



25 August 2021

The Manager
ASX Market Announcements
Australian Securities Exchange
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Electronic Lodgement

**AMCIL Limited
Statutory Annual Report, Annual Shareholder Review and
Annual General Meeting Documentation**

Dear Sir / Madam

Please find attached the 2021 Statutory Annual Report, Annual Shareholder Review and Annual General Meeting Documentation being sent to shareholders.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Matthew Rowe'.

Matthew Rowe
Company Secretary

Authorised by the Company Secretary.



A Focused Portfolio
of Australian Equities

Annual Report 2021



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.

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Year in Summary

2021

Profit for the Year

\$6.8m

Up 13.6%
from 2020

Total Fully Franked Dividend

2.5[¢] Final

2.0[¢] Special

4.5[¢]
Total

2.5 cents total
in 2020

Total Portfolio Return

31.8%
Including franking*

S&P/ASX 200
Accumulation Index
including franking*
29.1%

Total Shareholder Return

35.2%

Share price
plus dividend
including franking*

Management Expense Ratio

0.56%

0.66%
in 2020

Total Portfolio

\$382.8m

Including cash
at 30 June.
\$278.8 million in 2020

* 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) |
|----------------------------------|---------------------------------|-----------------------------------------------|
| 2021 6.8 | 2021 2.3 | 2021 4.5 |
| 2020 6.0 | 2020 2.2 | 2020 2.5 |
| 2019 7.0 | 2019 2.6 | 2019 7.0 ^(b) |
| 2018 6.25 | 2018 2.4 | 2018 4.25 |
| 2017 5.38 | 2017 2.1 | 2017 3.5 |

Notes

(a) 2021 total dividend carried 5 cents attributable 'LIC gain' per share, 2020: nil, 2019: final dividend 4.29 cents, 2019 interim: 1.43 cents, 2018: 2.76 cents, 2017: 2.1 cents.

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

(c) 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.

(d) Excludes cash.

**Investments at Market Value
(\$ Million)^(d)**

| | |
|------|-------|
| 2021 | 371.8 |
| 2020 | 269.6 |
| 2019 | 252.2 |
| 2018 | 261.1 |
| 2017 | 230.9 |

**Net Asset Backing Per Share
(Cents)^(e)**

| | |
|------|-----|
| 2021 | 127 |
| 2020 | 100 |
| 2019 | 98 |
| 2018 | 102 |
| 2017 | 95 |

**Number of Shareholders
(30 June)**

| | |
|------|-------|
| 2021 | 3,214 |
| 2020 | 3,177 |
| 2019 | 3,114 |
| 2018 | 3,003 |
| 2017 | 2,558 |

About the Company

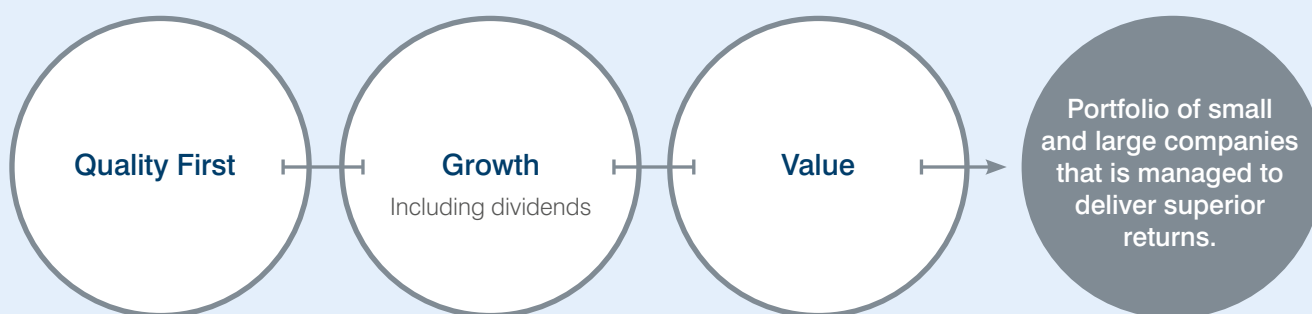
AMCIL manages a focused portfolio covering large and small companies in the Australian equity market. As a result, small companies by market size can have an equally important impact on portfolio returns as larger companies in the Australian market.

Investment Objectives

Attractive returns through strong capital growth in the portfolio over the medium to long term.

The generation of fully franked dividends.

How AMCIL Invests – What We Look For in Companies



Approach to Investing

Investment Philosophy

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

Our assessment of quality includes criteria such as the board and management, financial position, pricing power as well as some key financial metrics such as return on capital employed, return on equity, the level of gearing in the balance sheet, margins and free 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.

Approach to Environmental, Social and Governance (ESG) Issues When Investing

Assessment of Environmental, Social and Governance (ESG) issues is an important part of our investment process. As a long term investor, we seek to invest in companies that have strong governance and risk management processes, which



includes consideration of environmental and social risks. We regularly review companies to ensure ongoing alignment with our investment framework:

- We believe environmental factors, including the impact of climate change, can have a material impact on society. These factors are considered when assessing a company's assets, long term sustainability of earnings and cash flow, cost of capital and future growth opportunities.
- We believe that aligning ourselves with high-quality management and boards building sustainable long term businesses is the best approach to avoiding socially harmful businesses. We are attracted to companies that act in the best interest of all their stakeholders, including their employees, customers, suppliers, and wider communities.

- We invest in high-quality companies with strong governance processes, and management and boards whose interests are closely aligned with shareholders. The investment process includes an assessment of their past performance, history of capital allocation, level of accountability, mix of skills, relevant experience and succession planning. We also closely scrutinise a company's degree of transparency and disclosure.

Engagement with Companies

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

- We take input from proxy advisers but conduct our own evaluation of the merits of any resolution.

- We vote on all company resolutions as part of our regular engagement with the companies in the portfolio.
- We actively engage with companies when we have concerns those resolutions are not aligned with shareholders' interests.

We acknowledge that high-quality companies may face ESG challenges from time to time. We seek to stay engaged with the companies and satisfy ourselves that the issues are taken seriously and worked through constructively. Ideally, in this instance, we seek to remain invested to influence a satisfactory outcome for stakeholders.

Review of Operations and Activities

Profit and Dividend

The full year profit was \$6.8 million, up 13.6 per cent from \$6.0 million last year. The result for the year included a demerger dividend of \$2.2 million (which was non-cash and carries no franking) resulting from the Endeavour Group demerger from Woolworths Group. Excluding this figure, the full year profit was \$4.6 million.

Key components of the result were:

- income from investments, excluding the demerger dividend, down from \$7.1 million last year to \$6.2 million this financial year, as the economic effect of COVID-19 negatively impacted company dividends; and
- income from options and the trading portfolio was \$0.4 million, lower than last year's figure of \$1.3 million.

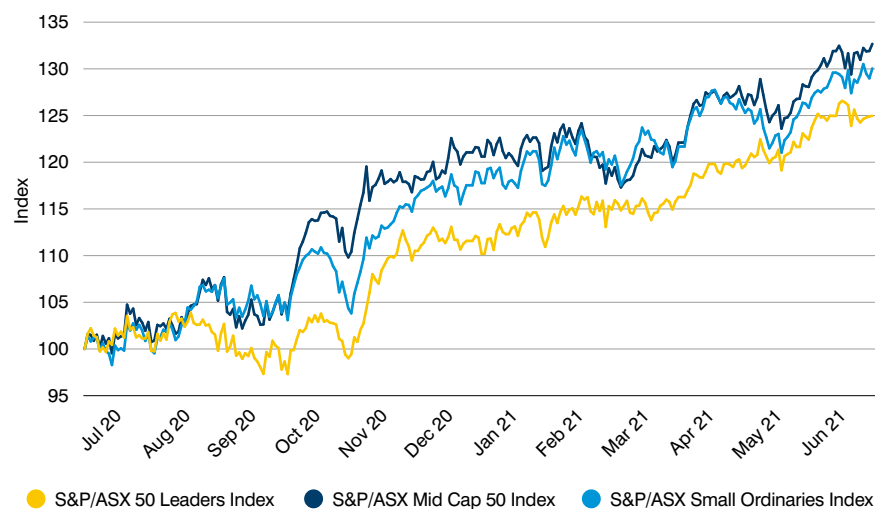
Adjustments made to the portfolio through the period, reflecting the increased valuation risk in several holdings following very strong share price performance, produced realised gains after tax of \$12.6 million. In the corresponding period last year, realised gains after tax were \$4.3 million.

Directors have declared a total dividend of 4.5 cents per share fully franked. This comprises a 2.5 cents per share ordinary dividend and 2.0 cents per share special dividend given the strong level of realised gains after tax achieved for the year. The dividend last year was 2.5 cents per share.

Approach to Dividends

AMCIL's approach to paying dividends has been to pay out all available franking credits at the end of each financial year. In addition to the fluctuations in dividends this approach can produce, one of the consequences is that the growth of the portfolio is constrained when compared to the reinvestment of an appropriate amount of realised capital gains. This is particularly the case when there is a takeover of a large holding or significant gains are made on the sale of individual holdings, as has been the case this year.

Figure 1: Performance of S&P/ASX 50 Leaders, Mid Cap 50 and Small Ordinaries Indices Over the Financial Year



Source: FactSet

The Board believes that a more appropriate approach to determining dividends, including any special dividends, will consider the amount of income received, the amount of realised capital gains, the level of franking credits generated and investment market conditions. This approach may mean we will no longer be distributing all available franking credits at the end of each financial year. The Board does, however, continue to recognise the importance of attractive fully franked dividends to shareholders.

Management Expense Ratio

AMCIL's management expense ratio is 0.56 per cent which is an improvement on last year's figure of 0.66 per cent. AMCIL's portfolio is managed internally and does not charge portfolio performance fees which leads to lower costs for shareholders.

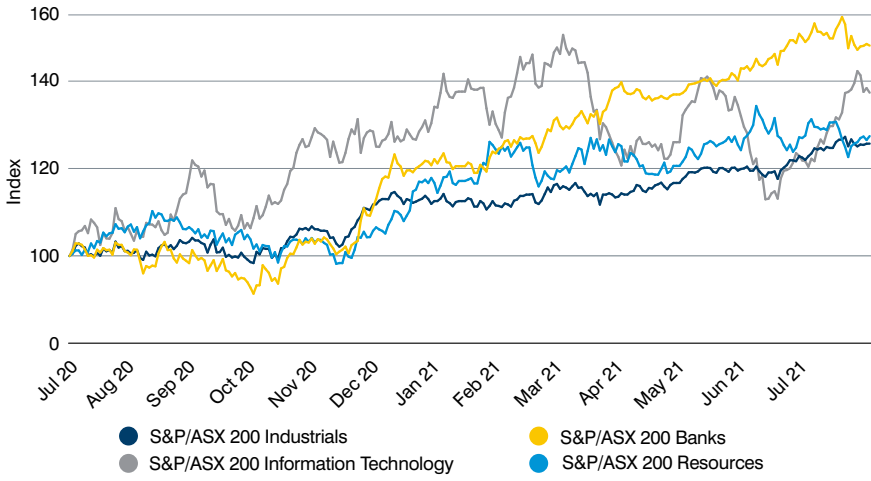
The management expense ratio compares favourably with the average fees charged by managed funds with a similar investment focus and size as AMCIL. For retail investors, these fees can typically be in excess of 1 per cent and can also include additional performance fees. This is an important consideration for investors as many funds often quote their performance returns before fees and costs.

Market and Portfolio Returns

In a market continuing to grapple with the residual impacts of COVID-19 disruptions, the S&P/ASX 200 Accumulation Index delivered a return over the 12 months to 30 June 2021 of 29.1 per cent. Figure 1 highlights the returns from different segments of the market, by market capitalisation. Such strong returns were driven by expanded valuation multiples, particularly across small and mid cap stocks, because of very low interest rates, as well as better than expected company profits in this uncertain environment.

The increase in the Australian market was also widespread across sectors, with the Information Technology Sector (which AMCIL is overweight relative to the Index) and the banking sector (which AMCIL is very underweight relative to the Index) very strong (Figure 2). The banking sector has risen from previous lows during the year supported by a recovering economy, lower than expected bad debt charges and more sustainable dividend payout ratios.

Figure 2: Selected Sector Performances



Source: FactSet



Review of Operations and Activities

continued

AMCIL produced a portfolio return in excess of the market at 31.8 per cent (Figure 3, return figures include the full benefit of franking).

The outperformance can be attributed to the consistent delivery of strong returns from a number of long-standing and large holdings in the portfolio such as Mainfreight, ARB Corporation, Reece, Objective Corporation and James Hardie Industries. In particular, ARB Corporation and Reece delivered returns in excess of 100 per cent for the year.

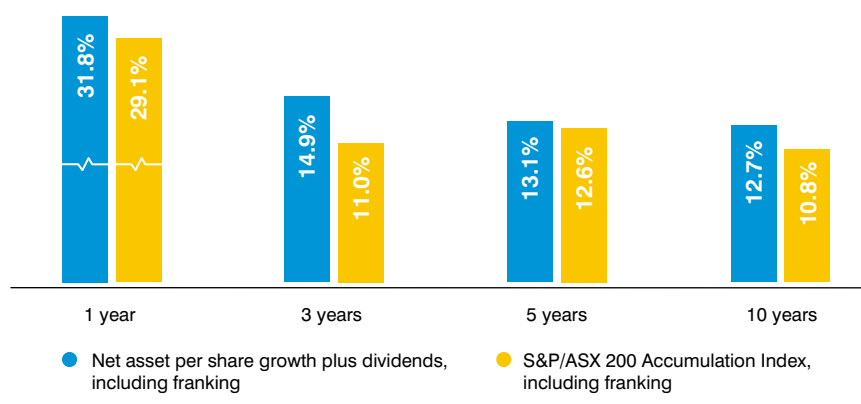
The long term performance of the portfolio, which is more in line with the Company's investment timeframes, was 12.7 per cent per annum for the 10 years to 30 June 2021, ahead of the Index return of 10.8 per cent per annum (these returns include the full benefit of franking). For an investor reinvesting both dividends and the full benefit of franking credits, \$10,000 invested in the AMCIL portfolio 10 years ago would be worth \$33,055, 19 per cent higher than the \$27,886 outcome for an equivalent investment in the S&P/ASX 200 Accumulation Index.

AMCIL's investment approach is to have a concentrated portfolio of high-quality companies that is very different to the S&P/ASX 200 Index (Figure 4) and expected to deliver above-market growth over the long term. As a result, there will be periods when the performance of AMCIL can vary quite markedly from the Index (Figure 5). Noting the difference in annual returns from the Index, the key objective is to deliver a sustained outperformance over the medium to long term.

Adjustments to the Portfolio

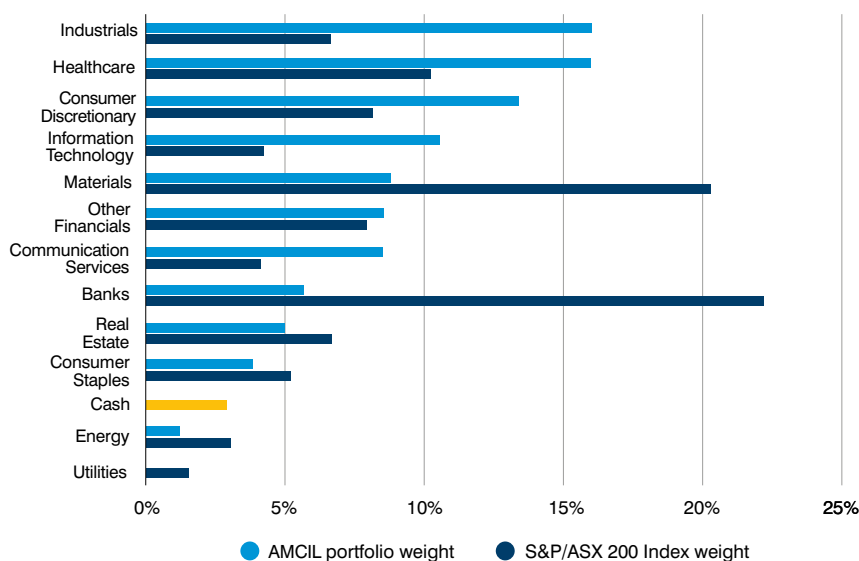
The focus on concentrating portfolio exposures to the highest quality businesses has seen the portfolio relatively well positioned through the year. In this context, portfolio adjustments were more limited compared with recent history. The strong increase in share prices over the year led to some trimming in Reece and Objective Corporation as valuation risk in the portfolio appeared to be heightened. The positions in Qube Holdings, Brambles, Cleanaway Waste Management and APA Group were exited with proceeds from these sales distributed across new and existing holdings.

