

# AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

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6 September 2023

## **ASX Announcement**

### **Analyst Presentation – September 2023**

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 – September 2023**

# Presenters



**Wayne Kent**  
Non-executive Director, AUI



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



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

# Overview of AUI & DUI

- 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

# Investing in an LIC

## Advantages

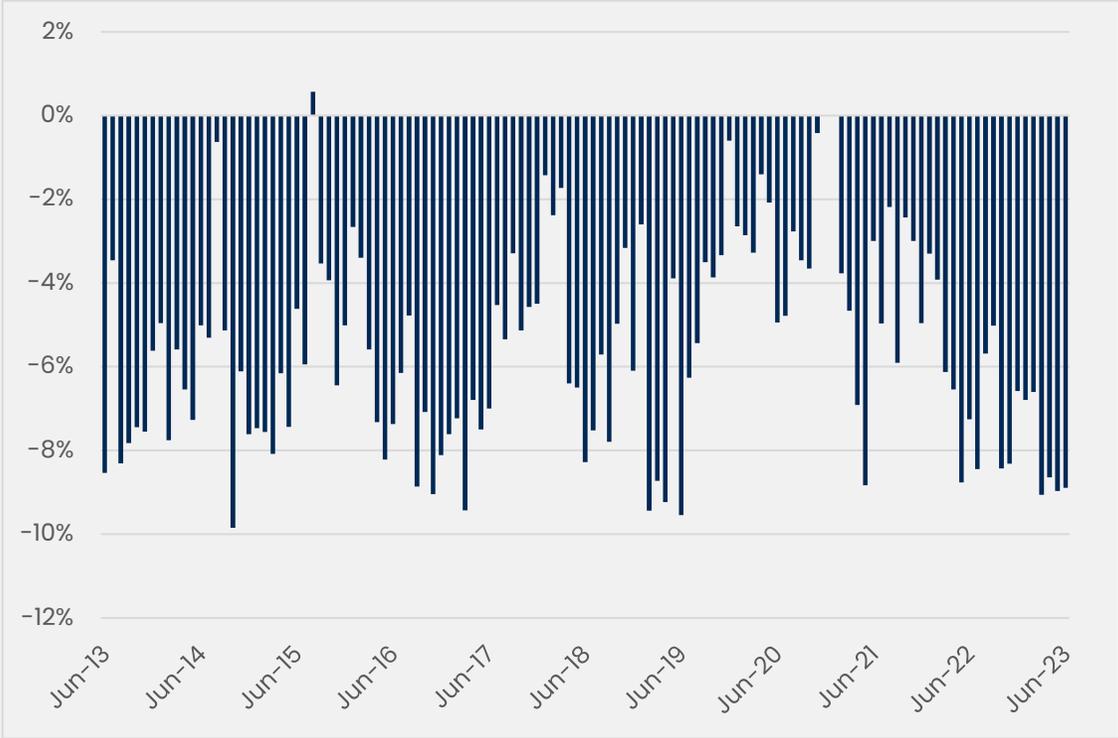
