AUSTRALIAN RESEARCH
INDEPENDENT INVESTMENT RESEARCH

Mirrabooka Investments Limited (ASX: MIR)

Update Report

8 November 2023

INDEPENDENT INVESTMENT RESEARCH

WHO IS IIR?

Independent Investment Research, "IIR", is an independent investment research house based in Australia and the United States. IIR specialises in the analysis of high quality commissioned research for Brokers, Family Offices and Fund Managers. IIR distributes its research in Asia, United States and the Americas. IIR does not participate in any corporate or capital raising activity and therefore it does not have any inherent bias that may result from research that is linked to any corporate/ capital raising activity.

IIR was established in 2004 under Aegis Equities Research Group of companies to provide investment research to a select group of retail and wholesale clients. Since March 2010, IIR (the Aegis Equities business was sold to Morningstar) has operated independently from Aegis by former Aegis senior executives/ shareholders to provide clients with unparalleled research that covers listed and unlisted managed investments, listed companies, structured products, and IPOs.

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Research analysts are not directly supervised by personnel from other areas of the Firm whose interests or functions may conflict with those of the research analysts. The evaluation and appraisal of research analysts for purposes of career advancement, remuneration and promotion is structured so that non-research personnel do not exert inappropriate influence over analysts.

Supervision and reporting lines: Analysts who publish research reports are supervised by, and report to, Research Management. Research analysts do not report to, and are not supervised by, any sales personnel nor do they have dealings with Sales personnel

Evaluation and remuneration: The remuneration of research analysts is determined on the basis of a number of factors, including quality, accuracy and value of research, productivity, experience, individual reputation, and evaluations by investor clients.

INDEPENDENCE – ACTIVITIES OF ANALYSTS

IIR restricts research analysts from performing roles that could prejudice, or appear to prejudice, the independence of their research.

Pitches: Research analysts are not permitted to participate in sales pitches for corporate mandates on behalf of a Broker and are not permitted to prepare or review materials for those pitches. Pitch materials by investor clients may not contain the promise of research coverage by IIR.

No promotion of issuers' transactions: Research analysts may not be involved in promotional or marketing activities of an issuer of a relevant investment that would reasonably be construed as representing the issuer. For this reason, analysts are not permitted to attend "road show" presentations by issuers that are corporate clients of the Firm relating to offerings of securities or any other investment banking transaction from that our clients may undertake from time to time. Analysts may, however, observe road shows remotely, without asking questions, by video link or telephone in order to help ensure that they have access to the same information as their investor clients.

Widely-attended conferences: Analysts are permitted to attend and speak at widely-attended conferences at which our firm has been invited to present our views. These widely-attended conferences may include investor presentations by corporate clients of the Firm.

Other permitted activities: Analysts may be consulted by Firm sales personnel on matters such as market and industry trends, conditions and developments and the structuring, pricing and expected market reception of securities offerings or other market operations. Analysts may also carry out preliminary due diligence and vetting of issuers that may be prospective research clients of ours.

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IIR prohibits research analysts from soliciting or receiving any inducement in respect of their publication of research and restricts certain communications between research analysts and personnel from other business areas within the Firm including management, which might be perceived to result in inappropriate influence on analysts' views.

Remuneration and other benefits: IIR procedures prohibit analysts from accepting any remuneration or other benefit from an issuer or any other party in respect of the publication of research and from offering or accepting any inducement (including the selective disclosure by an issuer of material information not generally available) for the publication of favourable research. These restrictions do not preclude the acceptance of reasonable hospitality in accordance with the Firm's general policies on entertainment, gifts and corporate hospitality.

DISCLAIMER

THIS IS A COMMISSIONED RESEARCH REPORT.

The research process includes the following protocols to ensure independence is maintained at all times:

1) The research process has complete editorial independence from the company and this is included in the contract with the company;
2) Our analyst has independence from the firm's management, as in, management/ sales team cannot influence the research in any way;
3) Our research does not provide a recommendation, in that, we do not provide a "Buy, Sell or Hold" on any stocks. This is left to the Adviser who knows their client and the individual portfolio of the client.
4) Our research process for valuation is usually more conservative than what is adopted in Broking firms in general sense. Our firm has a conservative bias on assumptions provided by management as compared to Broking firms.
5) All research mandates are settled upfront so as to remove any influence on ultimate report conclusion;
6) All staff are not allowed to trade in any stock or accept stock options before, during and after (for a period of 6 weeks) the research process.

For more information regarding our services please refer to our website www.independentresearch.com.au.

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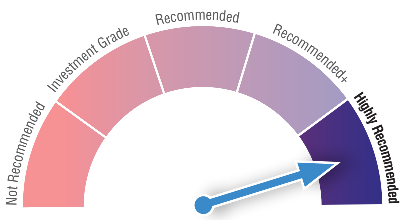
Mirrabooka Investments Limited (ASX: MIR) - Update Report

Note: This report is based on information provided by Australian Investment Company Services Ltd (AICS) as at 30 June 2023.

Rating



Key Investment Information (as at 30 September 2023)	
ASX Code	MIR
Share Price	$2.83
Pre-tax NTA* per share	$2.83
Shares on Issue (m)	192.8
Market Cap ($m)	$545.8m
Trailing 12-month Dividend Yield (Net)	5.12%
Trailing 12-month Dividend Yield (Grossed-Up)	7.32%
Dividend Frequency	Semi-annual
Listing Date	June 2001
Structure	Listed Investment Company (LIC)
IIR Investment Classification	Australian Mid and Small Cap
Investment Manager	Internal
Fees:	
Management Fee (p.a.)**	0.59%
Performance Fee	na

*NTA includes tax on realised gains but not tax on unrealised gains.
**Management Expense Ratio (MER) for FY23 period.

Key Exposure	
Underlying Exposure	The portfolio provides exposure to an actively managed portfolio of mid and small cap Australian and New Zealand listed companies.
FX Exposure	The Company is primarily exposed to the domestic securities and therefore has little to no direct foreign currency exposure.

The investment opinion in this report is current as at the date of publication. Investors and advisers should be aware that over time the circumstances of the issuer and/or product may change which may affect our investment opinion.

PRODUCT SUMMARY

Mirrabooka Investments Limited (ASX: MIR) is a listed investment company (LIC) with a track record of over 20 years, listing on the ASX in June 2001. The Company seeks to deliver medium-to-long term gains, including an attractive fully franked dividend, through the investment in a diversified portfolio of Australian and New Zealand mid and small cap stocks. The Company defines mid and small cap stocks to be companies outside the ASX 50. The Company will invest primarily in listed stocks. The Company may invest in unlisted companies that are expected to list in the near-term, however, unlisted companies will only make up a small portion of the portfolio. The portfolio is diversified with the portfolio typically comprising 50 to 70 stocks. The Company has a medium-to-long term investment approach with a focus on investing in stocks that have attractive, sustainable return on capital prospects, are financially sound with strong balance sheets and have a strong management team with strong governance processes. The Company is seeking to identify and invest in companies that can sustainably grow their earnings and dividends over the long-term. This investment approach results in a relatively low portfolio turnover. The Company has a service agreement with Australian Investment Company Services Ltd (AICS), which is 75% owned by Australian Foundation Investment Company Limited (ASX: AFI) and 25% owned by Djerriwarrh Investments Limited (ASX: DJW). AICS is responsible for the administration and operations of the Company including the management of the portfolio. Given the portfolio is internally managed, the Company has a relatively low management fee with a management expense ratio (MER) of 0.59% for the FY23 period. No performance fees are paid by the Company.

