



Diversified United Investment Limited

17 October 2024

ASX Announcement

2024 Annual General Meeting (AGM) Chairman's Address and Presentation

In accordance with the ASX Listing Rules, attached for release to the market is the Chairman's Address and Presentation which will be delivered to shareholders today at the Company's 2024 AGM.

Authorised for release by James Pollard, Company Secretary.



Diversified United Investment Limited

Chairman's Address

Delivered by Mr Charles Goode at the 33rd Annual General Meeting of the Company, held at 171 Collins Street, Melbourne and by audio webcast on Thursday 17th October 2024 at 10.00am.

DUI's investment objectives are:

- To maintain the company's diversified investment portfolio of primarily Australian companies and an investment in international markets,
- To invest on a medium to long-term view of providing income and capital appreciation,
- To appropriately manage risks and identify market opportunities as they arise, and
- To provide sustainable dividend income to our shareholders.

Our investment preference is toward Quality companies – those with capable management, strong long-term prospects within their industry and that have a proven dividend paying record.

This investment strategy has proven itself over time, with the portfolio outperforming the index over the long-term. We will continue with this strategy – to look through short-term market volatility and to remain invested in resilient Quality companies.

For the financial year ended 30 June 2024, the Company's operating profit after income tax was \$36 million, a decrease of 15% on the previous year. If special dividends in both periods are excluded, profit decreased 15% to \$34.8 million. Revenues received during the year were lower, primarily due to lower dividends from BHP, Rio Tinto and Woodside as a result of softer commodity prices

A fully franked final dividend of 9 cents per share was paid in September which, with the fully franked interim dividend of 7 cents per share, brought the total dividend for the year to 16 cents per share fully franked, in line with last year. DUI has maintained or increased its dividend paid per share every year since listing in 1991.

Operating expenses, excluding borrowing costs, represented 0.12% of the average market value of the portfolio, in line with last year. Including the management fees of the international exchange traded funds and the managed funds in which the Company is invested, the see-through total expense ratio was 0.16% compared to 0.17% last year. Bank borrowing facilities were \$140 million at the end of the financial year, drawn as to \$77.5 million.

The composition of the portfolio by sector at 30 September is as shown in the slides. The diversified portfolio comprises 27 Australian companies across multiple sectors, and internationally focused investments through 6 ETFs and one managed fund. A full list of the Company's investments at 30 June 2024 can be found at the end of the Annual Report.

Our largest acquisitions and disposals during the previous financial year are as shown in the slide.

Since the end of the financial year, we have:

- Increased our holding in Woodside
- Sold our holdings in REA Group, Sonic Health, and the Copper, Global Mining and Japan ETFs, and
- Reduced our holdings in Commonwealth Bank and the Vanguard Europe Ex-UK ETF.

The performance of an investment in DUI based on the NTA per share, and separately based on the share price, assuming all dividends were reinvested, compared to the S&P/ASX 200 Accumulation Index over the one, three, five and ten year periods is as shown on the slide.

Our portfolio on an NTA accumulation basis returned 11.1% for the year to 30 June 2024, underperforming the ASX200 Accumulation Index by 1%. The Company's relative performance was assisted by an overweight allocation to Aristocrat, an underweight allocation to BHP, and exposure to international markets (which outperformed the ASX200 Accumulation Index). Performance was held back by overweight holdings in Transurban, Perpetual and Woodside.

We actively monitor our investee companies and potential investments. During the year, the Board had 24 meetings with investee companies, of which 5 meetings were with companies in which we had no holding.

Since 30 June 2024, we have held an additional 15 meetings with investee companies.

Outlook

As the old saying goes "the share market is climbing a wall of worry". As we worry about the geopolitical scene, the troubled Chinese economy, and the stagnant European economies, we are naturally cautious. We see the Australian economy growing slowly reflecting low productivity, lower commodity prices and regulations inhibiting investment projects. We expect inflation to moderate and interest rates to move a little lower next financial year.

With the share market near its all-time high, we are cautious in respect to the short-term outlook but remain confident that equities are a sound long-term investment. We are fully invested, and our portfolio will over time broadly reflect the movements of the general share market. We have reduced our borrowings over the last 12 months which for some years had been around 10% of the market value of our portfolio to around 2%.