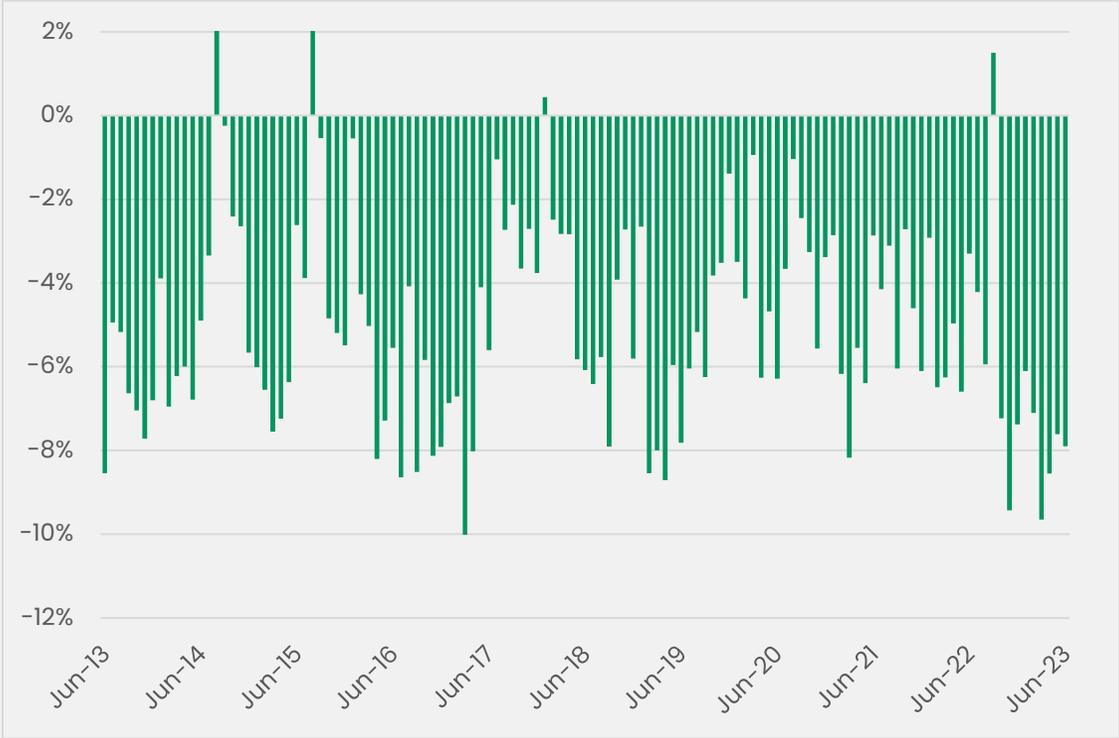
- Simple, low-cost way to gain exposure to a portfolio of diversified equities without the administration of multiple positions.
- Scale gives access to institutional placements, offers, and brokerage rates not available to retail investors.
- Income is simply franked dividends, compared to trust income which can be exposed to capital gains, unfranked income etc.
- When shares trade at a discount, every dollar invested gains a greater exposure to the underlying portfolio.
  - E.g., if shares are trading at a 5% discount, \$1.00 invested gains exposure to approx. \$1.05 of underlying portfolio.

