (2018: nil)	9,478	-
	20,592	9,029

(b) Franking Credits

Balance on the franking account after allowing for tax payable in respect of the current year's profits and the receipt of dividends recognised as receivables

4,535 6,007

Impact on the franking account of dividends declared but not recognised as a liability at the end of the financial year:

(4,119) (4,763)

Net available

416 **1,244**

These franking account balances would allow AMCIL to frank additional dividend payments at a rate of 30 per cent (30 June 2018: 30 per cent) up to an amount of:

971 2,903

AMCIL's ability to continue to pay franked dividends is dependent upon the receipt of franked dividends from the trading and investment portfolios and on AMCIL paying tax.

(c) Dividends Declared After Balance Date

Since the end of the year Directors have declared a final dividend of 3.5 cents per share fully franked at 30 per cent. The aggregate amount of the final dividend for the year to 30 June 2019 to be paid on 23 August 2019, but not recognised as a liability at the end of the financial year is:

9,611

(d) Listed Investment Company Capital Gain Account

Balance of the listed investment company (LIC) capital gain account

8,738 8,892

This equates to an attributable gain of

12,483 **12,703**

Distributed LIC capital gains may entitle certain shareholders to a deduction in their tax return, as set out in the dividend statement. LIC capital gains available for distribution are dependent on the disposal of investment portfolio holdings that qualify for LIC capital gains, or the receipt of LIC distributions from LIC securities held in the portfolios. \$11.8 million of the attributable gain will be paid out as part of the final dividend.

A5. Earnings Per Share

The table below shows the earnings per share based on the profit for the year:

	2019	2018
Basic Earnings Per Share	Number	Number
Weighted average number of ordinary shares used as the denominator	269,697,832	260,968,824
	\$'000	\$'000
Profit for the year	7,015	6,247
	Cents	Cents
Basic earnings per share	2.60	2.39

Dilution

As there are no options, convertible notes or other dilutive instruments on issue, diluted earnings per share is the same as basic earnings per share.

B. Costs, Tax and Risk

B1. Management Costs

The total management expenses for the period are as follows:

	2019	2018
	\$'000	\$'000
Administration fees paid to AICS	(906)	(899)
Other administration expenses	(940)	(825)
	(1,846)	(1,724)

Administration Fees Paid to AICS

Australian Investment Company Services Limited (AICS) undertakes the day-to-day administration of AMCIL's investments and its operations, including financial reporting.

Other Administration Expenses

A major component of other administration expenses is Directors' remuneration. This has been summarised below:

	Short-term Benefits \$	Post- employment Benefits \$	Total \$
2019			
Directors	449,892	42,743	492,635
2018			
Directors	400,686	38,064	438,750

AMCIL recognises Directors' retirement allowances that have been crystallised as 'amounts payable'. There are no further retirement allowances that will need to be expensed. During the year, R.B. Santamaria retired and was paid the retirement allowance that had accrued and was due to him.

Detailed remuneration disclosures are provided in the Remuneration Report.

The Company does not make loans to Directors.

Notes to the Financial Statements continued

B2. Tax

AMCIL's tax position, and how it accounts for tax, is explained here. Detailed reconciliations of tax accounting to the financial statements can be found in Note E2.

The income tax expense for the period is the tax payable on this financial year's taxable income, adjusted for any changes in deferred tax assets and liabilities attributable to temporary differences and for any unused tax losses. Deferred tax assets and liabilities (except for those related to the unrealised gains or losses in the investment portfolio) are offset, as all current and deferred taxes relate to the Australian Taxation Office and can legally be settled on a net basis. Deferred tax balances are calculated at the rate of 30 per cent (2018: 30 per cent).

A provision has been made for taxes on any unrealised gains or losses on securities valued at fair value through the Income Statement – i.e. the trading portfolio and the options written portfolio.

A provision also has to be made for any taxes that could arise on sale of securities in the investment portfolio, even though there is no intention to dispose of them. Where AMCIL disposes of such securities, tax is calculated according to the particular parcels allocated to the sale for tax purposes, offset against any capital losses carried forward.

Tax Expense

The income tax expense for the period is shown below:

	2019 \$'000	2018 \$'000
(a) Reconciliation of Income Tax Expense to Prima Facie Tax Payable		
Profit before income tax expense	7,159	6,242
Tax at the Australian company tax rate of 30 per cent (2018: 30 per cent)	2,148	1,873
Tax offset for franked dividends received	(2,024)	(1,768)
Tax effect of sundry items either taxable in current year but not included in income or non-taxable	51	(76)
	175	29
Over provision in prior years	(31)	(34)
Total tax expense/(credit)	144	(5)

Deferred Tax Liabilities – Investment Portfolio

The accounting standards require us to recognise a deferred tax liability for the potential capital gains tax on the unrealised gain in the investment portfolio. This amount is shown in the Balance Sheet. However, the Board does not intend to sell the investment portfolio, so this tax liability is unlikely to arise at this amount. Any sale of securities would also be affected by any changes in capital gains tax legislation or tax rate applicable to such gains when they are sold.

	2019 \$'000	2018 \$'000
Deferred tax liabilities on unrealised gains in the investment portfolio	20,718	22,290
Opening balance at 1 July	22,290	15,473
Tax on realised gains (at 30 per cent)	(2,870)	(2,242)
Charged to OCI for ordinary securities on gains or losses for the period	1,298	9,059
	20,718	22,290

B3. Risk

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

As a listed investment company that invests in tradeable securities, AMCIL can never be free of market risk as it invests its capital in securities which are not risk free – the market price of these securities will fluctuate.

A general fall in market prices of 5 per cent and 10 per cent, if spread equally over all assets in the investment portfolio, would have led to a reduction in AMCIL's comprehensive income of \$8.9 million and \$17.7 million respectively, at a tax rate of 30 per cent (2018: \$9.2 million and \$18.3 million at a tax rate of 30 per cent). A market fall of 5 per cent and 10 per cent across the options written portfolio would have led to an increase in profit after tax of \$43,000 and \$85,000 respectively (2018: \$37,000 and \$74,000).

AMCIL seeks to reduce market risk at the investment portfolio level by ensuring that it is not, in the opinion of the Investment Committee, overly exposed to one company or one particular sector of the market. The relative weightings of the individual securities and the relevant market sectors are reviewed by the Investment Committee and risk can be managed by reducing exposure where necessary. AMCIL does not have a minimum or maximum amount of the portfolio that can be invested in a single company or sector.

AMCIL's investment exposure by sector is as below:

	2019 %	2018 %
Energy	4.62	4.67
Materials	13.18	18.79
Industrials	25.47	17.74
Consumer discretionary	5.58	5.81
Consumer staples	1.04	5.19
Banks	12.39	12.31
Other financials (including property trusts)	10.32	13.11
Telecommunications	2.58	1.03
Healthcare	11.34	8.89
Info technology	8.22	11.64
Cash	5.26	0.82

There were three securities representing over 5 per cent of the combined investment and trading portfolio (including options) at 30 June 2019 – CSL (6.7 per cent), BHP (5.7 per cent) and Mainfreight (5.1 per cent) (2018: BHP (5.8 per cent) and CSL (5.5 per cent)).

AMCIL is not currently materially exposed to interest rate risk as all its cash investments are short-term for a fixed interest rate. AMCIL is also not directly materially exposed to currency risk as most of its investments are quoted in Australian dollars.

The writing of call options provides some protection against a fall in market prices as it generates income to partially compensate for a fall in capital values. Options are only written against securities that are held in the trading or investment portfolios although stock may be purchased on-market to meet call obligations.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. AMCIL is exposed to credit risk from cash, receivables, securities in the trading portfolio and securities in the investment portfolio respectively. None of these assets are overdue. The risk in relation to each of these items is set out below.

Cash

All cash investments not held in a transactional account are invested in short-term deposits with Australia's 'big four' commercial banks or in cash management trusts which invest predominantly in securities with an A1+ rating. In the unlikely event of a bank default or default on the underlying securities in the cash trust, there is a risk of losing the cash deposits and any accrued unpaid interest.

Receivables

Outstanding settlements are on the terms operating in the securities industry, which usually require settlement within two days of the date of a transaction. Receivables are non-interest bearing and unsecured. In the event of a payment default, there is a risk of losing any difference between the price of the securities sold and the price of the recovered securities from the discontinued sale.

Trading and Investment Portfolios

Converting and convertible notes or other interest-bearing securities that are not equity securities carry credit risk to the extent of their carrying value. This risk will be realised in the event of a shortfall on winding-up of the issuing companies.

Notes to the Financial Statements continued

Liquidity Risk

Liquidity risk is the risk that an entity will not be able to meet its financial liabilities.

AMCIL monitors its cash flow requirements daily. The Investment Committee also monitors the level of contingent payments on a regular basis by reference to known sales and purchases of securities, dividends and distributions to be paid or received, put options that may require AMCIL to purchase securities, and facilities that need to be repaid. AMCIL ensures that it has either cash or access to short-term borrowing facilities sufficient to meet these contingent payments.

AMCIL's inward cash flows depend upon the dividends received. Should these drop by a material amount, AMCIL would amend its outward cash flows accordingly. AMCIL's major cash outflows are the purchase of securities and dividends paid to shareholders, and both of these can be adjusted by the Board and management. Furthermore, the assets of AMCIL are largely in the form of readily tradeable securities which can be sold on-market if necessary.

The table below analyses AMCIL's financial liabilities into relevant maturity groupings. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Less Than 6 Months \$'000	6-12 Months \$'000	Greater Than 1 Year \$'000	Total Contractual Cash Flows \$'000	Carrying Amount \$'000
30 June 2019					
Payables	173	-	-	173	173
Options written*	499	-	-	499	1,217
	672	-	-	672	1,390
30 June 2018					
Payables	253	-	-	253	253
Borrowings	1,000	-	-	1,000	1,000
Options written*	1,739	-	-	1,739	1,060
	2,992	-	-	2,992	2,313

* In the case of call options, there are no contractual cash flows as if the option is exercised the contract will be settled in the securities over which the option is written. The contractual cash flows for put options written are the cash sums the Company will pay to acquire securities over which the options have been written, and it is assumed for purpose of the above disclosure that all options will be exercised (i.e. maximum cash outflow).

C. Unrecognised Items

Unrecognised items, such as contingencies, do not appear in the financial statements, usually because they do not meet the requirements for recognition. However, they have the potential to have a significant impact on the Company's financial position and performance.

C1. Contingencies

Directors are not aware of any material contingent liabilities or contingent assets other than those already disclosed elsewhere in the Financial Report.

Further information that shareholders may find useful is included here. It is grouped into three sections:

- D. Balance Sheet Reconciliations
- E. Income Statement Reconciliations
- F. Further Information

D. Balance Sheet Reconciliations

This section provides further information about the basis of calculation of line items in the financial statements.

D1. Current Assets – Cash

	2019 \$'000	2018 \$'000
Cash at bank and in hand (including on-call)	13,988	2,150

Cash holdings yielded an average floating interest rate of 2.10 per cent (2018: 1.80 per cent). All cash investments are held in a transactional account or an over-night 'at call' account invested in cash management trusts which invest predominantly in securities with an A1+ rating.

D2. Credit Facilities

The Company was party to agreements under which Commonwealth Bank of Australia would extend cash advance facilities.

