



**DIVERSIFIED UNITED
INVESTMENT LIMITED**

ABN 33 006 713 177

**ANNUAL
REPORT
2024**

Directory

Directors

Charles Goode AC (Chairman)
Anthony Burgess
Stephen Hiscock
Andrew Larke
Andrew Sisson AO

Company Secretary

James Pollard

Auditors

KPMG Chartered Accountants

Registered Office

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Securities Exchange

Australian Securities Exchange Ltd (ASX)
ASX Code: DUI

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Chairman's Report

for the year ended 30 June 2024

I present the Annual Report of Diversified United Investment Limited for the year ended 30 June 2024.

About DUI

The Company's objective is to continue to provide shareholders with dividends and capital appreciation over the longer term within acceptable levels of risk.

The investment philosophy of the Company is to take a medium to long term view and to invest in Australian equities, listed property trusts, and international equities. Investments may also be made from time to time in interest bearing securities, convertible notes, or unlisted managed funds.

Investment strategy

DUI's investment objectives are:

1. To create and maintain a diversified portfolio of quality Australian companies, primarily through shares listed on the ASX and an investment in international markets.
2. The investment policy is based on a medium to long term view of providing income and capital appreciation;
3. To review the portfolio with a view to monitoring and reducing risks and identifying market opportunities; and
4. To provide dividend income to shareholders which is sustainable over the long-term, maintaining full franking when possible.

Australian Portfolio Criteria

In deciding whether to add a stock to the watch list or to buy it, or to increase or decrease its size in the portfolio, the following criteria are considered:

1. Industry outlook;
2. Position of the company in its industry;
3. Earnings per share (EPS) growth potential;
4. Yield and franking;
5. Management strength and alignment with shareholder returns;
6. Balance Sheet strength; and
7. Environmental, Social & Governance (ESG) factors.

The Company's Responsible Investing policy can be found on our website.

Chairman's Report

for the year ended 30 June 2024

International Investment Policy

The Company's international portfolio policy is as follows:

1. To make investments in managed international funds and Exchange Traded Funds of 15% to 25% of the portfolio.
2. The base policy position is to have an unhedged currency exposure which is reviewed from time to time. Currency hedging could be undertaken in normal circumstances up to a maximum of 50% of the exposure. There could be higher hedging where very strong views are held.
3. The allocation at market value to be broadly:
 - a. Developed Countries – 50 to 65%
 - b. Developing Countries – up to 25%
 - c. Specific industries not easily available in Australia – 20 to 35%
4. The international investments are monitored at each Board meeting, but they are considered long term strategic investments.

About the portfolio

At 30 June 2024, 20.6% of the portfolio was invested in international equities through nine Exchange Traded Index Funds and one unlisted managed fund. The foreign exchange currency exposure is currently unhedged.

At 30 June 2024, the Australian equities portfolio was spread over 25 companies.

The Australian equities portfolio is mainly in leading companies. At 30 June 2024, 78.4% of the Australian equities portfolio was invested in the ASX20, 12.5% in the ASX 21 to 50, 6.7% in the ASX 51 to 100 and 2.4% outside the ASX100.

The Annual Report provides a list of the shareholdings at 30 June 2024 and 30 June 2023, and the market values as at 30 June 2024 of each investment together with its percentage of the portfolio.

The Company is a long-term investor, with the average age of holdings across the portfolio being 13 years. 55% of the portfolio has been held for longer than 10 years.

Investee company engagement

The Board of Directors regularly engage with investee companies, in particular through direct meetings with management or representatives of the company. This is an effective way in which we can raise and discuss matters of concern. During the year, 28 meetings were held with management or representatives of investee companies.

We also vote on resolutions raised at investee company meetings. Advice from proxy advisors is reviewed as part of our consideration as to how the Company will vote on various resolutions. Votes were placed at 29 shareholder meetings through the year.