INVESTOR SUITABILITY

An investment in MIR is suitable for those investors seeking exposure to a professionally managed portfolio of mid and small cap stocks. An investment in the Company provides access to a portfolio that is differentiated from the market and therefore can potentially offer diversification to an investors broader Australian equities portfolio. The Company provides diversification away from Australian large cap stocks, that make up a substantial portion of the Australian market indices and are heavily weighted to the Financials and Resource sectors. Outside of the top 50, the market is less concentrated to resources and financials, albeit the resources sector still accounts for a large portion of the market. The LIC structure means the Company pays tax and generates franking credits on tax paid which can be distributed to shareholders through fully franked dividends. As such, an investment in the Company is suited to those investors that can derive the full benefit from franked dividends.

RECOMMENDATION

Independent Investment Research (IIR) has maintained its **Highly Recommended** rating for Mirrabooka Investments Limited (ASX: MIR). The portfolio is managed by an experienced team supported by a strong board. The Company has delivered on its investment objective and for the most part the portfolio has delivered returns with lower volatility than the benchmark due to its underweight exposure to the Materials sector, providing an attractive risk-adjusted return. In addition to outperforming the benchmark over the long-term, the portfolio has performed strongly when compared to its peers with MIR's pre-tax NTA on a total cumulative return basis being the best performer of the peer group over the long-term. The Company relies heavily on realised capital gains for the payment dividends.
The Company has managed the realised capital gains reserve effectively to date with the Company having a healthy level of dividend coverage to withstand any market weakness and sufficient franking credits to maintain the ordinary annual dividend for over two years without the accrual of further franking credits. The recent sell off in LICs as investors rotate into other asset classes has seen MIR trading closer to pre-tax NTA and at times at a discount providing an attractive entry point for investors in a Company that has traded at a premium for prolonged periods of time.

SWOT

Strengths

- The Company has delivered consistent outperformance of the benchmark over the long-term and has performed strongly compared to its peers over the medium-and-long term.
- The Company promotes alignment of interest with Executives incentives incorporating both short-and-long term hurdles and Executives required to use at least 25% of the pre-tax amount of any incentive that vests to purchase shares in MIR and/or the other LICs serviced by Australian Investment Company Services Ltd (AICS).
- The senior members of the investment team are highly experienced with the investment team having the benefit of the overlay of the Investment Committee, which at the date of this report comprised four of the six board members. The IC plays an active role in the oversight of the portfolio with the IC meeting at least once a month to review the portfolio and the decisions made by the Portfolio Manager.
- The Company has a highly diverse shareholder base of over 7,500 shareholders as at 30 June 2023.
- The Company has delivered a consistent ordinary annual dividend of 10 cents per share, fully franked, since 2007, with the addition of special dividends during periods of strong portfolio performance. The ordinary dividend has provided a level of certainty to investors regarding the base annual income stream. The Company has a strong level of dividend and franking credit coverage which provides the Company the ability to continue with the payment of the ordinary fully franked annual dividend.
- The fees are competitive when compared to its peers. The Company not paying a performance fee is considered a key positive for investors.

Weaknesses

- While the Company is intended to provide exposure to mid and small cap stocks there are times at which the portfolio has included exposure to top 50 stocks. These stocks are typically in the portfolio as a result of share price performance and being upgraded in market indices. The Company is not required to sell stocks in the event they move into the top 50. Holding shares is one thing however we do not believe the Company should be increasing its allocations to these shares once in the top 50. Given the mandate, IIR is of the view capital should be allocated to ex 50 stocks. Investors in the Company are seeking exposure to mid and small cap stocks with investors typically already having exposure to large cap stocks through other investments. We do not view it as appropriate for the allocation to top 50 stocks to be topped up once in the top 50.

Opportunities

- The Company provides investors access to a portfolio that provides a highly differentiated portfolio compared to the broader market indices, which are heavily weighted to large cap stocks and the Resources and Financials sectors.
- Given the differentiated nature of the portfolio, the Company offers the potential to deliver outperformance of the benchmark over the long-term.

Threats

- LICs are closed-ended vehicles with liquidity provided in the secondary market. A feature of LICs is that the share price can dislocate from the portfolio value. When trading at a discount it can provide opportunities to invest in the Company and potentially generate additional capital gains, however the Company may also trade at premiums. The Company has traded at premiums for long periods of time. While this is a positive for existing investors, it is a negative for new investors with additional risks associated with buying LICs at a premium given the potential for the share price to re-rate to the portfolio value.
- As is highlighted in the below report, given the portfolio typically has a heavily underweight exposure to the Materials sector, the portfolio will typically lag the benchmark in the event this sector is the driver of benchmark returns. The Materials sector has historically been significantly more volatile than Industrials, which means shareholders have the benefit of not being exposed to the heightened volatility that companies in this sector can experience.

OVERVIEW & UPDATE

Mirrabooka Investments Limited (ASX: MIR) is a LIC with a track record of over 20 years, listing on the ASX in June 2001. The Company seeks to deliver medium-to-long term gains, including a regular fully franked dividend, through the investment in a diversified portfolio of Australian and New Zealand mid and small cap stocks. The Company defines mid and small cap stocks to be companies outside the ASX 50. The Company will invest primarily in listed stocks, however may hold unlisted stocks that are expected to list in the near-term. Unlisted stocks will only make up a small portion of the portfolio.

The Company seeks to deliver attractive gains over the medium-to-long term including an attractive fully franked dividend. Given the investment universe, the Company benchmarks its returns against a benchmark that comprises 50% S&P/ASX Midcap 50 Accumulation Index and 50% S&P/ASX Small Ordinaries Accumulation Index. The Company does not have a mandate to outperform the benchmark. The benchmark is used for illustrative purposes to determine whether the Company is meeting its objectives of delivering attractive returns.

The Company has consistently delivered an above market dividend yield with all dividends paid by the Company being fully franked. The Company has paid an annual ordinary dividend of 10 cents per share since FY'07 with special dividends paid during periods of strong returns. As is shown in the below report, realised capital gains are an important contributor to the dividend payment with the annual ordinary dividend being greater than the Basic EPS in most years. As such, the Company will need to continue to manage the realised capital gains reserve to ensure the ordinary annual dividend payment can be maintained.

The portfolio is diversified with the portfolio typically comprising 50 to 70 stocks. The Company has a medium-to-long term investment approach with a focus on investing in stocks that have attractive, sustainable return on capital prospects, are financially sound with strong balance sheets and have a strong management team with strong governance processes. The Company is seeking to identify and invest in companies that can sustainably grow their earnings and dividends over the long-term. This investment approach results in a relatively low portfolio turnover. Given the Company is considered an investor as opposed to a trader, the Company can pass on LIC capital gains in the event the Company sells a long standing position that may provide additional tax benefits to shareholders.

The Investment Committee (IC) plays an important part in the investment process. The IC delegate the portfolio management responsibility to the Portfolio Manager, who is responsible for stock selection and portfolio construction, within the required risk parameters. The IC meet at least once a month to review and debate the portfolio holdings, with the IC having the ability to veto any decisions made by the Portfolio Manager. To date, there is yet to be a position in which the IC have vetoed, which reflects the robust investment process and philosophy which the Portfolio Manager's across the business are acutely aware of and buy into for the purposes of managing the relevant portfolios.

The Company operates a trading portfolio to take advantage of short-term opportunities identified by the investment team. The trading portfolio will represent no more than 10% of the total portfolio value.

The Company will utilise options to generate additional income for the portfolio taking advantage of its in-house expertise in the options market. The portfolio will only have a small amount of options coverage which will be used to generate additional income from those companies that the Manager is seeking to potentially sell anyway, whether it be a partial or a full exit.