## Disadvantages

- General market risk – investments are predominately listed equities, exposed to market movements.
- Shares are priced by the market and can trade at a premium or discount to NTA, which can fluctuate over time.

# Discount to Pre-Tax NTA<sup>(1)</sup>

10 years to 30 June 2023



1. Pre-Tax NTA is the Company's net tangible asset backing before estimated tax on net unrealised gains and losses on the investment portfolio.

# Financial Highlights

Year ended 30 June 2023



	FY22	FY23	Change	FY22	FY23	Change
Profit after tax (\$M)	72.0	56.4	-22%	45.8	42.8	-7%
Underlying profit after tax (\$M) <sup>1</sup>	51.1	55.2	+8%	38.8	40.7	+5%
Dividends paid (cents per share)	37.0	37.0	-	16.0	16.0	-
Pre-tax NTA per share, 30 June (\$)	9.70	10.63	+10%	4.96	5.40	+9%
MER	0.10%	0.10%	-	0.12%	0.12%	-
Drawn debt (\$M)	167.5	86	-49%	150	90	-40%

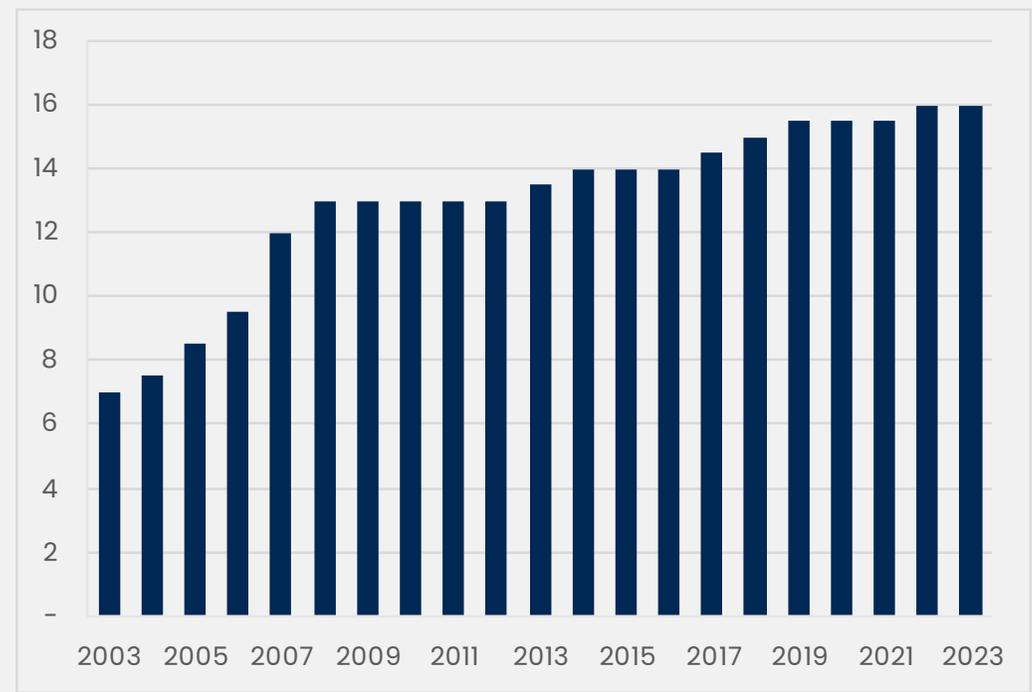
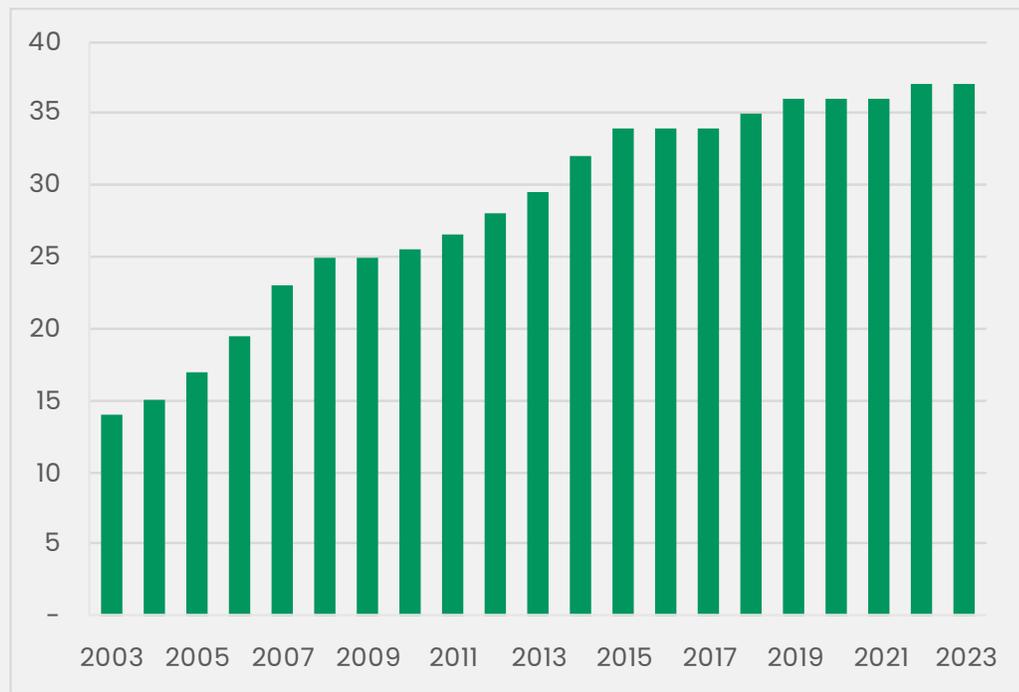
1. Excludes special dividends, capital gains distributed by managed funds and fair value movements on unlisted investments.

