

ANNUAL GENERAL MEETING
NOVEMBER 2015



KAIZEN GLOBAL
Investments

ANNUAL GENERAL MEETING 2015

AGM Agenda

1. Chairman's welcome and address
2. Results
3. Outlook
4. Portfolio and investment process
5. Resolutions

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KGI's business model aims to;

- Achieve a high real rate of return for Shareholders comprising both income and capital growth;
- Preserve capital of the Company; and,
- Deliver Shareholders a growing stream of fully franked dividends.

KGI's Investment Strategy

- Invest majority of assets in diverse portfolio consisting 30-60 internationally listed equities (shares).
- Invest with long-term horizon (3-5 years plus).
- Utilise a fundamental, stock-picking approach.
- Invest in companies with thematic tailwinds.
- Can utilise strategies to protect downside risk.
- May also invest part of the portfolio in unlisted Australian companies and re-invest excess cash flows.

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Name	Position	Independence	Prior experience
Simon Winfield MBA	Executive Chairman	Not independent	Credit Suisse, Bank of America Merrill Lynch
Connor Grindlay MEng (Hons)	Managing Director	Not independent	Credit Suisse, WestLB Panmure, Trafelet, Millennium Capital Partners, Caledonia Investments.
Andre Edmunds BEng (Hons)	Non-executive Director	Independent	AMP General insurance, CSC Australia, Deloitte UK, Barclays, Toyota, Volkswagen, Cazenove Capital, Orange Sweden, Hutchinson 3G, VirginMedia, Optus, Telstra, Downer, Foxtel, News Ltd and Transport for NSW.

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Financial results for the year ended 30 June 2015

	30 June 2015
Pre Tax (loss) dollars	(27,912)
Basic loss per share (cents per share)	(1.25)
Net tangible backing per share post tax (cents per share)	97.3

October 2015 NTA (post tax) 98.75* cents

Dividends

- Board intends to pay dividends in FY2016 if profit and franking balances allow this.

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PERFORMANCE: NTA

Performance	23 March* 2015-30 June 2015
Net KGI returns post tax	-0.78%
S&P/ASX 200 Net total return	-7.60%
RBA cash rate	0.54%

PERFORMANCE: SHARE PRICE

Performance	23 March* 2015-30 June 2015
Net KGI returns post tax	0.43%
RBA cash rate	0.54%

* Listing date 23/03/2015, unaudited returns, starting NTA \$0.9805

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KGI OPTION: (NSX:KGIAO)

- Total issued 2.237m under prospectus.
- Exercisable at \$1.00 per share any time up until 27 February 2016.

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OUTLOOK

- *‘There are seven billion people in the world – there will always be opportunities’* Jim Rogers
- Our outlook - per investment - is based on finding company specific ideas, not on a macro view of the world.
- We invest on a 3-5 year horizon, each investment has to have a **large margin of safety** to reduce the chance of **permanent loss of capital**.
- In bear markets, when people are most fearful, there are the best investment opportunities.
- Several commodity based currencies have already retraced to their 2001/2 lows (against the USD).
- We believe the Australian dollar will zig-zag down to 50 cents against the US dollar on a 5-10 year view – staging rallies along the way.

