



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

Number attendees at meeting	14 (shareholders, visitors)
Number of holdings represented by ASA	29
Value of proxies	\$3.16m
Number of shares represented by ASA	347,819 (equivalent to 12th largest holder in Top 20)
Market capitalisation	124.48m
Were proxies voted?	Yes, show of hands
Pre AGM Meeting?	No

Key Figures for FY2019

	2019	2018	Gain/Loss
Operating Profit (\$ million) 2019 was	55.8%,	47.8%	8.0%
Earnings Per Share (total) (cents)	44.9%	38.6%	6.3%
Earnings Per Share (excluding special dividends and capital gains from managed funds) (cents)	39.4%	37.0%	2.4%
Dividends paid (cents per share)	36.0%	35.0%	1.0%
Share Price 30 June	\$9.08%	\$8.65%	0.43%
Management Expense Ratio	0.10%	0.09%	-0.01%
Net asset backing per share before tax on unrealised gains 30 June	\$9.85	\$9.21%	0.64 cents
Net asset backing accumulation return before tax or unrealised gains	11.2%	11.8%	-0.6%
S&P/ASX 200 Index accumulation return	11.6%	13.0%	-1.4%

A solid performance compared to the S&P/ASX 200:

AUI Net Asset Backing Accumulation in 2019 rose by 13.4%

By comparison, the S&P/ASX200 Franking Credit Adjusted index for 2019 rose by 13.1%

Chairman's Address to Shareholders

- <http://www.aui.com.au/resources/30%20June%202019%20-%20Final%20Docs%20-%20AUI/AUI%20AGM%202019%20Slide%20Presentation%2016.10.2019%20-%20Final.pdf>
- The share market is at a mature phase with few quality opportunities readily available in Australia
- The share portfolio has seen poor performing stocks sold and proceeds reinvested into better quality securities
- The long boom since 2008 is in the mature stage and the returns won't be as frequent as they have been

Note: the MER of 0.10% is very low and therefore an attractive feature of low costs.

2019 AGM voting results –

<https://www.asx.com.au/asxpdf/20191016/pdf/449k6xtb7qkg02.pdf>

Summary of key outcomes:

Item 2

Adoption of the Remuneration Report

The motion was passed:

Votes in favour – 75,849,342

Votes against – 275,321

Item 3

Re-election of Mr C B GOODE as a Director

The motion was passed:

Votes in favour – 77,515,641

Votes against – 115,063

Item 4

Re-election of Mr F S GRIMWADE as a Director

The motion was passed:

Votes in favour – 77,569,575

Votes against – 40,564

Employees:

The Company has two employees, being the Company Secretary and the Assistant Company Secretary.

Concerns –

Succession Planning for the Board

- The Chairman, Mr AC Goode, has been a director since 1991
- The board is entirely male directors (no female members)
- After the meeting a director informed me that the best of available candidates is chosen.
- The Annual Report mentions; “the Company has a neutral approach to all forms of diversity.”

Skin in the Game – not much

The Annual report states that “directors are not required to hold shares in the Company”

Comparison needs to change

AUI ought to compare its performance against the S&P/ASX 100 Accumulation Index, instead of the S&P/ASX 200 Accumulation Index. AUI market capitalisation would rank it within the top 100 ASX companies