	2019 \$'000	2018 \$'000
Commonwealth Bank of Australia – cash advance facility	10,000	10,000
Amount drawn down at 30 June	-	(1,000)
Undrawn facilities at 30 June	10,000	9,000

Repayment of facilities is done either through the use of cash received from distributions or the sale of securities, or by rolling existing facilities into new ones. Facilities when utilised are usually drawn down for no more than three months.

D3. Revaluation Reserve

	2019 \$'000	2018 \$'000
Opening balance at 1 July 2018	39,285	27,120
Gains on investment portfolio	5,651	25,323
Deferred tax on above	(1,298)	(9,059)
Transfer to realised capital gains reserve for realised gains	(6,854)	(4,099)
	36,784	39,285

This reserve is used to record increments and decrements on the revaluation of the investment portfolio as described in accounting policy Note A2.

D4. Realised Capital Gains Reserve

	2019 \$'000			2018 \$'000		
	Taxable Realised Gains (Net of Tax)	Difference Between Tax and Accounting Costs	Total	Taxable Realised Gains (Net of Tax)	Difference Between Tax and Accounting Costs	Total
Opening balance at 1 July	8,600	12,121	20,721	7,234	13,258	20,492
Dividends paid	(7,938)	-	(7,938)	(3,870)	-	(3,870)
Cumulative taxable realised (losses)/gains for period	9,565	159	9,724	7,478	(1,137)	6,341
Tax on realised gains/(losses)	(2,870)	-	(2,870)	(2,242)	-	(2,242)
	7,357	12,280	19,637	8,600	12,121	20,721

This reserve records gains or losses after applicable taxation arising from disposal of securities in the investment portfolio as described in A2.

Notes to the Financial Statements continued

The difference between tax and accounting costs is a result of realised gains or losses being accounted for on an average cost basis, whilst taxable gains or losses are made based on the specific cost of the actual stock sold – i.e. on a parcel selection basis. These differences also include non-taxable realised gains or losses, e.g. losses under off-market buy-backs.

D5. Retained Profits

	2019 \$'000	2018 \$'000
Opening balance at 1 July	10,604	9,516
Dividends paid	(12,654)	(5,159)
Profit for the year	7,015	6,247
	4,965	10,604

This reserve relates to past profits.

D6. Share Capital

Date	Details	Notes	Number of Shares '000	Issue Price \$	Paid-up Capital \$'000
1/7/2017	Balance		257,976		171,658
24/8/2017	Dividend Reinvestment Plan	(i)	3,524	0.88	3,101
Various	Costs of issue		-		(11)
30/6/2018	Balance		261,500		174,748
24/8/2018	Dividend Reinvestment Plan	(i)	4,284	0.91	3,899
7/11/2018	Share Purchase Plan	(ii)	5,023	0.86	4,319
22/2/2019	Dividend Reinvestment Plan	(i)	3,779	0.86	3,250
Various	Costs of issue		-		(48)
30/6/2019	Balance		274,586		186,168

(i) Shareholders elect to have all or part of their dividend payment reinvested in new ordinary shares under the Dividend Reinvestment Plan (DRP). The price of the new DRP shares is based on the average selling price of shares traded on the Australian Securities Exchange (ASX) and Chi-X in the five days after the shares begin trading ex-dividend.

(ii) During the year ended 30 June 2019 the Company announced a Share Purchase Plan (SPP). The SPP issue price was set at a nil discount to the volume-weighted average price of AMCIL shares traded on the Australian Securities Exchange (ASX) and Chi-X over the five trading days up to, and including, the day on which the SPP offer was scheduled to close.

All shares have been fully paid, rank pari passu and have no par value.

E. Income Statement Reconciliations

E1. Reconciliation of Net Cash Flows From Operating Activities to Profit

	2019 \$'000	2018 \$'000
Profit for the year	7,015	6,247
Net decrease/(increase) in trading portfolio	-	516
Sale from trading portfolio to investment portfolio	(847)	-
Increase/(decrease) in options written portfolio	157	419
Dividends received as securities under DRP investments	(492)	(436)
Decrease/(increase) in current receivables	4,077	(6,238)
– Less increase/(decrease) in receivables for investment portfolio	(4,095)	5,921
Increase/(decrease) in deferred tax liabilities	(1,621)	6,589
– Less (increase)/decrease in deferred tax liability on investment portfolio	1,572	(6,817)
Increase/(decrease) in current payables	(80)	4
– Less decrease/(increase) in payables for investment portfolio	-	-
Increase/(decrease) in provision for tax payable	(614)	(609)
– Less CGT provision	(2,870)	(2,242)
– Add taxes paid on capital gains	2,242	2,119
Net cash flows from operating activities	4,444	5,473

E2. Tax Reconciliations

	2019 \$'000	2018 \$'000
Tax Expense Composition		
Charge for tax payable relating to the current year	224	257
Over provision in prior years	(31)	(34)
(Increase)/decrease in deferred tax assets	(49)	(228)
	144	(5)
Amounts Recognised Directly Through Other Comprehensive Income		
Net movement in tax liabilities relating to capital gains tax on the movement in gains in the investment portfolio	1,298	9,059
	1,298	9,059

Deferred Tax Assets and Liabilities

The deferred tax balances are attributable to:

	2019 \$'000	2018 \$'000
(a) The difference in the value of the trading portfolio for tax and accounting purposes	-	-
(b) Tax on unrealised gains or losses in the options written portfolio	184	101
(c) Provisions and expenses charged to the accounting profit which are not yet tax deductible	46	71
(d) Interest and dividend income receivable which is not assessable for tax until receipt	(93)	(84)
	137	88
Movements:		
Opening asset/(liability) balance at 1 July	88	(140)
Credited/(charged) to Income Statement	49	228
	137	88

Deferred tax assets arise when provisions and expenses have been charged but are not yet tax deductible. These assets are realised when the relevant items become tax deductible, as long as enough taxable income has been generated to claim the assets against, and as long as there are no changes to the tax legislation that affect AMCIL's ability to claim the deduction. As noted in B2, deferred tax assets and liabilities have been calculated at a rate of 30 per cent (2018: 30 per cent).

F. Further Information

This section covers information that is not directly related to specific line items in the financial statements, including information about related party transactions, assets pledged as security and other statutory information.

F1. Related Parties

All transactions with deemed related parties were made on normal commercial terms and conditions and approved by independent Directors.

F2. Remuneration of Auditors

During the year the auditor earned the following remuneration:

	2019 \$	2018 \$
PricewaterhouseCoopers		
Audit or review of Financial Reports	89,752	104,895
Non-audit services		
Taxation compliance services	9,039	11,440
Total remuneration	98,791	116,335

F3. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Board, through its sub-committees, has been identified as the chief operating decision-maker, as it is responsible for allocating resources and assessing performance of the operating segments.

Notes to the Financial Statements continued

Description of Segments

The Board makes the strategic resource allocations for AMCIL. AMCIL has therefore determined the operating segments based on the reports reviewed by the Board, which are used to make strategic decisions.

The Board is responsible for AMCIL's entire portfolio of investments and considers the business to have a single operating segment. The Board's asset allocation decisions are based on a single, integrated investment strategy, and AMCIL's performance is evaluated on an overall basis.

Segment Information Provided to the Board

The internal reporting provided to the Board for AMCIL's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of Australian Accounting Standards, except that net assets are reviewed both before and after the effects of capital gains tax on investments (as reported in AMCIL's Net Tangible Asset announcements to the ASX).

Other Segment Information

Revenues from external parties are derived from the receipt of dividend, distribution and interest income, and income arising on the trading portfolio and realised income from the options portfolio.

AMCIL is domiciled in Australia and most of AMCIL's income is derived from Australian entities or entities that maintain a listing in Australia. AMCIL has a diversified portfolio of investments, with only two investments comprising more than 10 per cent of AMCIL's income, including realised income from the trading and options written portfolios – BHP (13.8 per cent) and Westpac (10.2 per cent) (2018: two – National Australia Bank (11.2 per cent) and Westpac (10.2 per cent)).

F4. Summary of Other Accounting Policies

This general purpose Financial Report has been prepared in accordance with Australian Accounting Standards, Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. This Financial Report has been authorised for issue on 23 July 2019 in accordance with a resolution of the Board and is presented in the Australian currency. The Directors of AMCIL have the power to amend and reissue the Financial Report.

AMCIL has attempted to improve the transparency of its reporting by adopting 'plain English' where possible. Key 'plain English' phrases and their equivalent AASB terminology are as follows:

Phrase	AASB Terminology
Market value	Fair value for actively traded securities
Cash	Cash and cash equivalents
Share capital	Contributed equity
Options	Derivatives written over equity instruments that are valued at fair value through profit or loss

AMCIL complies with International Financial Reporting Standards (IFRS). AMCIL is a 'for profit' entity.

AMCIL has not applied any Australian Accounting Standards or AASB Interpretations that have been issued as at balance date but are not yet operative for the year ended 30 June 2019 ('the inoperative standards'). The impact of the inoperative standards has been assessed and the impact has been identified as not being material. AMCIL only intends to adopt inoperative standards at the date at which their adoption becomes mandatory.

Basis of Accounting

The financial statements are prepared using the valuation methods described in A2. All other items have been treated in accordance with the historical cost convention.

Fair Value of Financial Assets and Liabilities

The fair value of cash and cash equivalents, and non-interest bearing monetary financial assets and liabilities of AMCIL approximates their carrying value.

Rounding of Amounts

AMCIL is a company of the kind referred to in the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, relating to the 'rounding off' of amounts in the Financial Report. Amounts in the Financial Report have been rounded off in accordance with that Instrument, to the nearest thousand dollars, or in certain cases, to the nearest dollar.

DIRECTORS' DECLARATION

In the Directors' opinion:

(1) the financial statements and notes set out on pages 18 to 34 are in accordance with the *Corporations Act 2001* including:

- (a) complying with the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and

(2) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Note F4 to the financial statements confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the Directors.

This declaration has been made after receiving the declarations required to be made to the Directors by the Managing Director and the Chief Financial Officer regarding the financial statements in accordance with Section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2019.

The declarations received were that, in the opinion of the Managing Director and the Chief Financial Officer to the best of their knowledge, the financial records of the Company have been properly maintained, that the financial statements comply with accounting standards and that they give a true and fair view.



BB Teele
Chairman

Melbourne
23 July 2019

INDEPENDENT AUDIT REPORT



Independent auditor's report

To the members of AMCIL Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of AMCIL Limited (the Company) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the balance sheet as at 30 June 2019
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the cash flow statement for the year then ended
- the income statement for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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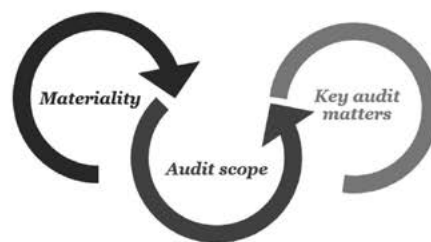
Liability limited by a scheme approved under Professional Standards Legislation.



Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Company, its accounting processes and controls and the industry in which it operates.



Materiality

- For the purpose of our audit we used overall Company materiality of 1% of the Company's net assets.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing, and extent of our audit procedures to evaluate the effect of misstatements on the financial report as a whole. We chose net assets as the benchmark because, in our view, net assets is:
 - the metric against which the performance of the Company is most commonly measured; and
 - the key driver of the business and the determinant of the Company's value.
- We utilised a 1% threshold based on our professional judgement, noting it is within the range of commonly acceptable net asset related thresholds.