We expect, in the absence of significant unforeseen circumstances and despite expecting some reduction in dividends received from leading resource companies, to maintain our dividend at the same rate of 16 cents per share in the year ahead.

Charles Goode
Chairman



Diversified United Investment Limited

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Disclaimer

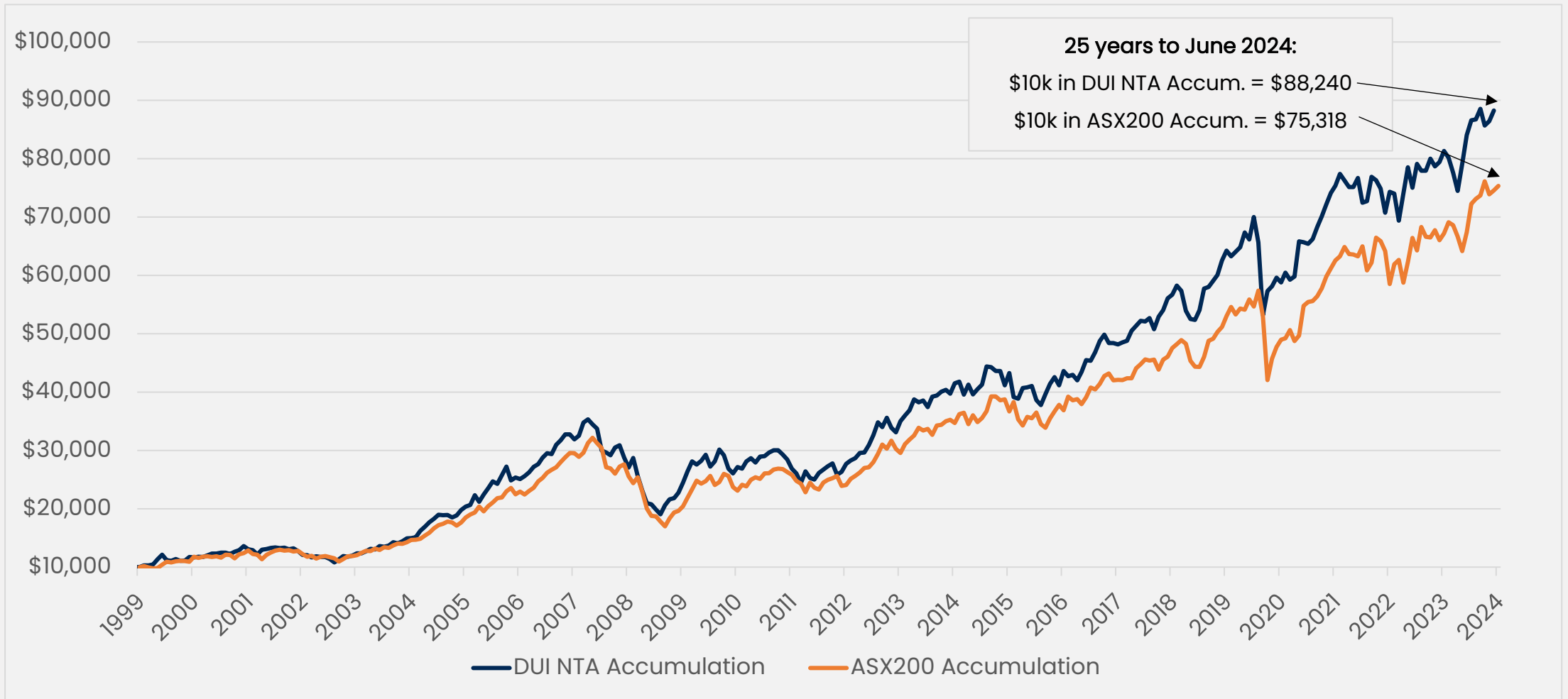
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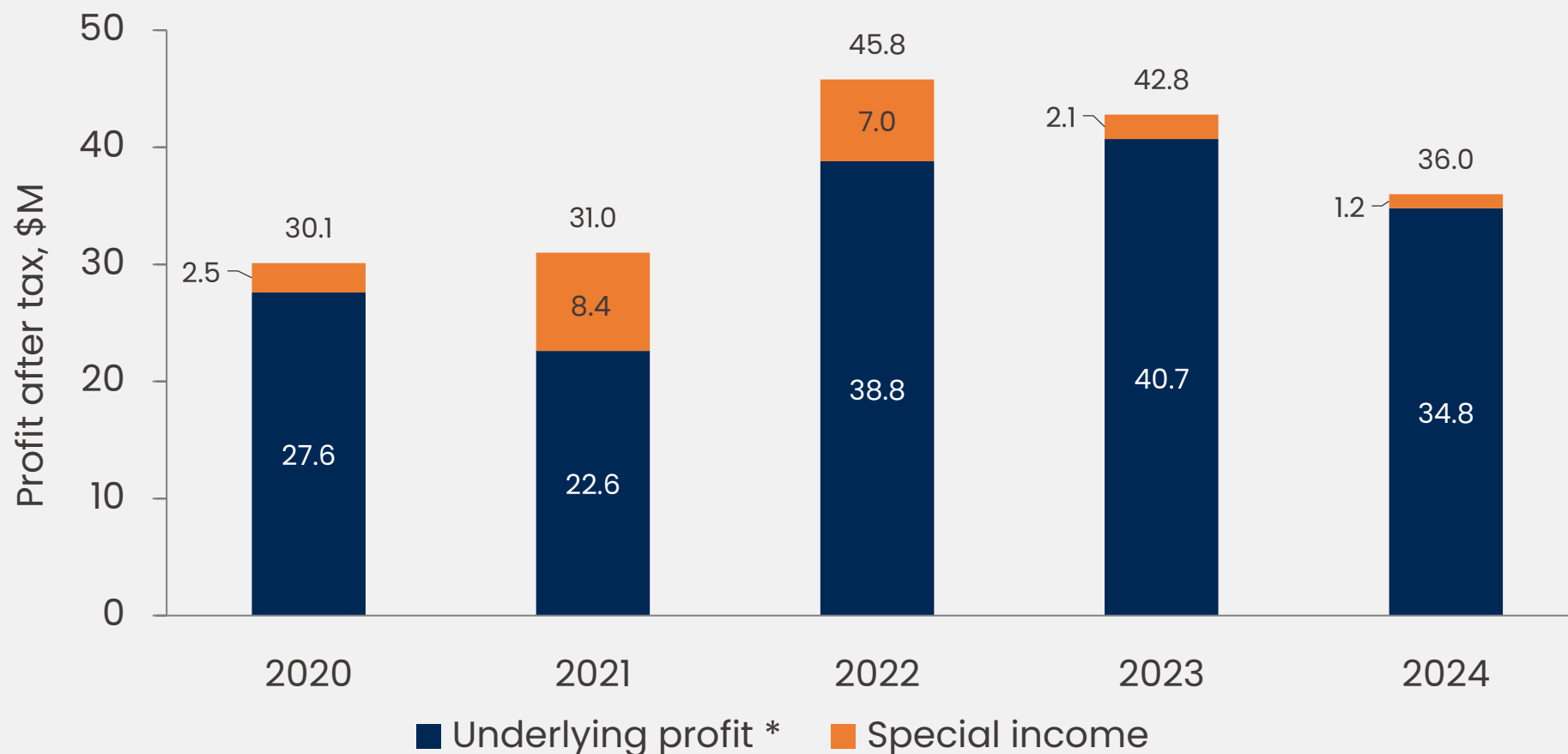
Investment Objectives