The portfolio is managed internally, with the Company having a services agreement with AICS, which is responsible for the portfolio management and operational and investment administration for the Company. AICS is a wholly owned subsidiary of MIR's sister companies, 75% Australian Foundation Investment Company Limited (ASX: AFI) and 25% owned by Djerriwarrh Investments Limited (ASX: DJW). The Company has a competitive management fee when compared to the broader listed managed investment market with a management expense ratio of 0.59% for the FY23 period. The Company does not pay performance fees.

Board and Investment Team Update

The Board comprises 6 Directors, all of which are highly experienced and provide a complimentary skill set to the Board of MIR. Four of the Directors play an active role as part of the Investment Committee for the Company. The Investment Committee play an important part of the investment process, meeting at least once a month to review the portfolio and investment decisions made by the Portfolio Manager.

The newest member of the Board is Tony Walls, who was appointed in March 2023. Tony is currently the Chief Executive Officer of Objective Corporation Limited, a position he has held since founding the business in 1987. Tony has wide experience as a CEO and a Director and brings significant expertise in the IT industry.

A number of the Directors currently or historically sit on a number of boards. Any directors on the Investment Committee with conflicts of interest do not take part in the decision-making process on relevant issues.

Board

Name	Position	Independence	Appointed to Board	Investment Committee Member (Yes/No)
Greg Richards	Chairman	Independent	Jan-21	Yes
Mark Freeman	Managing Director	Non-Independent	Jan-18	Yes
Ian Campbell	Director	Independent	Nov-17	Yes
Jacinth Fairley	Director	Independent	Feb-18	No
Annette Kimmitt	Director	Independent	Jan-21	Yes
Tony Walls	Director	Independent	Mar-23	No

The investment team is highly experienced with the team having an average of 17.8 years experience and an average tenure of 7.7 years with AICS. The newest Portfolio Manager additions to the senior ranks is the two Portfolio Manager's responsible for the International portfolio within AFI. The international portfolio was only established three years ago.

Kieran Kennedy is the Portfolio Manager responsible for the MIR portfolio. Kieran is supported by the broader team. Kieran has been a long standing member of the team, spending the majority of his career with the business, initially joining the business in 2001 as an accountant. After a brief stint in London, Kieran returned in 2006 at which time he commenced researching emerging and mid cap companies. Kieran took over as Portfolio Manager for the MIR portfolio in 2018.

Investment Team

Name	Position	Responsibility	Tenure with AICS (years)	Industry Experience (years)
Mark Freeman	Chief Executive Officer & Managing Director	AMH	16	28
David Grace	Portfolio Manager	AFI	6	17
Kieran Kennedy	Portfolio Manager	MIR	18	23
Brett McNeil	Portfolio Manager	DJW	4	21
Rosie Malcolm	Portfolio Manager	International	2	24
Andrew Sutherland	Portfolio Manager	International	3	30
Nga Lucas	Investment Analyst	-	11	22
Olga Kosciuczyk	Investment Analyst	-	5	9
Stuart Low	Investment Analyst	-	7	19
Jaye Guy	Investment Analyst	-	2	12
Jeremy Moore	Dealer	-	22	22
Gilbert Battistella	Graduate Investment Analyst	-	3	3
Nicky Sun	Graduate Investment Analyst	-	2	2

PORTFOLIO POSITIONING

The portfolio is diversified with the portfolio typically comprising 50 to 70 stocks. The portfolio has a long only mandate, however the Company also has the ability to write options over stocks in the portfolio to generate additional income. Options will typically be written over stocks that the Company is intending to exit, either partially or in full. The Company does not seek to time the market and as such intends to be largely invested at all times.

The investment approach of the Company lends to the portfolio being differentiated to the benchmark. The largest sector across the mid and small cap universe is the Materials sector which is predominantly made up of mining companies. Given the investment style of the Company a number of mining companies do not meet the investment criteria for the Company which results in the portfolio typically being heavily underweight this sector.

There are no formal investment guidelines with respect to portfolio construction and individual stock or sector weightings. However, the Company will seek to provide a portfolio that is diversified by stock and sector. The largest weighting in the portfolio at 30 June 2023 was to Macquarie Technology Group (ASX: MAQ) with a 5.5% allocation. The allocation to MAQ has largely been a result of the appreciation in the share price over the last few years.

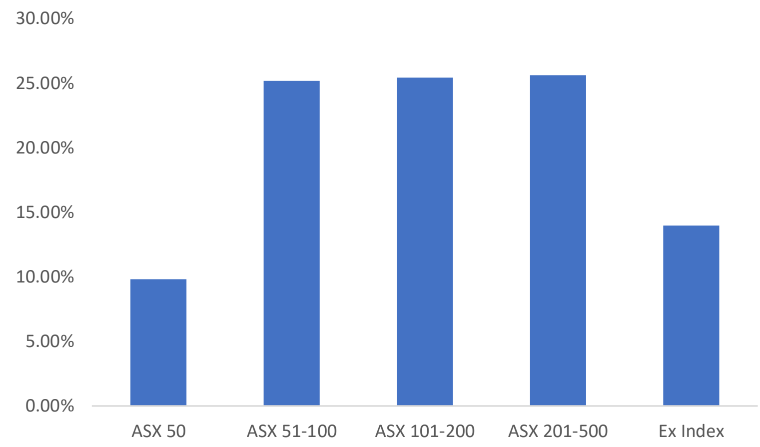
Top 20 Holdings (as at 30 June 2023)

Company Name	Ticker	MIR Portfolio	S&P/ASX Midcap and Small Ordinaries Index	Active Weight
Macquarie Technology Group Limited	MAQ	5.5%	na	+5.5%
Mainfreight Limited*	MFT	5.0%	na	+5.0%
Carsales.Com Limited	CAR	3.6%	1.4%	+2.2%
ARB Corporation Limited	ARB	3.6%	0.4%	+3.2%
Idp Education Limited	IEL	2.8%	1.0%	+1.8%
Reece Limited	REH	2.7%	1.9%	+0.8%
REA Group Ltd	REA	2.6%	2.9%	-0.3%
Netwealth Group Limited	NWL	2.6%	0.5%	+2.1%
ResMed Inc.	RMD	2.6%	na	+2.6%
Fisher & Paykel Healthcare Corporation Limited	FPH	2.6%	2.0%	+0.6%
EQT Holdings Limited	EQT	2.5%	na	+2.5%
Auckland International Airport Limited	AIA	2.5%	1.8%	+0.7%
ALS Limited	ALQ	2.5%	0.8%	+1.7%
James Hardie Industries PLC	JHX	2.5%	na	+2.5%
AUB Group Limited	AUB	2.5%	0.5%	+2.0%
Breville Group Limited	BRG	2.3%	0.4%	+1.9%
Ipd Group Ltd	IPG	2.2%	na	+2.2%
Eagers Automotive Limited	APE	2.2%	0.5%	+1.7%
Gentrack Group Limited	GTK	2.1%	na	+2.1%
Temple & Webster Group Ltd	TPW	2.0%	0.1%	+1.9%
		56.9%	**14.3%**	

*Listed on the New Zealand stock exchange.

We note that while the Company has a focus on stocks outside the S&P/ASX 50 Index, at 30 June 2023 there were a few stocks that were in the top 50. These stocks included: ResMed Inc (ASX: RMD), James Hardie Industries PLC (ASX: JHX), Medibank Private Limited (ASX: MPL), Seek Limited (ASX: SEK), Santos Limited (ASX: STO) and Computershare Ltd (ASX: CPU). These stocks represented 9.8% of the portfolio as at 30 June 2023. The Company is not compelled to sell stocks that become top 50 companies as a result of share price appreciation. We note a position in MPL was initiated FY23 as a short-term position in the trading portfolio.