Audit Scope

- Our audit focused on assessing the financial statements for risks of material misstatement in account balances or disclosures, and designing and performing audit procedures to obtain reasonable assurance that the financial statements as a whole were free of material misstatement due to fraud or error. This included identifying areas of higher risk, based on quantitative and qualitative assessments of the Company's operations and activities.
- The Company operates entirely out of its Melbourne office and we perform our audit procedures predominantly at that office.
- The administration and investment operations for the Company are conducted by Australian Investment Company Services Limited. In addition to our audit procedures, we obtained a report from other auditors that the controls over administration and investment operations operating at Australia Investment Company Services Limited were suitably designed and operated effectively for the year. We assessed the report by considering the other auditor's independence, competency and results of procedures.



Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Board Audit Committee.

<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
<p><i>Existence and valuation of Investment Portfolio</i> (Refer to note A2)</p> <p>\$253.4m</p> <p>The Investment Portfolio consists mainly of listed Australian equities.</p> <p>Whilst there is no significant judgement in determining the valuation of the Company's investments, investments represent a key measure of the Company's performance and comprise a significant proportion of total assets in the balance sheet. The fluctuations in investment valuation will also impact the realised and unrealised gains/(losses) recognised in the statement of comprehensive income which also affects the deferred tax provisions. Given the pervasive nature investments have on the Company's key financial metrics, we determined the existence and valuation of investments to be a key audit matter.</p>	<p>1) Performed an investment reconciliation of the investments balance from the opening investment balance, addition/subtraction of purchases, sales and other relevant transactions and agreeing back to the 30 June 2019 balance.</p> <p>2) Obtained the 2019 purchases and sales listing and</p> <ul style="list-style-type: none"> • agreed a sample of purchases and sales to original contracts; and • agreed a sample of original contracts to the purchases and sales listing. <p>3) Agreed all the investment quantity holdings at 30 June 2019 to third party sources.</p> <p>4) Agreed all listed equities investment prices to third party market pricing sources.</p>



Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.



Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 13 to 14 of the directors' report for the year ended 30 June 2019.

In our opinion, the remuneration report of AMCIL Limited for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers', is written above the company name.

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'Nadia Carlin', is written above the name.

Nadia Carlin
Partner

Melbourne
23 July 2019

OTHER INFORMATION

Information About Shareholders

At 12 July 2019 there were 3,117 holdings of shares. These holdings were distributed in the following categories:

<u>Size of Holding</u>	<u>Holdings</u>
1 to 1,000	383
1,001 to 5,000	385
5,001 to 10,000	328
10,001 to 100,000	1,538
100,000 and over	483
Total	3,117

Percentage held by the 20 largest holders	37.64%
Average shareholding	88,093

There were 300 shareholdings of less than a marketable parcel of \$500 (565 shares).

Voting Rights of Ordinary Shares

The Constitution provides for votes to be cast:

- (i) on a show of hands, one vote for each shareholder; and
- (ii) on a poll, one vote for each fully paid ordinary share.

Major Shareholders

The 20 largest registered shareholders of the Company's ordinary shares as at 12 July 2019 are noted below:

<u>Name</u>	<u>Shares Held</u>	<u>%</u>
Bruce Teele	48,166,901	17.54
Djerriwarrh Investments Ltd	10,599,254	3.86
HSBC Custody Nominees (Australia) Limited	6,163,340	2.24
Terrence Campbell	4,948,768	1.80
Christine Joy Campbell	4,939,257	1.80
Ross Barker	4,836,957	1.76
Ancona Valley Holdings Pty Ltd <Roswell Super Fund A/C>	3,703,503	1.35
Invia Custodian Pty Limited <Fobsha Pty Ltd A/C>	3,160,000	1.15
Riga (Qld) Pty Ltd <Krohn Family S/F A/C>	2,049,880	0.75
Prof Peter Glow + Mrs Roslyn Ann Glow	1,892,518	0.69
Mr Jon Webster	1,671,329	0.61
FFSF Asset Management Pty Ltd <FF Super Fund A/C>	1,505,453	0.55
Roger Brown	1,418,762	0.52
Somoke Pty Limited <Pulman Super Fund A/C>	1,330,265	0.48
Netwealth Investments Limited <Wrap Services A/C>	1,328,594	0.48
Isomet Pty Ltd <Cowan Super Fund A/C>	1,263,688	0.46
Bromyard Investments Pty Ltd <Wallis Super Fund A/C>	1,233,750	0.45
JDB Services Pty Ltd <RAC & JD Brice Invest A/C>	1,231,293	0.45
Parsley Investments Pty Ltd <Paterson Superannuation A/C>	1,215,515	0.44
Somoke Pty Limited <Pulman Super Fund A/C>	1,046,830	0.38

Substantial Shareholders

The Company has been notified of substantial shareholdings as follows:

Holder	Number of Shares	Date Notified
Bruce B Teele	32,848,688*	15/12/09

* Shareholding as per last substantial shareholding notification. Current shareholding reflected on page 41.

Transactions in Securities

During the year ended 30 June 2019, the Company recorded 684 transactions in securities. \$435,809 in brokerage (including GST) was paid or accrued for the year.

Holdings of Securities

As at 30 June 2019

Details of the Company's portfolios are given below. The list should not, however, be used to evaluate portfolio performance or to determine the net asset backing per share (which is recorded each month on the toll free telephone service at 1800 780 784).

Code	Name	Principal Activity	Number Held 2018 '000	Number Held 2019 '000	Market Value 2019 \$'000
AMC*	Amcor	Global packaging company	441	350	5,631
ARB	ARB Corporation	Manufacturer and distributor of four-wheel drive vehicle accessories in Australia and internationally	150	310	5,642
AUB	AUB Group	Investor in a network of small to medium Australian insurance brokers	370	425	4,435
AWC*	Alumina	40 per cent interest in a joint venture with Alcoa involved in bauxite mining, alumina refining and aluminium smelting	0	1,800	4,064
BHP*	BHP Group	Diversified international resources company	447	355	14,471
BKW	Brickworks	Australia's largest manufacturer of bricks and pavers, with other investments in property development and listed equities	225	192	3,122
BRG	Breville Group	Manufacturer and wholesaler of electrical consumer products	225	240	3,926
BXB*	Brambles	Global provider of supply chain management and logistics solutions	445	445	5,698
CAR	Carsales.com	The largest online automotive classifieds business in Australia. They also have interests in leading online automotive classified businesses in Brazil, South Korea, Malaysia, Indonesia, Thailand and Mexico	373	507	6,860
CBA*	Commonwealth Bank of Australia	Banking and wealth management services	108	128	10,224
CPU	Computershare	Provides stock registration and transfer services to companies listed on various stock markets globally, as well as providing technology services for stock exchanges, investor services for shareholders and employee share plan management and the provision of bankruptcy, class action and mortgage servicing activities for various corporate clients globally	320	173	2,796
CSL	CSL	Biopharmaceutical company that researches, develops, manufactures and markets products to treat and prevent serious human medical conditions	74	79	16,878
EQT	EQT Holdings	Provider of private client, trustee, estate administration and funds management services	205	262	7,751
FRE	Freightways	Engages in the provision of express packages and business mail services as well information and destruction services both in Australia and New Zealand	0	408	3,293
IRE	IRESS	Provider of share market and wealth management information systems	350	450	6,269
JHX	James Hardie Industries	Building materials company focused on fibre cement products, predominantly in the United States	270	416	7,779
LIC	Lifestyle Communities	Develops, owns and manages independent living communities for elderly citizens. The company operates eight villages across Victoria, encompassing a full range of community and lifestyle-orientated facilities on-site	1,800	703	4,664
MFT (NZX)	Mainfreight	Provider of managed warehousing and international and domestic freight forwarding services	329	329	12,815
MQG	Macquarie Group	Diversified financial services business operating in banking, financial advisory, investment and funds management services	73	85	10,658
NAB*	National Australia Bank	Banking and wealth management services	298	460	12,124

Holdings of Securities continued

As at 30 June 2019

Code	Name	Principal Activity	Number Held 2018 '000	Number Held 2019 '000	Market Value 2019 \$'000
NXT	NEXTDC	Owns and operates large scale data centres across Australia	625	725	4,705
OCL	Objective Corporation	Provider of information technology software and services	1,395	1,395	3,905
OSH	Oil Search	Oil and gas explorer, developer and producer with assets predominantly in PNG	925	925	6,540
QUB	Qube Holdings	Provider of import and export logistics services with national operations	3,027	2,407	7,318
REH	Reece	Distributor and retailer of plumbing, building and hardware supplies	466	575	5,612
RHC*	Ramsay Health Care	Engages in provision of healthcare services and the operation of hospitals and day surgery facilities in Asia Pacific, United Kingdom and France	0	74	5,203
RWC	Reliance Worldwide Corporation	Designs, manufactures and distributes products for the plumbing industry including fittings, pipes, valves and thermostatic products	950	1,527	5,375
SEK	Seek	Operator of employment classifieds websites in Australia and offshore with interest in education and training	300	277	5,866
SHL*	Sonic Healthcare	Specialist diagnostics company providing radiology and pathology services in Australia and overseas	225	205	5,474
SPL	Starpharma Holdings	Engages in the research and development of dendrimer products for pharmaceutical, life science and other applications	0	1,930	2,625
SYD	Sydney Airport	Engages in the operation and ownership of the Sydney International Airport	0	804	6,461
TCL	Transurban Group	Developer and operator of electronic toll roads in Australia and overseas	541	635	9,365
WBC*	Westpac Banking Corporation	Banking and wealth management services	360	376	10,636
WES*	Wesfarmers	Diversified conglomerate with retailing operations in supermarkets, department stores, home improvement and office supplies. The Group also operates businesses involved in energy, chemicals, fertilisers, industrial and safety products	0	146	5,269
WLL	Wellcom Group	Production company providing pre-media, digital asset management and specialty printing services to advertisers, retailers and corporations	1,005	1,101	5,998
WOW*	Woolworths Group	Operates general merchandise consumer stores and supermarkets in Australia and New Zealand	200	87	2,779
WPL*	Woodside Petroleum	Engages in the exploration, evaluation, development and production of hydrocarbon and oil and gas properties	128	159	5,754
XRO	Xero	Develops cloud-based accounting software for small and medium-sized businesses in New Zealand, Australia, the United Kingdom and the United States	81	70	4,196
Total					252,178

* Indicates that options were outstanding against part or all of the holding.

Major Transactions in the Investment Portfolio

Acquisitions	Cost \$'000
Sydney Airport	5,684
Ramsay Health Care	5,388
Wesfarmers	5,340
National Australia Bank	4,522
Alumina	3,961

Disposals	Proceeds \$'000
Freedom Foods Group	6,178
Lifestyle Communities	5,925
Rio Tinto (includes participation in off-market share buy-back)	5,290
Challenger	4,423
CYBG (Clydesdale Bank)	4,230
Woolworths Group (includes participation in off-market share buy-back)	4,090

All were complete disposals from the portfolio, other than Lifestyle Communities and Woolworths Group.