- To create and maintain a diversified portfolio of quality Australian companies, primarily through shares listed on the ASX and an investment in international markets,
- The investment policy is based on a medium to long-term view of providing capital and income appreciation;
- To review the portfolio to monitor and reduce risks and identify market opportunities as they arise; and
- To focus on after-tax returns and to provide dividend income to shareholders which is sustainable over the long-term, maintaining full franking when possible.

Strong Long-term Performance

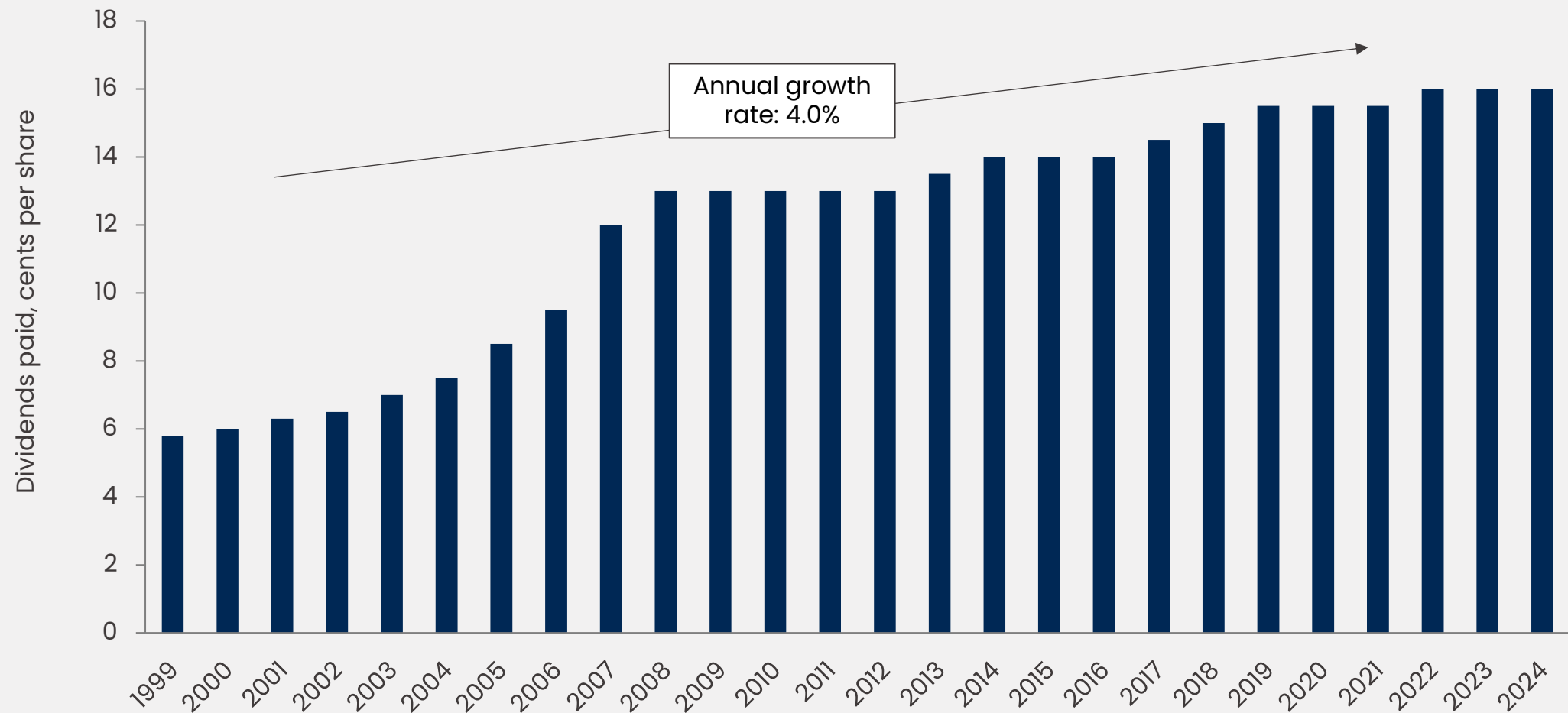


Profit after tax



* Statutory profit less special dividends, capital gains distributed by managed funds and fair value movements on unlisted investments (together, "special income").