Results

Statutory profit after tax for the year ended 30 June 2024 was \$36.0 million (2023: \$42.8 million). Statutory profit after tax includes special dividends, capital gain distributions from managed funds and fair value movements on unlisted investments ("special income items") of \$1.2 million (2023: \$2.1 million). Excluding these items, the Company's revenue fell 10.9% and net profit after tax decreased 14.5%.

More information on the Company's activities, performance and financial results can be found in the Operating and Financial Review on page 6.

Chairman's Report

for the year ended 30 June 2024

Outlook

The Australian economy is a resilient one, affected by a slowdown in China, inflation, higher interest rates, restrained consumption expenditure and increasing community demands on government expenditure.

With the share market near its all-time high, we are cautious in respect to the short-term outlook. Several economic indicators are pointing to an increased likelihood of an economic slowdown in the US, thereby raising the chance of interest rates being cut several times in the next 12 months. This balance between slower economic indicators and the benefit from lower interest rates will inevitably lead to periods of market volatility. In Australia, there are signs that inflation might be finally coming under control and this means that the prospect of higher interest rates has receded and the next move may be for lower interest rates. The current market pricing of earnings is generally higher than the long-term average and this could lead to a correction. However, we remain confident that equities are a sound long term investment and we recognise that these investments come with volatility in valuations.



Charles Goode
Chairman

Directors' Report

for the year ended 30 June 2024

The Directors of Diversified United Investment Limited present their Directors' Report together with the financial report for the financial year ended 30 June 2024 and the auditor's report thereon.

Board and Management

Board of Directors

The Directors of the Company at any time during or since the end of the financial year are:

Charles Goode AC B.Com (Hons) (Melb), MBA (Columbia), Hon LLD (Melb), Hon LLD (Mon)
Non-Executive Chairman, appointed September 1991

Mr Goode is the Chairman of the Board of Australian United Investment Company Limited (Director since 1990, Chairman since 1993), Chairman Emeritus of The Ian Potter Foundation Limited (having been Governor 1987 – 2024, Chairman 1994 – 2024) and Chairman Emeritus of Flagstaff Partners (having been Chairman 2010 – 2019). Mr Goode was formerly Chairman of Australia and New Zealand Banking Group Limited (Director 1991 – 2010, Chairman 1996 – 2010) and Chairman of Woodside Petroleum Limited (Director 1988 – 2007, Chairman 1999 – 2007).

Anthony Burgess B.Com (Hons) (Melb), MBA (Dist'n) (Harvard), FFIN, CPA
Non-Executive Director, appointed September 2008

Mr Burgess has over 40 years' experience in corporate finance in Melbourne, London and New York. He is Co-Founder and Chairman of Flagstaff Partners Pty Ltd, an independent corporate finance advisory firm, having been Chief Executive Officer from 2010 to 2019. He was formerly Global Co-Head of Mergers and Acquisitions at Deutsche Bank AG, based in London. He is a Governor of The Ian Potter Foundation Limited (since 2013), Chairman of the Foundation for Business and Economics at the University of Melbourne (since 2010) and a Director of Melbourne Business School Limited (since 2013).

Stephen Hiscock B.Com (Melb), M.App.Fin (Macq), FFIN
Non-Executive Director, appointed November 2011

Mr Hiscock is Chairman and a founding shareholder of SG Hiscock & Company Ltd (SGH), a fund manager specialising in Australian Equities, REITs and Individually Managed Portfolios. Prior to setting up SGH, Mr Hiscock was Chief Investment Officer, National Asset Management Ltd (NAM), a subsidiary of National Australia Bank Ltd and he was also the Chairman of their Asset Allocation Committee. Prior to that he was the Head of NAM's Australian Equities team (for 5 years) and the Head of NAM's Property Team. He is the Chairman of the Company's Nomination and Remuneration Committee and is Lead Independent Director.