Market Cap Exposure (as at 30 June 2023)



Source: MIR, Iress, IIR.

The below table shows the sector allocation of the MIR portfolio compared to the benchmark as at 30 June 2023. We note the sector allocation of the benchmark includes the sector allocation of the combined S&P/ASX Midcap 50 Index and S&P/ASX Small Ordinaries Index.

The sector allocation below highlights the differentiated nature of the portfolio compared to the benchmark. The largest sector weighting in the benchmark is Materials, which as we have noted above is predominantly comprised of mining companies. The MIR portfolio is heavily underweight the Materials sector with many of the companies in this sector not meeting the investment criteria for the Company. The portfolio is typically heavily underweight this sector, which has often been a driver of out-and-underperformance of the portfolio compared to the benchmark.

The largest sector allocation in the portfolio at 30 June 2023, was to Industrials, with the portfolio having a significant overweight exposure to this sector. The highest overweight exposure of the portfolio was to the Consumer Discretionary sector with the portfolio having an 8.1% overweight exposure to this sector at 30 June 2023.

Sector Allocation as at 30 June 2023

Sector	MIR Portfolio	S&P/ASX 200 Midcap and Small Ordinaries Index	Active Weight
Industrials	23.1%	16.0%	+7.1%
Consumer Discretionary	18.0%	9.9%	+8.1%
Financials	15.7%	10.9%	+4.8%
Communication Services	14.1%	9.2%	+4.9%
Information Technology	9.9%	8.9%	+1.0%
Health Care	7.2%	7.0%	+0.2%
Materials	3.4%	19.9%	-16.5%
Real Estate	2.7%	9.2%	-6.5%
Energy	1.8%	4.9%	-3.1%
Cash	4.1%	na	+4.1%

Source: MIR Iress, IIR.

Portfolio Turnover

The Company is a medium-to-long term investor which results in the portfolio having a relatively low level of turnover. The portfolio has had an average annual turnover of 21.4% over the last five financial years with FY23 having the lowest turnover in the last five years.

Annual Portfolio Turnover

Financial Year	Annual Turnover
FY19	20.8%
FY20	29.1%
FY21	17.5%

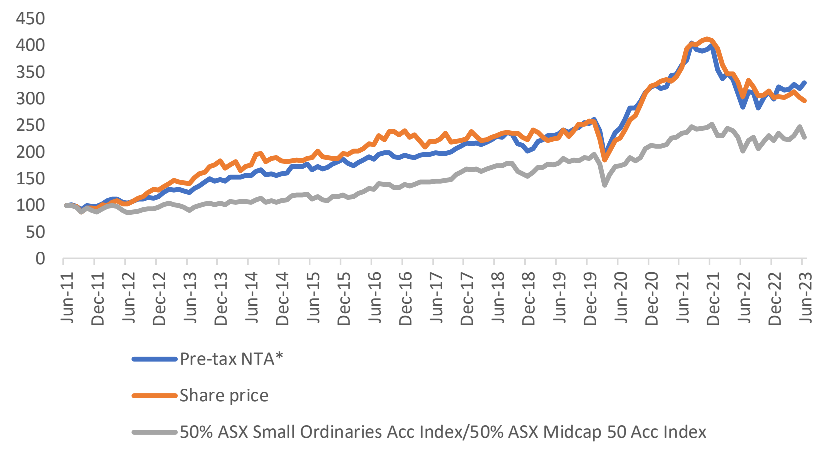
Annual Portfolio Turnover	
FY22	23.8%
FY23	15.7%
Average	**21.4%**

PERFORMANCE ANALYTICS

The below chart shows the total cumulative return of the pre-tax NTA (NTA after tax on realised capital gains and before tax on unrealised gains) and the share price compared to the benchmark (50% ASX Small Ordinaries Acc Index/50% ASX Midcap 50 Acc Index). The Company does not generate performance fees from the outperformance of a market index, however does seek to deliver attractive returns over the medium-to-long term.

The Company has delivered on its objective of providing attractive returns over the long-term with the portfolio and shareholder returns consistently outperforming the benchmark. As shown below, the Company has also delivered a dividend yield that is consistently above that provided by the relevant market indices.

Cumulative Total Returns vs. Benchmark (30 June 2011 to 30 June 2023)



*NTA includes tax on realised capital gains but not tax on unrealised gains.

Source: MIR, Iress, IIR

The below shows the performance metrics of the portfolio and shareholder return compared to the benchmark over a range of periods to 30 June 2023. The portfolio (based on the pre-tax NTA) outperformed the benchmark over all times periods on an absolute return basis. The portfolio also outperformed on a risk-adjusted basis as a result of the absolute return combined with the portfolio experiencing lower volatility than the benchmark.

While the portfolio has outperformed the benchmark over all periods, shareholder returns have been variable as a result of the share price trading at premiums and discounts. Over the 12-months to 30 June 2023, the share price declined despite the performance of the portfolio, with the share price re-rating from a premium towards the pre-tax NTA.

The portfolio has a high tracking error, highlighting the differentiated risk/return profile of the portfolio compared to the benchmark.

Performance Analytics (to 30 June 2023)

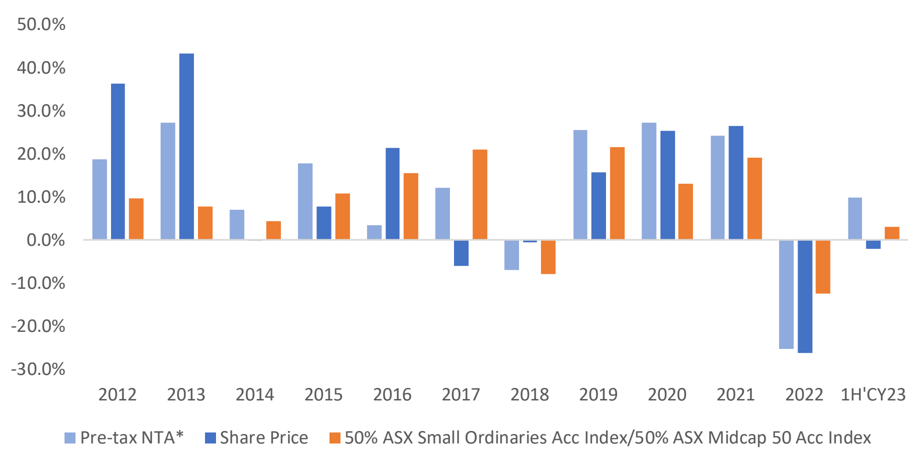
	Pre-tax NTA*	Share Price	50% ASX Small Ordinaries Acc Index/50% ASX Midcap 50 Acc Index
Cumulative Total Return:			
1 year	15.9%	-2.8%	13.2%
3 year (p.a.)	10.4%	9.4%	9.3%
5 year (p.a.)	7.6%	5.1%	5.5%
10 year (p.a.)	10.3%	7.7%	9.7%

Performance Analytics (to 30 June 2023)	Pre-tax NTA*	Share Price	50% ASX Small Ordinaries Acc Index/50% ASX Midcap 50 Acc Index
Standard Deviation:			
1 year	18.8%	14.4%	22.4%
3 year (p.a.)	18.2%	15.8%	18.1%
5 year (p.a.)	19.9%	18.2%	20.7%
10 year (p.a.)	15.6%	16.4%	16.6%
Sharpe Ratio:			
1 year	0.63	-0.47	0.41
3 year (p.a.)	0.35	0.34	0.29
5 year (p.a.)	0.18	0.06	0.07
10 year (p.a.)	0.40	0.22	0.34
Tracking Error:			
1 year	16.1%	17.7%	1.0%
3 year (p.a.)	11.6%	16.0%	1.0%
5 year (p.a.)	9.4%	14.9%	1.0%
10 year (p.a.)	7.5%	14.5%	1.0%
Correlation:			
1 year	0.71	0.62	1.00
3 year (p.a.)	0.80	0.56	1.00
5 year (p.a.)	0.89	0.71	1.00
10 year (p.a.)	0.89	0.62	1.00

*NTA includes tax on realised capital gains but not tax on unrealised gains.

