

## AIH Chairman's Address 2016

The profit after tax for the 2015/2016 year was \$101,874. This was \$11,293 lower than the previous year which had an Income Tax benefit of \$7,687 against an expense of \$761 for 2015/2016. The basic earnings per share was 6.94 cents against 7.95 cents for the prior year.

The majority of shareholder funds are invested over a medium to long term period. This is facilitated through investments in the Burrell Australian Equities Trust (BAET), Burrell World Equities Trust (BWET) and Burrell Small-cap, Mid-caps and Resources Trust (BSMART). At present AIH consists of approx. 67% BAET and long-term Australian equity holdings, 23% BWET and 10% BSMART.

For 2015/2016 the Australian core portfolio declined 1.94% while the ASX200 declined 4.13%. The international core portfolio declined 11.38% against MSCI ex-Australia down 5.56%. BSMART increased 17.70% in 2015/2016 against 14.40% for ASX Small Ordinaries Index.

Interest rates are at unprecedented lows in nearly every part of the world markets. Central Banks have used interest rates as a tool to attempt to stimulate demand and overcome deflation in consumer prices. This has produced bond yields and prices previously never experienced. The unwinding of interest rates and bond prices is likely to be dominant influence in markets over the next few years. That said, our manager will continue to seek quality companies in growing sectors of all our markets which has served AIH well over many years.