Andrew Larke LLB (Melb), B.Com (Melb), Grad Dip (Corporations & Securities Law) (Melb)
Non-Executive Director, appointed March 2015

Mr Larke is Chairman of LI Long Short Fund Ltd (since 2018) and of IXOM (a leading Australasian chemicals business) and is a Non-Executive Director of DuluxGroup Ltd (since 2010). Formerly he held senior corporate strategy roles in Orica Ltd and North Ltd and has been involved in mergers, acquisitions and divestments as well as corporate advisory for approximately 30 years. He is Chairman of the Company's Audit and Risk Management Committee.

Directors' Report

for the year ended 30 June 2024

Andrew Sisson AO BSc (Melb), FAICD

Non-Executive Director, appointed April 2022

Mr Sisson has over 40 years investment management experience and in 1988 founded Balanced Equity Management to manage portfolios of Australian shares. He is a director of Opera Australia (since 2017), a trustee of the Helen Macpherson Smith Trust (since 2020), and a member of the Council of the University of Melbourne (since 2020) and of the Grattan Institute Investment Committee (since 2010). He has previously been a Trustee of the National Gallery of Victoria, a Director of Save the Children Australia and a member of the Takeovers Panel.

Company Secretary

James Pollard B.BusCom (Mon), Grad Cert FP (Kaplan), FGIA, CA

Company Secretary, appointed February 2020

Mr Pollard is also Company Secretary of Australian United Investment Company Limited (since 2020), and has over 15 years' experience in accounting, taxation and private wealth advisory.

Directors' meetings

The number of Directors' meetings held (including meetings of Committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year were:

	Directors' meetings (including subcommittees)		Audit and Risk Management Committee meetings		Nomination & Remuneration Committee meetings	
	Meetings attended	Meetings eligible	Meetings attended	Meetings eligible	Meetings attended	Meetings eligible
Charles Goode	12	12	2 ⁽¹⁾	2 ⁽¹⁾	1	1
Anthony Burgess	12	12	2	2	1	1
Stephen Hiscock	12	12	2	2	1	1
Andrew Larke	12	12	2	2	1	1
Andrew Sisson	12	12	2	2	1	1

(1) In attendance – not a Committee member.

The Audit and Risk Management Committee comprises Andrew Larke (Chairman), Anthony Burgess, Stephen Hiscock and Andrew Sisson.

All Directors are members of the Nomination and Remuneration Committee, which is chaired by Stephen Hiscock.

Directors' Report

for the year ended 30 June 2024

Directors' interests

As at the date of this report the relevant interest of each Director in the issued capital of the Company as notified by the Directors to the Australian Securities Exchange in accordance with Section 205G(1) of the Corporations Act 2001 is as follows:

	Ordinary shares		
	Note 1	Note 2	Note 3
Charles Goode	2,895,831	4,634,234	140,000
Anthony Burgess	-	1,831,968	-
Stephen Hiscock	-	86,438	-
Andrew Larke	-	23,938	-
Andrew Sisson	40,000	83,992	-

Note 1 Beneficial in own name.

Note 2 Held by an entity / related party in which the Director has a relevant interest.

Note 3 Held for the Director in accordance with the terms of the Non-Executive Directors 2006 Accrued Entitlements Share Plan.

Except as stated above, no Director:

- (a) has any relevant interest in shares of the Company or a related body corporate;
- (b) has any relevant interests in debentures of, or interests in a registered scheme made available by, the Company or a related body corporate;
- (c) has any rights or options over shares in, debentures of, or interests in a registered scheme made available by, the Company or a related body corporate;
- (d) is a party to a contract, or is entitled to a benefit under a contract, that confers a right to call for or deliver shares in, or debenture of or interests in a registered scheme made available by the Company or a related body corporate.

Operating and Financial Review

About the Company

The principal activity of the Company is to take a medium to long-term view and to invest in Australian equities, listed property trusts and international equities (through exchange traded funds and unlisted managed funds). The target range for allocation to international equities is 15 – 25% of the portfolio. Investments may also be made from time to time in interest bearing securities and convertible notes.

The Directors have sought to invest in a diversified portfolio of investments with the objective of obtaining current income and longer-term capital gain within an acceptable level of risk.