Figure 3: Portfolio and Share Price Performance – Per Annum Returns to 30 June 2021, Including Franking Credits*



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

Figure 4: Investment by Sector and the Portfolio's Variance From the S&P/ASX 200 Index as at 30 June 2021*

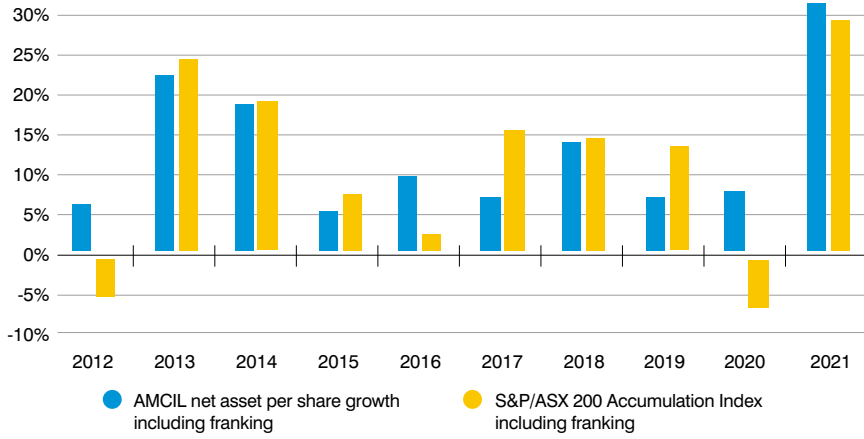


New companies added to the portfolio were FINEOS Corporation, ResMed, Temple & Webster, Fisher & Paykel Healthcare, PEXA Group (via participation in its IPO), InvoCare and PKS Holdings. Periods of volatility throughout the year also provided the opportunity to add to the holding in ASX, given the long term appeal of its strong market position.

Share Price

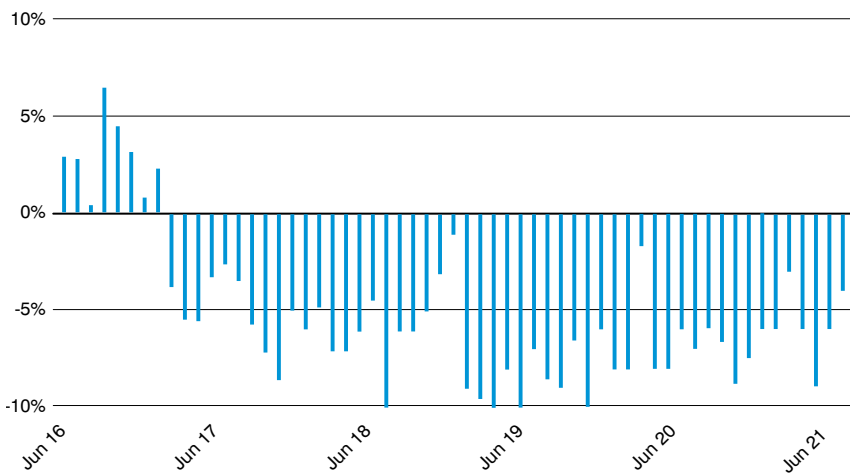
The share price was trading at a discount of 4.2 per cent to the net asset backing (before tax on unrealised gains) at 30 June 2021, compared with a discount of 6.4 per cent at the end of the prior financial year. The share price return for the 12 months to 30 June 2021 of 35.2 per cent (including franking), was ahead of the portfolio return of 31.8 per cent (including franking) for this period.

Figure 5: 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 6: Share Price Discount/Premium to Net Asset Backing Per Share



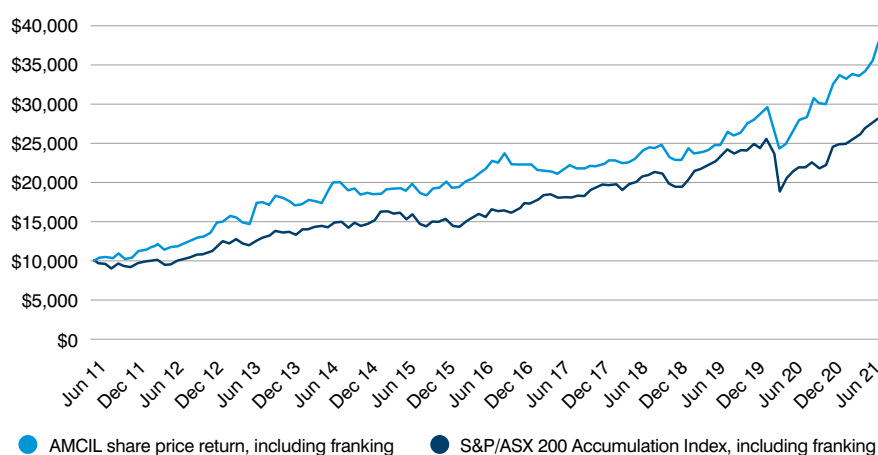
Review of Operations and Activities

continued

Over the 10-year period, the share price return has performed well against the portfolio return, with the share price up 14.2 per cent per annum to 30 June 2021 versus the portfolio which was up 12.7 per cent per annum over this period (both figures include franking).

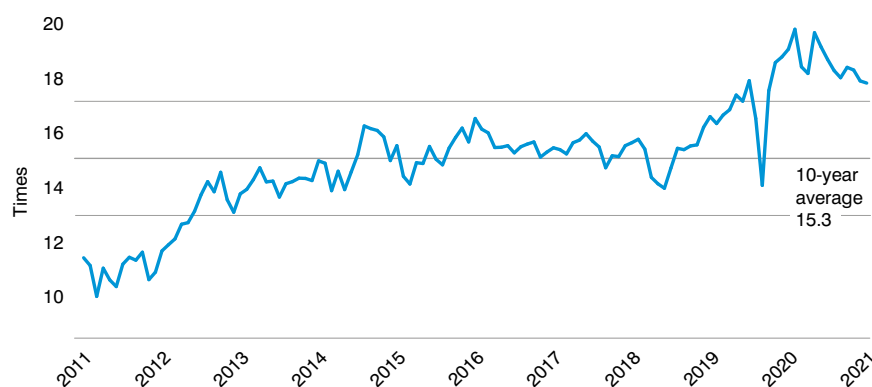
Figure 7 outlines the benefit of compound returns and the value of AMCIL's investment approach. It shows the total share price return (including dividends and the full benefit of franking credits) from an investment of \$10,000 in AMCIL shares over a 10-year period relative to the return from the ASX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

Figure 7: 10-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.

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



Source: FactSet

Moving Forward

Moving into the new financial year, the outlook for equity markets is likely to be determined by a number of factors, including the level of inflation and interest rates in Australia and the United States, and how society is placed regarding COVID-19.

The elevated valuation multiples currently on offer in equity markets (Figure 8) make further compelling investment opportunities more challenging to identify. However, our investment experience gives us confidence that we will uncover further opportunities in high-quality and

emerging growth companies into the new financial year, particularly if there is increased volatility.

Directorship Matters

Mr Bruce Teele retired at the Annual General Meeting in October 2020 having been a Director of the Company for over 17 years and Chairman since 2004.

The Board wishes to record their profound gratitude to Mr Teele for his dedicated leadership and outstanding contribution. The Company and its shareholders have greatly benefitted from his experience and wisdom.

Mr Rupert Myer AO was appointed Chairman of the Company with effect from the conclusion of the 2020 Annual General Meeting.

Mr Ross Barker retired from the Board with effect from 31 January 2021. The Board wishes to record their deep appreciation to Mr Barker for his 24 years of outstanding service to the Company and wish him well for the future.

Dr Jodie Auster was appointed as an Independent Non-Executive Director of the Company on 1 February 2021.

Dr Auster is currently working on a global project for the People team at Uber. Until recently, she led Uber Eats across Asia Pacific as the Regional General Manager. Prior to this Dr Auster was a Director of Customer Operations and Vice President of People for Thumbtack in San Francisco, and a consultant for Bain & Company in Australia. Dr Auster has extensive experience working with global technology platforms and has led several start-up businesses to achieve scale.

Top 20 Investments

As at 30 June 2021

Includes investments held in both the investment and trading portfolios.

Valued at Closing Prices at 30 June 2021

| | | Total Value \$ Million | % of the Portfolio |
|--------------|--------------------------------|---------------------------|-----------------------|
| 1 | CSL | 30.7 | 8.3 |
| 2 | Mainfreight | 24.4 | 6.5 |
| 3 | BHP Group | 22.3 | 6.0 |
| 4 | Wesfarmers | 21.0 | 5.6 |
| 5 | Macquarie Group | 16.7 | 4.5 |
| 6 | Transurban Group | 15.3 | 4.1 |
| 7 | Woolworths Group | 14.5 | 3.9 |
| 8 | National Australia Bank | 13.8 | 3.7 |
| 9 | ARB Corporation | 13.4 | 3.6 |
| 10 | Goodman Group | 12.8 | 3.5 |
| 11 | IRESS | 11.7 | 3.2 |
| 12 | Macquarie Telecom Group | 11.6 | 3.1 |
| 13 | James Hardie Industries | 11.2 | 3.0 |
| 14 | Carsales.com* | 9.1 | 2.5 |
| 15 | Reece | 9.0 | 2.4 |
| 16 | ASX | 8.8 | 2.4 |
| 17 | ResMed | 8.6 | 2.3 |
| 18 | Sydney Airport | 8.5 | 2.3 |
| 19 | Commonwealth Bank of Australia | 7.8 | 2.1 |
| 20 | FINEOS Corporation | 7.7 | 2.1 |
| Total | | 278.8 | |

As percentage of total portfolio value (excludes cash)

75.0%

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

Financial Condition

The Company's financing consists predominantly of shareholders' funds. It also has access to bank facilities of \$10 million, which were utilised during the year.

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 (macro, which include economic growth rates, inflation, interest rates, exchange rates and taxation levels and micro which includes industry economics and competitive behaviour) and their approach to, and management of, material Environmental, Social and Governance (ESG) risks.

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.

Capital Changes

As a result of the Company's Dividend Reinvestment Plan 1,387,030 new shares were issued at \$0.92 per share in August 2020.

As a result of the Company's Dividend Substitution Share Plan 90,899 new shares were issued at a nil cost in August 2020.

As a result of the Company's Share Purchase Plan 18,740,597 new shares were issued at \$0.97 per share in November 2020.

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

The Company's contributed equity rose by \$19.4 million to \$209.0 million from \$189.6 million. At the close of the year the Company had 298.7 million shares on issue.

Dividends

Directors have declared a fully franked final dividend of 4.5 cents per share (2.5 ordinary dividend, 2.0 cents special)(2.5 cents final dividend, also fully franked, last year).

Dividends paid during the year ended 30 June 2021 were as follows:

| | \$'000 |
|-----------------------------------------------------------------------------------------------------|---------------|
| Final dividend for the year ended 30 June 2020 of 2.5 cents fully franked paid on 27 August 2020 | 6,879 |

Listed Investment Company Capital Gains

Listed Investment Companies (LIC) 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 and special dividend of 4.5 cents per share for the year ended 30 June 2021, it carries with it a 5 cents per share LIC capital gain attributable part (2020: nil 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.

Board Members



Rupert Myer AO

**Chairman and
Independent
Non-Executive
Director**

BCom (Hons) (Melb),
MA (Cantab)

Chairman of the Investment Committee.

Mr Myer was elected to the Board in January 2000 and appointed Chairman in 2020. Currently, he is President of The Myer Foundation, Chairman of the Yulgilbar Group and a Director of eCargo Holdings Limited, Mutual Trust Pty Limited, The Myer Family Investments Pty Ltd and EV Cargo Limited. Mr Myer was formerly Deputy Chairman of Myer Holdings Ltd, and a Director of Diversified United Investments Limited and Healthscope Limited.



Mark Freeman

Managing Director

BE, MBA, Grad Dip
App Fin (Sec Inst),
AMP (INSEAD)

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, Djerriwarrh Investments Limited and Mirrabooka Investments Limited.



Jodie Auster

**Independent
Non-Executive
Director**

MBBS, MBAF Fin

Dr Auster joined the Board in February 2021. Dr Auster is currently working on a global project for the People team at Uber. Until recently, she led Uber Eats across Asia Pacific as the Regional General Manager. Prior to this Dr Auster was a Director of Customer Operations and Vice President of People for Thumbtack in San Francisco, and a consultant for Bain & Company in Australia. Dr Auster has extensive experience working with global technology platforms and has led several start-up businesses to achieve scale.



Roger G Brown

**Independent
Non-Executive
Director**

B.Eng, MBA

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

**Independent
Non-Executive
Director**

B Com (Melb), SF Fin

Chairman of the Audit Committee.

Mr Hirst joined the Board in January 2019. He is a Director of AMP Limited, Butn Limited, GMHBA Limited, 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 was a member of the COVID Commission.



Siobhan L McKenna

**Independent
Non-Executive
Director**

B.Ec. (Hons), MPHIL

Member of the Audit Committee.

Ms McKenna joined the Board in March 2016. She has a significant international background in strategy and policy in the public and private sectors. As an Executive she has led consumer facing businesses in the media and digital sectors. She was a Commissioner of the Australian Productivity Commission and a Partner of McKinsey & Company.

Ms McKenna is Executive Chairman of Foxtel, Fox Sports and Australian News Channel, a Non-Executive Director of Woolworths Group, and a Director of Nova Entertainment.



Jon Webster AM

**Independent
Non-Executive
Director**

BCom, LLB (Hons) LLM

Member of the Audit and Investment Committees.

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 corporate law and governance 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. He is a former Chairman of the Audit Committee of the Northern Land Council, former Chairman of the Corporations Committee of the Law Council of Australia, a former Director of the Human Rights Law Centre and 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 Members

continued

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 2021 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 |
| RH Myer | 12 | 12 | 20 | 20 | 1 [^] | 3 |
| JR Auster ^{***} | 5 | 5 | - | 6 [#] | - | - |
| RE Barker ^{**} | 7 | 7 | 11 | 11 | 2 | 2 |
| RG Brown | 12 | 12 | 20 | 18 | - | 2 [#] |
| M Freeman | 12 | 12 | 20 | 20 | - | 3 [#] |
| S McKenna | 12 | 11 | - | 17 [#] | 3 | 3 |
| MJ Hirst | 12 | 12 | - | 20 [#] | 2 [^] | 3 |
| BB Teele [*] | 3 | 3 | 6 | 6 | - | - |
| JJ Webster | 12 | 12 | 9 ^{^^} | 20 | 2 ^{^^} | 3 |

* BB Teele retired as Chairman and Non-Executive Director on 8 October 2020.

** RE Barker retired as a Non-Executive Director on 31 January 2021.

*** Dr JR Auster was appointed on 1 February 2021.

[^] MJ Hirst was appointed as Chairman of Audit Committee and RM Myer stepped down from the Audit Committee effective 8 October 2020.

^{^^} JJ Webster joined the Investment and Audit Committees on 21 January 2021.

[#] Attended meetings by invitation.

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 2021 can be found on the Company's website at:

amcil.com.au/Corporate-Governance.aspx

Senior Executives



Geoffrey N Driver

General Manager, Business Development and Investor Relations

B Ec, Grad Dip Finance,
MAICD

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 was formerly Chairman of Trust for Nature (Victoria).



Andrew JB Porter

Chief Financial Officer

MA (Hons) (St And),
FCA, MAICD

Mr Porter joined the Company in January 2005. He is a Chartered Accountant and has had over 26 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 the immediate former Chair of The Group of 100 (G100), the peak body for CFOs and remains on the Board, is a Director of the Auditing and Assurance Standards Board (AUASB) and a Director of the Anglican Foundation.



Matthew Rowe

Company Secretary

BA (Hons), MSc Corp
Gov, FGIA, FCIS

Mr Rowe joined the Company in July 2016. He is a Chartered Secretary with over 15 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 he was the Company Secretarial Manager for a funds management company based in the United Kingdom.