Dividends Paid

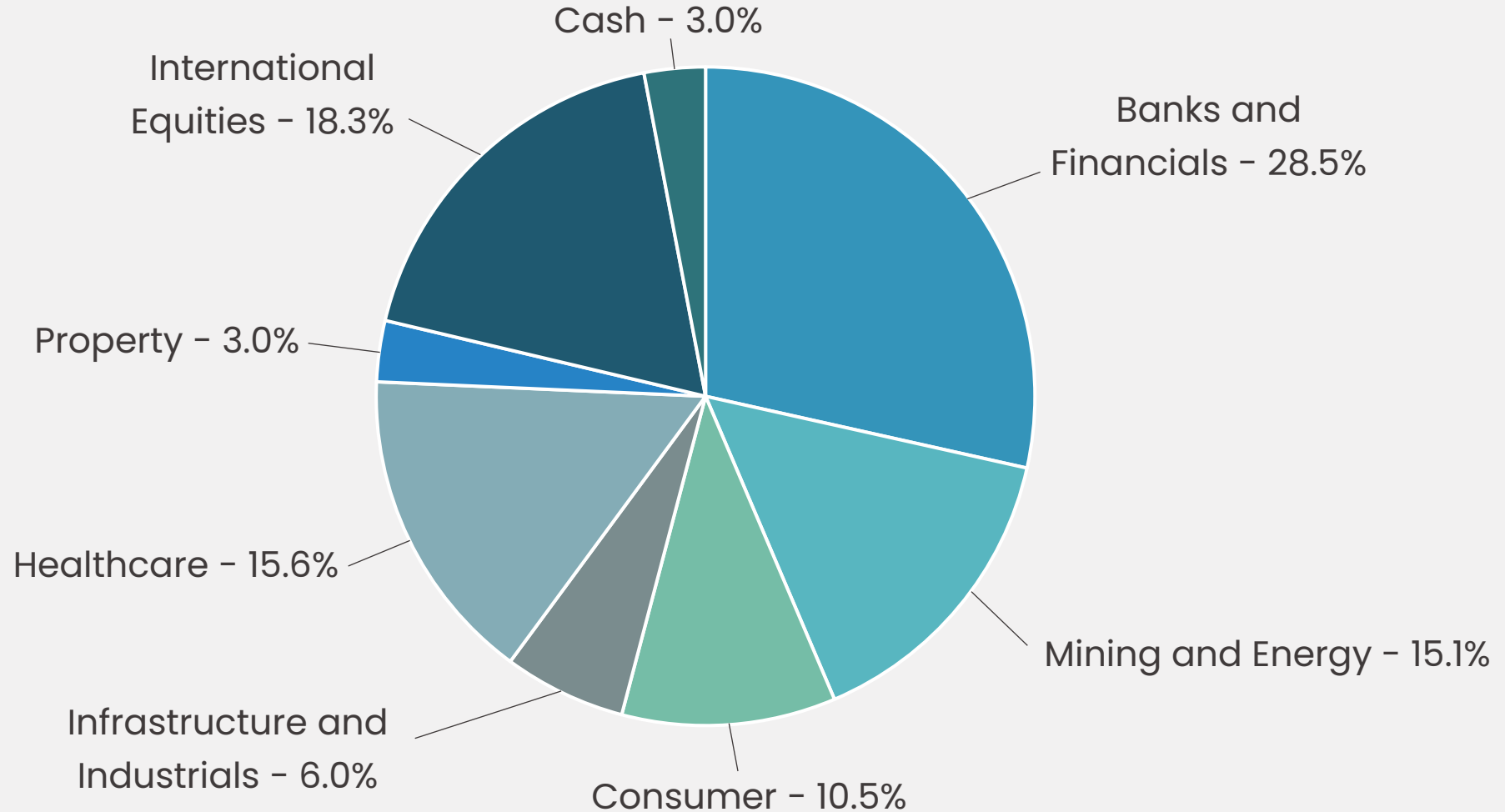


At 30 June 2024

	FY24	FY23
Operating expenses	0.12%	0.12%
– with external fund fees	0.16%	0.17%
Bank borrowing facilities	\$140M	\$180M
Bank borrowings drawn	\$77.5M	\$90M
Net debt / portfolio ex-cash	4.9%	6.3%

Sector Allocations

As at 30 September 2024



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Portfolio Transactions

During the year to 30 June 2024

Largest acquisitions:

Addition to holdings in Resmed,
Woodside, NAB

Largest disposals:

Sale of holding in PEXA
Reduction of holdings in CSL,
Ramsay Health Care,
Vanguard US Total Mkt ETF,
Vanguard Info Tech ETF