Review of activities during the year

There has been no significant change in the nature of the Company's activities during the financial year, except that the range for international investments was increased from 10 – 20% to 15 – 25% in June 2024.

At 30 June 2024 Australian equities accounted for 78.5%, international equities 20.6% and cash and short-term receivables (net of pending settlements) 0.9% of the market value of the portfolio. The foreign exchange currency exposure is currently unhedged.

Directors' Report

for the year ended 30 June 2024

Portfolio turnover for the year to 30 June 2024 was 3.1%. The largest acquisitions and disposals during the period were:

Acquisitions	\$millions	Disposals	\$ millions
ResMed ⁽¹⁾	12.3	PEXA Group ⁽²⁾	10.3
Woodside Energy Group ⁽¹⁾	5.6	CSL ⁽³⁾	8.5
NAB ⁽¹⁾	4.1	Ramsay Health Care ⁽³⁾	6.9
		Vanguard US Total Market Index ETF ⁽³⁾	5.1
		Vanguard Info Tech Index ETF ⁽³⁾	5.0

(1) Additions to existing positions.

(2) Fully disposed of holding.

(3) Partially disposed of holding.

At 30 June, the Company had total borrowing facilities available of \$140.0 million (2023: \$180.0 million).

Performance

During the year the accumulation performance of the Company's Pre-tax Net Tangible Asset (NTA) backing (before provision for tax on net unrealised gains) was an increase of 11.1%, compared to the S&P/ASX 200 Accumulation Index increase of 12.1%.

Including the benefit of franking credits for shareholders who can fully utilise them, the Company's accumulation return for the year to 30 June 2024 was an increase of 12.5% compared to an increase of 13.6% in the S&P/ASX 200 franking credit adjusted return.

The Company's Pre-tax NTA backing accumulation performance is after all expenses, tax, and the impact of the Company's gearing. Such items are not included in the S&P/ASX indices.

The Company's relative performance for the year was assisted by an overweight allocation to Aristocrat, an underweight allocation to BHP, and exposure to international markets. Performance was held back by overweight holdings in Transurban, Perpetual and Woodside.

World equities markets generally rose throughout the year, with varied relative performance to the domestic market. The Australian S&P/ASX 200 price index rose 7.8%, while in world markets the Standard & Poor's 500 rose 22.7%, the FTSE 100 rose 8.4% and the Nikkei-225 rose 19.3% in local currency terms.

