

# AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

ABN 37 004 268 679

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AUSTRALIA

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13 December 2022

## **ASX Announcement**

### **Analyst Presentation – December 2022**

Attached for release to the market is a presentation delivered today to Ord Minnett. This presentation was made jointly with Diversified United Investment Limited.

Authorised for release by James Pollard, Company Secretary.



**Australian United  
Investment Company  
Limited**



**Diversified United  
Investment Limited**

**Analyst Presentation – December 2022**

# Presenters



**Stephen Hiscock**  
Non-executive Director, DUI



**Andrew Sisson AO**  
Non-executive Director, DUI



**James Pollard**  
Company Secretary, AUI & DUI

# Overview

- Long term focus, low portfolio turnover, experienced management
- After tax focus for shareholders; closed end structure
- LIC tax compliant
- Strong record of maintaining and growing fully franked dividends
- Very low management expense ratio (MER)
- No performance fees
- Transparent portfolio, and portfolio movements
- ASX & ASIC Compliance

# Board of Directors – AUI

**Charles Goode** AC B.Com (Hons) (Melb), MBA (Columbia), Hon LLD (Melb), Hon LLD (Mon)  
Non-executive Chairman, appointed April 1990

**Fred Grimwade** B.Com/LLB (Hons) (Melb), MBA (Columbia), FAICD  
Non-executive Director, appointed March 2014  
Lead Independent Director, appointed October 2022

**Dion Hershman** B.Com/B.A. (Mon), MBA (Columbia)  
Non-executive Director, appointed April 2018

**Wayne Kent** B.Com/LLB (Melb), SF FIN  
Non-executive Director, appointed November 2021

# Board of Directors – DUI

**Charles Goode** AC B.Com (Hons) (Melb), MBA (Columbia), Hon LLD (Melb), Hon LLD (Mon)  
Non-executive Chairman, appointed September 1991

**Anthony Burgess** B.Com (Hons) (Melb), MBA (Dist'n) (Harvard), CPA, FFIN  
Non-Executive Director, appointed September 2008

**Stephen Hiscock** B.Com (Melb), M.App.Fin (Macq), FFIN  
Non-Executive Director, appointed November 2011  
Lead Independent Director, appointed November 2022

**Andrew Larke** LLB (Melb), B.Com (Melb), Grad Dip (Corporations & Securities Law) (Melb)  
Non-Executive Director, appointed March 2015

**Andrew Sisson** AO BSc (Melb), FAICD  
Non-Executive Director, appointed April 2022



# Operational staff – AUI & DUI

## Company Secretary

James Pollard CA FGIA, B.BusCom (Mon), Grad Cert FP (Kaplan)  
Joined May 2019

## Corporate Accountant

Lisa Curtis CA, B.Comm (Melb)  
Joined April 2021

## Outsourced Accounting and Custody

The Companies' Accounting and Custody are outsourced to Mutual Trust.

# Financial Highlights

Year ended 30 June 2022



	FY21	FY22	Change	FY21	FY22	Change
Profit after tax (\$M) <sup>1</sup>	40.5	72.0	+78%	31.0	45.8	+48%
Underlying profit after tax (\$M) <sup>1</sup>	33.0	51.1	+55%	22.6	38.8	+72%
Dividends paid (cents per share)	36.0	37.0	+3%	15.5	16.0	+3%
Total portfolio (\$M)	1,443	1,384	-4%	1,257	1,210	-4%
NTA per share, 30 June (\$) <sup>2</sup>	10.46	9.70	-7%	5.35	4.96	-7%
MER	0.11%	0.10%	-9%	0.13%	0.12%	-8%

1. Excludes special dividends, capital gains distributed by managed funds and unrealised gains / losses on unlisted investments.

