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| Company | Australian United Investment Company |
| Code | AUI |
| Meeting | AGM |
| Date | 15 October 2020 |
| Venue | Online |
| Monitor | John Whittington (proxy collector) |

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| Number attendees at meeting | Unknown |
| Number of holdings represented by ASA | 27 |
| Value of proxies | \$2.984m |
| Number of shares represented by ASA | 362k (equivalent to 9th largest holder in Top 20 list) |
| Market capitalisation | \$1.02bn |
| Were proxies voted? | Yes, on a poll |
| Pre AGM Meeting? | No |

Worth Listening

AUI is a Listed Investment Company (LIC) which has been around since 1953 and is a sister company to DUI which had its AGM immediately before this one.

The Chair gave a [very good presentation](#) and the outlook he provides in it is good reading for any investor.

Unlike most online AGMs to date there was no video, just audio and slides, however there was good involvement from the other directors and Company Secretary (one of only two employees of the Company – the other is the deputy Company Secretary).

Shareholders asked a number of questions covering Covid (cash is good), AUI's view on dividends vs buy backs in companies owned by AUI (broadly would prefer dividends), could AUI buy back its own shares (yes, if trading substantially below NTA), investing in small caps (focus on ASX100 as don't have much skill in small caps), have they considered merging AUI and DUI (looked at it several times but no benefit), dividend cover, and the company's investment approach. All questions were answered well, with good involvement of the other directors and thoughtful comments made.

The ASA asked about how the company votes at the AGMs of companies in which it has shareholdings. It votes on all resolutions with votes discussed at board meetings and based on

good governance, however they usually vote in favour as they don't consider themselves activist. They do meet with 30 of the 39 companies they own to discuss issues. They do not publish how they vote however.

We also asked about when the auditor was appointed (many many years ago), when the last audit tender was held (15 years ago), when the lead audit partner was changed (two years ago). The company also highlighted that the risk management committee review the auditor every six months for performance and against peer companies. They also highlighted that audit tenders have significant costs.

Our final question was, given the board of four was all male, about diversity. The key element of their response was that with a small board with low turnover (last appointments were in 2014 and 2018) there are few opportunities. However they indicated that when the next vacancy comes up, whilst selecting the best person for the job, they will also consider diversity. (For those who have read the DUI AGM report, this answer was from a different person to the one who answered at DUI)

In all, the AGM was a very interesting one for an investor – regardless of whether they are an AUI owner – and fortunately the problems with online voting experienced at the DUI meeting, whilst still there, were not nearly as significant at this meeting.

All items were passed easily with over 99% of votes in favour.