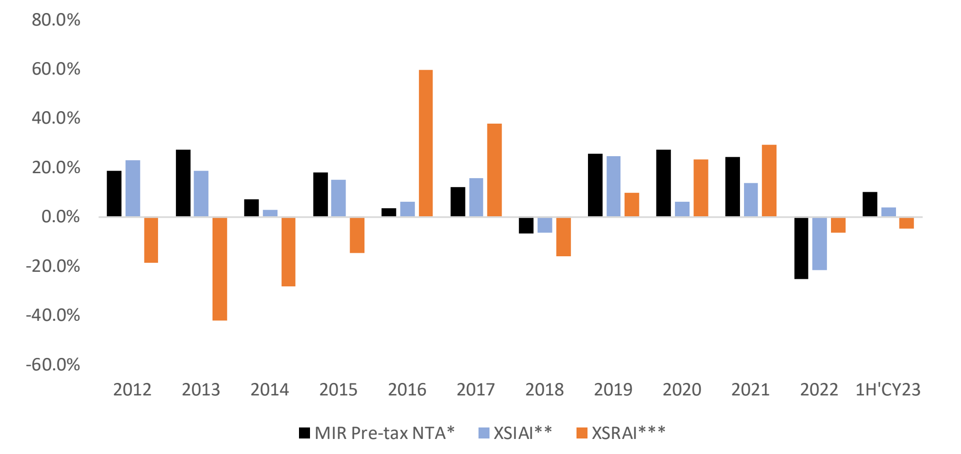
The below shows the calendar year returns of the portfolio and share price compared to the benchmark. The chart highlights the differentiated risk/return profile of MIR compared to the benchmark. The portfolio and the share price delivered significantly greater returns than the benchmark in 2012 and 2013. In more recent periods, such as 2022, the portfolio and share price heavily underperformed the benchmark. The differences in the portfolio returns in the calendar year periods can be further explained by the performance of industrials versus resources in the investment universe. To provide further context for readers, we have provided the calendar year returns of the MIR portfolio compared to the S&P/ASX Small Industrials Accumulation Index and S&P/ASX Small Resources Accumulation Index below. As the chart shows, the returns between industrials and resources has been highly variable. Given the investment approach of the Company, the portfolio is typically heavily underweight resources. During periods of significant weakness in the resources sector, the portfolio has outperformed the benchmark, while during periods of strong performance in the resources sector, the portfolio has tended to underperform the benchmark.

Calendar Year Returns vs Benchmark (2012 to 1H'CY23)



Source: Iress, IIR

Calendar Year Returns of MIR Portfolio compared to S&P/ASX Small Industrials & Resources Indices (2012 to 1H'CY23)



*Includes tax paid on realised gains.

**S&P/ASX Small Industrials Accumulation Index

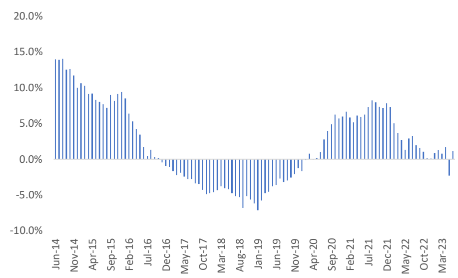
***S&P/ASX Small Resources Accumulation Index

Source: Iress, IIR

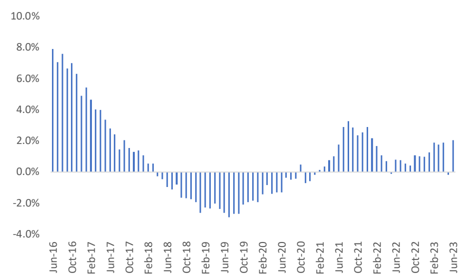
Given the objective to generate attractive returns over the medium-to-long term we have provided the excess returns of the portfolio compared to the benchmark over rolling three and five year periods from 30 June 2011 to 30 June 2023. Over rolling three year periods, the portfolio outperformed in 61.5% of periods and 58.8% of rolling five year periods. In line with the above analysis, the out-and-under performance has largely been driven the performance of the resources sector compared to industrials.

Pre-tax NTA Excess Return

Rolling 3 Year Excess Returns

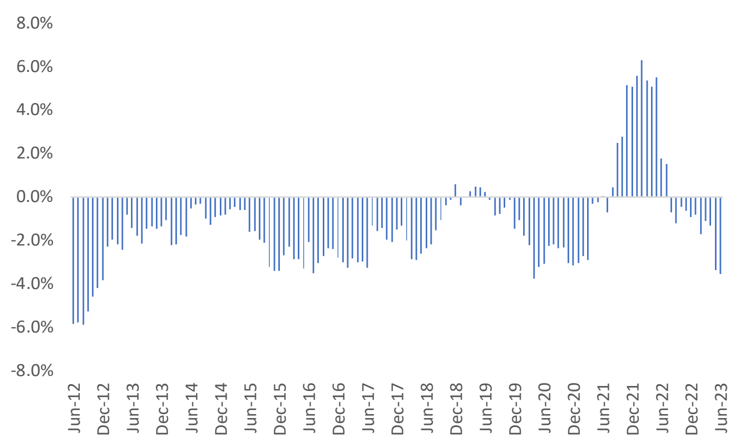


Rolling 5 Year Excess Return



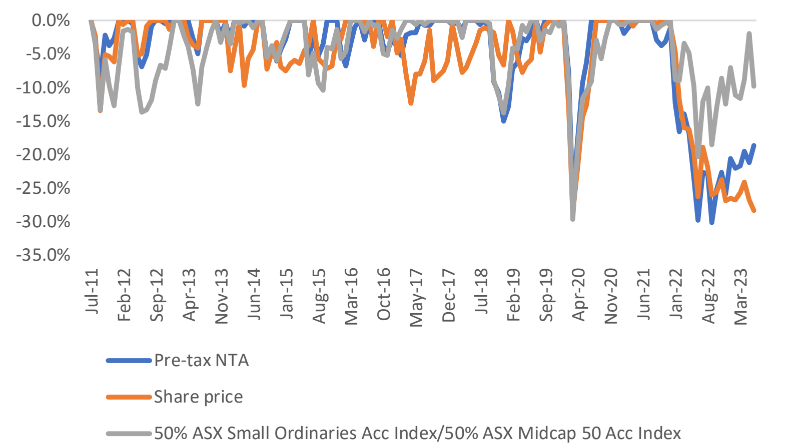
The underweight exposure to the resources sector combined with a focus on quality companies has resulted in the portfolio typically experiencing lower volatility than the benchmark. This is with the exception of 2H'CY21 and 1H'CY22, during which period the portfolio experienced significantly greater volatility than the benchmark driven by the larger than benchmark declines.

Rolling 12-month Excess Standard Deviation of Pre-tax NTA Compared to the Benchmark



From a drawdown perspective, the portfolio has had periods of lower and higher drawdowns than the benchmark. The portfolio and share price experienced significantly greater drawdowns down the market in recent periods on the back of the significant underperformance of the benchmark in CY22. Both the portfolio and share price have recovered the losses at a slower pace than the benchmark.