2. Before unrealised tax on investment portfolio.

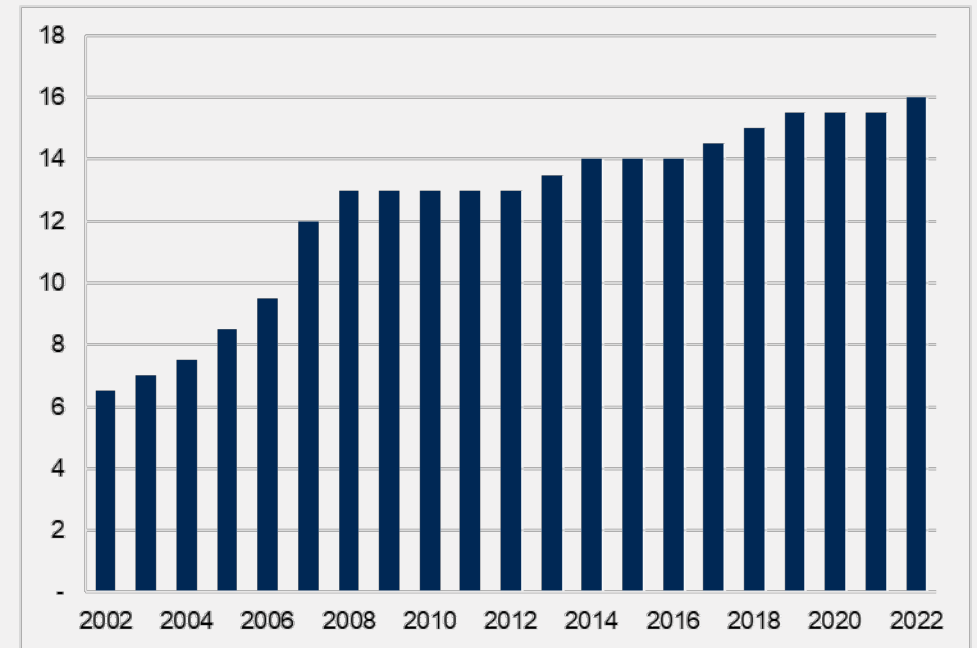
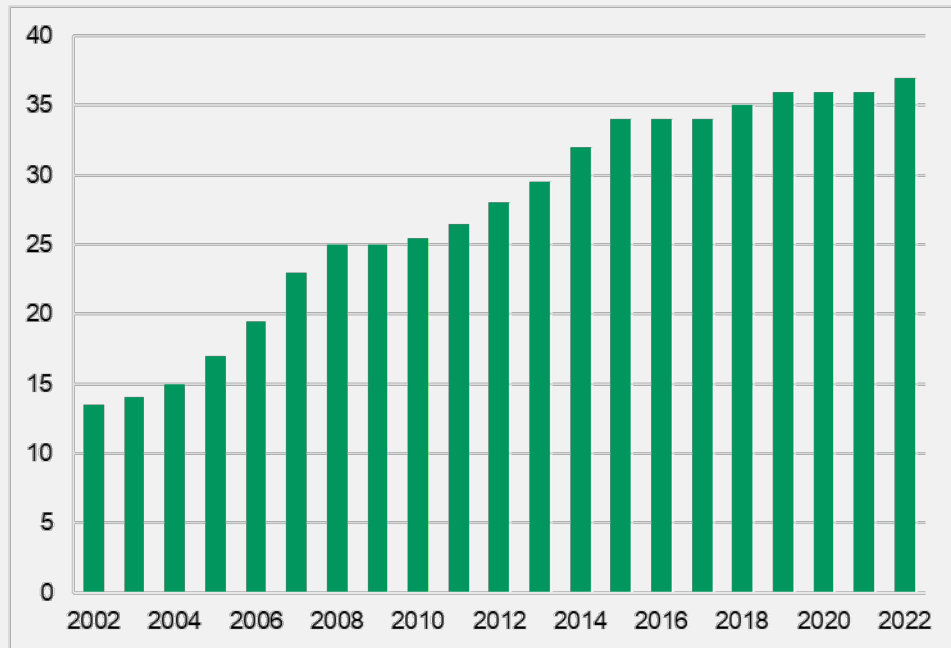
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# Dividend History