Remuneration Report

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

The constitution of AMCIL requires approval by the shareholders in a 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 Freeman is made available as Managing Director of AMCIL by Australian Investment Company Services Ltd (AICS). As part of his remuneration arrangements with AICS, 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 he has 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 2021 were as follows:

| | Short Term Fee/Base Salary \$ | Post- employment Superannuation \$ | Total Remuneration \$ |
|-------------------------------------------------------------------|-------------------------------------|---------------------------------------------|-----------------------------|
| BB Teele – Chairman (Non-Executive)(retired 8 October 2020) | | | |
| 2021 | 31,765 | 3,018 | 34,783 |
| 2020 | 116,895 | 11,105 | 128,000 |
| RH Myer – Director – Chairman from 8 October 2020 (Non-Executive) | | | |
| 2021 | 101,013 | 9,596 | 110,609 |
| 2020 | 58,447 | 5,553 | 64,000 |
| J Auster – Director (Non-Executive)(appointed 1 February 2021) | | | |
| 2021 | 24,353 | 2,314 | 26,667 |
| RE Barker – Director (Non-Executive)(retired 31 January 2021) | | | |
| 2021 | 34,094 | 3,239 | 37,333 |
| 2020 | 58,447 | 5,553 | 64,000 |
| RG Brown – Director (Non-Executive) | | | |
| 2021 | 58,447 | 5,553 | 64,000 |
| 2020 | 58,447 | 5,553 | 64,000 |
| M Freeman – Managing Director (Executive) | | | |
| 2021 | - | - | - |
| 2020 | - | - | - |
| MJ Hirst – Director (Non-Executive) | | | |
| 2021 | 58,447 | 5,553 | 64,000 |
| 2020 | 58,447 | 5,553 | 64,000 |
| SL McKenna – Director (Non-Executive) | | | |
| 2021 | 58,447 | 5,553 | 64,000 |
| 2020 | 58,447 | 5,553 | 64,000 |
| JJ Webster – Director (Non-Executive) | | | |
| 2021 | 58,447 | 5,553 | 64,000 |
| 2020 | 58,447 | 5,553 | 64,000 |
| Total remuneration: Directors | | | |
| 2021 | 425,013 | 40,379 | 465,392 |
| 2020 | 467,577 | 44,423 | 512,000 |

(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 RH Myer, who was in office at 31 December 2003, the amounts accrued as at that date will be paid to him upon his ultimate retirement. \$87,000 of accrued retirement allowance was paid to RE Barker on the occasion of his retirement. No further accruals of Directors' retiring allowances will be made after 31 December 2003. New Directors appointed to the Company will not be entitled to any Director's 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. These amounts were expensed in prior years as the retirement allowances accrued.

| | Amount Payable on Retirement |
|---------|-------------------------------------|
| | \$ |
| RH Myer | 68,150 |

Holdings of Securities Issued by the Company

As at 30 June 2021, 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:

| | Balance at | | Balance at |
|------------|--------------------|--------------------|---------------------|
| | 1 July 2020 | Net Changes | 30 June 2021 |
| RH Myer | 1,400,000 | 522,503 | 1,922,503 |
| J Auster | n/a | - | - |
| RE Barker | 4,861,871 | n/a | n/a |
| RG Brown | 1,475,838 | 71,032 | 1,546,870 |
| M Freeman | 870,339 | 85,505 | 955,844 |
| MJ Hirst | 345,000 | (141,573) | 203,427 |
| SL McKenna | 705,550 | 19,172 | 724,722 |
| BB Teele | 50,014,141 | n/a | n/a |
| JJ Webster | 2,024,084 | 107,075 | 2,131,159 |
| GN Driver | 407,019 | 41,987 | 449,006 |
| AJB Porter | 53,709 | 3,005 | 56,714 |
| MJ Rowe | 5,108 | 3,230 | 8,338 |

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: M 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 2020: 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 were 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

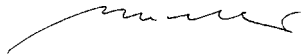
Details of non-audit services performed by the auditors may be found in Note F2 of the Financial Report.

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 Auditor's Independence Declaration is set out on page 21.

This report in relation to the financial year to 30 June 2021 is presented by the Directors of the Company in accordance with a resolution of Directors.



R Myer AO
Chairman

Melbourne
27 July 2021

Auditor's Independence Declaration



Auditor's Independence Declaration

As lead auditor for the audit of AMCIL Limited for the year ended 30 June 2021, 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.

Nadia Carlin

Nadia Carlin
Partner
PricewaterhouseCoopers

Melbourne
27 July 2021

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
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Liability limited by a scheme approved under Professional Standards Legislation.

FINANCIAL STATEMENTS

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Income Statement

For the Year Ended 30 June 2021

| | Note | 2021 \$'000 | 2020 \$'000 |
|-----------------------------------------|--------|----------------|----------------|
| Dividends and distributions | A3 | 8,313 | 7,074 |
| Revenue from deposits and bank bills | | 5 | 104 |
| Other revenue | | 51 | 54 |
| Total revenue | | 8,369 | 7,232 |
| Net gains on trading portfolio | A3 | 198 | 393 |
| Income from options written portfolio | A3 | 154 | 857 |
| Income from operating activities | | 8,721 | 8,482 |
| Finance costs | | (95) | (98) |
| Administration expenses | B1 | (1,850) | (1,797) |
| Profit before income tax expense | | 6,776 | 6,587 |
| Income tax expense | B2, E2 | - | (624) |
| Profit for the year | | 6,776 | 5,963 |
| | | Cents | Cents |
| Basic earnings per share | A5 | 2.33 | 2.15 |

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

Statement of Comprehensive Income

For the Year Ended 30 June 2021

| | Year to 30 June 2021 | | | Year to 30 June 2020 | | |
|-----------------------------------------|--------------------------------|--------------------------------|-----------------|--------------------------------|--------------------------------|-----------------|
| | Revenue ¹ \$'000 | Capital ¹ \$'000 | Total \$'000 | Revenue ¹ \$'000 | Capital ¹ \$'000 | Total \$'000 |
| Profit for the year | 6,776 | - | 6,776 | 5,963 | - | 5,963 |
| Other comprehensive income | | | | | | |
| Gains for the period | - | 88,425 | 88,425 | - | 10,893 | 10,893 |
| Tax on above | - | (27,280) | (27,280) | - | (3,317) | (3,317) |
| Total other comprehensive income | - | 61,145 | 61,145 | - | 7,576 | 7,576 |
| Total comprehensive income | 6,776 | 61,145 | 67,921 | 5,963 | 7,576 | 13,539 |

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 2021

| | Note | 2021 \$'000 | 2020 \$'000 |
|-------------------------------------------------|--------|----------------|----------------|
| Current assets | | | |
| Cash | D1 | 10,933 | 9,190 |
| Receivables | | 3,315 | 719 |
| Total current assets | | 14,248 | 9,909 |
| Non-current assets | | | |
| Deferred tax assets | E2 | - | 14 |
| Investment portfolio | A2 | 371,865 | 269,617 |
| Total non-current assets | | 371,865 | 269,631 |
| Total assets | | 386,113 | 279,540 |
| Current liabilities | | | |
| Payables | | 83 | 175 |
| Tax payable | | 5,605 | 1,107 |
| Options sold | A2 | 47 | - |
| Total current liabilities | | 5,735 | 1,282 |
| Non-current liabilities | | | |
| Deferred tax liabilities – other | E2 | 58 | - |
| Deferred tax liabilities – investment portfolio | B2 | 44,977 | 23,363 |
| Total non-current liabilities | | 45,035 | 23,363 |
| Total liabilities | | 50,770 | 24,645 |
| Net assets | | 335,343 | 254,895 |
| Shareholders' equity | | | |
| Share capital | A1, D6 | 208,987 | 189,581 |
| Revaluation reserve | A1, D3 | 88,605 | 40,075 |
| Realised capital gains reserve | A1, D4 | 28,299 | 15,684 |
| Retained profits | A1, D5 | 9,452 | 9,555 |
| Total shareholders' equity | | 335,343 | 254,895 |

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

Statement of Changes in Equity

For the Year Ended 30 June 2021

| Year Ended 30 June 2021 | 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 | | 189,581 | 40,075 | 15,684 | 9,555 | 254,895 |
| Dividends paid | A4 | - | - | - | (6,879) | (6,879) |
| Shares issued under Dividend Reinvestment Plan | D6 | 1,276 | - | - | - | 1,276 |
| Shares issued under Share Purchase Plan | D6 | 18,178 | - | - | - | 18,178 |
| Other share capital adjustments | | (48) | - | - | - | (48) |
| Total transactions with shareholders | | 19,406 | - | - | (6,879) | 12,527 |
| Profit for the year | | - | - | - | 6,776 | 6,776 |
| Other comprehensive income (net of tax) | | | | | | |
| Net gain for the period on investments | | - | 61,145 | - | - | 61,145 |
| Other comprehensive income for the year | | - | 61,145 | - | - | 61,145 |
| Transfer to realised capital gains reserve of realised gains on investments sold | | - | (12,615) | 12,615 | - | - |
| Total equity at the end of the year | | 208,987 | 88,605 | 28,299 | 9,452 | 335,343 |

| Year Ended 30 June 2020 | 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 | | 186,168 | 36,784 | 19,637 | 4,965 | 247,554 |
| Dividends paid | A4 | - | - | (8,238) | (1,373) | (9,611) |
| Shares issued under Dividend Reinvestment Plan | D6 | 3,426 | - | - | - | 3,426 |
| Other share capital adjustments | | (13) | - | - | - | (13) |
| Total transactions with shareholders | | 3,413 | - | (8,238) | (1,373) | (6,198) |
| Profit for the year | | - | - | - | 5,963 | 5,963 |
| Other comprehensive income (net of tax) | | | | | | |
| Net gain for the period on investments | | - | 7,576 | - | - | 7,576 |
| Other comprehensive income for the year | | - | 7,576 | - | - | 7,576 |
| Transfer to realised capital gains reserve of realised gains on investments sold | | - | (4,285) | 4,285 | - | - |
| Total equity at the end of the year | | 189,581 | 40,075 | 15,684 | 9,555 | 254,895 |

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

Cash Flow Statement

For the Year Ended 30 June 2021

| | Note | 2021 \$'000 Inflows/ (Outflows) | 2020 \$'000 Inflows/ (Outflows) |
|------------------------------------------------------------------|------|------------------------------------------|------------------------------------------|
| Cash flows from operating activities | | | |
| Sales from trading portfolio | | 2,090 | 3,599 |
| Purchases for trading portfolio | | (1,607) | (2,560) |
| Interest received | | 5 | 104 |
| Proceeds from entering into options in options written portfolio | | 237 | 1,154 |
| Payment to close out options in options written portfolio | | (37) | (1,514) |
| Dividends and distributions received | | 5,545 | 6,508 |
| | | 6,233 | 7,291 |
| Other receipts | | 51 | 54 |
| Administration expenses | | (1,942) | (1,797) |
| Finance costs paid | | (96) | (98) |
| Income taxes paid | | (425) | - |
| Net cash inflow/(outflow) from operating activities | E1 | 3,821 | 5,450 |
| Cash flows from investing activities | | | |
| Sales from investment portfolio | | 55,102 | 117,527 |
| Purchases for investment portfolio | | (69,035) | (120,662) |
| Tax paid on capital gains | | (672) | (915) |
| Net cash inflow/(outflow) from investing activities | | (14,605) | (4,050) |
| Cash flows from financing activities | | | |
| Shares issued | | 19,454 | 3,426 |
| Share issue transaction costs | | (48) | (13) |
| Dividends paid | | (6,879) | (9,611) |
| Net cash inflow/(outflow) from financing activities | | 12,527 | (6,198) |
| Net increase/(decrease) in cash held | | 1,743 | (4,798) |
| Cash at the beginning of the year | | 9,190 | 13,988 |
| Cash at the end of the year | D1 | 10,933 | 9,190 |

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:

| | 2021 \$'000 | 2020 \$'000 |
|--------------------------------|----------------|----------------|
| Share capital | 208,987 | 189,581 |
| Revaluation reserve | 88,605 | 40,075 |
| Realised capital gains reserve | 28,299 | 15,684 |
| Retained profits | 9,452 | 9,555 |
| | 335,343 | 254,895 |

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:

| | 2021 \$'000 | 2020 \$'000 |
|---------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| Equity instruments (at market value) | 371,865 | 269,617 |
| | 371,865 | 269,617 |
| The fair value (the price at which the option may be bought) at 30 June of the securities in the options written portfolio was: | | |
| Call options | (47) | - |
| Put options | - | - |
| | (47) | - |

All options written by the Company and open at year end are call options. If all options were exercised, this would lead to the sale of \$2.0 million worth of securities at an agreed price – the 'exposure' (2020: \$nil).

\$8.9 million of shares are lodged with ASX Clear Pty Ltd as collateral for sold option positions written by the Company (2020: \$7.7 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 or put options when written and the investment in PEXA Group, which is classified as Level 2 as it did not start trading until 1 July 2021). 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 2021 and 30 June 2020 were as follows:

| | 30 June 2021 \$ | 30 June 2020 \$ |
|---------------------------------------------|--------------------|--------------------|
| Net tangible asset backing per share | | |
| Before tax | 1.27 | 1.00 |
| After tax | 1.12 | 0.92 |

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 \$57.4 million (2020: \$115.4 million) of equity securities were sold. The cumulative gain on the sale of securities from the investment portfolio was \$12.6 million for the period after tax (2020: \$4.3 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 2021 is set out below.

| | 2021 \$'000 | 2020 \$'000 |
|-------------------------------------------------------------------|----------------|----------------|
| Dividends and distributions | | |
| Dividends from securities held in investment portfolio at 30 June | 8,007 | 5,148 |
| Dividends from investment securities sold during the year | 306 | 1,926 |
| Dividends from trading securities sold during the year | - | - |
| | 8,313 | 7,074 |

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.

| | 2021 \$'000 | 2020 \$'000 |
|------------------------------------------------------------------|----------------|----------------|
| Net gains | | |
| Net realised gains/(losses) from securities in trading portfolio | 198 | 393 |
| Realised gains on options written portfolio | 159 | 857 |
| Unrealised gains/(losses) on options written portfolio | (5) | - |
| | 352 | 1,250 |

A4. Dividends Paid

The dividends paid and payable for the year ended 30 June 2021 are shown below:

| | 2021 \$'000 | 2020 \$'000 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| (a) Dividends Paid During the Year | | |
| Final dividend for the year ended 30 June 2020 of 2.5 cents fully franked at 30 per cent, paid on 27 August 2020 (2020: 3.5 cents fully franked at 30 per cent, paid on 23 August 2019) | 6,879 | 9,611 |
| | 6,879 | 9,611 |
| (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 | 7,771 | 3,391 |
| Impact on the franking account of dividends declared but not recognised as a liability at the end of the current financial year | (5,761) | (2,984) |
| Net available | 2,010 | 407 |
| These franking account balances would allow AMCIL to frank additional dividend payments at a rate of 30 per cent (30 June 2020: 30 per cent) up to an amount of: | 4,690 | 950 |
| 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 2.5 cents per share and a special dividend of 2 cents per share, both fully franked at 30 per cent. The aggregate amount of the final dividend for the year to 30 June 2021 to be paid on 26 August 2021, but not recognised as a liability at the end of the financial year is: | 13,443 | |
| (d) Listed Investment Company Capital Gain Account | | |
| Balance of the Listed Investment Company (LIC) capital gain account | 14,765 | 2,600 |
| This equates to an attributable gain of | 21,092 | 3,714 |

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. \$14.9 million of the attributable gain is being 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:

| | 2021 Number | 2020 Number |
|--------------------------------------------------------------------|----------------|----------------|
| Basic Earnings Per Share | | |
| Weighted average number of ordinary shares used as the denominator | 290,908,748 | 277,943,049 |
| | \$'000 | \$'000 |
| Profit for the year | 6,776 | 5,963 |
| | Cents | Cents |
| Basic earnings per share | 2.33 | 2.15 |

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:

| | 2021 \$'000 | 2020 \$'000 |
|----------------------------------|----------------|----------------|
| Administration fees paid to AICS | (916) | (839) |
| Other administration expenses | (934) | (958) |
| | (1,850) | (1,797) |

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 \$ |
|-------------|------------------------------|---------------------------------------|-------------|
| 2021 | | | |
| Directors | 425,013 | 40,379 | 465,392 |
| 2020 | | | |
| Directors | 467,577 | 44,423 | 512,000 |

AMCIL recognises Directors' retirement allowances that have been crystallised as 'amounts payable'. There are no further retirement allowances that will need to be expensed.

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 (2020: 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:

(a) Reconciliation of Income Tax Expense to Prima Facie Tax Payable

| | 2021 \$'000 | 2020 \$'000 |
|-----------------------------------------------------------------------------------------------------|----------------|----------------|
| Profit before income tax expense | 6,776 | 6,587 |
| Tax at the Australian company tax rate of 30 per cent (2020: 30 per cent) | 2,033 | 1,976 |
| Tax offset for franked dividends received | (1,216) | (1,365) |
| Demerger dividend non-taxable | (648) | - |
| Tax effect of sundry items either taxable in current year but not included in income or non-taxable | (114) | 52 |
| | 55 | 663 |
| Over provision in prior years | (55) | (39) |
| Total tax expense | - | 624 |

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.

| | 2021 \$'000 | 2020 \$'000 |
|--------------------------------------------------------------------------|----------------|----------------|
| Deferred tax liabilities on unrealised gains in the investment portfolio | 44,977 | 23,363 |
| Opening balance at 1 July | 23,363 | 20,718 |
| Tax on realised gains (at 30 per cent) | (5,666) | (672) |
| Charged to OCI for ordinary securities on gains or losses for the period | 27,280 | 3,317 |
| | 44,977 | 23,363 |

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 \$13.0 million and \$26.0 million respectively, at a tax rate of 30 per cent (2020: \$9.4 million and \$18.9 million at a tax rate of 30 per cent).