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# Dividend History

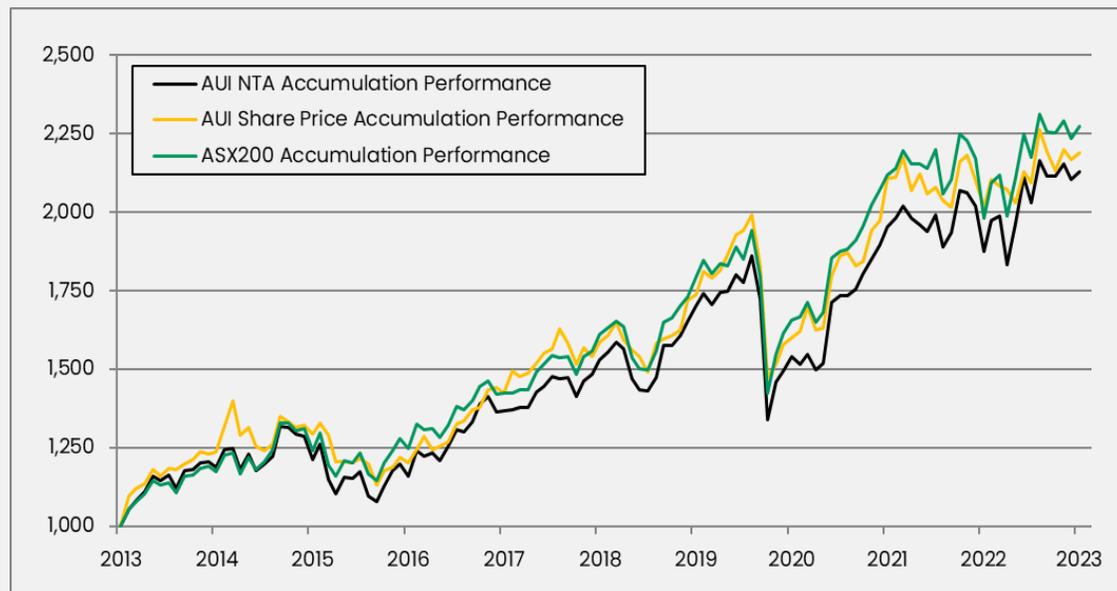
Cents per share



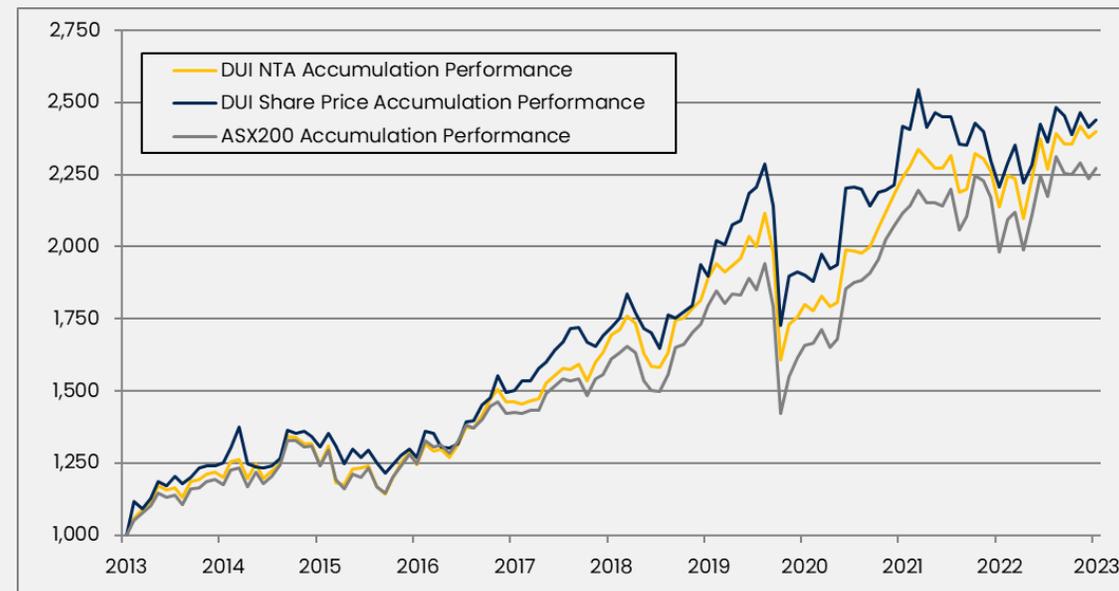
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# NTA Accumulation Performance