Maximum Drawdown



Attribution Analysis

The below provides the sector attribution analysis of the MIR portfolio compared to the benchmark over the 1, 3 and 5 year periods to 30 June 2023. The data is sorted from the largest relative contributor to the largest detractor over the 5 year period.

Over the 5 year period to 30 June 2023, the biggest detractor from the relative performance of the portfolio compared to the benchmark was the underweight exposure to the Consumer Services sector. The biggest contributor to relative performance was the underweight exposure to Financial Services companies. The overweight exposure to Macquarie Technology Group Limited (ASX: MAQ) contributed to the relative outperformance of the Telecommunication Services sector.

Despite the significant underweight exposure to the Materials sector, the exposure has had little impact on the contribution to the portfolio relative to the benchmark across all three periods. Over the 12-months to 30 June 2023, the overweight exposure to Iress Limited (ASX: IRE) and lack of exposure to WiseTech Global Limited (ASX: WTC) resulted in the exposure to the Software and Services sector being the greatest detractor on a relative basis while the overweight exposure to Capital Goods and Insurance provided the greatest relative contribution.

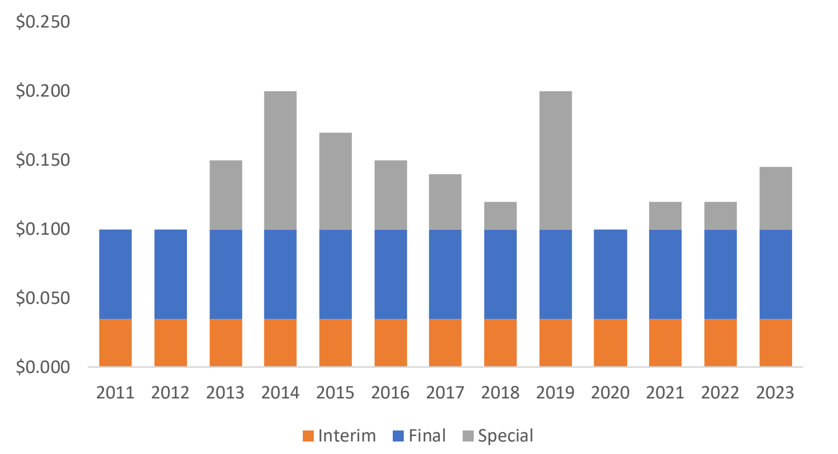
MIR Portfolio Attribution to 30 June 2023

Source: MIR, IIR

Dividends

MIR has provided an ordinary annual dividend of $0.10 per share combined with the payment of a special dividend during periods of strong portfolio performance. The base ordinary annual dividend provides shareholders with a level of certainty around the level of income they will receive while also contributing in the upside when the portfolio performs strongly.

Dividends Declared by Financial Year (FY11 to FY23)



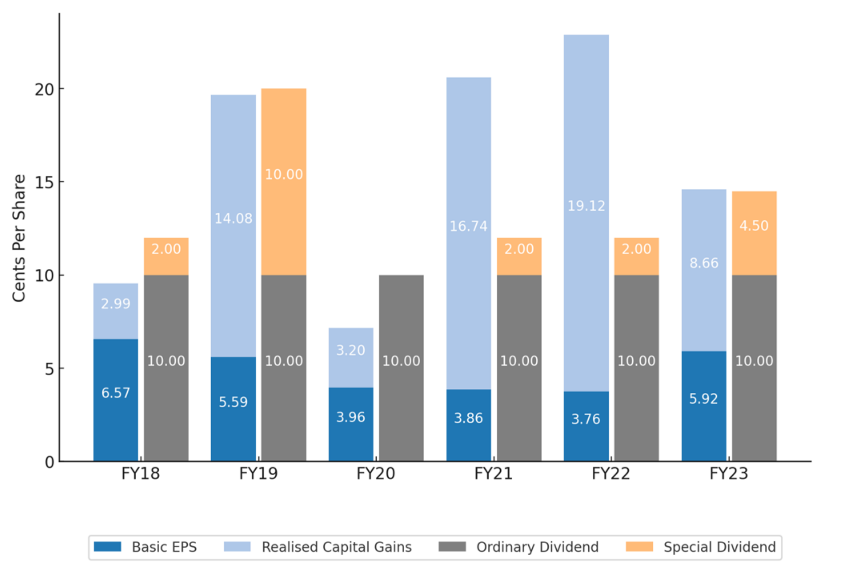
Source: Iress, IIR

Dividends are paid from a combination of dividends and distributions received by the investee companies, realised capital gains and to a smaller extent income generated from options written. MIR's Net Profit/Loss is determined by the income generated by the portfolio and expenses. Unrealised gains are not incorporated in the Net Profit/Loss.

The returns of the portfolio are heavily driven by capital gains. The below chart highlights the contribution of the Basic EPS and realised capital gains per share as well as the dividends declared for each financial year period from FY18 to FY23. The chart highlights the contribution required by realised capital gains for the maintenance of the ordinary annual dividend given the Basic EPS is much less than the annual ordinary dividend.

As at 30 June 2023, the Company had a healthy level of dividend coverage with just shy of five years dividend coverage of the ordinary annual dividend amount of 10 cents per share. After the payment of the final dividend, the Company had $23.586 million in available franking credits to distribute to shareholders. This provides for the payment of fully franked dividends of $55.034 million, equivalent to over two years of fully franked ordinary dividends of 10 cents per share without the accrual of additional franking credits.

EPS & Realised Capital Gains vs. Full Year Dividend Declared

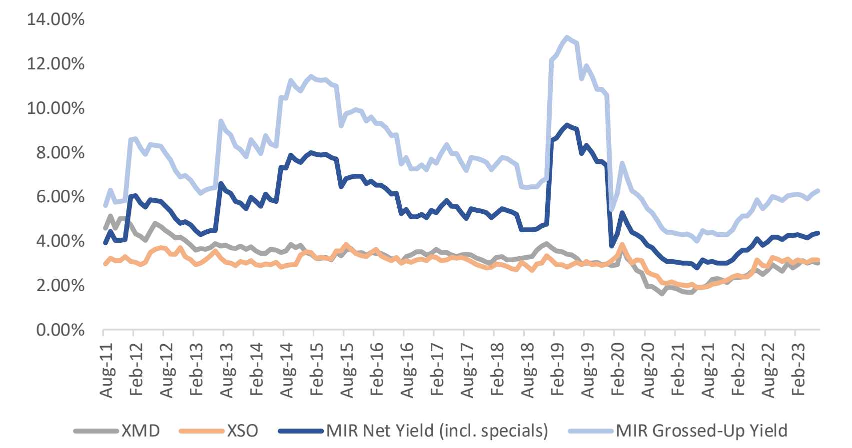


*Includes a special dividend.

Source: MIR Annual Reports, IIR.

One of the objectives of the Company is to deliver an attractive fully franked dividend. The Company has delivered on this objective, with MIR delivering a consistent dividend yield above the S&P/ASX Midcap 50 Index and the S&P/ASX Small Ordinaries Index. The trailing 12-month dividend yield has been volatile with the dividend yield impacted by the payment of special dividends combined with movements in the share price.

