



Company	Diversified United Investment Limited (DUI)
Code	DUI
Meeting	AGM
Date	16 October 2019
Venue	Evans & Partners, 171 Collins St, Melbourne
Monitor/Proxy Voter	Brian Chapman

Number attendees at meeting	26 shareholders plus 5 visitors
Number of holdings represented by ASA	34
Value of proxies	\$5.6m
Number of shares represented by ASA	1.26m (equivalent to 10th largest holder in Top 20)
Market capitalisation	\$990m
Were proxies voted?	Yes, show of hands
Pre AGM-Meeting?	No

A Very ACTIVE one-hour-long meeting!

The Chair addressed shareholders ([available here](#)) and highlighted that the results to shareholders were positive despite being in a challenging environment. 2019 is the 29th year of delivering maintained or increased dividends to shareholders, a remarkable achievement. The Chair mentioned that there are only two other ASX listed companies that have such a record. The year was marked with increases across a range of indicators - dividends, net tangible assets per share, and performance relative to the S&P/ASX200 index. The international portfolio again showed its value to the results with a 16% increase in income. The Chair highlighted that the share market is at a mature phase with few quality opportunities readily available in Australia. The long boom since 2008 is in the mature stage and the returns won't be as frequent as they have been. Accordingly, the portfolio has been changed with poor stocks sold – AMP Suncorp, Brambles – and the proceeds directed into better quality securities.

As the Chair delivered the presentation some shareholders were asking questions and engaging in ongoing discussion that extended the meeting to the full hour. The discussion included the international portfolio and changes in the Australian/US dollar exchange rate impacts. The wisdom of retaining bank shares given the revelations of the Royal Commission was discussed. The Chair acknowledged the dilemma that the banks provided 30% of the revenue, though they represented 20% of the portfolio and to sell the banks would trigger a considerable range of tax issues for shareholders and there were no other stocks that could provide the high dividends.

Looking forward the Company remains fully invested and has cash on deposit and borrowing facility to use should the market experience a retreat and present good buying opportunities. It was clear message for shareholders that the company was prepared and ready to act for new opportunities.

With regard to the voting, all items were passed on a show of hands with strong proxy support. After the meeting we discussed succession planning for the Board since the Chair, Mr AC Goode, has been a director since 1991 and the board is entirely male. We were informed that the best of available candidates is chosen which aligns with comments in the Annual Report saying that the Company has a “neutral approach to all forms of diversity”.