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HOW WE INVEST – OUR PROCESS

LOGICAL - REPEATABLE

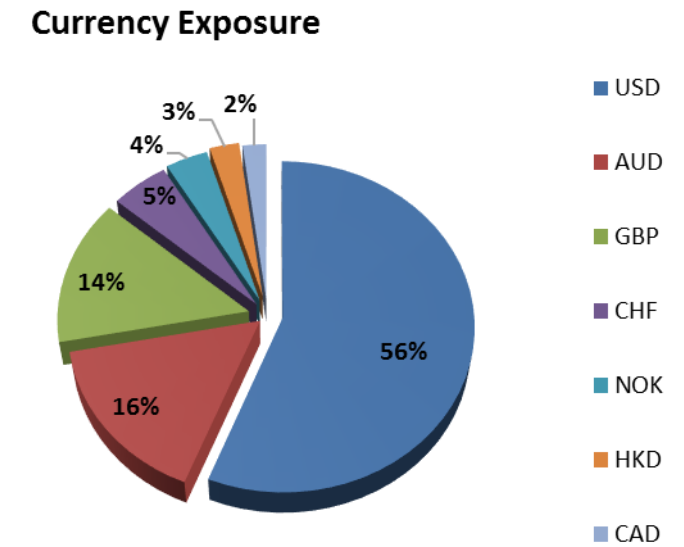
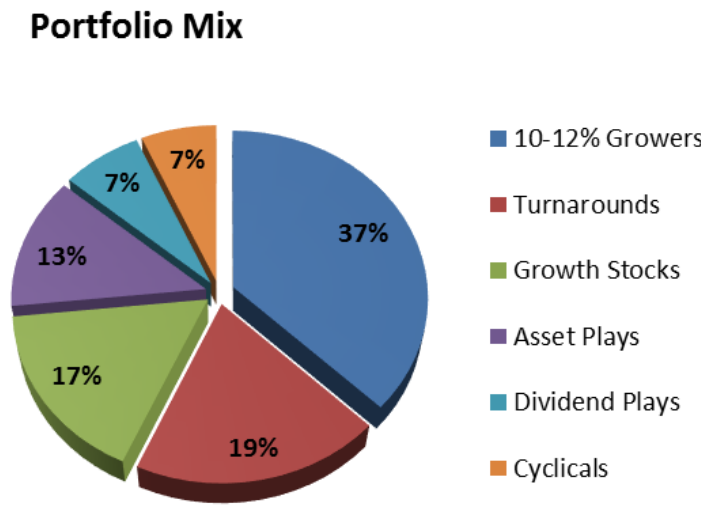
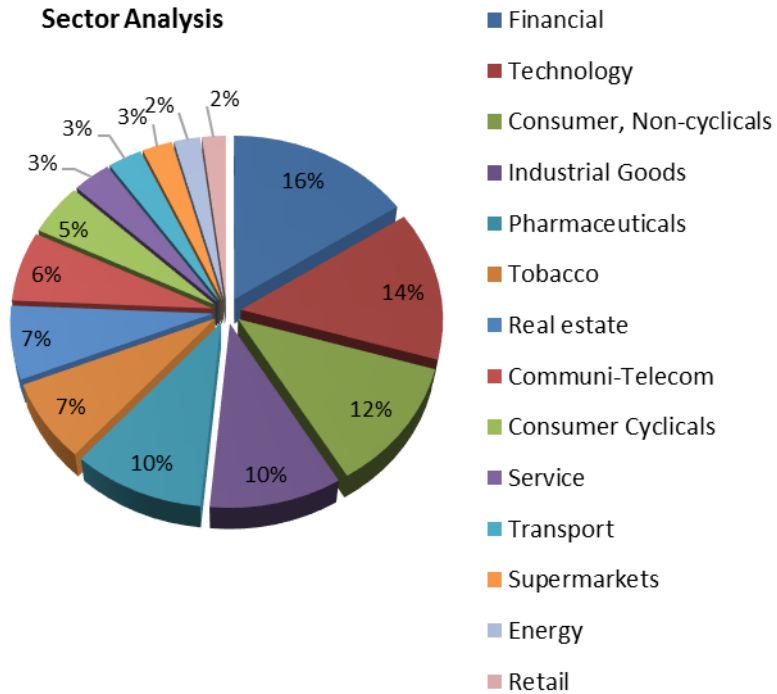
- Identify investment opportunities
- Complete fundamental analysis
- Quantify Investment thesis
- Consider macro-economic environment
- Determine portfolio weighting
- Maintain selling discipline