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:

| | 2021 % | 2020 % |
|----------------------------------|-----------|-----------|
| Energy | 1.19 | 2.28 |
| Materials | 8.76 | 8.97 |
| Industrials | 15.99 | 23.85 |
| Consumer Discretionary | 13.35 | 10.42 |
| Consumer Staples | 3.78 | 3.21 |
| Banks | 5.63 | 5.58 |
| Other Financials and Real Estate | 13.44 | 9.77 |
| Telecommunications | 8.51 | 8.54 |
| Healthcare | 15.96 | 14.31 |
| Information Technology | 10.53 | 8.07 |
| Utilities | - | 1.70 |
| Cash | 2.86 | 3.30 |

There were four securities representing over 5 per cent of the combined investment and trading portfolio (including options) at 30 June 2021: CSL (8.3 per cent), Mainfreight (6.5 per cent), BHP (6.0 per cent) and Wesfarmers (5.6 per cent) (2020 three: CSL (9.5 per cent), BHP (6.1 per cent) and Wesfarmers (5.9 per cent)).

AMCIL is not currently materially exposed to interest rate risk as the majority of its cash investments are in an overnight 'at call' account invested in cash management trusts which invest predominantly in securities with an A1+ rating and which are for fixed rates for short term duration. 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. Receivables also include dividends from securities that have passed the record date for the distribution but have not paid as at balance date.

Notes to the Financial Statements

continued

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.

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 2021 | | | | | |
| Payables | 83 | - | - | 83 | 83 |
| Options written* | - | - | - | - | 47 |
| | 83 | - | - | 83 | 130 |
| 30 June 2020 | | | | | |
| Payables | 175 | - | - | 175 | 175 |
| | 175 | - | - | 175 | 175 |

* 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). There were no put options outstanding as at 30 June.

C. Unrecognised Items

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 notes to the financial statements are 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

| | 2021 \$'000 | 2020 \$'000 |
|----------------------------------------------|----------------|----------------|
| Cash at bank and in hand (including on-call) | 10,933 | 9,190 |

Cash holdings yielded an average floating interest rate of 0.12 per cent (2020: 0.99 per cent). All cash investments are held in a transactional account or an overnight 'at call' account invested in cash management trusts which invest predominantly in short term 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.

| | 2021 \$'000 | 2020 \$'000 |
|--------------------------------------------------------|----------------|----------------|
| Commonwealth Bank of Australia – cash advance facility | 10,000 | 10,000 |
| Amount drawn down at 30 June | - | - |
| Undrawn facilities at 30 June | 10,000 | 10,000 |

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

| | 2021 \$'000 | 2020 \$'000 |
|---------------------------------------------------------------|----------------|----------------|
| Opening balance at 1 July 2020 | 40,075 | 36,784 |
| Gains on investment portfolio | 88,425 | 10,893 |
| Deferred tax on above | (27,280) | (3,317) |
| Transfer to realised capital gains reserve for realised gains | (12,615) | (4,285) |
| | 88,605 | 40,075 |

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

Notes to the Financial Statements

continued

D4. Realised Capital Gains Reserve

| | 2021 \$'000 | | | 2020 \$'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 | 687 | 14,997 | 15,684 | 7,357 | 12,280 | 19,637 |
| Dividends paid | - | - | - | (8,238) | - | (8,238) |
| Cumulative taxable realised (losses)/gains for period | 18,789 | (508) | 18,281 | 2,240 | 2,717 | 4,957 |
| Tax on realised gains/(losses) | (5,666) | - | (5,666) | (672) | - | (672) |
| | 13,810 | 14,489 | 28,299 | 687 | 14,997 | 15,684 |

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

| | 2021 \$'000 | 2020 \$'000 |
|---------------------------|----------------|----------------|
| Opening balance at 1 July | 9,555 | 4,965 |
| Dividends paid | (6,879) | (1,373) |
| Profit for the year | 6,776 | 5,963 |
| | 9,452 | 9,555 |

This reserve relates to past profits.

D6. Share Capital

| Date | Details | Note | Number of Shares '000 | Issue Price \$ | Paid-up Capital \$'000 |
|------------|----------------------------------|------|-----------------------------|-------------------|------------------------------|
| 01/7/2019 | Balance | | 274,586 | | 186,168 |
| 23/8/2019 | Dividend Reinvestment Plan | i | 3,938 | 0.87 | 3,426 |
| Various | Costs of issue | | - | | (13) |
| 30/6/2020 | Balance | | 278,524 | | 189,581 |
| 27/8/2020 | Dividend Reinvestment Plan | i | 1,387 | 0.92 | 1,276 |
| 27/8/2020 | Dividend Substitution Share Plan | ii | 91 | 0.92 | n/a |
| 25/11/2020 | Share Purchase Plan | iii | 18,741 | 0.97 | 18,178 |
| Various | Costs of issue | | - | | (48) |
| 30/6/2021 | Balance | | 298,743 | | 208,987 |

- 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.
- The Company has a Dividend Substitution Share Plan (DSSP) whereby shareholders may elect to forgo a dividend and receive shares instead. Pricing for the DSSP shares is done as per the DRP shares.
- During the year ended 30 June 2021 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 before the SPP offer was announced.

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

| | 2021 \$'000 | 2020 \$'000 |
|------------------------------------------------------------------------------|----------------|----------------|
| Profit for the year | 6,776 | 5,963 |
| Demerger dividend (non-cash) | (2,159) | - |
| Increase/(decrease) in options written portfolio | 47 | (1,217) |
| Dividends received as securities under DRP investments | - | (368) |
| Decrease/(increase) in current receivables | (2,596) | 2,274 |
| – Less increase/(decrease) in receivables for investment portfolio | 2,269 | (1,826) |
| Increase/(decrease) in deferred tax liabilities | 21,686 | 2,768 |
| – Less (increase)/decrease in deferred tax liability on investment portfolio | (21,614) | (2,645) |
| Increase/(decrease) in current payables | (92) | 2 |
| Increase/(decrease) in provision for tax payable | 4,498 | 256 |
| – Less CGT provision | (5,666) | (672) |
| – Add taxes paid on capital gains | 672 | 915 |
| Net cash flows from operating activities | 3,821 | 5,450 |

E2. Tax Reconciliations

| | 2021 \$'000 | 2020 \$'000 |
|--------------------------------------------------------------|----------------|----------------|
| Tax Expense Composition | | |
| Charge/(credit) for tax payable relating to the current year | (17) | 540 |
| Over provision in prior years | (55) | (39) |
| (Increase)/decrease in deferred tax assets | 72 | 123 |
| | - | 624 |

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 | 27,280 | 3,317 |
| | 27,280 | 3,317 |

Deferred Tax Assets and Liabilities

The deferred tax balances are attributable to:

| | 2021 \$'000 | 2020 \$'000 |
|-----------------------------------------------------------------------------------------------|----------------|----------------|
| (a) Tax on unrealised gains or losses in the options written portfolio | 1 | - |
| (b) Provisions and expenses charged to the accounting profit which are not yet tax deductible | 22 | 47 |
| (c) Interest and dividend income receivable which is not assessable for tax until receipt | (81) | (33) |
| | (58) | 14 |
| Movements: | | |
| Opening asset/(liability) balance at 1 July | 14 | 137 |
| Credited/(charged) to Income statement | (72) | (123) |
| | (58) | 14 |

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 (2020: 30 per cent).

Notes to the Financial Statements

continued

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:

| | 2021 \$ | 2020 \$ |
|--------------------------------------|----------------|----------------|
| PricewaterhouseCoopers | | |
| Audit or review of financial reports | 108,892 | 104,678 |
| Permitted non-audit services | | |
| Taxation compliance services | 9,450 | 9,264 |
| Total remuneration | 118,342 | 113,942 |

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.

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 two investments comprising more than 10 per cent of AMCIL's income, including realised income from the trading and options written portfolios – Woolworths Group, as a consequence of the demerger dividend received for Endeavour Group (28.4 per cent) and BHP (11.5 per cent)(2020: none).

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 27 July 2021 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 2021 ('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:

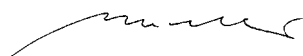
- 1) the financial statements and notes set out on pages 23 to 39 are in accordance with the *Corporations Act 2001* including:
 - a) complying with the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b) giving a true and fair view of the Company's financial position as at 30 June 2021 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 2021.

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.



R Myer AO
Chairman

Melbourne
27 July 2021

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 2021 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 2021
- 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 significant accounting policies and other explanatory information
- 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 & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

INDEPENDENT AUDIT REPORT

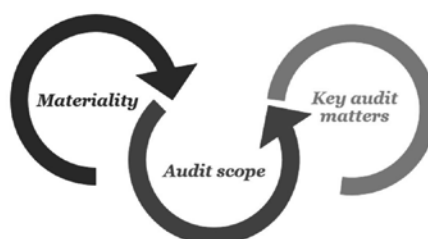
continued



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 materiality of \$3.35 million, which represents approximately 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 and 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
 - 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 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 Australian 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 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> <i>Refer to note A2</i></p> <p><i>\$371.9m</i></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> | <ol style="list-style-type: none"> 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 2021 balance. 2) Obtained the purchases and sales listing for the year ended 30 June 2021, and <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. 3) Agreed all the investment quantity holdings at 30 June 2021 to third party registry sources. 4) Agreed all listed equities investment prices to third party market pricing sources. |

INDEPENDENT AUDIT REPORT

continued



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 2021, 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 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: https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.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 18 to 19 of the directors' report for the year ended 30 June 2021.

In our opinion, the remuneration report of AMCIL Limited for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors 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'.

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'Nadia Carlin'.

Nadia Carlin
Partner

Melbourne
27 July 2021

OTHER INFORMATION

Information About Shareholders

At 16 July 2021 there were 3,222 holdings of shares. These holdings were distributed in the following categories:

| Size of Holding | Holdings | % of Share Capital |
|-------------------------------------------|----------|--------------------|
| 1 to 1,000 | 418 | 0.04 |
| 1,001 to 5,000 | 384 | 0.38 |
| 5,001 to 10,000 | 302 | 0.79 |
| 10,001 to 100,000 | 1,573 | 20.84 |
| 100,000 and over | 545 | 77.95 |
| | | 100% |
| Percentage held by the 20 largest holders | 35.86% | |
| Average shareholding | 92,719 | |

There were 290 shareholdings of less than a marketable parcel of \$500 (394 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 16 July 2021 are noted below:

| Rank | Name | Units | % Units |
|------|-----------------------------------------------------------|------------|---------|
| 1 | Bruce Teele | 50,014,141 | 16.74 |
| 2 | Djerriwarrh Investments Ltd | 10,599,254 | 3.55 |
| 3 | HSBC Custody Nominees (Australia) Limited | 5,260,795 | 1.76 |
| 4 | Invia Custodian Pty Limited <Terrence A Campbell Esq A/C> | 4,979,695 | 1.67 |
| 5 | Invia Custodian Pty Limited <Christine Joy Campbell A/C> | 4,970,184 | 1.66 |
| 6 | Ross Barker | 4,872,180 | 1.63 |
| 7 | Ancona Valley Holdings Pty Ltd <Roswell Super Fund A/C> | 3,988,109 | 1.33 |
| 8 | Invia Custodian Pty Limited <Fobsha Pty Ltd A/C> | 2,460,927 | 0.82 |
| 9 | Riga (QLD) Pty Ltd <Krohn Family S/F A/C> | 2,221,218 | 0.74 |
| 10 | Jonathan Webster | 2,131,159 | 0.71 |
| 11 | Prof Peter Glow + Mrs Roslyn Ann Glow | 1,923,445 | 0.64 |
| 12 | Gardiole Pty Ltd The RH Myer Super Fund | 1,922,503 | 0.64 |
| 13 | Willpower Investments Pty Ltd <Woodlands Superfund A/C> | 1,878,273 | 0.63 |
| 14 | Isomet Pty Ltd <Cowan Super Fund A/C> | 1,633,115 | 0.55 |
| 15 | FFSF Asset Management Pty Ltd <FF Super Fund A/C> | 1,599,180 | 0.54 |
| 16 | Roger Brown | 1,546,870 | 0.52 |
| 17 | Somoke Pty Limited <Pulman Super Fund A/C> | 1,421,384 | 0.48 |
| 18 | Parsley Investments Pty Ltd <Paterson Superannuation A/C> | 1,286,442 | 0.43 |
| 19 | JDB Services Pty Ltd <RAC & JD Brice Invest A/C> | 1,264,752 | 0.42 |
| 20 | Somoke Pty Limited <Pulman Super Fund A/C> | 1,149,462 | 0.38 |

Sub-underwriting

During the year the Company did not participate as a sub-underwriter in any issues of securities.

Substantial Shareholders

The Company has been notified of substantial shareholdings as follows:

| Holder | Number of Shares | Date Notified |
|---------------|------------------|---------------|
| Bruce B Teele | 50,014,141 | 26/08/2019 |

Transactions in Securities

During the year ended 30 June 2021, the Company recorded 297 transactions in securities. \$346,058 in brokerage (including GST) was paid or accrued for the year.

Holdings of Securities

At 30 June 2021

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 2020 '000 | Number Held 2021 '000 | Market Value 2021 \$'000 |
|------|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|--------------------------|
| AIA | Auckland International Airport | Owner and operator of New Zealand's largest airport. It operates through the following segments: aeronautical, retail and property | 604 | 604 | 4,084 |
| ARB | ARB Corporation | Manufacturer and distributor of four-wheel drive vehicle accessories in Australia and internationally | 415 | 311 | 13,422 |
| ASX | ASX | Operates Australia's largest securities exchange | 13 | 113 | 8,781 |
| BHP | BHP Group | Diversified international resources company | 460 | 460 | 22,342 |
| BRG | Breville Group | Manufacturer and wholesaler of electrical consumer products | 249 | 216 | 6,467 |
| CAR* | Carsales.com | Owens and operates Australia's largest automotive classifieds business and invests in a number of international online automotive websites | 507 | 465 | 9,131 |
| CBA | Commonwealth Bank of Australia | Banking and wealth management services | 78 | 78 | 7,790 |
| COH | Cochlear | Provides implantable hearing solutions, operating throughout the Americas, Europe and Asia Pacific. Its products include cochlear, bone conduction and acoustic implants | 29 | 29 | 7,306 |
| CSL | CSL | Global company that researches, develops, manufactures and markets products to treat and prevent serious human medical conditions | 89 | 108 | 30,686 |
| EQT | EQT Holdings | Provider of private client, trustee, estate administration and funds management services | 227 | 259 | 7,105 |
| FCL | FINEOS Corporation | A global software company that provides software solutions to the life, accident and health insurance industries | 0 | 1,983 | 7,733 |
| FPH | Fisher & Paykel Healthcare Corporation | Designs, manufactures and markets a range of medical devices used in respiratory care and the treatment of obstructive sleep apnoea | 0 | 204 | 5,885 |
| GMG | Goodman Group | Develops, owns, and manages industrial property and business space in Australia and overseas | 570 | 606 | 12,829 |
| IRE | IRESS | Technology company that provides software to the financial management industry | 315 | 908 | 11,722 |
| IVC | InvoCare | Provider of services related to funerals, burials and cremations | 0 | 344 | 3,980 |
| JHX | James Hardie Industries | Building materials company focused on fibre cement products, predominantly in the United States | 310 | 247 | 11,182 |
| MAQ | Macquarie Telecom Group | Provides voice and telecommunication services as well as data hosting and co-location services to businesses and government customers | 236 | 219 | 11,574 |
| MFT | Mainfreight (NZX listed) | Provider of managed warehousing and international and domestic freight forwarding services | 340 | 340 | 24,351 |
| MQG | Macquarie Group | Diversified financial services business operating in banking, financial advisory, investment and funds management services | 102 | 107 | 16,710 |
| NAB | National Australia Bank | Banking and wealth management services | 557 | 525 | 13,768 |
| NXT | NEXTDC | Owens and operates large-scale data centres across Australia | 600 | 600 | 7,116 |

| Code | Name | Principal Activity | Number Held 2020 '000 | Number Held 2021 '000 | Market Value 2021 \$'000 |
|--------------|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|---------------------------------|
| OCL | Objective Corporation | Technology company that supplies software and services to the government and enterprise sectors | 924 | 372 | 6,507 |
| OSH | Oil Search | Oil and gas explorer, developer and producer with assets predominantly in PNG | 2,005 | 1,200 | 4,572 |
| PKS | PKS Holdings | A healthcare company which provides clinical decision support software known as 'Rippledawn' which automates human decision-making processes in healthcare organisations | 0 | 3,045 | 1,279 |
| PXA | PEXA Group | Australia's leading, fully integrated digital property settlements platform, allowing buyers and sellers to more efficiently settle the sale of a home | 0 | 350 | 6,000 |
| REA | REA Group | Leading digital media business focusing on online property portals in Australia and overseas | 41 | 35 | 5,924 |
| REH | Reece | Distributor and retailer of plumbing, building and hardware supplies | 701 | 381 | 8,989 |
| RHC | Ramsay Health Care | Provider of healthcare services and the operation of hospitals and day surgery facilities in Asia Pacific, United Kingdom and France | 135 | 117 | 7,365 |
| RMD | ResMed | Developer, manufacturer and distributor of medical equipment for treating, diagnosing, and managing sleep-disordered breathing and other respiratory disorders | 0 | 262 | 8,583 |
| SEK | Seek | Operator of employment classifieds websites in Australia and Asia with investments in the online education and training sector | 283 | 180 | 5,949 |
| SYD | Sydney Airport | Owns and operates the Sydney International Airport | 1,229 | 1,467 | 8,495 |
| TCL | Transurban Group | Developer and operator of toll roads in Australia and overseas | 848 | 1,074 | 15,276 |
| TPW | Temple & Webster | Operates as an online retailer of furniture, homewares, home décor, arts, gifts, and lifestyle products from Australian and international designers | 0 | 578 | 6,236 |
| WES | Wesfarmers | Diversified conglomerate with retailing operations in department stores, home improvement and office supplies. The group also operates businesses involved in energy, chemicals, fertilisers and industrial and safety products | 355 | 355 | 20,981 |
| WOW | Woolworths Group | Operates general merchandise consumer stores and supermarkets in Australia and New Zealand | 240 | 380 | 14,470 |
| XRO | Xero | Develops accounting software for small and medium-sized businesses in New Zealand, Australia, the United Kingdom and the United States | 70 | 53 | 7,225 |
| Total | | | | | 371,818 |