New Companies Added to the Portfolio

Sydney Airport
Alumina
Ramsay Health Care
Freightways
Wesfarmers
Starpharma Holdings

Sub-underwriting

During the year the Company participated as a sub-underwriter in the following issue of securities:

<u>Company</u>	<u>Underwritten By</u>	<u>Description</u>	<u>Amount Underwritten</u>
Fleetwood Corporation Ltd	Euroz Securities Ltd	1-for-2.90 Accelerated Non-Renounceable Entitlement Offer	\$1,035,930

Share Capital Changes

Date	Type	Price/Amount
22 February 2019	DRP	\$0.86
7 November 2018	SPP	\$0.86
24 August 2018	DRP	\$0.91
24 August 2017	DRP	\$0.88
25 August 2016	DRP	\$0.95
4 March 2016	SPP	\$0.83
25 August 2015	DRP	\$0.85
18 November 2014	SPP	\$0.86
26 August 2014	DRP	\$0.94
8 October 2013	SPP	\$0.85
27 August 2013	DRP	\$0.87
5 January 2011	SPP	\$0.64
27 August 2010	DRP	\$0.60
11 December 2009	SPP	\$0.64
27 August 2009	DRP	\$0.59
15 August 2008	DRP	\$0.62
27 August 2007	DRP	\$0.75
Various	Exercise of options	\$0.50
23 January 2004	Share issue	\$0.50
19 December 2003	Capital consolidation 1 for 16	
15 August 2003	Capital return	\$0.40
23 May 2003	Capital return	\$0.40
11 March 2003	Capital return	\$0.40
17 January 2003	Capital return	\$0.32
18 November 2002	Capital return	\$0.33
7 April 2000	1 for 5 rights issue	\$2.00
24 January 2000	Exercise of JBWere Option	\$2.00
10 September 1999	DRP	\$2.54
2 June 1999	1 for 3 rights issue	\$2.40
15 March 1999	DRP	\$2.38
16 September 1998	DRP	\$2.14
17 June 1998	1 for 2 rights issue	\$2.00
27 March 1998	DRP	\$2.17
12 September 1997	SPP	\$1.95
18 October 1996	Initial issue	\$2.00

Company Particulars

AMCIL Limited (AMCIL)
ABN 57 073 990 735

Directors

Bruce B Teele, Chairman
Robert M Freeman, Managing Director
Ross E Barker
Roger G Brown
Michael J Hirst
Siobhan L McKenna
Rupert Myer AO
Jonathan J Webster AM

Company Secretaries

Matthew J Rowe
Andrew JB Porter

Auditor

PricewaterhouseCoopers
Chartered Accountants

Country of Incorporation

Australia

Registered Office and Mailing Address

Level 21, 101 Collins Street
Melbourne Victoria 3000

Contact Details

Telephone (03) 9650 9911
Facsimile (03) 9650 9100
Website amcil.com.au
Email invest@amcil.com.au

For enquiries regarding net asset backing (as advised each month to the Australian Securities Exchange):

Telephone 1800 780 784 (toll free)

Share Registrar

Computershare Investor Services Pty Ltd
Yarra Falls
452 Johnston Street
Abbotsford Victoria 3067

Shareholder

Enquiry Line 1300 653 916
+61 3 9415 4224
(from overseas)
Facsimile 61 3 9473 2500
Website investorcentre.com/contact

For all enquiries relating to shareholdings, dividends and related matters, please contact the share registrar as above.

Securities Exchange Code

AMH Ordinary shares

Shareholder Meetings

Annual General Meeting

Time 1.30pm
Date Thursday 10 October 2019
Venue Westin Hotel
Location 205 Collins Street
Melbourne

Adelaide Shareholder Meeting

Time 1.00pm
Date Monday 14 October 2019
Venue Adelaide Convention Centre
Location Panorama Rooms North Terrace
Adelaide

Sydney Shareholder Meeting

Time 1.00pm
Date Friday 18 October 2019
Venue Wesley Conference Centre
Location 220 Pitt Street
Sydney

Brisbane Shareholder Meeting

Time 1.00pm
Date Monday 28 October 2019
Venue Hilton Hotel
Location 190 Elizabeth Street
Brisbane





**ANNUAL
REVIEW
2019**

A Focused Portfolio
of Australian Equities

AMCIL

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- 24 Company Particulars
- 25 Shareholder Meetings

AMCIL manages a focused portfolio covering large and small companies in the Australian equity market. As a result, small companies by market size can have an equally important impact on portfolio returns as larger companies in the Australian market.

Year in Summary

Profit for the Year

\$7.0m

Up 12.3% from 2018

Total Shareholder Return

2.9% Including franking*

Share price plus dividend

Total Fully Franked Dividends

7.0¢

4.25 cents in 2018

Management Expense Ratio

0.72%

0.69% in 2018

Total Portfolio Return

7.0% Including franking*

S&P/ASX 200 Accumulation Index 13.4% including franking*

Total Portfolio

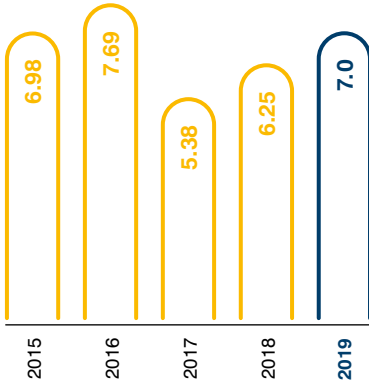
\$266.2m

Including cash at 30 June \$263.2 in 2018

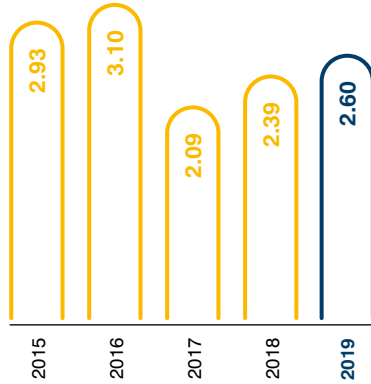
* Assumes a shareholder can take full advantage of the franking credits.

5 Year Summary

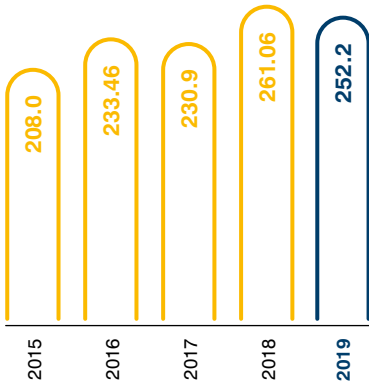
Profit After Tax (\$ Million)



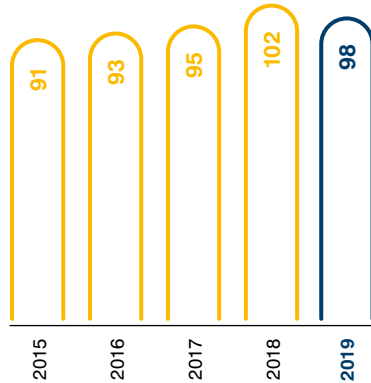
Net Profit Per Share (Cents)



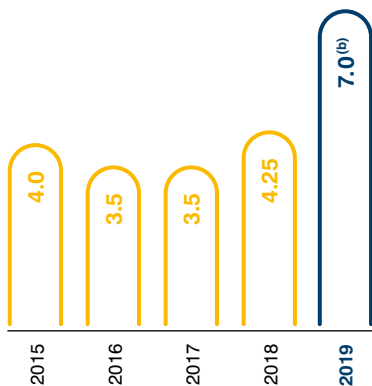
Investments at Market Value (\$ Million)^(c)



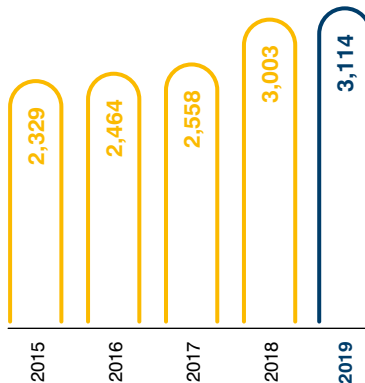
Net Asset Backing Per Share (Cents)^(d)



Dividends Per Share (Cents)^(a)



Number of Shareholders (30 June)



Notes

- (a) 2019 final dividend carries 4.29 cents attributable 'LIC gain' per share, 2019 interim: 1.43 cents, 2018: 2.76 cents, 2017: 2.1 cents, 2016: nil, 2015: 2.1 cents.
- (b) Includes 3.5 cents dividend paid in February 2019.
- (c) Excludes cash.
- (d) Net asset backing per share based on year-end data before the provision for the final (and where applicable, special) dividend. The figures do not include a provision for capital gains tax that would apply if all securities held as non-current investments had been sold at balance date as Directors do not intend to dispose of the portfolio.

About the Company

Investment Objectives

AMCIL is a medium to long-term investor in the Australian equity market. Its investment approach is to construct a focused portfolio in which large and small companies can have an equally important impact on investment returns.

The number of holdings in the portfolio depends on market conditions and investment opportunities. The Company aims to provide shareholders with:

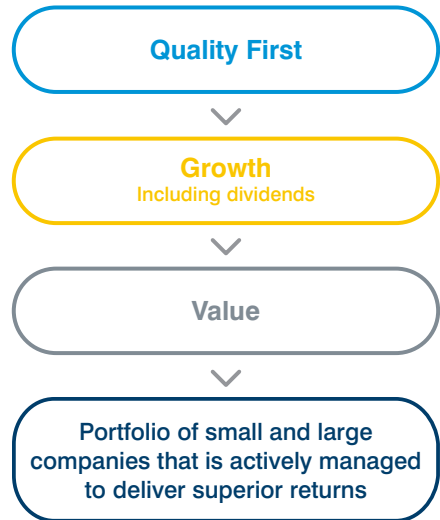
- attractive returns through strong capital growth in the portfolio over the medium to long term; and
- the generation of fully franked dividend income.

Approach to Investing

We seek to create a diversified portfolio of quality companies which are likely to sustainably grow their earnings and dividends over this medium to long-term timeframe.

Our assessment of quality includes criteria such as the board and management, financial position, margin creation as well as some key financial metrics such as the level of gearing in the balance sheet, product margins and cash flow. The structure of the industry and a company's competitive position in its industry are also important indicators of quality. Linked to this assessment of quality is the ability of companies to grow earnings over time, which ultimately should produce good dividend and capital growth.

How AMCIL Invests – What We Look For in Companies



Recognising value is also an important aspect of AMCIL's investment approach. Our assessment of value tries to reflect the opportunity a business has to prosper and thrive over the medium to long term.

Given the focused nature of the portfolio, AMCIL is more active in managing the holdings. Our preference is that positions will be held for the long term. However, in managing the risk in the portfolio, the Company is prepared to scale back or exit holdings completely if the investment case alters markedly, the position becomes too large in the portfolio or share prices become excessively high. In managing the portfolio in this way, we believe AMCIL can offer investors returns in excess



of the S&P/ASX 200 over the long term. Given the greater concentration of the portfolio, there may be periods when the performance of AMCIL can vary quite markedly from the Index. The objective is to deliver outperformance over the medium to long term.

From time to time, the Company also uses options written against some of its investments and a small trading portfolio to generate additional income.

The other important feature to note is AMCIL's dividend policy, of maximising the distribution of available franking credits each year. As a result, the amount of fully franked dividends are likely to fluctuate from year to year.