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PORTFOLIO POSITIONING*

- Fully invested
- Diversified holdings
- Global



*October 2015 unaudited

KAIZEN GLOBAL INVESTMENTS

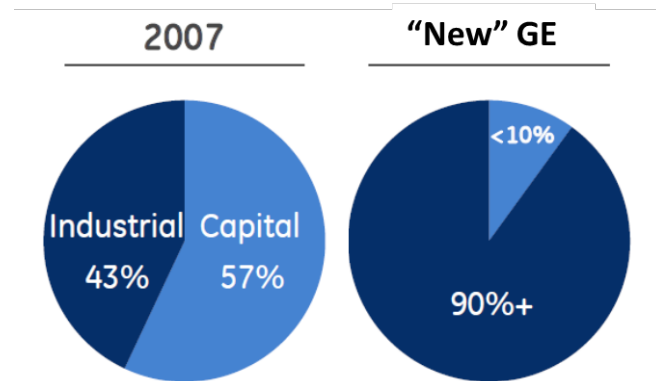
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General Electric (GE) – Invest in ChΔnge: Thesis: Complex to simple

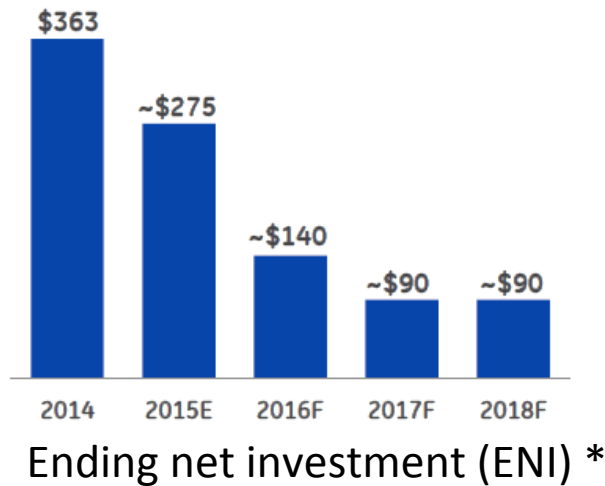


- High quality business (high barriers to entry, high market share in industrial business lines).
- Never invested due to so many moving parts.
- Redeploying capital from financial business into industrial business.

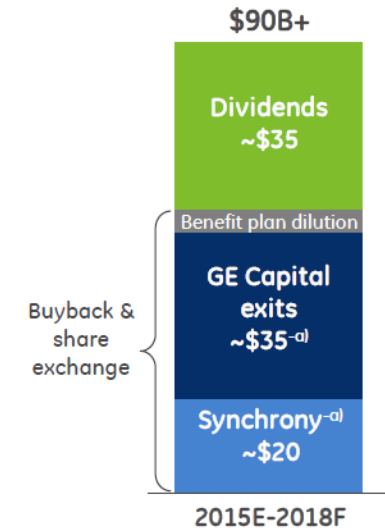
STEP 1: EXECUTING THE 'PIVOT'



STEP 2: REDUCE GECC CAPITAL



STEP 3: REDEPLOY CAPITAL



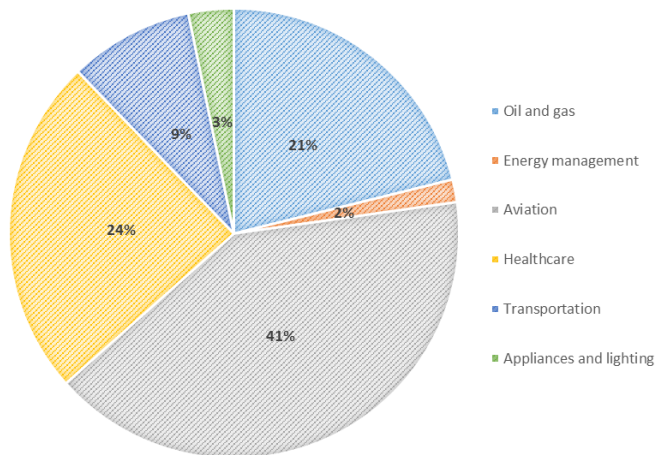
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General Electric (GE) – Invest in ChΔnge: Thesis: Complex to simple

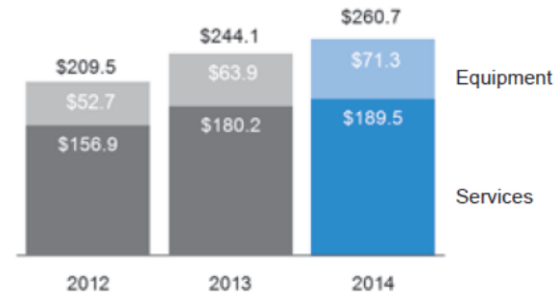


- Executing well on asset sales: 1.4x P/TBV vs 1.3x (1.1x total plan).
- “New” GE invested in industries with long-term tailwinds and large, recurring revenue streams.
- Sale of GECC reduces risk of permanent loss of capital (like 2008) whilst potentially offering attractive reward in a simplified GE (90% Industrial).