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

Major Transactions in the Investment Portfolio

| Acquisitions | Cost \$'000 |
|----------------------------------------------------------------------------|------------------------|
| FINEOS Corporation (includes participation in placement @\$4.26 per share) | 8,316 |
| ASX | 7,740 |
| ResMed | 6,382 |
| Temple & Webster | 6,075 |
| Fisher & Paykel Healthcare | 6,064 |
| PEXA Group | 6,000 |

| Disposals | Proceeds \$'000 |
|-----------------------------------------|----------------------------|
| Qube Holdings [#] | 6,573 |
| Reece | 6,049 |
| Objective Corporation | 6,010 |
| Brambles [#] | 5,503 |
| Cleanaway Waste Management [#] | 5,491 |
| APA Group [#] | 4,525 |

[#] Complete disposals from the portfolio.

New Companies Added to the Portfolio

FINEOS Corporation
 ResMed
 Temple & Webster
 Fisher & Paykel Healthcare
 PEXA Group
 InvoCare
 PKS Holdings

Share Capital Changes

| Date | Type | Price/ Amount |
|-------------------|----------------------------------|------------------|
| 25 November 2020 | Share Purchase Plan | \$0.97 |
| 27 August 2020 | DRP/DSSP* | \$0.92 |
| 23 August 2019 | DRP | \$0.87 |
| 22 February 2019 | DRP | \$0.86 |
| 7 November 2018 | Share Purchase Plan | \$0.86 |
| 24 August 2018 | DRP | \$0.91 |
| 24 August 2017 | DRP | \$0.88 |
| 25 August 2016 | DRP | \$0.95 |
| 4 March 2016 | Share Purchase Plan | \$0.83 |
| 25 August 2015 | DRP | \$0.85 |
| 18 November 2014 | Share Purchase Plan | \$0.86 |
| 26 August 2014 | DRP | \$0.94 |
| 8 October 2013 | Share Purchase Plan | \$0.85 |
| 27 August 2013 | DRP | \$0.87 |
| 5 January 2011 | Share Purchase Plan | \$0.64 |
| 27 August 2010 | DRP | \$0.60 |
| 11 December 2009 | Share Purchase Plan | \$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 | Dividend Reinvestment Plan (DRP) | \$1.95 |
| 18 October 1996 | Initial issue | \$2.00 |

Note for issues of securities in earlier years please consult the Company's website, amcil.com.au or via telephone (03) 9650 9911.

* Note that for the shares issued under the DSSP, the price shown is the indicative price used to determine the number of shares issued to participants. Shares issued under the DSSP are issued at nil cost. Shareholders who sell shares issued under the DSSP should consult their tax adviser as to the correct treatment of such sales for taxation purposes.

Company Particulars

AMCIL Limited (AMH)

ABN 57 073 990 735

Directors

Rupert Myer AO, Chairman
Mark Freeman, Managing Director
Jodie Auster
Roger G Brown
Michael J Hirst
Siobhan L McKenna
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
Email invest@amcil.com.au
Website amcil.com.au

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

Telephone 1800 780 784 (toll free)

Shareholder Information

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

Annual General Meeting

Time 1.30pm
Date Thursday 7 October 2021
Venue Village Roadshow Theatre,
State Library of Victoria
Conference Centre
Location 179 La Trobe Street
Melbourne Victoria 3000

Subject to any change in the Government restrictions for public gatherings, the AGM will be a hybrid meeting with a physical meeting and access via an online platform. Further details are provided in the Notice of Annual General Meeting.

Our intention is to hold shareholder meetings in each of the state capital cities (other than Hobart) during October 2021 after the AGM. Given the uncertainty because of COVID-19, shareholders will be notified separately of date and venue if these meetings can safely proceed.





A Focused Portfolio
of Australian Equities

Annual Review 2021



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.

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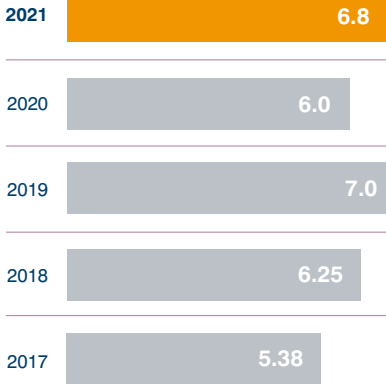
Year in Summary

| | 2021 | | |
|-------------------------------------|-------------------------------------|----------------------|----------------------------------------------------------|
| Profit for the Year | \$6.8m | | Up 13.6% from 2020 |
| Total Fully Franked Dividend | 2.5¢ Final | 4.5¢ Total | 2.5 cents total in 2020 |
| | 2.0¢ Special | | |
| Total Portfolio Return | 31.8% Including franking* | | S&P/ASX 200 Accumulation Index including franking* 29.1% |
| Total Shareholder Return | 35.2% | | Share price plus dividend including franking* |
| Management Expense Ratio | 0.56% | | 0.66% in 2020 |
| Total Portfolio | \$382.8m | | Including cash at 30 June, \$278.8 million in 2020 |

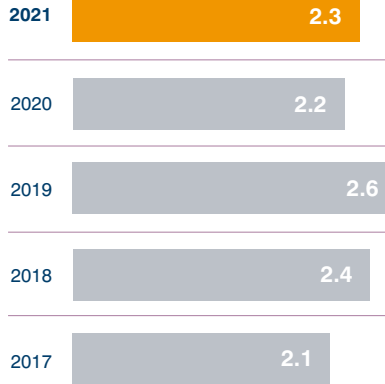
* Assumes a shareholder can take full advantage of the franking credits.

5 Year Summary

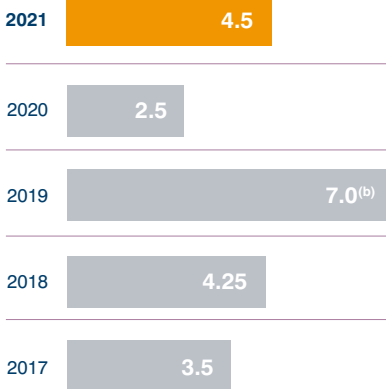
Profit After Tax (\$ Million)



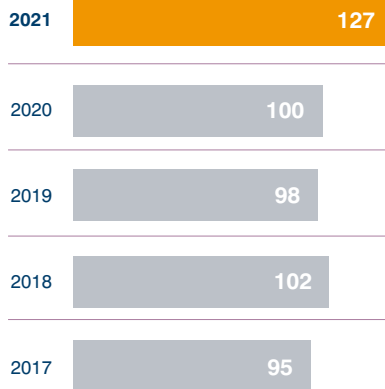
Net Profit Per Share (Cents)



Dividends Per Share (Cents)^(a)



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



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

2021 **371.8**

2020 269.6

2019 252.2

2018 261.1

2017 230.9

Number of Shareholders (30 June)

2021 **3,214**

2020 3,177

2019 3,114

2018 3,003

2017 2,558

Notes

- (a) 2021 total dividend carried 5 cents attributable 'LIC gain' per share, 2020: nil, 2019: final dividend 4.29 cents, 2019 interim: 1.43 cents, 2018: 2.76 cents, 2017: 2.1 cents.
- (b) Includes 3.5 cents interim dividend paid in February 2019.
- (c) 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.
- (d) Excludes cash.

About the Company

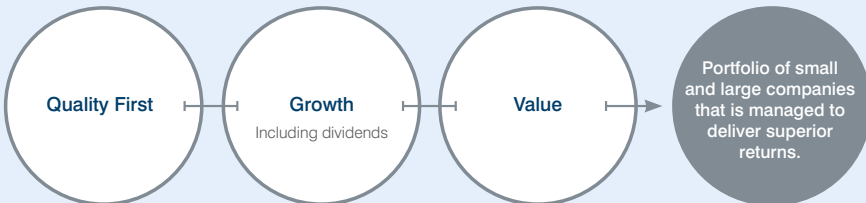
AMCIL manages a focused portfolio covering large and small companies in the Australian equity market. As a result, small companies by market size can have an equally important impact on portfolio returns as larger companies in the Australian market.

Investment Objectives

Attractive returns through strong capital growth in the portfolio over the medium to long term.

The generation of fully franked dividends.

How AMCIL Invests – What We Look For in Companies



Approach to Investing

Investment Philosophy

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

Our assessment of quality includes criteria such as the board and management, financial position, pricing power as well as some key financial metrics such as return on capital employed, return on equity, the level of gearing in the balance sheet, margins and free 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.

About the Company

continued

Approach to Investing continued

Approach to Environmental, Social and Governance (ESG) Issues When Investing

Assessment of Environmental, Social and Governance (ESG) issues is an important part of our investment process. As a long term investor, we seek to invest in companies that have strong governance and risk management processes, which includes consideration of environmental and social risks. We regularly review companies to ensure ongoing alignment with our investment framework:

- We believe environmental factors, including the impact of climate change, can have a material impact on society. These factors are considered when assessing a company's assets, long term sustainability of earnings and cash flow, cost of capital and future growth opportunities.
- We believe that aligning ourselves with high-quality management and boards building sustainable long term businesses is the best approach to avoiding socially harmful businesses. We are attracted to companies that act in the best interest of all their stakeholders, including their employees, customers, suppliers, and wider communities.
- We invest in high-quality companies with strong governance processes, and management and boards whose interests are closely aligned with shareholders. The investment process includes an assessment of their past performance, history of capital allocation, level of accountability, mix of skills, relevant experience and succession planning. We also closely scrutinise a company's degree of transparency and disclosure.

Engagement with Companies

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

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

We acknowledge that high-quality companies may face ESG challenges from time to time. We seek to stay engaged with the companies and satisfy ourselves that the issues are taken seriously and worked through constructively. Ideally, in this instance, we seek to remain invested to influence a satisfactory outcome for stakeholders.



— Review of Operations and Activities —

Profit and Dividend

The full year profit was \$6.8 million, up 13.6 per cent from \$6.0 million last year. The result for the year included a demerger dividend of \$2.2 million (which was non-cash and carries no franking) resulting from the Endeavour Group demerger from Woolworths Group. Excluding this figure, the full year profit was \$4.6 million.

Key components of the result were:

- income from investments, excluding the demerger dividend, down from \$7.1 million last year to \$6.2 million this financial year, as the economic effect of COVID-19 negatively impacted company dividends; and
- income from options and the trading portfolio was \$0.4 million, lower than last year's figure of \$1.3 million.

Adjustments made to the portfolio through the period, reflecting the increased valuation risk in several holdings following very strong share price performance, produced realised gains after tax of \$12.6 million. In the corresponding period last year, realised gains after tax were \$4.3 million.

Directors have declared a total dividend of 4.5 cents per share fully franked. This comprises a 2.5 cents per share ordinary dividend and 2.0 cents per share special dividend given the strong level of realised gains after tax achieved for the year. The dividend last year was 2.5 cents per share.

Approach to Dividends

AMCIL's approach to paying dividends has been to pay out all available franking credits at the end of each financial year. In addition to the fluctuations in dividends this approach can produce, one of the consequences is that the growth of the portfolio is constrained when compared to the reinvestment of an appropriate amount of realised capital gains. This is particularly the case when there is a takeover of a large holding or significant gains are made on the sale of individual holdings, as has been the case this year.

The Board believes that a more appropriate approach to determining dividends, including any special dividends, will consider the amount of income received, the amount of realised capital gains, the level of franking credits generated and investment market conditions. This approach may mean we will no longer be distributing all available franking credits at the end of each financial year. The Board does, however, continue to recognise the importance of attractive fully franked dividends to shareholders.

Management Expense Ratio

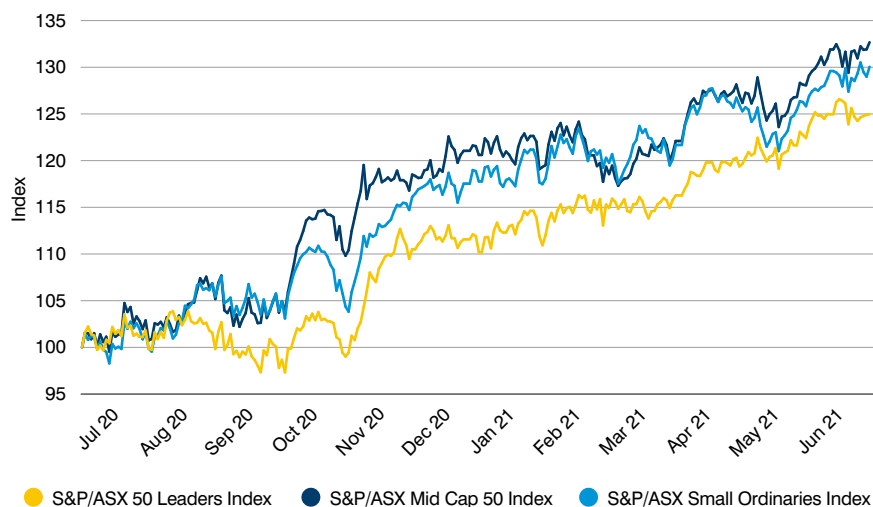
AMCIL's management expense ratio is 0.56 per cent which is an improvement on last year's figure of 0.66 per cent. AMCIL's portfolio is managed internally and does not charge portfolio performance fees which leads to lower costs for shareholders.

The management expense ratio compares 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 1 per cent and can also include additional performance fees. This is an important consideration for investors as many funds often quote their performance returns before fees and costs.

Market and Portfolio Returns

In a market continuing to grapple with the residual impacts of COVID-19 disruptions, the S&P/ASX 200 Accumulation Index delivered a return over the 12 months to 30 June 2021 of 29.1 per cent. Figure 1 highlights the returns from different segments of the market, by market capitalisation. Such strong returns were driven by expanded valuation multiples, particularly across small and mid cap stocks, because of very low interest rates, as well as better than expected company profits in this uncertain environment.

Figure 1: Performance of S&P/ASX 50 Leaders, Mid Cap 50 and Small Ordinaries Indices Over the Financial Year



Source: FactSet

— Review of Operations and Activities —

continued

The increase in the Australian market was also widespread across sectors, with the Information Technology Sector (which AMCIL is overweight relative to the Index) and the banking sector (which AMCIL is very underweight relative to the Index) very strong (Figure 2). The banking sector has risen from previous lows during the year supported by a recovering economy, lower than expected bad debt charges and more sustainable dividend payout ratios.