10 years to 30 June 2023



	1 year	3 years	5 years	10 years
AUI NTA Accum. % p.a.	13.6	11.4	6.8	7.8
AUI Share price Accum. % p.a.	8.4	11.0	6.6	8.1
S&P/ASX2000 Accum. Index % p.a.	14.8	11.1	7.2	8.6



	1 year	3 years	5 years	10 years
DUI NTA Accum. % p.a.	12.3	10.0	7.2	9.1
DUI Share price Accum. % p.a.	10.5	8.6	7.3	9.3
S&P/ASX2000 Accum. Index % p.a.	14.8	11.1	7.2	8.6

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# Strategy

## Investment objectives:

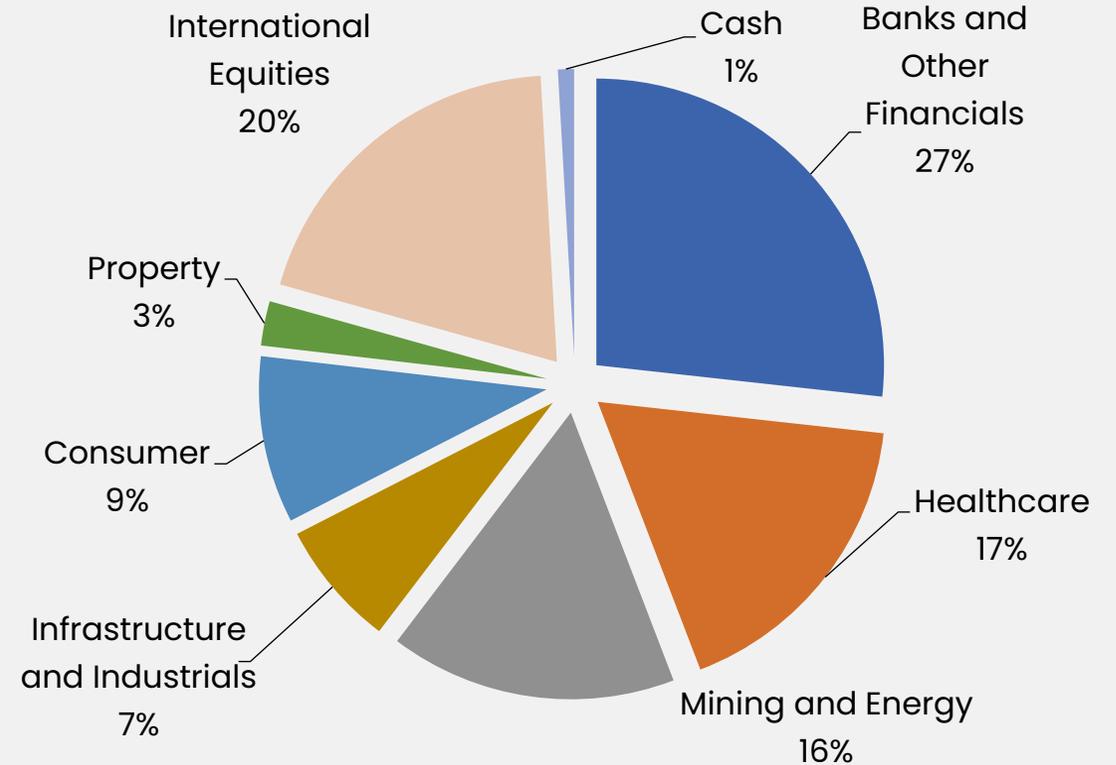
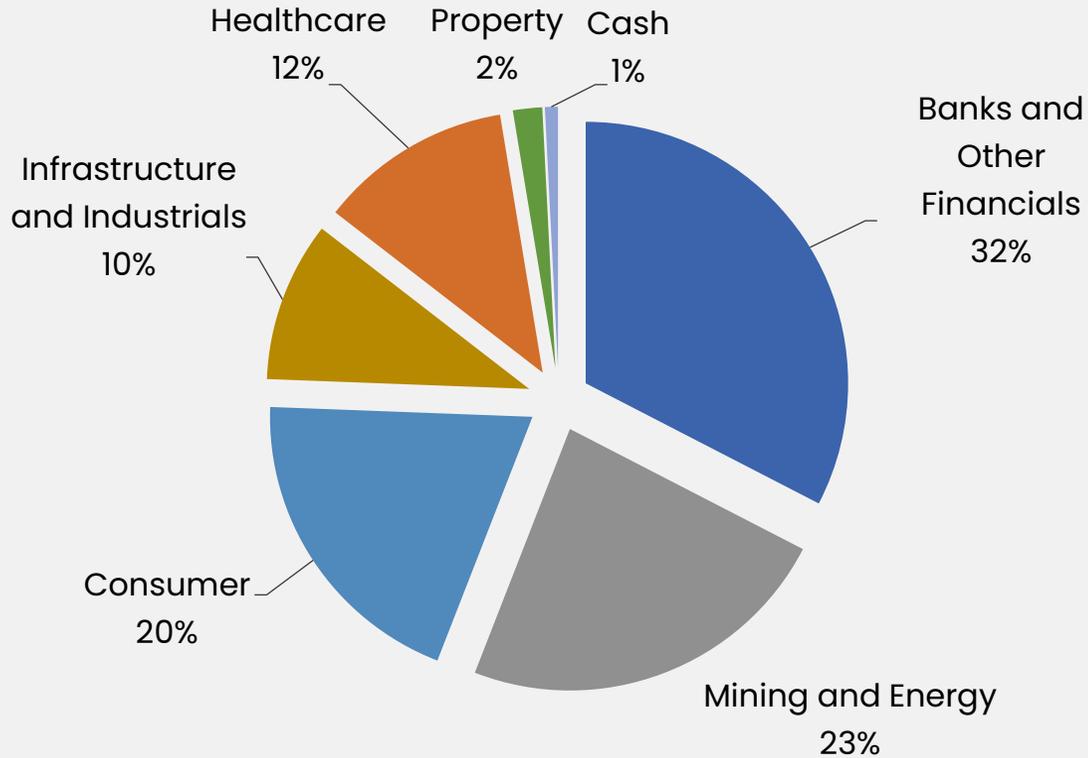
- To create and maintain a diversified portfolio of quality Australian companies, primarily through shares listed on the ASX, with a medium to long term view of providing income and capital appreciation;
  - DUI – Portfolio includes an exposure to international markets, 10-20%
- To actively manage the 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 June 2023



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# Top 10 Holdings

## As at 31 July 2023



Company	Market Value \$'000	% of Total Investments
Commonwealth Bank of Australia	137,423	9.3%
BHP Group Ltd	124,227	8.4%
CSL Ltd	114,121	7.8%
Rio Tinto Ltd	87,803	6.0%
Woodside Energy Group Ltd	87,377	5.9%
Transurban Group	78,870	5.4%
Diversified United Investment Ltd	73,296	5.0%
Wesfarmers Ltd	69,510	4.7%
ANZ Banking Group Ltd	68,237	4.6%
Westpac Banking Corp	49,148	3.3%

Company	Market Value \$'000	% of Total Investments
CSL Ltd	159,769	12.4%
Commonwealth Bank of Australia	105,710	8.2%
BHP Group Ltd	92,020	7.1%
Transurban Group	89,625	6.9%
Woodside Energy Group Ltd	60,784	4.7%
Rio Tinto Ltd	58,535	4.5%
ANZ Banking Group Ltd	55,363	4.3%
Vanguard US Total Market	54,453	4.2%
Vanguard Information Tech ETF	51,248	4.0%
Vanguard All World Ex-US	43,034	3.3%

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