## Cents per share

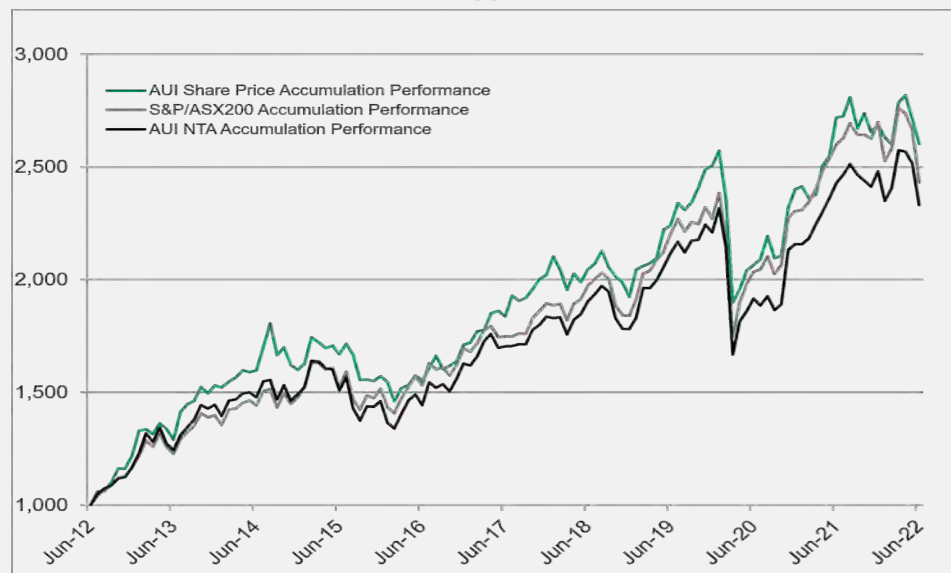


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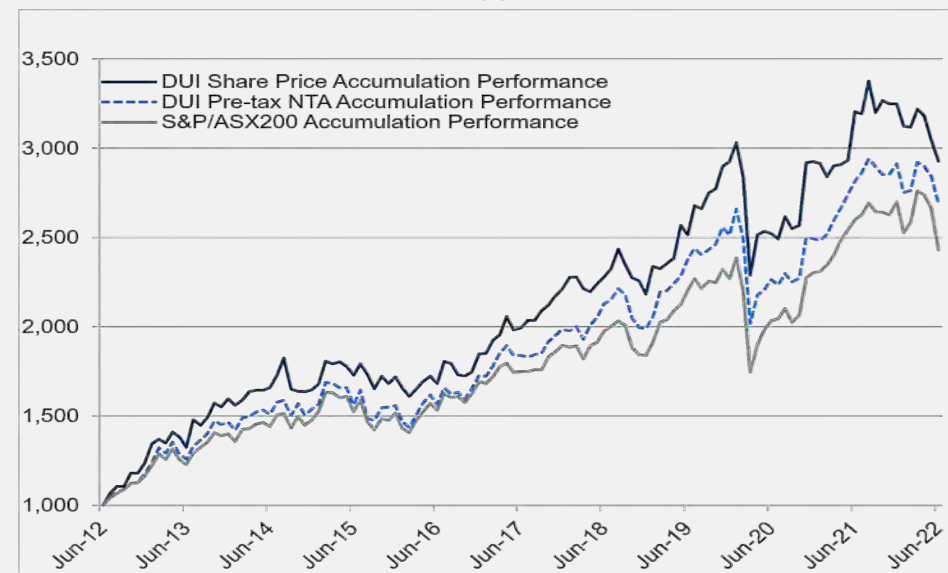
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# NTA Accumulation Performance

10 years to 30 June 2022



	AUI NTA Accum. % p.a.	AUI Share Price Accum. % p.a.	S&P ASX 200 Accum. Index % p.a.
1 year	(4.0)	(4.3)	(6.5)
3 years	3.3	5.1	3.3
5 years	6.5	7.2	6.8
10 years	8.8	10.0	9.3