AMCIL produced a portfolio return in excess of the market at 31.8 per cent (Figure 3, return figures include the full benefit of franking).

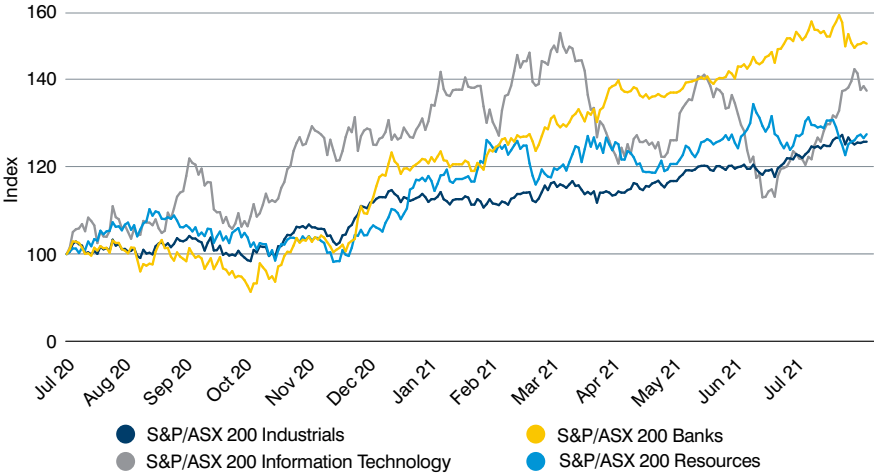
The outperformance can be attributed to the consistent delivery of strong returns from a number of long-standing and

large holdings in the portfolio such as Mainfreight, ARB Corporation, Reece, Objective Corporation and James Hardie Industries. In particular, ARB Corporation and Reece delivered returns in excess of 100 per cent for the year.

The long term performance of the portfolio, which is more in line with the Company's investment timeframes, was 12.7 per cent per annum for the 10 years to 30 June 2021, ahead of the Index return of 10.8 per cent per annum (these returns include the full benefit of franking). For an investor reinvesting both dividends and the full benefit of franking credits, \$10,000 invested in the AMCIL portfolio 10 years ago would be worth \$33,055, 19 per cent higher than the \$27,886 outcome for an equivalent investment in the S&P/ASX 200 Accumulation Index.

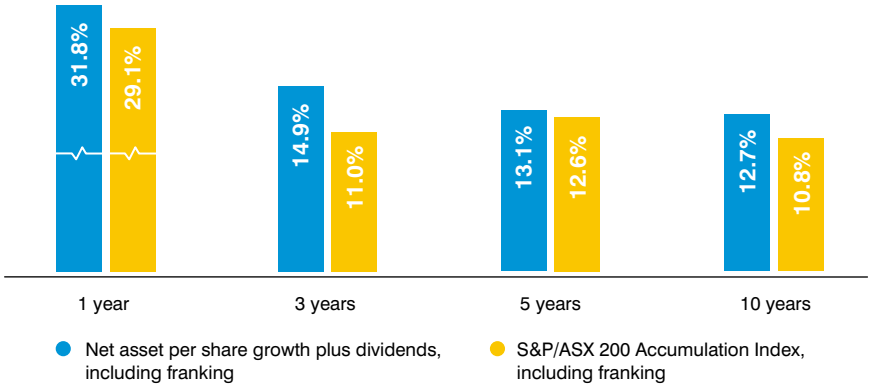


Figure 2: Selected Sector Performances



Source: FactSet

Figure 3: Portfolio and Share Price Performance – Per Annum Returns to 30 June 2021, Including Franking Credits*



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

Past performance is not indicative of future performance.

Review of Operations and Activities

continued

AMCIL's investment approach is to have a concentrated portfolio of high-quality companies that is very different to the S&P/ASX 200 Index (Figure 4) and expected to deliver above-market growth over the long term. As a result, there will be periods when the performance of AMCIL can vary quite markedly from the Index (Figure 5). Noting the difference in annual returns from the Index, the key objective is to deliver a sustained outperformance over the medium to long term.

Adjustments to the Portfolio

The focus on concentrating portfolio exposures to the highest quality businesses has seen the portfolio relatively well positioned through the year. In this context, portfolio adjustments were more limited compared with recent history. The strong increase in share prices over the year led to some trimming in Reece and Objective Corporation as valuation risk in the portfolio appeared to be heightened. The positions in Qube Holdings, Brambles, Cleanaway Waste Management and APA Group were exited with proceeds from these sales distributed across new and existing holdings.

Figure 4: Investment by Sector and the Portfolio's Variance From the S&P/ASX 200 Index as at 30 June 2021*

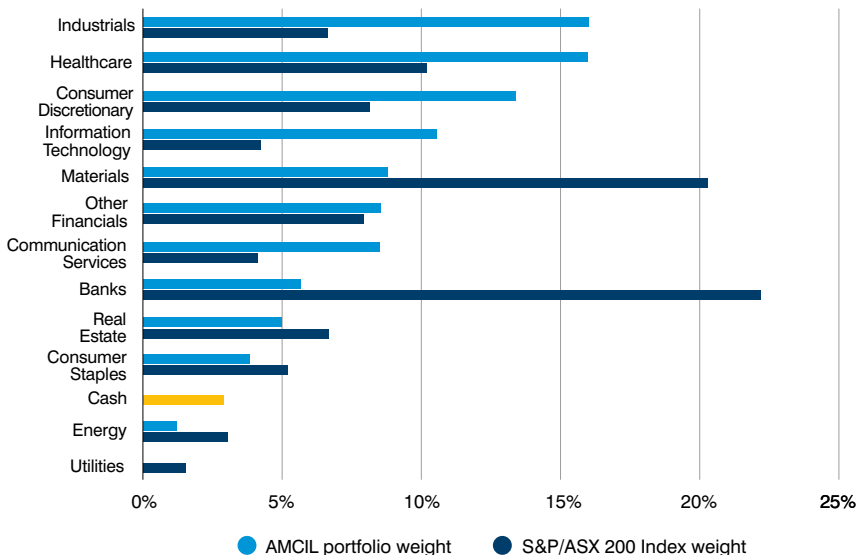
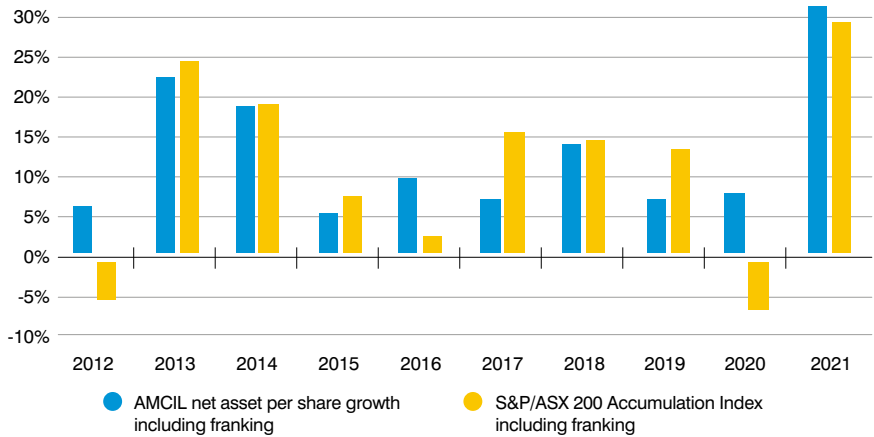


Figure 5: Performance Each Financial Year of AMCIL Including Dividends and Franking Credits Versus the ASX 200 Accumulation Index with Franking*



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

— Review of Operations and Activities —

continued

New companies added to the portfolio were FINEOS Corporation, ResMed, Temple & Webster, Fisher & Paykel Healthcare, PEXA Group (via participation in its IPO), InvoCare and PKS Holdings. Periods of volatility throughout the year also provided the opportunity to add to the holding in ASX, given the long term appeal of its strong market position.

Share Price

The share price was trading at a discount of 4.2 per cent to the net asset backing (before tax on unrealised gains) at 30 June 2021, compared with a discount of 6.4 per cent at the end of the prior financial year. The share price return for the 12 months to 30 June 2021 of 35.2 per cent (including franking), was ahead of the portfolio return of 31.8 per cent (including franking) for this period.

Over the 10-year period, the share price return has performed well against the portfolio return, with the share price up 14.2 per cent per annum to 30 June 2021 versus the portfolio which was up 12.7 per cent per annum over this period (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.

Moving Forward

Moving into the new financial year, the outlook for equity markets is likely to be determined by a number of factors, including the level of inflation and interest rates in Australia and the United States, and how society is placed regarding COVID-19.

The elevated valuation multiples currently on offer in equity markets (Figure 8) make further compelling investment opportunities more challenging to identify. However, our investment experience gives us confidence that we will uncover further opportunities in high-quality and emerging growth companies into the new financial year, particularly if there is increased volatility.

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

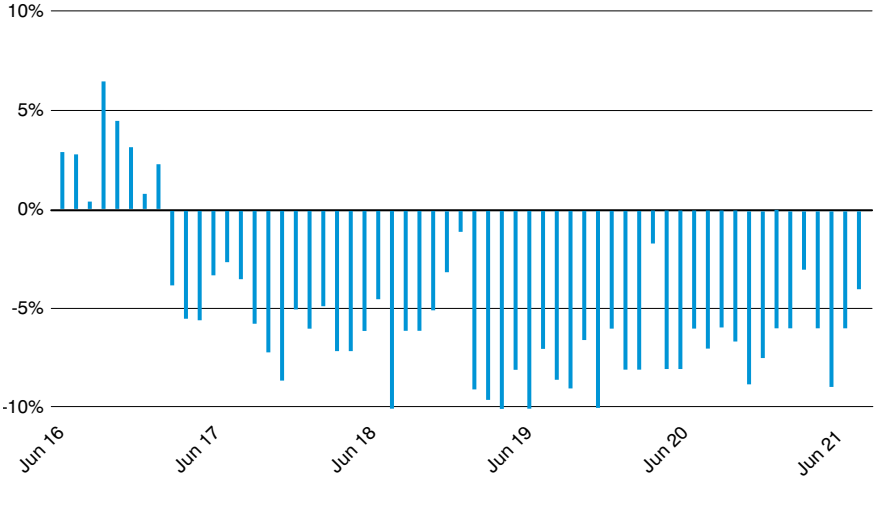
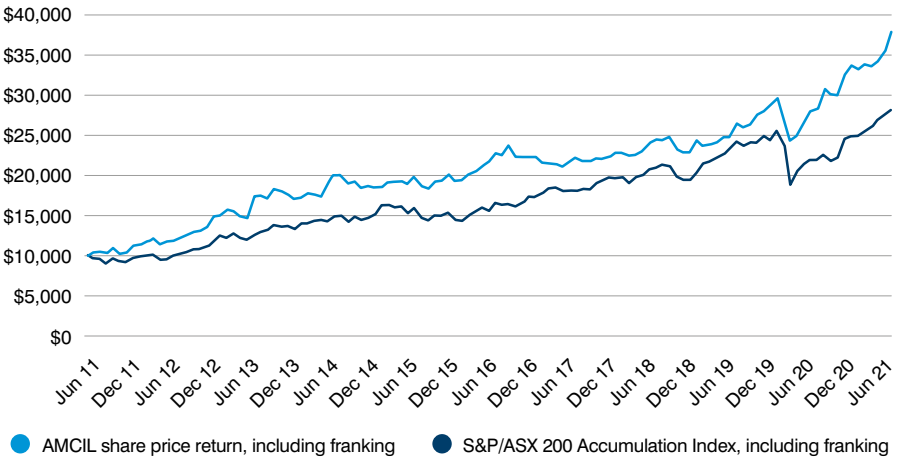


Figure 7: 10-year Share Price Return of AMCIL Including Dividends and the Full Benefit of Franking Credits



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.

— Review of Operations and Activities —

continued

Directorship Matters

Mr Bruce Teele retired at the Annual General Meeting in October 2020 having been a Director of the Company for over 17 years and Chairman since 2004.

The Board wishes to record their profound gratitude to Mr Teele for his dedicated leadership and outstanding contribution. The Company and its shareholders have greatly benefitted from his experience and wisdom.

Mr Rupert Myer AO was appointed Chairman of the Company with effect from the conclusion of the 2020 Annual General Meeting.

Mr Ross Barker retired from the Board with effect from 31 January 2021. The Board wishes to record their deep

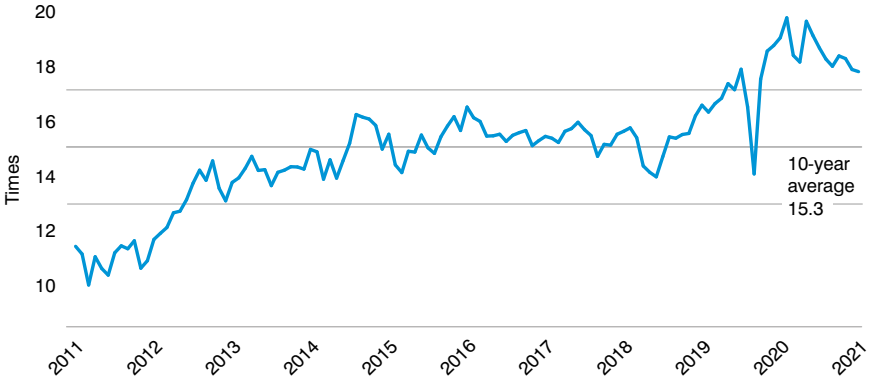
appreciation to Mr Barker for his 24 years of outstanding service to the Company and wish him well for the future.

Dr Jodie Auster was appointed as an Independent Non-Executive Director of the Company on 1 February 2021.

Dr Auster is currently working on a global project for the People team at Uber. Until recently, she led Uber Eats across Asia Pacific as the Regional General Manager. Prior to this Dr Auster was a Director of Customer Operations and Vice President of People for Thumbtack in San Francisco, and a consultant for Bain & Company in Australia. Dr Auster has extensive experience working with global technology platforms and has led several start-up businesses to achieve scale.



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



Source: FactSet



Top 20 Investments

As at 30 June 2021

Includes investments held in both the investment and trading portfolios.

Value at Closing Prices at 30 June 2021

| | | Total Value \$ Million | % of the Portfolio |
|--------------|--------------------------------|---------------------------|-----------------------|
| 1 | CSL | 30.7 | 8.3 |
| 2 | Mainfreight | 24.4 | 6.5 |
| 3 | BHP Group | 22.3 | 6.0 |
| 4 | Wesfarmers | 21.0 | 5.6 |
| 5 | Macquarie Group | 16.7 | 4.5 |
| 6 | Transurban Group | 15.3 | 4.1 |
| 7 | Woolworths Group | 14.5 | 3.9 |
| 8 | National Australia Bank | 13.8 | 3.7 |
| 9 | ARB Corporation | 13.4 | 3.6 |
| 10 | Goodman Group | 12.8 | 3.5 |
| 11 | IRESS | 11.7 | 3.2 |
| 12 | Macquarie Telecom Group | 11.6 | 3.1 |
| 13 | James Hardie Industries | 11.2 | 3.0 |
| 14 | Carsales.com* | 9.1 | 2.5 |
| 15 | Reece | 9.0 | 2.4 |
| 16 | ASX | 8.8 | 2.4 |
| 17 | ResMed | 8.6 | 2.3 |
| 18 | Sydney Airport | 8.5 | 2.3 |
| 19 | Commonwealth Bank of Australia | 7.8 | 2.1 |
| 20 | FINEOS Corporation | 7.7 | 2.1 |
| Total | | 278.8 | |

As percentage of total portfolio value (excludes cash) **75.0%**

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

Income Statement

For The Year Ended 30 June 2021

| | 2021 | 2020 |
|---------------------------------------|--------------|--------------|
| | \$'000 | \$'000 |
| Dividends and distributions | 8,313 | 7,074 |
| Revenue from deposits and bank bills | 5 | 104 |
| Net gains on trading portfolio | 198 | 393 |
| Income from options written portfolio | 154 | 857 |
| Other revenue | 51 | 54 |
| Total income | 8,721 | 8,482 |
| Finance costs | (95) | (98) |
| Administration expenses | (1,850) | (1,797) |
| Profit before income tax | 6,776 | 6,587 |
| Income tax expense | - | (624) |
| Profit for the year | 6,776 | 5,963 |
| | Cents | Cents |
| Profit for the year per share | 2.33 | 2.15 |