Review of Operations and Activities

Profit and Dividend

Profit for the year was \$7.0 million, up 12.3 per cent from \$6.2 million from the corresponding period last year. Following adjustments to the portfolio and a special dividend from BHP, investment income increased 8.8 per cent to \$9.2 million.

The final dividend was 3.5 cents per share fully franked. In February 2019 dividends of 3.5 cents per share were also paid, comprising a special dividend of 1.5 cents per share fully franked following the Company's participation in the Rio Tinto and BHP off-market share buy-backs and an interim dividend of 2.0 cents per share fully franked.

Total fully franked dividends for the year, including the special, are 7.0 cents per share compared with 4.25 cents per share last year.

Three cents of the final dividend are sourced from taxable capital gains, on which the Company has paid or will pay tax. The amount of the pre-tax attributable gain on this portion of the dividend, known as an 'LIC capital gain', is therefore 4.29 cents. The dividend paid in February 2019 also carried a LIC capital gain of 1.43 cents. These LIC capital gains enables some shareholders to claim a tax deduction in their tax return.

Management Expense Ratio

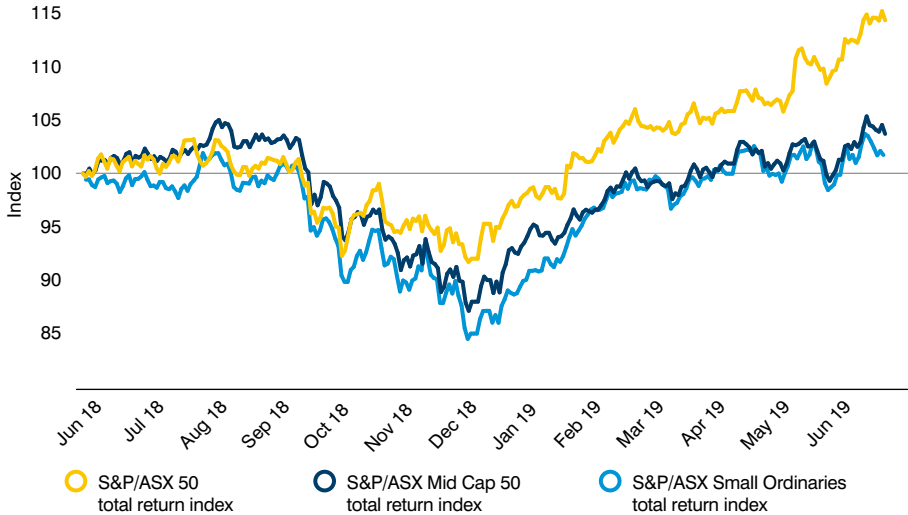
AMCIL's management expense ratio is 0.72 per cent. AMCIL's portfolio is managed internally and does not charge portfolio performance fees which leads to lower costs for shareholders.

The management expense ratio compares very favourably with the average fees charged by managed funds with a similar investment focus and size as AMCIL. For retail investors, these fees can typically be in excess of one per cent and can also include additional performance fees.

Portfolio Returns

After negative returns in the first half of the financial year, the market experienced very strong growth from year lows in December, primarily in response to extremely low interest rates as investors looked for yield and pockets of expected growth. This produced a market that had a very mixed profile for returns, with the combined Small and Mid-Cap Accumulation Indices up 2.8 per cent over the year to 30 June 2019 whereas the Fifty Leaders Accumulation Index was up 14.2 per cent over the corresponding period (Figure 1). Between industry sectors there were also marked variances in returns.

Figure 1: Performance of S&P/ASX 50 Leaders Index Relative to Small and Mid Cap Indices



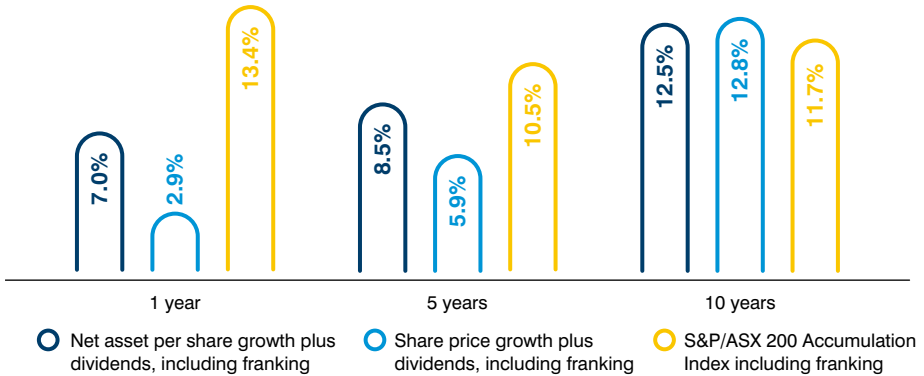
Source: FactSet

AMCIL's objective is to run a concentrated portfolio of large, mid and small companies which is meaningfully different from the market. As a result, there will be periods when the performance of AMCIL can vary quite markedly from the Index. Assuming the full benefit of franking credits, AMCIL's portfolio delivered a return of 7.0 per cent, whereas the S&P/ASX 200 Accumulation Index return was 13.4 per cent on the same basis over the year. It is appropriate to add franking credits to total returns, given AMCIL's dividend policy seeks to maximise

the distribution of franking credits, including those arising from taxable realised gains. Noting the difference in annual returns from the Index, the key objective is to deliver a sustained outperformance over the medium to long term. AMCIL has produced returns of 12.5 per cent per annum over the 10 years to 30 June 2019. This is ahead of the Index return of 11.7 per cent per annum over the same period. Both figures include the benefit of franking credits (Figure 2 on page 8).

Review of Operations and Activities continued

Figure 2: Portfolio and Share Price Performance – Per Annum Returns to 30 June 2019, Including Franking Credits*



* Assumes an investor can take full advantage of the franking credits. AMCIL's portfolio return is also calculated after management fees, income tax and capital gains tax on realised sales of investments. It should be noted that Index returns for the market do not include management expenses or tax.

The more significant positive contributors to the portfolio over the year were Mainfreight, Breville Group, BHP, EQT Holdings and Brambles.

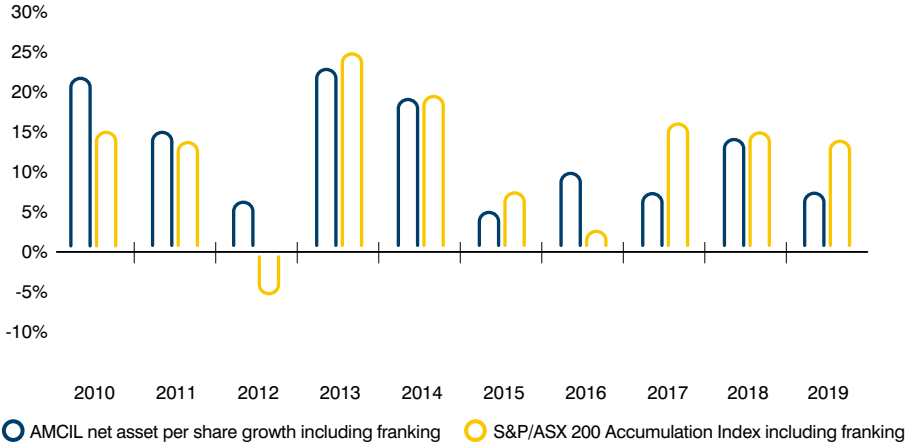
Figure 3 outlines the performance each financial year of the portfolio versus the S&P/ASX 200 Index over the past 10 years, including the benefit of franking credits. This highlights that annual performance will vary quite differently from the Index.

The investment objective is to deliver outperformance over the medium to long term. Figure 4 shows the cumulative return of the AMCIL portfolio over the 10-year period.

Adjustments to the Portfolio

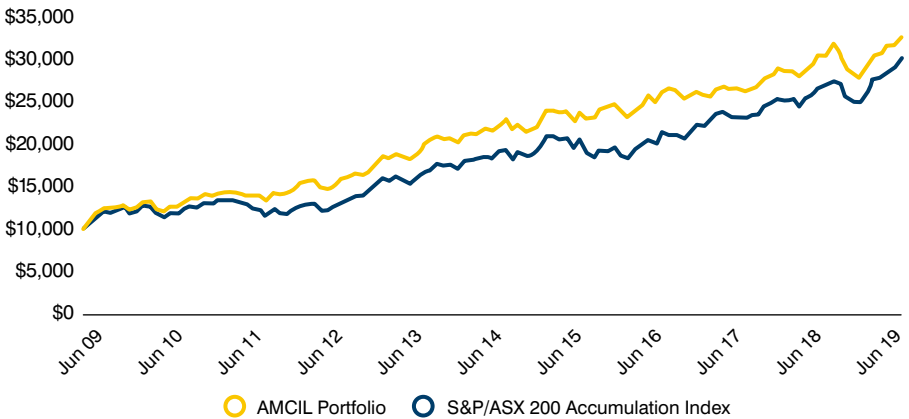
There were a number of adjustments to the portfolio this year with holdings in the investment portfolio reduced from 46 to 38 companies. There was a focus on strengthening existing positions in quality holdings in a more uncertain environment, reducing or exiting positions because of stretched valuations or where the outlook had deteriorated, and adding new holdings that fitted the emphasis on quality companies with strong industry positions. Major purchases included new additions to the portfolio: Sydney Airport, Ramsay Health Care, Wesfarmers and Alumina. National Australia Bank was the other large purchase building on an existing position, given the very attractive dividend yield on offer at the time.

Figure 3: Performance Each Financial Year of AMCIL Including Dividends and Franking Credits Versus the ASX 200 Accumulation Index With Franking*



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

Figure 4: Ten Year Portfolio Performance of AMCIL (Including Benefit of Franking) – to 30 June 2019



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

Review of Operations and Activities continued

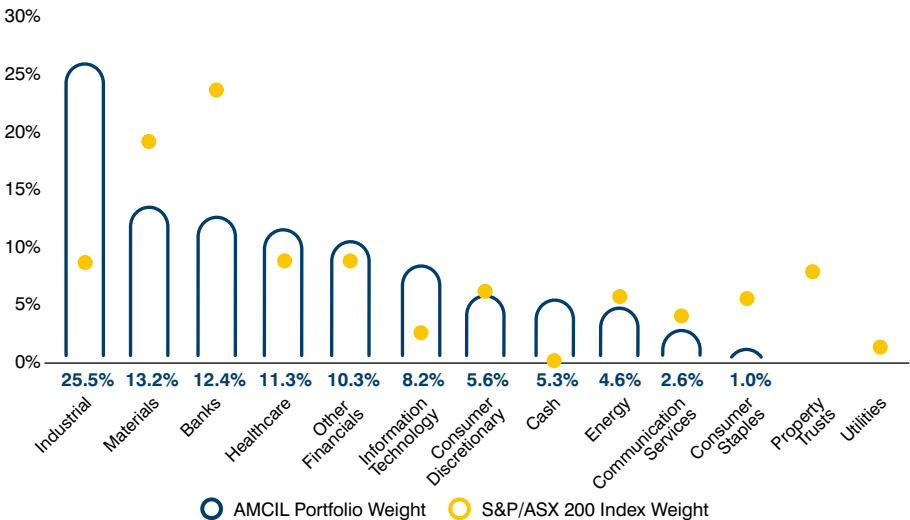
In smaller companies, Freightways, a New Zealand listed company was added to the portfolio. Freightways, which has operations in New Zealand and Australia, engages in the provision of express package and business mail services; and information management services. It operates through the following segments: Express Package and Business Mail; Information Management; and Corporate. The Express Package and Business Mail segment covers network courier, point-to-point courier, and postal services. The Information Management segment offers paper-based and electronic business information management services. The Corporate segment includes corporate, financing, and property management

services. The company was founded in 1964 and is headquartered in Auckland, New Zealand.