Trailing 12-month Dividend Yield Compared to Relevant Market Indices

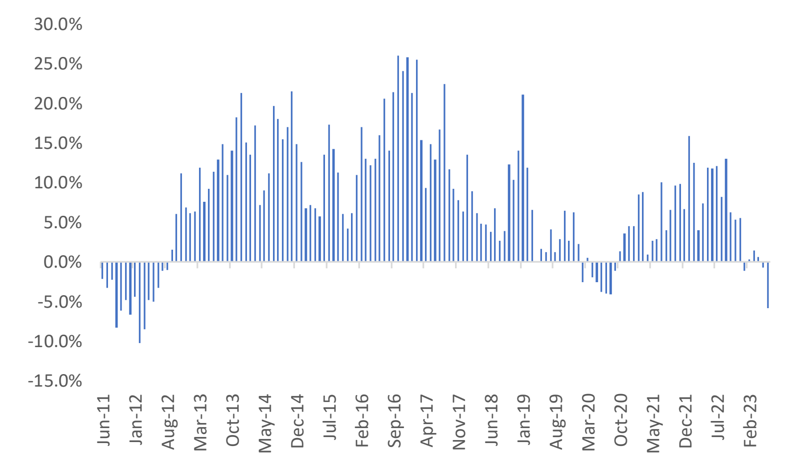


Source: Iress, IIR

Premium/Discount

The Company has traded at a premium and a discount throughout its history however has traded at a premium for prolonged periods of time. IIR believes the premium at which the Company has traded has been driven by its strong performance compared to its peers combined with the above market fully franked dividend yield paid by the Company.

Historical Premium/Discount (month-end)



Source: ASX, Iress, IIR

PEER COMPARISON

The below provides a comparison of the key features and performance of the relevant peers of MIR. The peer group includes LICs that have a focus on mid and small cap ASX-listed equities. While all the LICs in the peer group have a focus on mid and/or small cap stocks each of the LICs have a different strategy and mandate. For example, MIR has a medium-to-long term investment approach with low turnover. This compares to WAM and WAX, which have a highly active style of investing resulting in high levels of turnover.

Four of the eleven LICs in the peer group had a market cap of greater than $500 million as at 30 June 2023, with MIR being one of them. The largest LIC by market cap was WAM with a market cap of $1.65 billion at 30 June 2023.

Listed Investment Company (LIC) Peer Group

LIC	Ticker	Structure	Management	Market Cap ($m)*
Carlton Investments Limited	CIN	LIC	Internal	$747.9
ECP Emerging Growth Limited	ECP	LIC	External	$18.3
Forager Australian Shares Fund	FOR	LIT	External	$119.1
Mirrabooka Investments Limited	**MIR**	**LIC**	**Internal**	**$523.0**
Naos Absolute Opportunities Company	NAC	LIC	External	$38.0
Ophir High Conviction Fund	OPH	LIT	External	$531.9
QV Equities Limited	QVE	LIC	External	$211.7
Ryder Capital Limited	RYD	LIC	External	$80.6
WAM Active Limited	WAA	LIC	External	$50.7
WAM Capital Limited	WAM	LIC	External	$1,650.9
WAM Research Limited	WAX	LIC	External	$214.9

*As at 30 June 2023.

Source: ASX, Company/Fund documents, IIR.

From a fee perspective, MIR has the second lowest fees in the peer group. The two internally managed LICs have the lowest fees. All LICs except for CIN, MIR and QVE charge a performance fee. The low management fee and no performance fee is a positive for investors.

Peer Group Fee Comparison

LIC	ASX Ticker	Management Fee, ex GST	Performance Fee	Performance Fee Hurdle
Carlton Investments Limited	CIN	0.10%	0.0%	na
ECP Emerging Growth Limited	ECP	1.00%	20.0%	Absolute return of 8%
Forager Australian Shares Fund	FOR	0.91%	10.0%	8% p.a
Mirrabooka Investments Limited	**MIR**	**0.59%**	**0.0%**	**na**
Naos Absolute Opportunities Company	NAC	1.75%	20.0%	S&P/ASX 300 Industrials Acc Index
Ophir High Conviction Fund	OPH	1.12%	20.5%	50% ASX Small Ordinaries Acc Index/50% ASX Midcap 50 Acc Index
QV Equities Limited	QVE	0.90%	0.0%	na
Ryder Capital Limited	RYD	1.25%	20.0%	RBA Cash Rate + 4.25%
WAM Active Limited	WAA	1.00%	20.0%	High Water Mark
WAM Capital Limited	WAM	1.00%	20.0%	ASX All Ordinaries Acc Index
WAM Research Limited	WAX	1.00%	20.0%	ASX All Ordinaries Acc Index

Source: ASX, IIR.

The below table shows the trailing 12-month net and grossed-up dividend yield as at 30 June 2023 for the peer group as well as the premium/discount at which the LICs were trading. The dividend yield for MIR was at the lower end of the peer group on both a net and grossed-up basis. We note a number of LICs were trading at significant discounts which elevated the yield.

WAM had the highest grossed-up dividend yield of the peer group however the dividend appears unsustainable given the dividend coverage and the level of performance required to be maintained to continue to payout the current annual dividend amount.

Trailing 12-month Dividend Yields & Premium/Discount as at 30 June 2023				
LIC	**Ticker**	**Trailing 12-month Net Dividend Yield**	**Trailing 12-month Grossed-Up Dividend Yield**	**Premium/ Discount**
Carlton Investments Limited	CIN	3.8%	5.4%	-24.3%
ECP Emerging Growth Limited	ECP	5.0%	7.1%	-24.6%
Forager Australian Shares Fund	FOR	5.0%	5.0%	-14.8%
Mirrabooka Investments Limited	**MIR**	**4.4%**	**6.3%**	**-5.8%**
Naos Absolute Opportunities Company	NAC	6.2%	8.8%	-15.4%
Ophir High Conviction Fund	OPH	5.2%	5.5%	-12.9%
QV Equities Limited	QVE	5.5%	7.8%	-6.5%
Ryder Capital Limited	RYD	7.3%	10.4%	-18.7%
WAM Active Limited	WAA	9.0%	12.9%	-19.8%
WAM Capital Limited	WAM	10.4%	14.8%	-6.0%
WAM Research Limited	WAX	9.4%	13.5%	7.7%

Source: ASX, Iress, IIR.

There are only five LICs in the peer group that have a track record dating back to 30 June 2011 (CIN, MIR, WAA, WAM and WAX). Of these five LICs, MIR has delivered the best total cumulative pre-tax NTA return to 30 June 2023, with the outperformance of MIR accelerating when compared to its peers post the COVID-19 market declines in early 2020.

With respect to all LICs in the peer group, MIR's pre-tax NTA has performed strongly on both an absolute and risk-adjusted basis. Over the three, five and ten year periods to 30 June 2023, MIR has been in the top three performers on both an absolute and risk-adjusted basis.

Pre-tax NTA Risk & Returns (to 30 June 2023)				
	1 year	**3 year (p.a.)**	**5 year (p.a.)**	**10 year (p.a.)**
Total Cumulative Returns:				
CIN	3.2%	12.0%	3.0%	6.8%
ECP	18.7%	2.0%	5.5%	na
FOR	16.5%	16.5%	0.8%	na
MIR	**15.9%**	**10.4%**	**7.6%**	**10.3%**
NAC	20.6%	4.3%	3.7%	na
OPH	16.7%	5.9%	na	na
QVE	1.0%	6.4%	0.5%	na
RYD	-8.4%	-6.5%	-2.0%	na
WAA	8.1%	1.4%	1.3%	4.6%
WAM	15.2%	7.9%	4.3%	7.8%
WAX	10.4%	8.0%	3.9%	8.1%
Standard Deviation:				
CIN	19.3%	19.5%	21.0%	16.4%
ECP	33.1%	25.8%	25.8%	na
FOR	19.8%	23.1%	29.2%	na
MIR	**18.8%**	**18.2%**	**19.9%**	**15.6%**
NAC	30.5%	25.0%	25.7%	na
OPH	13.9%	20.3%	na	na
QVE	12.2%	12.3%	16.4%	na
RYD	21.0%	16.9%	17.0%	na
WAA	10.7%	9.6%	10.6%	8.3%
WAM	13.7%	12.6%	14.1%	10.9%
WAX	14.5%	13.5%	16.2%	12.1%

From a shareholder return perspective, MIR has performed strongly over the five and ten year period to 30 June 2023. MIR delivered a negative return over the 12-months to 30 June 2023, as the share price re-rated back towards the portfolio value. A number of LICs in the peer group experienced a dislocation between the share price and pre-tax over the 12-month period. Volatility in MIR's shareholder returns has been low relative to its peers.