Balance Sheet

As at 30 June 2021

| | 2021 \$'000 | 2020 \$'000 |
|-------------------------------------------------|----------------|----------------|
| Current assets | | |
| Cash | 10,933 | 9,190 |
| Receivables | 3,315 | 719 |
| Total current assets | 14,248 | 9,909 |
| Non-current assets | | |
| Deferred tax assets | - | 14 |
| Investment portfolio | 371,865 | 269,617 |
| Total non-current assets | 371,865 | 269,631 |
| Total assets | 386,113 | 279,540 |
| Current liabilities | | |
| Payables | 83 | 175 |
| Tax payable | 5,605 | 1,107 |
| Options sold | 47 | - |
| Total current liabilities | 5,735 | 1,282 |
| Non-current liabilities | | |
| Deferred tax liabilities – other | 58 | - |
| Deferred tax liabilities – investment portfolio | 44,977 | 23,363 |
| Total non-current liabilities | 45,035 | 23,363 |
| Total liabilities | 50,770 | 24,645 |
| Net assets | 335,343 | 254,895 |
| Shareholders' equity | | |
| Share capital | 208,987 | 189,581 |
| Revaluation reserve | 88,605 | 40,075 |
| Realised capital gains reserve | 28,299 | 15,684 |
| Retained profits | 9,452 | 9,555 |
| Total shareholders' equity | 335,343 | 254,895 |

Summarised Statement of Changes in Equity

For the Year Ended 30 June 2021

| | 2021 \$'000 | 2020 \$'000 |
|------------------------------------------------------------------------|-----------------|----------------|
| Total equity at the beginning of the year | 254,895 | 247,554 |
| Dividends paid | (6,879) | (9,611) |
| Shares issued – Dividend Reinvestment Plan – Share Purchase Plan | 1,276 | 3,426 |
| | 18,178 | - |
| Costs of share issues | (48) | (13) |
| Total transactions with shareholders | 12,527 | (6,198) |
| Profit for the year | 6,776 | 5,963 |
| Revaluation of investment portfolio | 88,425 | 10,893 |
| Provision for tax on revaluation | (27,280) | (3,317) |
| Revaluation of investment portfolio (after tax) | 61,145 | 7,576 |
| Total comprehensive income for the year | 67,921 | 13,539 |
| Realised gains on securities sold | 18,281 | 4,957 |
| Tax expense on realised gains on securities sold | (5,666) | (672) |
| Net realised gains on securities sold | 12,615 | 4,285 |
| Transfer from revaluation reserve to realised gains reserve | (12,615) | (4,285) |
| Total equity at the end of the year | 335,343 | 254,895 |

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

Holdings of Securities

At 30 June 2021

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 2020 '000 | Number Held 2021 '000 | Market Value 2021 \$'000 |
|------|--------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|--------------------------------|
| AIA | Auckland International Airport | Owner and operator of New Zealand's largest airport. It operates through the following segments: aeronautical, retail and property | 604 | 604 | 4,084 |
| ARB | ARB Corporation | Manufacturer and distributor of four-wheel drive vehicle accessories in Australia and internationally | 415 | 311 | 13,422 |
| ASX | ASX | Operates Australia's largest securities exchange | 13 | 113 | 8,781 |
| BHP | BHP Group | Diversified international resources company | 460 | 460 | 22,342 |
| BRG | Breville Group | Manufacturer and wholesaler of electrical consumer products | 249 | 216 | 6,467 |
| CAR* | Carsales.com | Owns and operates Australia's largest automotive classifieds business and invests in a number of international online automotive websites | 507 | 465 | 9,131 |
| CBA | Commonwealth Bank of Australia | Banking and wealth management services | 78 | 78 | 7,790 |
| COH | Cochlear | Provides implantable hearing solutions, operating throughout the Americas, Europe and Asia Pacific. Its products include cochlear, bone conduction and acoustic implants | 29 | 29 | 7,306 |

| Code | Name | Principal Activity | Number Held 2020 '000 | Number Held 2021 '000 | Market Value 2021 \$'000 |
|-------------|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|-----------------------------------------|
| CSL | CSL | Global company that researches, develops, manufactures and markets products to treat and prevent serious human medical conditions | 89 | 108 | 30,686 |
| EQT | EQT Holdings | Provider of private client, trustee, estate administration and funds management services | 227 | 259 | 7,105 |
| FCL | FINEOS Corporation | A global software company that provides software solutions to the life, accident and health insurance industries | 0 | 1,983 | 7,733 |
| FPH | Fisher & Paykel Healthcare Corporation | Designs, manufactures and markets a range of medical devices used in respiratory care and the treatment of obstructive sleep apnoea | 0 | 204 | 5,885 |
| GMG | Goodman Group | Develops, owns, and manages industrial property and business space in Australia and overseas | 570 | 606 | 12,829 |
| IRE | IRESS | Technology company that provides software to the financial management industry | 315 | 908 | 11,722 |
| IVC | InvoCare | Provider of services related to funerals, burials and cremations | 0 | 344 | 3,980 |
| JHX | James Hardie Industries | Building materials company focused on fibre cement products, predominantly in the United States | 310 | 247 | 11,182 |

Holdings of Securities

At 30 June 2021 continued

| Code | Name | Principal Activity | Number Held 2020 '000 | Number Held 2021 '000 | Market Value 2021 \$'000 |
|------|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|--------------------------|
| MAQ | Macquarie Telecom Group | Provides voice and telecommunication services as well as data hosting and co-location services to businesses and government customers | 236 | 219 | 11,574 |
| MFT | Mainfreight (NZX listed) | Provider of managed warehousing and international and domestic freight forwarding services | 340 | 340 | 24,351 |
| MQG | Macquarie Group | Diversified financial services business operating in banking, financial advisory, investment and funds management services | 102 | 107 | 16,710 |
| NAB | National Australia Bank | Banking and wealth management services | 557 | 525 | 13,768 |
| NXT | NEXTDC | Owns and operates large-scale data centres across Australia | 600 | 600 | 7,116 |
| OCL | Objective Corporation | Technology company that supplies software and services to the government and enterprise sectors | 924 | 372 | 6,507 |
| OSH | Oil Search | Oil and gas explorer, developer and producer with assets predominantly in PNG | 2,005 | 1,200 | 4,572 |
| PKS | PKS Holdings | A healthcare company which provides clinical decision support software known as 'Rippledawn' which automates human decision making processes in health care organisations | 0 | 3,045 | 1,279 |

| Code | Name | Principal Activity | Number Held 2020 '000 | Number Held 2021 '000 | Market Value 2021 \$'000 |
|-------------|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|---------------------------------|
| PXA | PEXA Group | Australia's leading, fully integrated digital property settlements platform, allowing buyers and sellers to more efficiently settle the sale of a home | 0 | 350 | 6,000 |
| REA | REA Group | Leading digital media business focusing on online property portals in Australia and overseas | 41 | 35 | 5,924 |
| REH | Reece | Distributor and retailer of plumbing, building and hardware supplies | 701 | 381 | 8,989 |
| RHC | Ramsay Health Care | Provider of healthcare services and the operation of hospitals and day surgery facilities in Asia Pacific, United Kingdom and France | 135 | 117 | 7,365 |
| RMD | ResMed | Developer, manufacturer and distributor of medical equipment for treating, diagnosing, and managing sleep-disordered breathing and other respiratory disorders | 0 | 262 | 8,583 |
| SEK | Seek | Operator of employment classifieds websites in Australia and Asia with investments in the online education and training sector | 283 | 180 | 5,949 |
| SYD | Sydney Airport | Owns and operates the Sydney International Airport | 1,229 | 1,467 | 8,495 |
| TCL | Transurban Group | Developer and operator of toll roads in Australia and overseas | 848 | 1,074 | 15,276 |

Holdings of Securities

At 30 June 2021 continued

| Code | Name | Principal Activity | Number Held 2020 '000 | Number Held 2021 '000 | Market Value 2021 \$'000 |
|--------------|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|--------------------------|
| TPW | Temple & Webster | Operates as an online retailer of furniture, homewares, home décor, arts, gifts, and lifestyle products from Australian and international designers | 0 | 578 | 6,236 |
| WES | Wesfarmers | Diversified conglomerate with retailing operations in department stores, home improvement and office supplies. The group also operates businesses involved in energy, chemicals, fertilisers and industrial and safety products | 355 | 355 | 20,981 |
| WOW | Woolworths Group | Operates general merchandise consumer stores and supermarkets in Australia and New Zealand | 240 | 380 | 14,470 |
| XRO | Xero | Develops accounting software for small and medium-sized businesses in New Zealand, Australia, the United Kingdom and the United States | 70 | 53 | 7,225 |
| Total | | | | 371,818 | |

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

Major Transactions in the Investment Portfolio

| Acquisitions | Cost \$'000 |
|----------------------------------------------------------------------------|------------------------|
| FINEOS Corporation (includes participation in placement @\$4.26 per share) | 8,316 |
| ASX | 7,740 |
| ResMed | 6,382 |
| Temple & Webster | 6,075 |
| Fisher & Paykel Healthcare | 6,064 |
| PEXA Group | 6,000 |

| Disposals | Proceeds \$'000 |
|-----------------------------------------|----------------------------|
| Qube Holdings [#] | 7,340 |
| Reece | 6,049 |
| Objective Corporation | 6,010 |
| Brambles [#] | 5,503 |
| Cleanaway Waste Management [#] | 5,491 |
| APA Group [#] | 4,525 |

[#] Complete disposals from the portfolio.

New Companies Added to the Portfolio

FINEOS Corporation
 ResMed
 Temple & Webster
 Fisher & Paykel Healthcare
 PEXA Group
 InvoCare
 PKS Holdings

Company Particulars

AMCIL Limited (AMH)

ABN 57 073 990 735

AMCIL is a Listed Investment Company. It is a thematic investor in equities and similar securities on the stock market primarily in Australia.

Directors

Rupert Myer AO, Chairman
Mark Freeman, Managing Director
Jodie Auster
Roger G Brown
Michael J Hirst
Siobhan L McKenna
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
Email invest@amcil.com.au
Website amcil.com.au

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

Telephone 1800 780 784 (toll free)

Shareholder Information

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

Annual General Meeting

Time 1.30pm
Date Thursday 7 October 2021
Venue Village Roadshow
Theatrette, State Library
of Victoria Conference Centre
Location 179 La Trobe Street
Melbourne Victoria 3000

Subject to any change in the Government restrictions for public gatherings, the AGM will be a hybrid meeting with a physical meeting and access via an online platform. Further details are provided in the Notice of Annual General Meeting.

Our intention is to hold shareholder meetings in each of the state capital cities (other than Hobart) during October 2021 after the AGM. Given the uncertainty because of COVID-19, shareholders will be notified separately of date and venue if these meetings can safely proceed.



The logo for AMCIL, consisting of the letters 'AMCIL' in a white, sans-serif font, centered within a dark grey rectangular box.

AMCIL

A Focused Portfolio
of Australian Equities

Notice of Annual General Meeting 2021

The Annual General Meeting of
AMCIL Limited, ABN: 57 073 990 735
(‘Company’) will be held at: 1.30pm
(AEDT) on Thursday 7 October 2021

25 August 2021

Dear Shareholder,

On behalf of the Board of AMCIL Limited (AMCIL) I confirm that the Company's 26th Annual General Meeting (AGM) will be held on **Thursday 7 October 2021 commencing at 1.30pm** (AEDT). Attached is our Notice of Meeting that sets out the business of the AGM.

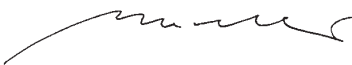
Given the continued uncertainty surrounding the COVID-19 pandemic, this year our AGM will be a hybrid one and will take place at the **Village Roadshow Theatre, State Library of Victoria Conference Centre, 179 La Trobe Street, Melbourne, Victoria, Australia** and **via an online platform**.

We are closely monitoring developments in relation to the COVID-19 virus in Australia and we are following guidance from the Federal and State Governments. While shareholders may be able to attend in person, circumstances relating to COVID-19 can change rapidly and shareholders are encouraged to participate online. Further information regarding the conditions of entry and the COVID-19 safety measures that apply to the meeting are set out on page 11. Should either Federal or State Government guidance provide that a physical meeting is inadvisable or not able to be held, we will revert to a virtual only AGM format and advise shareholders prior to 7 October 2021 via the Company's website at **amcil.com.au** and the ASX announcement platform.

We received positive feedback on the accessibility provided by last year's fully online AGM and this also provides flexibility in the event of further restrictions. You will find details of the hybrid meeting format in the attached Notice of Meeting, together with various methods for you to vote, ask questions and otherwise participate in the meeting.

We look forward to your attendance either in person or virtually.

Yours sincerely



Rupert Myer AO
Chairman

BUSINESS OF THE MEETING

The Annual General Meeting of **AMCIL Limited**, ABN: 57 073 990 735 ('Company') will be held at: **1.30pm (AEDT) on Thursday 7 October 2021 at Village Roadshow Theatre, State Library of Victoria Conference Centre, 179 La Trobe Street, Melbourne, Victoria, Australia** and via an **online AGM platform** at **web.lumiagm.com** using code: **348-345-036**.

Shareholders are requested to participate in the AGM in person, via our online AGM platform or via the appointment of a proxy. Further information on how to participate virtually is set out in this Notice and the Online Meeting Guide. Shareholders should refer to page 11 for the possible impact of COVID-19 restrictions on the ability to attend the AGM in person.

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 5 October 2021**.

1. Financial Statements and Reports

To consider the Directors' Report, Financial Statements and Independent Audit Report for the financial year ended 30 June 2021.

(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 ending 30 June 2021 be adopted.

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

3. Election of Director

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

"That Dr Jodie Auster, a Director retiring from office in accordance with Rule 45 of the Constitution, being eligible is elected as a Director of the Company."

4. Renewal of Proportional Takeover Provisions in the Constitution

To consider and, if thought fit, pass the following resolution (as a special resolution):

"That, pursuant to Sections 136(2) and 648G of the *Corporations Act 2001* (Cth), the proportional takeover provisions in Rules 79 and 80 of the Company's constitution are renewed for a period of three years from the date of this meeting".

By Order of the Board



Matthew Rowe
Company Secretary

25 August 2021

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 5 October 2021.

Where permitted, the Chairman of the meeting intends to vote undirected proxies in favour of all items of business.

1. Financial Statements and Reports

During this item there will be a reasonable 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 2021. 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 2021 Annual Report can view or download it from the Company's website at:

**amcil.com.au/our-company
#Companyreports**

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 2021 Annual Report.

The vote on the proposed resolution is an advisory one.

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 (a 'KMP member') whose remuneration details are included in the Remuneration Report and includes Directors, 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.

3. Election of Director

The Board (with the exception of Dr Auster) recommends that shareholders vote in FAVOUR of Item 3. The Chairman of the Annual General meeting intends to vote undirected proxies in FAVOUR of Item 3.

**Dr Jodie Auster
MBBS, MBA. Independent
Non-Executive Director**

Dr Auster joined the Board in February 2021. Dr Auster is currently working on a global project for the People team at Uber. Until recently, she led Uber Eats across Asia Pacific as the Regional General Manager. Prior to this Dr Auster was a Director of Customer Operations and Vice President of People for Thumbtack in San Francisco, and a consultant for Bain & Company in Australia. Jodie has extensive experience working with global technology platforms and has led several start up businesses to achieve scale.

4. Renewal of Proportional Takeover Provisions in the Constitution

Board recommendation and undirected proxies: The Board recommends that shareholders vote in FAVOUR of Item 4. The Chairman of the meeting intends to vote undirected proxies in FAVOUR of Item 4.

Background

The *Corporations Act 2001* (Cth) permits a company to include rules in its Constitution which enable the company to refuse to register a transfer of shares resulting from a proportional takeover bid unless shareholders in the bid class in a meeting approve the takeover bid.

It is a requirement of the Corporations Act that such proportional takeover approval provisions in a company's constitution apply for a maximum period of three years, unless earlier renewed. In the case of the Company, such proportional takeover approval provisions (existing Rules 79 and 80 of the Company's constitution) were approved by shareholders at the 2018 AGM and will expire on 9 October 2021.

The Directors consider that it is in the best interests of shareholders to renew these provisions in their existing form. Accordingly, a special resolution is being put to shareholders under Section 648G of the Corporations Act to renew Rules 79 and 80 of the Company's constitution.

If approved by shareholders at the meeting, Rules 79 and 80 will operate for three years from the date of the meeting (that is, until 7 October 2024) unless renewed earlier.

EXPLANATORY NOTES

continued

Proportional Takeover Bids

A proportional takeover bid involves the bidder offering to buy a proportion only of each shareholder's shares in the target company.

This means that control of the target company may pass without members having the chance to sell all their shares to the bidder. It also means the bidder may acquire control of the target company without paying an adequate premium for gaining control.