GE INDUSTRIAL OPERATING PROFIT 2014



INDUSTRIAL BACKLOG



Margins of safety

- Our EPS estimates* are ahead of consensus for 2018.
- If execution of GECC successful, large buyback of shares expected.
- Expect balance sheet to be transformed through GECC sell-down (2008 issues unlikely to repeat). Probability of permanent loss of capital reduced.

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Tower Limited (TWR) – Invest in ChΔnge: Thesis: A company transformed



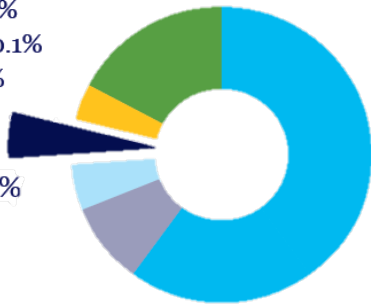
- Brand: 140 year old general insurer in New Zealand.
- Divested several business lines making it easier to analyse.
- Growth opportunities in a consolidated NZ market and in Pacific Islands.

New Zealand market

TOWER'S SHARE IN PERSONAL LINES

House 10.5%
Contents 10.1%
Motor 6.4%

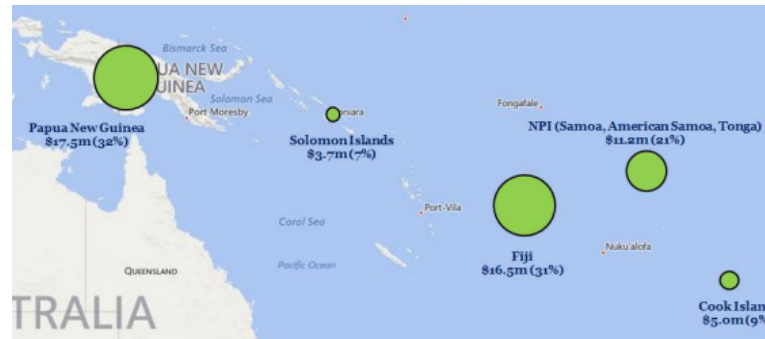
TOWER 5%



NEW ZEALAND TOTAL GWP MARKET SHARE¹

● IAG/Lumley 49%
● Vero 20%
● AA 5%
● TOWER 5%
● FMG 4%
● Other 17%

Strong position in Pacific Islands



Margins of safety

- Net cash per share*
- M&A optionality.

- Company has excess capital which it is redeploying into a buyback.
- Capital masks profitability of underlying business.

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ORDINARY BUSINESS

Financial Statements and Reports

“To receive and to consider the Annual Financial Report of the Company for the financial year ended 30 June 2015 together with the declaration of the Directors, the Directors’ Report, the Remuneration Report and the Auditor’s Report for that financial year.”

Summary of Proxy Instructions

No vote required.

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RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

Remuneration Report

“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company’s annual financial report for the financial year ended 30 June 2015.”

Summary of Proxy Instructions

For	Open	Against	Abstain
150,000 6.71%	50,000 2.24%	0	0

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RESOLUTION 2 – RE-ELECTION OF MR SIMON WINFIELD AS DIRECTOR

Election of Directors

“That Simon Winfield, a Director who retires by rotation in accordance with the Company’s Constitution, and being eligible offers himself for re-election, is re-elected as a Director of the company.”

Summary of Proxy Instructions

For	Open	Against	Abstain
1,040,001 46.49%	50,000 2.24%	0	50,000 2.24%

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