	DUI NTA Accum. % p.a.	DUI Share Price Accum. % p.a.	S&P ASX 200 Accum. Index % p.a.
1 year	(4.6)	(8.7)	(6.5)
3 years	4.2	5.2	3.3
5 years	7.9	8.0	6.8
10 years	10.4	11.3	9.3

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# Strategy

## Investment objectives:

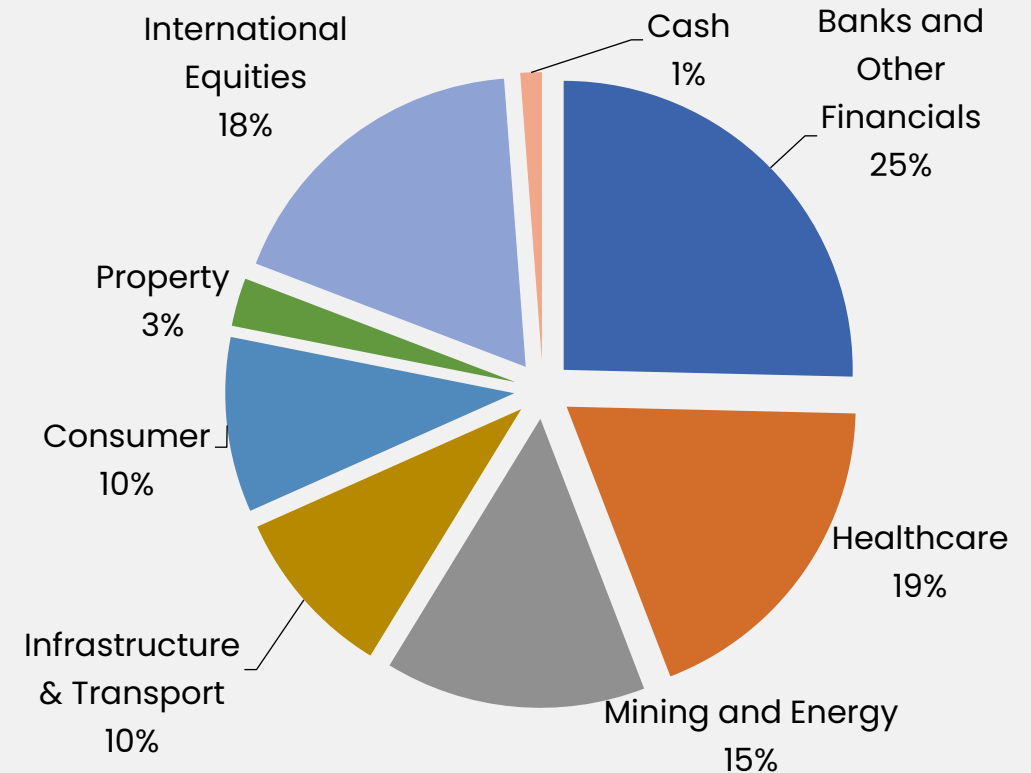
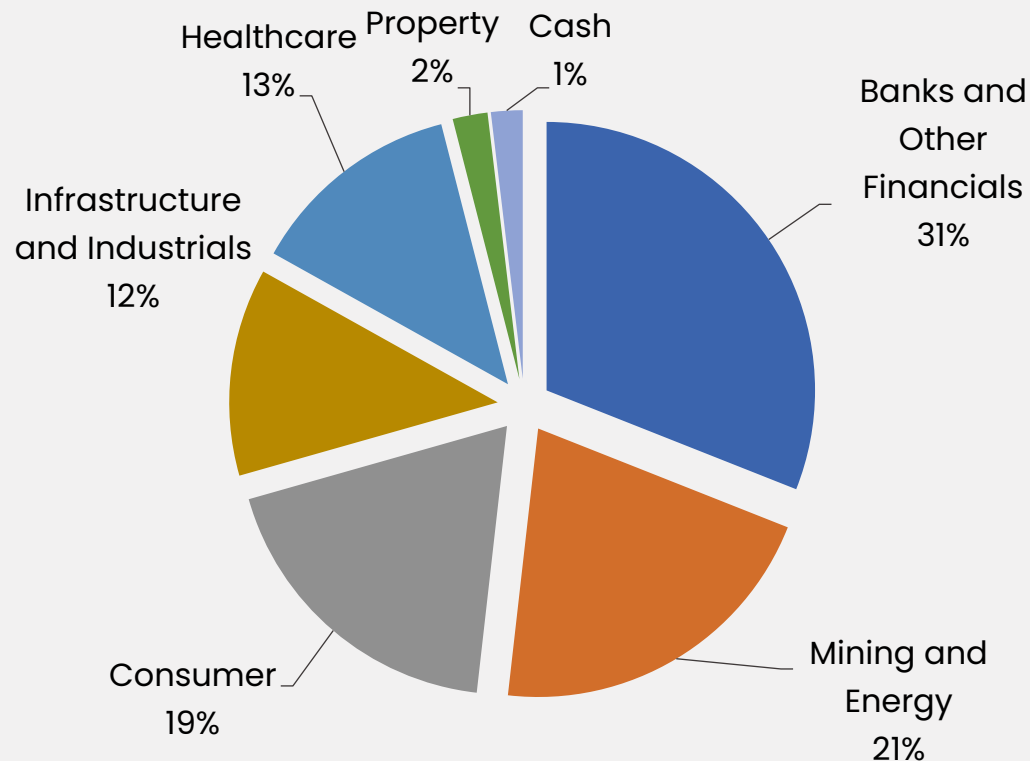
- To create and maintain a diversified portfolio of quality Australian companies, primarily through shares listed on the ASX, with a medium to long term view of providing income and capital appreciation;
  - DUI – Portfolio includes an exposure to international markets, 10-20%
- To actively manage the portfolio to monitor and reduce risks and identify market opportunities as they arise; and
- To provide dividend income to shareholders which is sustainable over the long-term, maintaining full franking when possible.