To address this possibility, a company may provide in its Constitution that, in the event of a proportional takeover bid being made for shares in the company, the directors must convene a meeting of shareholders to vote on a resolution to approve that bid.

A meeting convened under the proportional takeover approval provisions is treated as a general meeting of the company and the majority decision of the company's members will be binding on all individual members.

Effect of Proposed Proportional Takeover Approval Provisions

Where a proportional takeover bid is made, the Directors must convene a meeting of shareholders to vote on a resolution to approve the proportional bid before the 14th day prior to the closing of the bid period.

The vote is decided on a simple majority. Each person who, as at the end of the day on which the first offer under the takeover bid was made, held bid class shares is entitled to vote. Neither the bidder nor its associates are entitled to vote on the resolution.

If a meeting is not held, Section 648E of the Corporations Act deems a resolution approving the proportional bid to have been passed thereby allowing the proportional bid to proceed. Further, the Directors will contravene the Act if they fail to ensure a resolution to approve the bid is voted on.

If the resolution is rejected, the registration of any transfer of shares resulting from that proportional takeover bid will be prohibited and the bid will be deemed to be withdrawn. If the resolution is passed or deemed to have been passed, the transfer of shares resulting from acceptance of an offer under that bid will be permitted and the transfer of shares will be registered provided they comply with the other provisions of the Constitution.

Rules 79 and 80 will not apply to full takeover bids.

Reason for Proposing the Resolution

The Directors consider that the renewal of Rules 79 and 80 is in the best interests of all shareholders of the Company. In the Directors' view, shareholders should have the opportunity to vote on a proposed proportional takeover bid.

In the absence of Rules 79 and 80 (as renewed), a proportional takeover bid for the Company may enable effective control of the Company to be acquired by a party who has not offered to acquire 100 per cent of the Company's shares (and, therefore, has not offered to pay a 'control premium' that reflects 100 per cent ownership).

As a result, if a proportional takeover bid for the Company is made:

- shareholders may not have the opportunity to dispose of all their shares; and
- shareholders risk being locked into a minority position in the Company or suffering loss following such a change of control if the bid causes a decrease in the market value of shares.

If Rules 79 and 80 are renewed, the Board considers that this risk will be minimised by enabling shareholders to decide whether or not a proportional takeover bid should be allowed to proceed.

Present Acquisition Proposals

As at the date of this notice, the Directors are not aware of any proposal by any person to acquire, or increase the extent of, a substantial interest in the Company.

Review of Proportional Takeover Approval Provisions

The Corporations Act requires these explanatory notes to discuss retrospectively the potential advantages and disadvantages of the proportional takeover approval provisions for both Directors and shareholders.

While the proportional takeover approval provisions have been in effect, there have been no takeover bids for the Company – either proportional or otherwise. So there are no actual examples against which to review the advantages and disadvantages of the existing proportional takeover approval provisions for the Directors and shareholders of the Company. The Directors are not aware of any potential takeover bid which was discouraged by Rules 79 and 80.

Advantages and disadvantages

In addition to looking at the provisions retrospectively, the Corporations Act also requires these explanatory notes to discuss the potential future advantages and disadvantages of the proposed proportional takeover approval provisions for both Directors and shareholders.

The Directors consider that there are no advantages or disadvantages for the Directors in renewing the proposed proportional takeover approval provisions. In particular, there is no restriction on their ability to make a recommendation on whether a proportional takeover bid should be accepted.

For shareholders, the potential advantage of renewing the proportional takeover approval provisions is that they provide shareholders with the opportunity to consider, discuss in a meeting called specifically for the purpose, and vote on whether a proportional takeover bid should be approved. This ensures that shareholders have an opportunity to have a say in the future ownership and control of the Company. The Directors believe that this would encourage any future proportional bids to be structured so as to be attractive to a majority of shareholders. It may also discourage the making of a proportional takeover bid that might be considered opportunistic. Finally, knowing the view of a majority of the shareholders may help each individual shareholder to assess the likely outcome of the proportional takeover bid and decide whether or not to accept an offer under the bid.

A potential disadvantage for shareholders arising from renewing the proportional takeover approval provisions is that they may discourage proportional takeover bids being made and may reduce any speculative element in the market price of the Company's shares arising from the possibility of a proportional bid being made. As a result, shareholders may not have the opportunity to dispose of a portion of their shares at an attractive price where the majority rejects an offer from a party seeking control of the Company.

The Directors consider that the potential advantages for shareholders of the proposed proportional takeover approval provisions outweigh the potential disadvantages.

Shareholder Approval

To pass as a special resolution, this item of business requires the support of 75 per cent or more of the votes cast on the resolution.

SHAREHOLDER INFORMATION

Shareholders and Proxyholders have three options for participating at the AGM:

In person

Online via the 'Lumi Online Platform' (access via web.lumiagm.com and using meeting ID: **348-345-036**)

Via telephone (listen only)

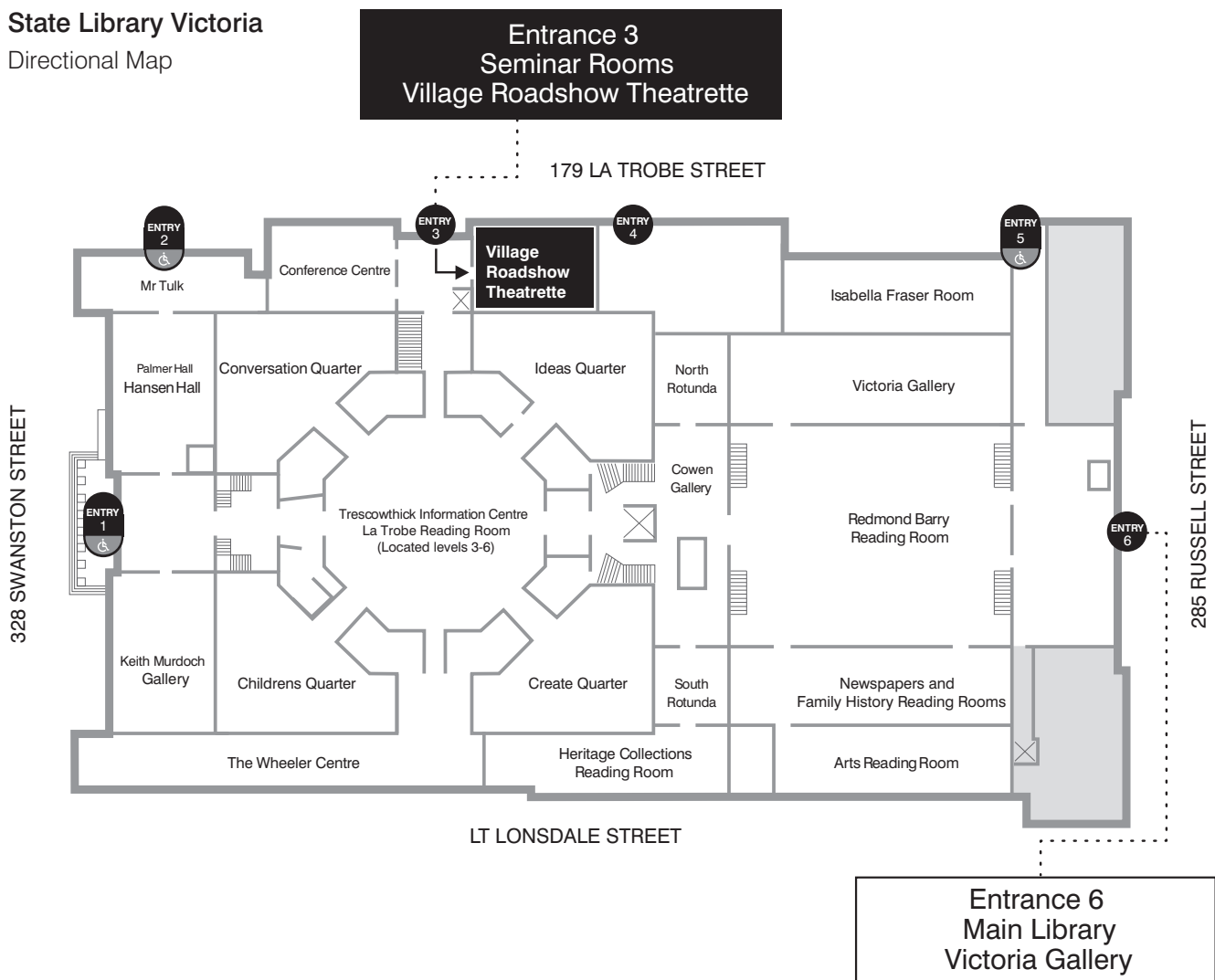
In Person

The AGM will be held at the Village Roadshow Theatre, State Library of Victoria Conference Centre, 179 La Trobe Street, Melbourne, Victoria, Australia.

Shareholders are currently expected to be able to physically attend the meeting whilst following COVID safe practices at the meeting. Shareholders are encouraged to allow additional time for these COVID safe practices. While shareholder can attend in person, circumstances relating to COVID-19 can change rapidly and shareholders are encouraged to participate online. The Company will continue to monitor Federal and State Government restrictions on public gatherings and should either Federal or State Government guidance provide that a physical meeting is inadvisable or not able to be held, we will revert to a virtual only AGM format and advise shareholders prior to 7 October 2021 via the Company's website at amcil.com.au and the ASX announcement platform.

State Library Victoria

Directional Map



Via The Online Platform

Please use the following link web.lumiagm.com using code: **348-345-036**.

Using an online platform via a computer, mobile phone or iPad/tablet device with internet access you will be able to join and participate in the meeting.

Shareholders and proxyholders will have the ability to vote and ask questions in real time during the AGM and to hear all of the discussion via the online platform, subject to connectivity of your device. You will need to provide your shareholder details (including your SRN or HIN and registered postcode) to be verified as a shareholder. **Proxy holders will need to phone the Computershare call centre one hour before the meeting to obtain their login details.**

A detailed guide on how to participate virtually is set out in the Online Meeting Guide on our website amcil.com.au. This Guide explains how you can ensure your browser is compatible with the online platform, as well as a step-by-step guide to successfully log in and navigate the site.

Via Telephone

To join via the teleconference, please use the details below:

Telephone: 1800 175 864
(free call within Australia)

1300 212 365
(mobile, free call within Australia)

+61 2 8373 3550
(outside Australia)

Conference ID: 2703148

Joining the Conference Call:

1. In the 10 minutes prior to the call start time, call the appropriate dial-in number.
2. Enter the Event Plus passcode **2703148**, followed by the pound or # key and leave any information requested after the tone. You will be joined automatically to the conference.

International dial-in numbers will be available via the Company's website. Shareholders and proxyholders will be able to listen into the presentation and discussion via telephone. There will not be a facility to ask questions via the telephone.

Voting Options for the AGM

- Voting in person at the meeting
- Direct voting via the online AGM platform during the AGM
- Appointing a proxy

All Resolutions Will be Conducted by Poll

As some shareholders may participate virtually in the Meeting each resolution considered at the Meeting will be conducted by a poll. The Board considers voting by poll to be in the interests of the shareholders as a whole and ensures the views of as many shareholders as possible are represented at the Meeting.

Direct Voting Via Online AGM Platform – During the AGM

In accordance the Company's Constitution ('Constitution'), the Directors have determined that at the AGM, a shareholder who is entitled to vote on a resolution at the AGM is entitled to a direct vote in respect of that resolution and have approved the use the online AGM platform as the means by which shareholders can deliver their direct vote in real time during the AGM.

Shareholders can participate in the AGM via the online AGM platform and will be able to vote directly through the online platform in real time. Shareholders and proxyholders can vote directly online at any time between the start of the AGM at 1.30pm (AEST) and the closure of voting as announced by the Chairman during the Meeting.

More information regarding direct voting during the AGM is detailed in the Online Meeting Guide that is available on our website amcil.com.au.

SHAREHOLDER INFORMATION

continued

Proxies

If you cannot attend the meeting online at the scheduled time, you can participate in the AGM by appointing a proxy to attend and vote at the AGM. Shareholders can appoint a proxy on the enclosed Proxy Form, instructions on how to lodge the Proxy Form are contained in the attached Notice of Meeting.

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. 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).
- 3. 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.**
- 4. Relevant custodians may lodge their proxy forms online by visiting intermediaryonline.com**
5. Proxy forms and any authorities (or certified copies of those authorities) under which they are signed may be also delivered, 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 5 October 2021**. Further details are on the proxy form.

6. A proxy need not vote in that capacity on a poll (unless the proxy is the Chairman of the meeting). 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).
7. 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 resolution; 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 and the proxy is not recorded as attending; and
 - 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. Evidence of the appointment of a corporate representative must comply with Section 250D of the *Corporations Act 2001* and be lodged with the Company before the AGM.

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.

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 by email to be considered at the AGM is **23 September 2021**. 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.

You may also submit questions and comments during the AGM in real time via the online platform. Please note, only shareholders may ask questions online. More information regarding asking questions during the AGM is detailed in the Online Meeting Guide available on our website **amcil.com.au**.

Share Registry

The Company's Share Registry details are as follows:

Computershare Investor Services Pty Limited

Street Address

Yarra Falls
452 Johnston Street
Abbotsford VIC 3067

Postal Address

GPO Box 242
Melbourne VIC 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

COVID-19 Safety

In attending the meeting, please:

1. Play Your Part to Keep Our Community Safe:

- Stay at home if you are feeling unwell
- Adhere to physical distancing measures
- Practice good personal hygiene, wash your hands often
- Follow appropriate cough and sneeze etiquette
- Download the COVIDSafe app

2. Register Your Attendance

Visitor contact details (inclusive of contact name and phone number) must be collected as part of the AGM registration process and for contact tracing purposes. This is in accordance with Victorian Government guidelines to assist with rapid contact tracing in the event of a confirmed COVID-19 case. This can be done via the Services Victoria app by scanning the QR code on your smart device on arrival, or by providing you details to the Share Registry staff when registering your attendance at the AGM.

3. Temperature Checks

To ensure the safety of anyone who enters the venue, the State Library has placed temperature checks at each building entry point. Anyone attending the AGM will be screened on arrival prior to being able to obtain access to the venue. Temperature checks are conducted by non-invasive thermal imaging technology allowing multiple people to be scanned at once or by a handheld device.

4. Restricted Building Access

The State Library has identified a specific entry and exit point to help manage physical distancing and maintain sanitisation stations and temperature checks. The following entry and exit point is identified for building access, however are subject to change based on event demand.

- La Trobe Street entrance which will have a dedicated entrance door.

Please note: Contract tracing information and temperature checks will take place at the entry point, upon entering the building. We thank you for your understanding.

AMCIL



ABN 57 073 990 735

AMH

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



Need assistance?



Phone:

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



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **1:30pm (AEDT)** Tuesday 5 October 2021.

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions. Each resolution considered at the meeting will be conducted by a poll.

APPOINTMENT OF PROXY

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 securities 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 securities 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 securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders 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. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

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

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: I999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

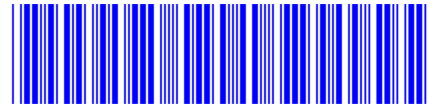
1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

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.



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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 Village Roadshow Theatre, State Library of Victoria Conference Centre, 179 La Trobe St, Melbourne Victoria and via an online platform at 1.30pm (AEDT) on Thursday 7 October 2021** 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 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 - Dr Jodie Auster | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Item 4 | Renewal of Proportional Takeover provisions in the Constitution | <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 | Shareholder 2 | Shareholder 3 |
| <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Sole Director and Sole Company Secretary | Director | Director/Company Secretary |
| Contact Name _____ | Contact Daytime Telephone _____ | Date / / _____ |

275816_17_V3





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



Questions from Shareholders

The Annual General Meeting (AGM) of AMCIL Limited will be held at Village Roadshow Theatre, State Library of Victoria Conference Centre, 179 La Trobe St, Melbourne Victoria and via an online platform at 1.30pm (AEDT) on Thursday 7 October 2021. Shareholders who are unable to attend the meeting, or who prefer to register questions in advance, are invited to submit any questions they have by completing and returning this form.

Please return your completed question form to our Share Registrar, Computershare Investor Services Pty Limited, GPO Box 242, Melbourne VIC 3001, or by facsimile to 1800 783 447 (outside Australia +61 3 9473 2555) by Thursday 23 September 2021. The envelope provided for the return of your proxy form may also be used for this purpose.

You may also submit written questions to the auditor if the questions are relevant to the content of the auditor's report or the conduct of the audit of the financial statements to be considered at the AGM.

We will endeavour, during the course of the AGM, to address the themes most frequently raised in the submitted question forms. Please note that individual responses will not be sent to shareholders.

Question(s):

Please mark if it is a question directed to the auditor

1

2

3

4