Major sales included reducing the position in Lifestyle Communities and the complete sale of Freedom Foods, Rio Tinto (including participation in the off-market buy-back), Challenger and CYBG (Clydesdale Bank), with these last two companies being disappointing performers in the portfolio.

AMCIL's portfolio is very different from that represented by the S&P/ASX 200 Index. Figure 5 highlights the profile of the total portfolio by the various sectors of the market at the end of the financial year and the portfolio's variance from the S&P/ASX 200 Index.

Figure 5: Investment by Sector as at 30 June 2019





Investment Income
Increased

8.8%

“

Following adjustments to the portfolio, we are satisfied the portfolio is well positioned across a broad range of companies that have resilience in their businesses.

”

Review of Operations and Activities continued

Figure 6: Share Price Premium/Discount to Net Asset Backing

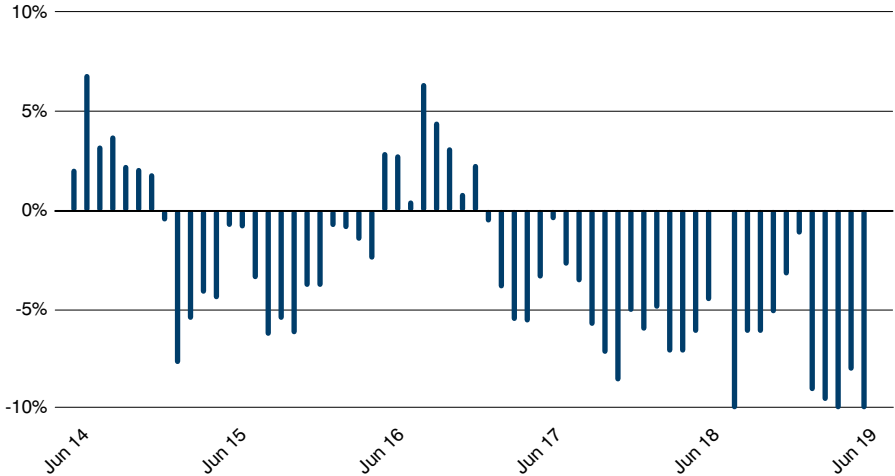
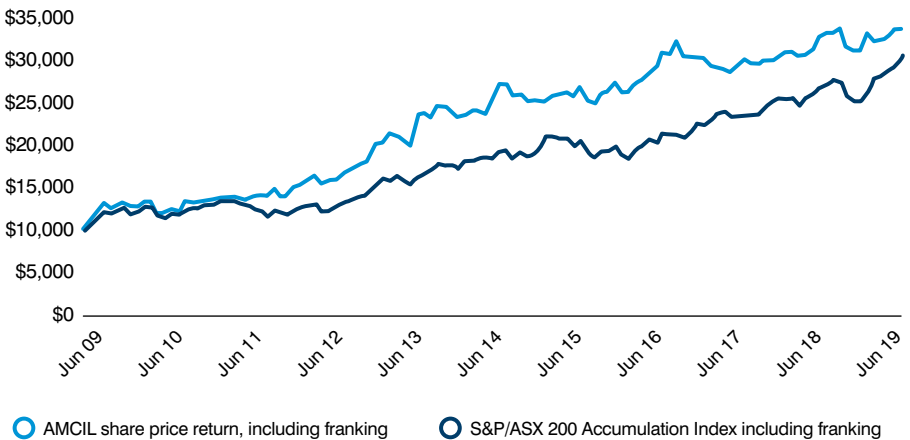


Figure 7: Ten Year Share Price Return of AMCIL Including Dividends and the Full Benefit of Franking Credits



Note 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.

AMCIL does not hold any property trusts which have been very strong over the year as investors seeking income respond to very low bond yields. Our observation is that over the long term industrial companies have tended to outperform property trusts. The distribution from these trusts also do not carry franking credits.

Share Price

The share price was trading at a discount of 10.4 per cent to the net asset backing (before tax on unrealised gains) at 30 June 2019, compared with a discount of 6.2 per cent at the end of the prior year. The share price return for the year of 2.9 per cent (including franking), which was below the portfolio return for the year of 7.0 per cent (including franking), was because of the widening of the discount over this period (Figure 6).

Importantly over the long term the share price return has performed broadly in line with the portfolio return, with the share price up 12.8 per cent per annum versus the portfolio which was up 12.5 per cent per annum (both figures include franking).

Figure 7 outlines the benefit of compound returns and the value of AMCIL's investment approach. It shows the total share price return (including dividends and the full benefit of franking credits) from an investment of \$10,000 in AMCIL shares over a 10-year period relative to the return from the ASX 200 Accumulation Index, including franking credits.

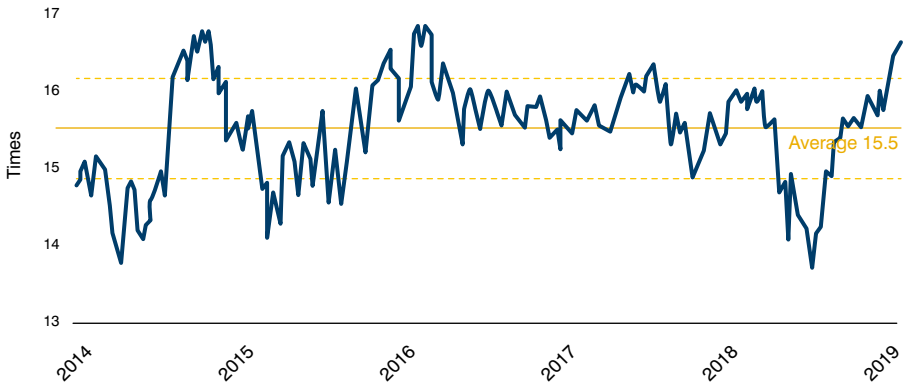
Outlook

In our opinion, global markets still face heightened economic uncertainty. Following adjustments to the portfolio, we are satisfied the portfolio is well positioned across a broad range of companies that have resilience in their businesses. In the event of increased volatility, AMCIL also has cash available should the opportunity arise to further invest in quality businesses at more attractive prices.

In this context, we are very conscious that at this stage of the market cycle, valuations are trading well above the long-term average in this low interest rate environment (Figure 8 on page 14).

Review of Operations and Activities continued

Figure 8: Valuation of the Market – Price Earnings Ratio of the S&P ASX 200 Index



Source: FactSet

Directorship Matters

As previously advised to shareholders in the Half-Year Report, Mr Richard Santamaria retired as a Director of the Company on 5 October 2018. Mr Santamaria was a Director of the Company since 1996. The Board deeply appreciates Mr Santamaria's 22 years of dedicated service to shareholders and outstanding contribution to Board matters, including as a member of the Investment and Audit Committees. We wish him well for the future.

Mr Michael Hirst was appointed as a Non-Executive Director of the Company, on 23 January 2019.

Mr Hirst was Managing Director and Chief Executive Officer of Bendigo and Adelaide Bank Limited from 2009 to 2018. Mr Hirst has extensive experience in banking, treasury, funds management and financial markets, including previous Senior Executive and management positions with Colonial Limited, Chase AMP Bank Limited and Westpac Banking Corporation. He is a Director of GMBHA Limited, Health.com.au, GMHBA Services Limited and Deputy Chairman of Racing Victoria Limited. He is an honorary member of the Business Council of Australia and a Board member of the Grow 21 Strategic Advisory Board.

We are delighted to welcome Mr Hirst to the Board and look forward to the contribution he will make.

Top 20 Investments

As at 30 June 2019

Includes investments held in both the investment and trading portfolios.

Valued at Closing Prices at 28 June 2019

	Total Value \$'000	% of Portfolio
1 CSL	16.9	6.7
2 BHP*	14.5	5.7
3 Mainfreight	12.8	5.1
4 National Australia Bank*	12.1	4.8
5 Macquarie Group	10.7	4.2
6 Westpac Banking Corporation*	10.6	4.2
7 Commonwealth Bank of Australia*	10.2	4.1
8 Transurban	9.4	3.7
9 James Hardie Industries	7.8	3.1
10 EQT Holdings	7.8	3.1
11 Qube Holdings	7.3	2.9
12 Carsales.com	6.9	2.7
13 Oil Search	6.5	2.6
14 Sydney Airport	6.5	2.6
15 IRESS	6.3	2.5
16 Wellcom Group	6.0	2.4
17 Seek	5.9	2.3
18 Woodside Petroleum*	5.8	2.3
19 Brambles*	5.7	2.3
20 ARB Corporation	5.6	2.2
Total	175.1	

As a percentage of total portfolio (excludes cash)

69.4%

* Indicates that options were outstanding against part of the holding.

Cash position at 30 June 2019 – \$14.0 million.

Income Statement

For the Year Ended 30 June 2019

	2019 \$'000	2018 \$'000
Dividends and distributions	8,984	8,243
Revenue from deposits and bank bills	199	205
Net gains/(losses) on trading portfolio	(376)	129
Income/(losses) from options written portfolio	251	(552)
Other revenue	10	-
Total income	9,068	8,025
Finance costs	(63)	(59)
Administration expenses	(1,846)	(1,724)
Profit before income tax	7,159	6,242
Income tax credit/(expense)	(144)	5
Profit for the year	7,015	6,247
	Cents	Cents
Profit for the year per share	2.60	2.39

Balance Sheet

As at 30 June 2019

	2019	2018
	\$'000	\$'000
Current assets		
Cash	13,988	2,150
Receivables	2,993	7,070
Total current assets	16,981	9,220
Non-current assets		
Deferred tax assets	137	88
Investment portfolio	253,395	262,118
Total non-current assets	253,532	262,206
Total assets	270,513	271,426
Current liabilities		
Payables	173	253
Tax payable	851	1,465
Borrowings – bank debt	-	1,000
Options sold	1,217	1,060
Total current liabilities	2,241	3,778
Non-current liabilities		
Deferred tax liabilities – investment portfolio	20,718	22,290
Total non-current liabilities	20,718	22,290
Total liabilities	22,959	26,068
Net assets	247,554	245,358
Shareholders' equity		
Share capital	186,168	174,748
Revaluation reserve	36,784	39,285
Realised capital gains reserve	19,637	20,721
Retained profits	4,965	10,604
Total shareholders' equity	247,554	245,358

Summarised Statement of Changes in Equity

For the Year Ended 30 June 2019

	2019 \$'000	2018 \$'000
Total equity at the beginning of the year	245,358	228,786
Dividends paid	(20,592)	(9,029)
Shares issued – Dividend Reinvestment Plan	7,149	3,101
– Share Purchase Plan	4,319	-
Costs of share issues	(48)	(11)
Total transactions with shareholders	(9,172)	(5,939)
Profit for the year	7,015	6,247
Revaluation of investment portfolio	5,651	25,323
Provision for tax on revaluation	(1,298)	(9,059)
Revaluation of investment portfolio (after tax)	4,353	16,264
Total comprehensive income for the year	11,368	22,511
Realised gains on securities sold	9,724	6,341
Tax expense on realised gains on securities sold	(2,870)	(2,242)
Net realised gains on securities sold	6,854	4,099
Transfer from revaluation reserve to realised gains reserve	(6,854)	(4,099)
Total equity at the end of the year	247,554	245,358

A full set of AMCIL's accounts are available on the Company's website.