Transactions since 30 June 2024

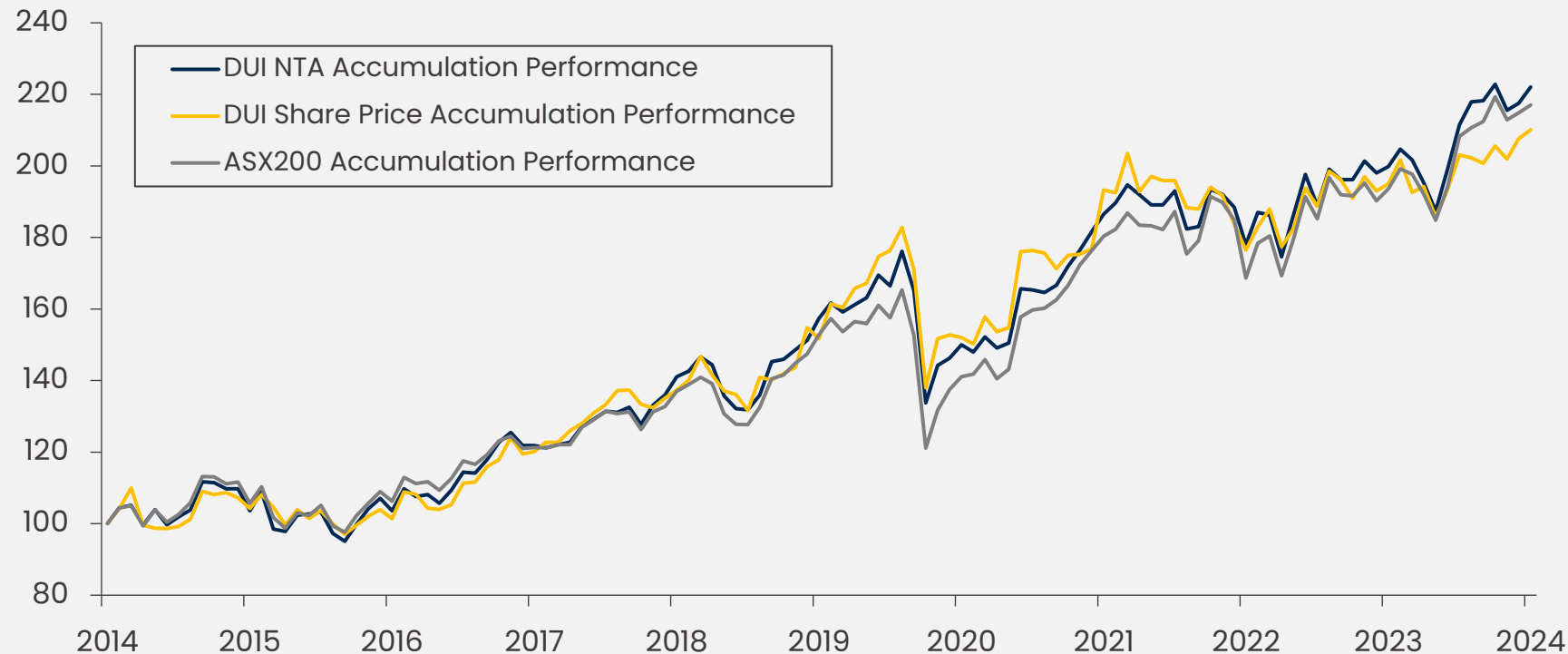
Addition to holding in Woodside

Sale of holdings in REA Group, Sonic Health, GlobalX Copper Miners ETF,
VanEck Global Miners ETF, Vanguard Japan ETF

Reduction of holding in CBA, Vanguard Europe Ex-UK ETF

NTA Accumulation Performance

10 years to 30 June 2024



	1 year	3 years	5 years	10 years
DUI NTA Accum. % p.a.	11.1	6.0	7.1	8.3
DUI Share price Accum. % p.a.	7.8	2.8	6.7	7.7
S&P/ASX200 Accum. Index % p.a.	12.1	6.4	7.3	8.1

Source: Evans and Partners



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Resolution 2

Remuneration Report

That the Remuneration Report that forms part of the Directors' Report for the Company for the financial year ended 30 June 2024 be adopted.

Proxy votes received prior to the meeting are as follows:

For	Open	Against	Abstain
64,114,848	16,042,480	513,985	3,670,557
79.5%	19.9%	0.6%	

Resolution 3

Re-election of Mr Anthony (Tony) Burgess

That Mr Anthony Burgess, a Director retiring from office by rotation in accordance with clause 65 of the Constitution, being eligible, is re-elected as a Director of the Company.

Proxy votes received prior to the meeting are as follows:

For	Open	Against	Abstain
65,270,167	16,108,172	458,086	1,941,383
79.8%	19.7%	0.5%	



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