

22 December 2023

Portfolio Update & Investment Realisation

Highlights:

- Sale of HCF's stake in Kiland Limited (ASX: KIL) representing 11% of the portfolio and crystallising a 29% return for this investment since HCF's IPO
- Along with other profitable realisations, fully franked dividends underpinned for FY24
- Cash proceeds are being actively deployed into high conviction microcap companies while valuations remain depressed

The Board of H&G High Conviction Limited (ASX: HCF) is pleased to announce the sale of its shares in Kiland, crystallising a profitable long-term investment. The H&G High Conviction Fund helped recapitalise Kiland in April 2022 following a period of working closely with fellow shareholders to refresh the board and reposition the company to develop its timber plantations into agricultural land. The Kiland board has since done an excellent job in driving value for shareholders. With Kiland's recent decision to delist from the ASX, HCF took advantage of an on-market buyback to sell its holding.

HCF has benefitted from a positive start to FY24. In addition to the sale of Kiland shares, corporate interest has allowed HCF to profitably realise several other investments. This should lead to a material uplift in distributable profits and support fully franked dividends in FY24.

Aside from paying dividends, the cash proceeds from recent sales will continue to be invested into attractive risk-reward opportunities in ASX-listed microcap companies at a time of sustained low valuations.

For further information, please contact Executive Director and Portfolio Manager, Joseph Constable, on 0431 886 186.

About H&G High Conviction Limited (ASX: HCF)

H&G High Conviction Limited (HCF) targets double digit returns by investing on a multi-year horizon in a concentrated portfolio of ASX-listed microcap companies.

Microcaps are overlooked by most institutions due to size, meaning frequent inefficiencies in security prices and opportunities to buy stakes in businesses at attractive valuations. As a key differentiator, HCF actively engages with investee companies. This is crucial for microcaps, where success is heavily reliant on a small group of key people.

HCF seeks to minimise capital loss while maximising long-term capital growth and income from portfolio companies.

[H&G High Conviction Limited ACN 660 009 165](https://www.highconviction.com.au)

[Level 5, 107 Pitt Street](https://www.highconviction.com.au)

[Sydney NSW 2000](https://www.highconviction.com.au)

info@hng.com.au

[highconviction.com.au](https://www.highconviction.com.au)