Holdings of Securities

As at 30 June 2019

Details of the Company's portfolios are given below. The list should not, however, be used to evaluate portfolio performance or to determine the net asset backing per share (which is recorded each month on the toll free telephone service at 1800 780 784).

Code	Name	Principal Activity	Number Held 2018 '000	Number Held 2019 '000	Market Value 2019 \$'000
AMC*	Arcor	Global packaging company	441	350	5,631
ARB	ARB Corporation	Manufacturer and distributor of four-wheel drive vehicle accessories in Australia and internationally	150	310	5,642
AUB	AUB Group	Investor in a network of small to medium Australian insurance brokers	370	425	4,435
AWC*	Alumina	40 per cent interest in a joint venture with Alcoa involved in bauxite mining, alumina refining and aluminium smelting	0	1,800	4,064
BHP*	BHP Group	Diversified international resources company	447	355	14,471
BKW	Brickworks	Australia's largest manufacturer of bricks and pavers, with other investments in property development and listed equities	225	192	3,122
BRG	Breville Group	Manufacturer and wholesaler of electrical consumer products	225	240	3,926
BXB*	Brambles	Global provider of supply chain management and logistics solutions	445	445	5,698
CAR	Carsales.com	The largest online automotive classifieds business in Australia. They also have interests in leading online automotive classified businesses in Brazil, South Korea, Malaysia, Indonesia, Thailand and Mexico	373	507	6,860
CBA*	Commonwealth Bank of Australia	Banking and wealth management services	108	128	10,224

Holdings of Securities continued

As at 30 June 2019

Code	Name	Principal Activity	Number Held 2018 '000	Number Held 2019 '000	Market Value 2019 \$'000
CPU	Computershare	Provider of stock registration and transfer services to companies listed on various stock markets globally, as well as providing technology services for stock exchanges, investor services for shareholders and employee share plan management and the provision of bankruptcy, class action and mortgage servicing activities for various corporate clients globally	320	173	2,796
CSL	CSL	Biopharmaceutical company that researches, develops, manufactures and markets products to treat and prevent serious human medical conditions	74	79	16,878
EQT	EQT Holdings	Provider of private client, trustee, estate administration and funds management services	205	262	7,751
FRE	Freightways	Engages in the provision of express packages and business mail services as well information and destruction services both in Australia and New Zealand	0	408	3,293
IRE	IRESS	Provider of share market and wealth management information systems	350	450	6,269
JHX	James Hardie Industries	Building materials company focused on fibre cement products, predominantly in the United States	270	416	7,779
LIC	Lifestyle Communities	Develops, owns and manages independent living communities for elderly citizens. The company operates eight villages across Victoria, encompassing a full range of community and lifestyle-orientated facilities on-site	1,800	703	4,664
MFT (NZX)	Mainfreight	Provider of managed warehousing and international and domestic freight forwarding services	329	329	12,815

Code	Name	Principal Activity	Number Held 2018 '000	Number Held 2019 '000	Market Value 2019 \$'000
MQG	Macquarie Group	Diversified financial services business operating in banking, financial advisory, investment and funds management services	73	85	10,658
NAB*	National Australia Bank	Banking and wealth management services	298	460	12,124
NXT	NEXTDC	Owns and operates large scale data centres across Australia	625	725	4,705
OCL	Objective Corporation	Provider of information technology software and services	1,395	1,395	3,905
OSH	Oil Search	Oil and gas explorer, developer and producer with assets predominantly in PNG	925	925	6,540
QUB	Qube Holdings	Provider of import and export logistics services with national operations	3,027	2,407	7,318
REH	Reece	Distributor and retailer of plumbing, building and hardware supplies	466	575	5,612
RHC*	Ramsay Health Care	Engages in provision of healthcare services and the operation of hospitals and day surgery facilities in Asia Pacific, United Kingdom and France	0	74	5,203
RWC	Reliance Worldwide Corporation	Designs, manufactures and distributes products for the plumbing industry including fittings, pipes, valves and thermostatic products	950	1,527	5,375
SEK	Seek	Operator of employment classifieds websites in Australia and offshore with interest in education and training	300	277	5,866
SHL*	Sonic Healthcare	Specialist diagnostics company providing radiology and pathology services in Australia and overseas	225	205	5,474
SPL	Starpharma Holdings	Engages in the research and development of dendrimer products for pharmaceutical, life science and other applications	0	1,930	2,625

Holdings of Securities continued

As at 30 June 2019

Code	Name	Principal Activity	Number Held 2018 '000	Number Held 2019 '000	Market Value 2019 \$'000
SYD	Sydney Airport	Engages in the operation and ownership of the Sydney International Airport	0	804	6,461
TCL	Transurban Group	Developer and operator of electronic toll roads in Australia and overseas	541	635	9,365
WBC*	Westpac Banking Corporation	Banking and wealth management services	360	376	10,636
WES*	Wesfarmers	Diversified conglomerate with retailing operations in supermarkets, department stores, home improvement and office supplies. The Group also operates businesses involved in energy, chemicals, fertilisers, industrial and safety products	0	146	5,269
WLL	Wellcom Group	Production company providing pre-media, digital asset management and specialty printing services to advertisers, retailers and corporations	1,005	1,101	5,998
WOW*	Woolworths Group	Operates general merchandise consumer stores and supermarkets in Australia and New Zealand	200	87	2,779
WPL*	Woodside Petroleum	Engages in the exploration, evaluation, development and production of hydrocarbon and oil and gas properties	128	159	5,754
XRO	Xero	Develops cloud-based accounting software for small and medium-sized businesses in New Zealand, Australia, the United Kingdom and the United States	81	70	4,196
Total				252,178	

* Indicates that options were outstanding against part of the holding.

Major Transactions in the Investment Portfolio

Acquisitions	Cost \$'000
Sydney Airport	5,684
Ramsay Health Care	5,388
Wesfarmers	5,340
National Australia Bank	4,522
Alumina	3,961

Disposals	Proceeds \$'000
Freedom Foods Group	6,178
Lifestyle Communities	5,925
Rio Tinto (includes participation in off-market share buy-back)	5,290
Challenger	4,423
CYBG (Clydesdale Bank)	4,230
Woolworths Group (includes participation in off-market share buy-back)	4,090

All were complete disposals from the portfolio, other than Lifestyle Communities and Woolworths Group.

New Companies Added to the Portfolio

Sydney Airport
Alumina
Ramsay Health Care
Freightways
Wesfarmers
Starpharma Holdings

Company Particulars

AMCIL Limited (AMCIL)

ABN 57 073 990 735

Directors

Bruce Teele, Chairman
Robert M Freeman, Managing Director
Ross E Barker
Roger G Brown
Michael J Hirst
Siobhan L McKenna
Rupert Myer AO
Jonathan J Webster AM

Company Secretaries

Matthew J Rowe
Andrew JB Porter

Auditor

PricewaterhouseCoopers
Chartered Accountants

Country of Incorporation

Australia

Registered Office and Mailing Address

Level 21, 101 Collins Street
Melbourne Victoria 3000

Contact Details

Telephone (03) 9650 9911
Facsimile (03) 9650 9100
Website amcil.com.au
Email invest@amcil.com.au

For enquiries regarding net asset backing (as advised each month to the Australian Securities Exchange):

Telephone 1800 780 784 (toll free)

Share Registrar

Computershare Investor Services Pty Ltd
Yarra Falls, 452 Johnston Street
Abbotsford Victoria 3067

Shareholder

Enquiry Line 1300 653 916
+613 9415 4224
(from overseas)

Facsimile (03) 9473 2500

Website investorcentre.com/au/contact

For all enquiries relating to shareholdings, dividends and related matters, please contact the share registrar as above.

Securities Exchange Code

AMH Ordinary shares

Shareholder Meetings

Annual General Meeting

Time 1.30pm
Date Thursday 10 October 2019
Venue Westin Hotel
Location 205 Collins Street
Melbourne

Adelaide Shareholder Meeting

Time 1.00pm
Date Monday 14 October 2019
Venue Adelaide Convention Centre
Location Panorama Rooms North Terrace
Adelaide

Sydney Shareholder Meeting

Time 1.00pm
Date Friday 18 October 2019
Venue Wesley Conference Centre
Location 220 Pitt Street
Sydney

Brisbane Shareholder Meeting

Time 1.00pm
Date Monday 28 October 2019
Venue Hilton Hotel
Location 190 Elizabeth Street
Brisbane

The Annual Report for 2019 is available on AMCIL's website amcil.com.au or by contacting the Company on (03) 9650 9911.



NOTICE OF ANNUAL GENERAL MEETING 2019

A Focused Portfolio
of Australian Equities

The Annual General Meeting of
AMCIL Limited, ABN: 57 073 990 735
(‘Company’) will be held at:

The Westin Melbourne, 205 Collins
Street, Melbourne, Victoria at 1.30pm
(AEDT) on Thursday 10 October 2019.

The Company has determined
that, for the purpose of voting at the
meeting, shares will be taken to be
held by those persons recorded on the
Company’s register at 7.00pm (AEDT)
on Tuesday 8 October 2019.

AMCIL

BUSINESS OF THE MEETING

1. Financial Statements and Reports

To consider the Directors' Report, Financial Statements and Independent Audit Report for the financial year ended 30 June 2019.

(Please note that no resolution will be required to be passed on this matter.)

2. Adoption of Remuneration Report

To consider and, if thought fit, to pass the following resolution (as an ordinary resolution):

"That the Remuneration Report for the financial year ended 30 June 2019 be adopted."

(Please note that the vote on this item is advisory only.)

3. to 5. Election and Re-election of Directors

To consider and, if thought fit, to pass the following resolutions (as ordinary resolutions):

3. "That Mr Michael Hirst, a Director appointed since the last Annual General Meeting and retiring from office in accordance with Rule 45 of the Constitution, being eligible is elected as a Director of the Company."
4. "That Ms Siobhan McKenna, a Director retiring from office in accordance with Rule 46 of the Constitution, being eligible is re-elected as a Director of the Company."
5. "That Mr Rupert Myer, a Director retiring from office in accordance with Rule 46 of the Constitution, being eligible is re-elected as a Director of the Company."

By Order of the Board



Matthew Rowe
Company Secretary
22 August 2019

EXPLANATORY NOTES

The Explanatory Notes below provide additional information regarding the items of business proposed for the Annual General Meeting.

IMPORTANT: Shareholders are urged to direct their proxy how to vote by clearly marking the relevant box for each item on the proxy form.

Please ensure that your properly completed proxy form reaches the share registry by the deadline of 1.30pm (AEDT) on Tuesday 9 October 2019.

1. Financial Statements and Reports

During this item there will be an opportunity for shareholders to ask questions and comment on the Directors' Report, Financial Statements and Independent Audit Report for the financial year ended 30 June 2019. No resolution will be required to be passed on this matter.

Shareholders who have not elected to receive a hard copy of the Company's 2019 Annual Report can view or download it from the Company's website at:

amcil.com.au/Shareholder-Reports.aspx

2. Adoption of Remuneration Report

Board recommendation and undirected proxies: The Board recommends that shareholders vote in FAVOUR of Item 2. The Chairman of the Annual General meeting intends to vote undirected proxies in FAVOUR of Item 2.

