



Diversified United Investment LTD 2021 AGM Report

ASX Code	DUI
Meeting Time/Date	10am, Thursday 14 October 2021
Type of Meeting	Virtual
Monitor	Frank Thompson
Pre AGM-Meeting?	No

Profit Decrease of 18%, Dividend Maintained, Assets Increase

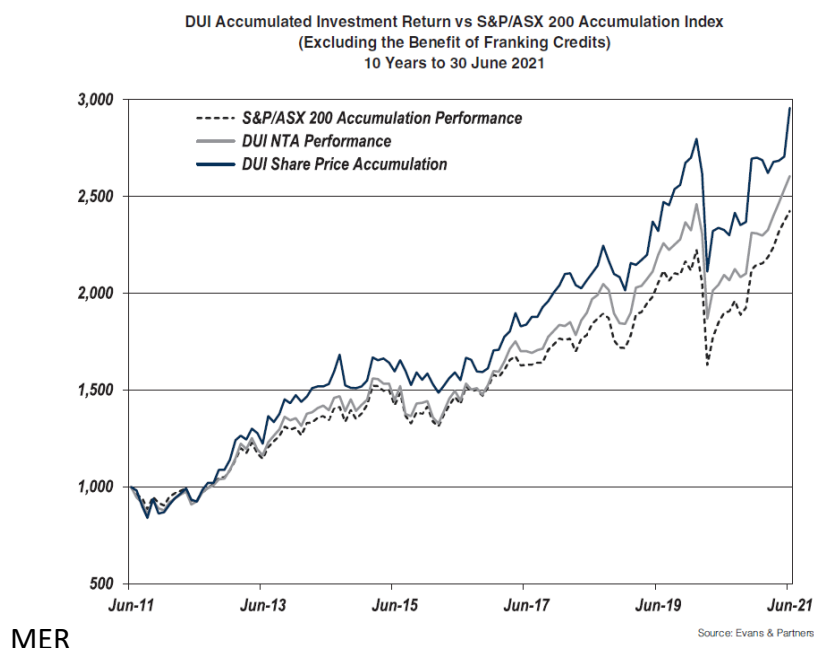
What the Company Does

DUI's objective is to provide shareholders with dividends and capital appreciation over the long term at acceptable risk. It invests in Australian equities, listed property trusts and international equities.

Developments in the Financial Excluding Year

DUI reached 18.6% of its portfolio invested in unhedged international equities (through ETF's and unlisted managed funds) in 2021. Almost to its target of 20%. Excluding special dividends, capital gains from managed funds and unrealised gains, profit after tax decreased by 18.0%. Similarly, revenue fell by 14.3%. This was due to Covid reducing dividends and distributions received. Dividends distributed were 13.1 cents/share, fully franked for the year, the same as the prior year. This was enabled by using retained earnings and franking credits.

Net asset backing/share before tax increased by 20.2% to \$5.35 on June 30, above the market price of \$5.19 on June 30. The chart below demonstrates the DUI accumulated investment return vs the S&P ASX 200 Accumulation Index:



MER was 0.13% inflated to an extent by international fund and ETF fees. Otherwise the MER is kept low with only 4 directors, a company secretary and 3 administration staff.

None of the senior staff are female so DUI do not meet the ASA target of 30% for senior staff and directors. DUI have a skills matrix for directors and there is an appropriate diversity of skills and knowledge. All Directors and senior staff receive fixed remuneration competitive with similar companies. All Directors have a shareholding in DUI.

Debate and Voting at the AGM

The meeting was audio only so this took some of the colour out of the meeting. Directors did not speak to their re-election. Otherwise, it was well run but a soliloquy by the chair. Five written questions were asked. Answers were given in depth by the chair. The ASA asked one question regarding using direct investment for international shares vs the current use of EFT and funds. This is now readily available and would reduce costs and enable more targeted investment. The chair replied that as DUI had no analyst staff, they rely totally on the directors for stock selection. Their assessment was that while they had the skills to set direction and strategy in the international market, they did not have the skills for individual stock selection.

The ASA vote for all motions.

Outlook Statements from the Company

Existing Price to Earnings Ratios are high but a recovery is expected. With interest rates low, savings increasing and the market not over exuberant, except for technology stocks, earnings are expected to increase to support the high Price to Earnings Ratios.

Meeting Statistics

Number of Holdings Represented by ASA	35
Number of Shares represented by ASA	1,068,814 (equivalent to 12th largest holder in Top 20 list)
Value of Shares represented by ASA	\$5.5 m
Number Attending Meeting	Unknown - Virtual
Market capitalisation	\$1.09B
Were proxies voted?	Yes, on a poll

Monitor Shareholding

The individual involved in the preparation of this voting intention has no shareholding in this company.