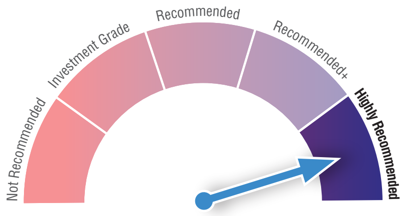
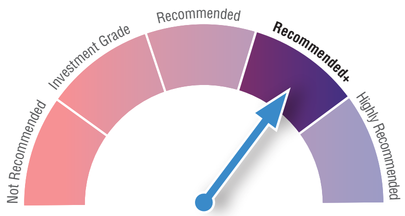
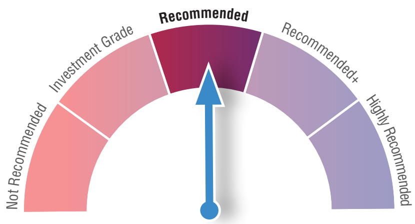
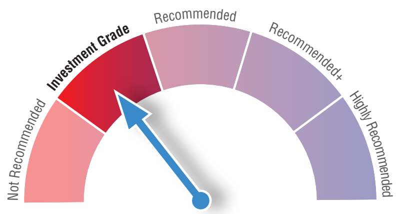
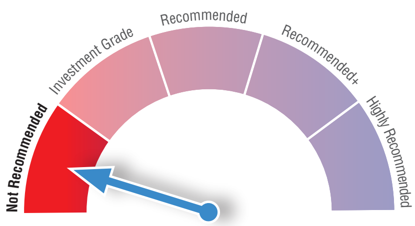
Share Price Risk & Returns (to 30 June 2023)

LIC	1 year	3 year (p.a.)	5 year (p.a.)	10 year (p.a.)
Total Cumulative Returns:				
CIN	2.7%	10.4%	0.2%	6.7%
ECP	-4.7%	0.6%	4.3%	na
FOR	5.6%	17.4%	-5.3%	na
MIR	**-2.8%**	**9.4%**	**5.1%**	**7.7%**
NAC	7.4%	10.0%	4.6%	na
OPH	6.1%	3.7%	na	na
QVE	5.7%	11.4%	1.0%	na
RYD	-21.3%	-5.9%	-1.2%	na
WAA	-2.3%	-2.8%	-3.5%	1.5%
WAM	-4.5%	1.4%	-1.6%	6.4%
WAX	-11.3%	-0.6%	-0.2%	7.7%
Standard Deviation:				
CIN	12.0%	14.7%	20.0%	16.5%
ECP	27.0%	24.6%	25.0%	na
FOR	18.2%	24.6%	32.0%	na
MIR	**14.4%**	**15.8%**	**18.2%**	**16.4%**
NAC	22.8%	21.2%	24.5%	na
OPH	34.2%	28.7%	na	na
QVE	11.6%	12.8%	18.4%	na
RYD	21.4%	19.1%	19.2%	na
WAA	23.9%	22.2%	24.4%	19.8%
WAM	16.6%	16.9%	18.6%	14.7%
WAX	20.1%	19.1%	19.6%	16.0%

APPENDIX A – RATINGS PROCESS

Independent Investment Research Pty Ltd "IIR" rating system.

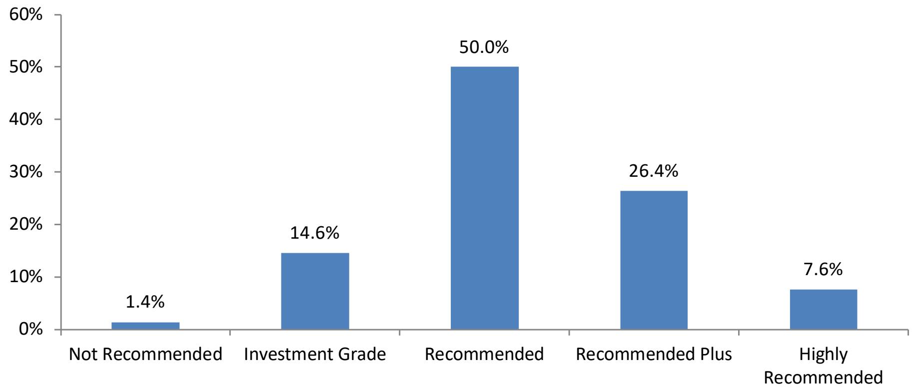
IIR has developed a framework for rating investment product offerings in Australia. Our review process gives consideration to a broad number of qualitative and quantitative factors. Essentially, the evaluation process includes the following key factors: product management and underlying portfolio construction; investment management, product structure, risk management, experience and performance; fees, risks and likely outcomes.

LMI Ratings	SCORE
Highly Recommended	83 and above
	This is the highest rating provided by IIR, indicating this is a best of breed product that has exceeded the requirements of our review process across a number of key evaluation parameters and achieved exceptionally high scores in a number of categories. The product provides a highly attractive risk/return trade-off. The Fund is likely effectively to apply industry best practice to manage endogenous risk factors, and, to the extent that it can, exogenous risk factors.
Recommended +	79–83
	This rating indicates that IIR believes this is a superior grade product that has exceeded the requirements of our review process across a number of key evaluation parameters and achieved high scores in a number of categories. In addition, the product rates highly on one or two attributes in our key criteria. It has an above-average risk/return trade-off and should be able consistently to generate above average risk-adjusted returns in line with stated investment objectives. The Fund should be in a position effectively to manage endogenous risk factors, and, to the extent that it can, exogenous risk factors. This should result in returns that reflect the expected level of risk.
Recommended	70–79
	This rating indicates that IIR believes this is an above-average grade product that has exceeded the minimum requirements of our review process across a number of key evaluation parameters. It has an above-average risk/return trade-off and should be able to consistently generate above-average risk adjusted returns in line with stated investment objectives.
Investment Grade	60-70
	This rating indicates that IIR believes this is an average grade product that has exceeded the minimum requirements of our review process across a number of key evaluation parameters. It has an average risk/return trade-off and should be able to consistently generate average risk adjusted returns in line with stated investment objectives.
Not Recommended	<60
	This rating indicates that IIR believes that despite the product's merits and attributes, it has failed to meet the minimum aggregate requirements of our review process across a number of key evaluation parameters. While this is a product below the minimum rating to be considered Investment Grade, this does not mean the product is without merit. Funds in this category are considered to be susceptible to high risks that are not reflected by the projected return. Performance volatility, particularly on the down-side, is likely.

APPENDIX B – MANAGED INVESTMENTS COVERAGE

The below graphic details the spread of ratings for managed investments rated by Independent Investment Research (IIR). The managed investments represented below include listed and unlisted managed funds, fund of funds, exchange traded funds and model portfolios.

Spread of Managed Investment Ratings



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