During this item there will be a reasonable opportunity for shareholders at the meeting to comment on and ask questions about the Remuneration Report which can be found in the Company's 2019 Annual Report.

Voting Exclusions on Item 2

Pursuant to sections 250BD and 250R of the *Corporations Act 2001* (Cth), votes may not be cast, and the Company will disregard any votes cast, on the resolution proposed in Item 2 ('Resolution 2'):

- by or on behalf of any member of the key management personnel of the Company, which includes the directors, (a 'KMP member') whose remuneration details are included in the Remuneration Report, or any of their closely related parties, regardless of the capacity in which the votes are cast; or
- by any person who is a KMP member as at the time Resolution 2 is voted on at the Annual General Meeting, or any of their closely related parties, as a proxy,

unless the votes are cast as a proxy for a person who is entitled to vote on Resolution 2:

- in accordance with a direction in the proxy appointment; or
- by the Chairman of the Annual General Meeting in accordance with an express authorisation in the proxy appointment to cast the votes even if Resolution 2 is connected directly or indirectly with the remuneration of a KMP member.

If the Chairman of the Annual General Meeting is appointed, or taken to be appointed, as a proxy, the shareholder can direct the Chairman to vote for or against, or to abstain from voting on, Resolution 2 by marking the appropriate box opposite Item 2 on the proxy form.

Pursuant to sections 250BD(2) and 250R(5) of the *Corporations Act 2001*, if the Chairman of the meeting is a proxy and the relevant shareholder does not mark any of the boxes opposite Item 2, the relevant shareholder will be expressly authorising the Chairman to exercise the proxy in relation to Item 2.

For the purposes of these voting exclusions:

A 'closely related party' of a KMP member means (1) a spouse or child of the KMP member, (2) a child of the KMP member's spouse, (3) a dependant of the KMP member or of the KMP member's spouse, (4) anyone else who is one of the KMP member's family and may be expected to influence the KMP member, or be influenced by the KMP member, in the KMP member's dealings with the Company, or (5) a company the KMP member controls.

The Company will also apply these voting exclusions to persons appointed as attorney by a shareholder to attend and vote at the Annual General Meeting under a power of attorney, as if they were appointed as a proxy.

Items 3. to 5. Election and Re-election of Director

Board recommendation and undirected proxies: The Board (with the exception of each Director in relation to their own re-election) recommends that shareholders vote in FAVOUR of Items 3 to 5. The Chairman of the Annual General meeting intends to vote undirected proxies in FAVOUR of Items 3 to 5.

Mr Michael Hirst was appointed to the Board on 23 January 2019 and so is required to seek election by shareholders at this AGM. Ms Siobhan McKenna and Mr Rupert Myer was elected and re-elected (respectively) as Directors by shareholders at the 2016 AGM. As such they are required to seek re-election by shareholders at this AGM. Their biographical details are set out below:

Michael J Hirst
B Com (Melb), SF Fin

Mr Hirst joined the Board in January 2019. He is a Director of GMHBA Limited, Health.com.au, GMHBA Services Limited and Deputy Chairman of Racing Victoria Limited. He was Managing Director and Chief Executive Officer of Bendigo and Adelaide Bank Ltd from 2009 to 2018. He previously held senior executive and management positions with Colonial Limited, Chase AMP Bank Limited and Westpac Banking Corporation. He is an honorary member of the Business Council of Australia and a Board member of the Grow 21 Strategy Advisory Board.

Siobhan L McKenna
B.Ec. (Hons) MPHIL. Independent Non-Executive Director. Member of the Audit Committee.

Ms McKenna joined the Board in March 2016. She is Chairman of Foxtel, Fox Sports and Australian News Channel; a Non-Executive Director of Woolworths Limited; and a Director of Illyria Pty Ltd and Nova Entertainment.

Ms McKenna is a former partner of McKinsey & Company, a former Commissioner of the Australian Productivity Commission, and a former Chairman of NBN.

Rupert Myer AO
BCom (Hons) (Melb), MA (Cantab). Independent Non-Executive Director. Chairman of the Audit Committee and Member of the Investment Committee.

Mr Myer is a company Director and was appointed a Director in January 2000. Currently, he is Chairman of the Yulgilbar Group and a Director of, eCargo Holdings Limited, Mutual Trust Pty Limited and Myer Family Investments Pty Ltd. Mr Myer was formerly Deputy Chairman of Myer Holdings Ltd, a Director of Diversified United Investments Limited and Healthscope Limited.

Shareholder Information

Proxies

1. A shareholder entitled to attend and vote at this meeting is entitled to appoint not more than two proxies (who need not be members of the Company) to attend, vote and speak in the shareholder's place and to join in any demand for a poll.
2. Where a shareholder appoints more than one representative, proxy or attorney, those appointees are entitled to vote on a poll but not on a show of hands.
3. A shareholder who appoints two proxies may specify a proportion or number of the shareholder's votes each proxy is appointed to exercise. Where no such specification is made, each proxy may exercise half of the votes (any fractions of votes resulting from this are disregarded).
- 4. Proxy forms may be lodged online by visiting investorvote.com.au or by scanning the QR Code on the proxy form with a mobile device.**
- 5. Relevant custodians may lodge their proxy forms online by visiting intermediaryonline.com**
6. Proxy forms and any authorities (or certified copies of those authorities) under which they are signed may be delivered in person, by mail or by fax to the Company's Share Registry (see details below) no later than 48 hours before the meeting, being **1.30pm (AEDT) on Tuesday 8 October 2019**. Further details are on the proxy form.

7. A proxy need not vote in that capacity on a show of hands on any resolution nor (unless the proxy is the Chairman of the meeting) on a poll. However, if the proxy's appointment specifies the way to vote on a resolution, and the proxy decides to vote in that capacity on that resolution, the proxy must vote the way specified (subject to the other provisions of this Notice, including the voting exclusions noted above).
8. In certain circumstances the Chairman of the meeting will be taken to have been appointed as the proxy of the relevant shareholder in respect of the meeting or the poll on that resolution even if the shareholder has not expressly appointed the Chairman of the meeting as their proxy. This will occur where:
- an appointment of a proxy specifies the way the proxy is to vote on a particular; and
 - the appointed proxy is not the Chairman of the meeting; and
 - at the meeting, a poll is called on the resolution; and
 - either of the following apply:
 - if a record of attendance is made for the AGM – the proxy is not recorded as attending;
 - the proxy does not vote on the resolution.

Corporate Representatives

A body corporate which is a shareholder, or which has been appointed as a proxy, may appoint an individual to act as its representative at the meeting. Unless it has previously been given to the Company, the representative should bring evidence of their appointment to the meeting, together with any authority under which it is signed. The appointment must comply with section 250D of the *Corporations Act 2001*.

Attorneys

A shareholder may appoint an attorney to vote on their behalf. To be effective for the meeting, the instrument effecting the appointment (or a certified copy of it) must be received by the deadline for the receipt of proxy forms (see above), being no later than 48 hours before the meeting.

EXPLANATORY NOTES continued

Share Registry

The Company's Share Registry details are as follows:

Computershare Investor Services Pty Limited

Street Address

Yarra Falls
452 Johnston Street
Abbotsford Victoria 3067

Postal Address

GPO Box 242
Melbourne Victoria 3001

Telephone

1300 653 916 (within Australia)
+61 3 9415 4224 (outside Australia)

Facsimile

1800 783 447 (within Australia)
+61 3 9473 2555 (outside Australia)

Internet

investorcentre.com/contact

Questions from Shareholders

Shareholders who are unable to attend the meeting or who prefer to register questions in advance are invited to use the question form included with their proxy form or via email agm@amcil.com.au. The deadline for receipt of questions to be considered at the AGM is 26 September 2019. During the course of the meeting, the Chairman will endeavour to address the themes most frequently raised in the submitted question forms. Please note that individual responses will not be sent to shareholders.

AMCIL





ABN 57 073 990 735



000001
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SAM
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your proxy:



Online:
www.investorvote.com.au



By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

In Person:

Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street
Abbotsford, Victoria

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online users only (Custodians)
www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 653 916
(outside Australia) +61 3 9415 4224

Proxy Form

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Appoint your proxy and view the Annual Report online

Go to www.investorvote.com.au or scan the QR Code with your mobile device. Follow the instructions on the secure website to appoint your proxy.

Your access information that you will need to appoint your proxy online:

Control Number: 999999

SRN/HIN: I999999999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential. Please dispose of this form carefully if you appoint your proxy online.

For your proxy form to be effective it must be received by 1.30pm (AEDT) on Tuesday 8 October 2019

How to direct your proxy to vote

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of shares you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of shares for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of shares for each in Step 1 overleaf.

A proxy need not be a shareholder of the Company.

Lodgement of proxy form

This proxy form (and any authority under which it is signed or a certified copy of it) must be received at an address given above by 1.30pm (AEDT) on Tuesday 8 October 2019, being not later than 48 hours before the commencement of the meeting. Any proxy form received after that time will not be valid for the scheduled meeting.

Signing instructions for postal forms

Individual: Where the holding is in one name, the shareholder or attorney must sign.

Joint Holding: Where the holding is in more than one name, all of the shareholders or attorneys should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

Attending the meeting

If a representative of a corporate shareholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the Company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO APPOINT YOUR PROXY,
or turn over to complete the form →**

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Shareholders sponsored by a broker (reference number commences with 'X') should advise their broker of any changes.



I 9999999999 I N D

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a proxy to vote on your behalf

XX

I/We being a shareholder/s of **AMCIL LIMITED** hereby appoint

the Chairman of the meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the meeting. Do not insert your own name(s).

or failing the individual or body corporate named in relation to the meeting generally or in relation to a poll on a given resolution, or if no individual or body corporate is named, the Chairman of the meeting, as my/our proxy to act generally at the meeting or in relation to a poll on the given resolution (as applicable) on my/our behalf, including to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Annual General Meeting of **AMCIL Limited** to be held at **Westin Hotel Melbourne, 205 Collins St, Melbourne, Victoria, at 1.30pm (AEDT) on Thursday 10 October 2019** and at any adjournment or postponement of that meeting.

Chairman to vote undirected proxies in favour: I/We acknowledge that the Chairman of the meeting intends to vote undirected proxies in favour of each item of business, to the extent permitted by law.

Chairman authorised to exercise proxies on remuneration related matters: If I/we have appointed the Chairman of the meeting as my/our proxy (or the Chairman of the meeting becomes my/our proxy by default), I/we expressly authorise the Chairman of the meeting (to the extent permitted by law) to exercise my/our proxy in respect of item 2 even though the item is connected directly or indirectly with the remuneration of a member of key management personnel of AMCIL Limited, which includes the Chairman of the meeting.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Item 2	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3	Election of Director - Mr Michael Hirst	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4	Re-election of Director - Ms Siobhan McKenna	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5	Re-election of Director - Mr Rupert Myer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Board recommendations and undirected proxies: The Board recommends shareholders vote in favour of each item of business. The Chairman of the meeting intends to vote undirected proxies in favour of each item of business, to the extent permitted by law.

SIGN Signature of Shareholder(s) *This section must be completed.*

Individual or Shareholder 1

Sole Director and Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

/ /