## Portfolio criteria:

1. Industry outlook
2. Position of the company in its industry
3. EPS growth potential
4. Yield and franking
5. Management strength and alignment with shareholder returns
6. Balance Sheet strength
7. Environmental, Social & Governance (ESG)

# Sector Allocations

As at 30 September 2022



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# Top 10 Holdings

## As at 30 November 2022



Company	Market Value \$'000	% of Total Investments
Commonwealth Bank of Australia	140,218	9.3%
CSL Ltd	127,547	8.4%
BHP Group Ltd	122,904	8.1%
Woodside Energy Group Ltd	85,767	5.7%
Rio Tinto Ltd	82,215	5.4%
Transurban Group	78,595	5.2%
Diversified United Investment Ltd	71,424	4.7%
Wesfarmers Ltd	67,998	4.5%
ANZ Banking Group Ltd	65,561	4.3%
Atlas Arteria	52,995	3.5%

Company	Market Value \$'000	% of Total Investments
CSL Ltd	178,565	13.6%
Commonwealth Bank of Australia	107,860	8.2%
BHP Group Ltd	91,040	6.9%
Transurban Group	89,313	6.8%
Woodside Energy Group Ltd	59,664	4.5%
Rio Tinto Ltd	54,810	4.2%
ANZ Banking Group Ltd	53,191	4.1%
Vanguard US Total Market	47,392	3.6%
Westpac Banking Corporation	42,786	3.3%
Vanguard Information Tech ETF	39,024	3.0%

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# Responsible Investment

- Identify and understand ESG matters by engaging with companies directly and also from broker research reports or other trusted third-party reporting
- ESG matters are considered as part of investment criteria
- Actively engage with investee companies:
  - Discuss and give feedback to companies on their ESG approach
  - Exercise our shareholder votes in a responsible, considered manner
- Policy available on our websites





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