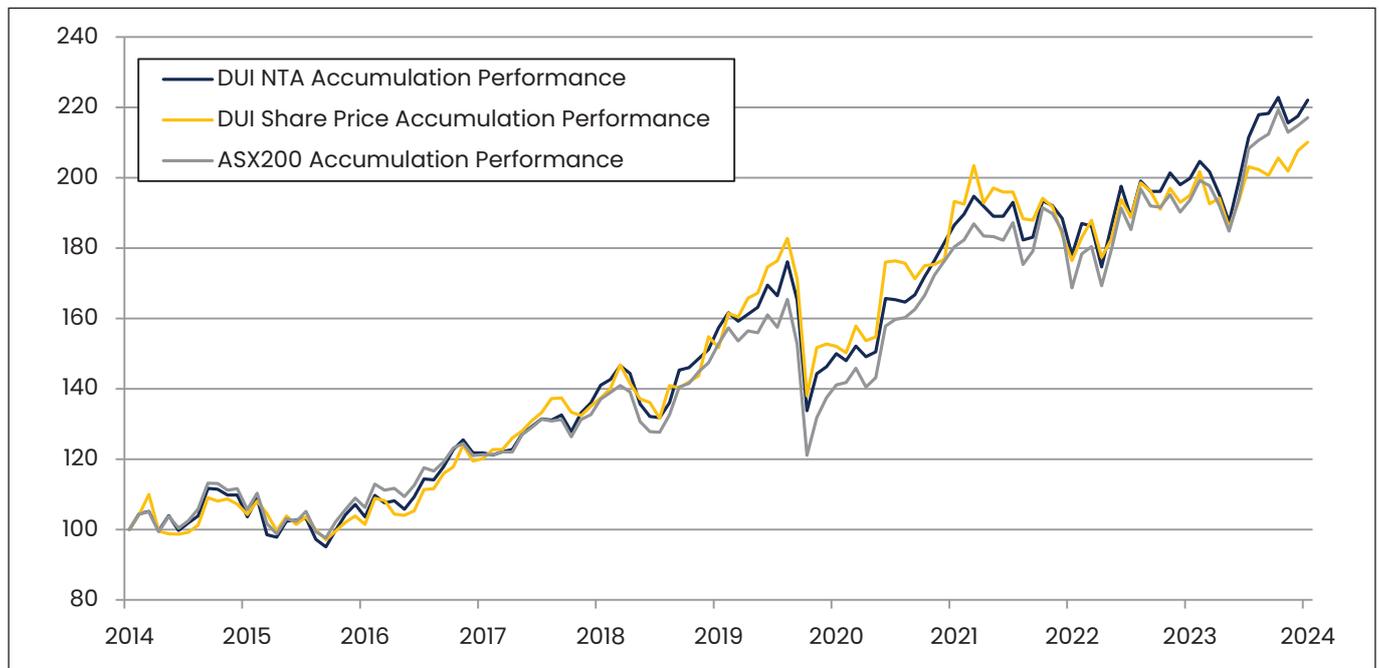
Directors' Report

for the year ended 30 June 2024

The Company's NTA and share price performance in recent years (assuming all dividends paid by the Company were re-invested in its shares) is as follows:

	1 year	3 years	5 years	10 years
DUI Pre-tax NTA backing accumulation p.a.	11.1%	6.0%	7.1%	8.3%
DUI share price accumulation p.a.	7.8%	2.8%	6.7%	7.7%
S&P/ASX200 accumulation index p.a.	12.1%	6.4%	7.3%	8.1%

The following graph shows the accumulation performance of the Company's Pre-tax NTA backing (before provision for tax on net unrealised gains) and the Company's share price accumulation performance, assuming in both cases that all dividends were re-invested, and the S&P/ASX 200 Accumulation Index, over the last ten years.



Source: Evans & Partners

Financial results

For the year ended 30 June 2024, profit after tax was \$36.0 million compared to \$42.8 million in 2023 – a decrease of 15.9%.

Profit after tax includes certain items which are non-recurring or capital in nature, including special dividends, capital gains distributed by managed funds and fair value movements on unlisted investments in which the Company invests (collectively referred to as "special income items"). Special income items received during the year totalled \$1.2 million after tax (2023: \$2.1 million). If these items are excluded, revenue declined 10.9% and profit after tax decreased by 14.5%.

The weighted average number of ordinary shares for the year was 217.3 million as against 216.2 million in the previous year, an increase of 0.5%.

Earnings per share was 16.0 cents excluding special income items (2023: 18.9 cents), or 16.6 cents including special income items (2023: 19.8 cents).

Directors' Report

for the year ended 30 June 2024

Net Tangible Asset backing

The Pre-tax NTA backing of the Company's shares at 30 June 2024 was \$5.83 per share (2023: \$5.40). This is calculated based on investments at market value and is after tax on net realised gains, before any future tax benefit of net realised losses, and before estimated tax on net unrealised gains and losses, and before provision for the Company's final dividend.

The Company is a long-term investor and does not intend disposing of its total portfolio. If, however, estimated tax on net unrealised portfolio gains were to be deducted, the NTA backing would be \$4.79 per share (2023: \$4.50).

Borrowings

Key information in relation to the Company's borrowings is provided below:

	2024	2023
Bank facilities available	\$140.0 million	\$180.0 million
Amount drawn	\$77.5 million	\$90.0 million
Cash on hand, net receivables and pending settlements	\$11.9 million	\$10.8 million
Net debt as a proportion of the portfolio excluding cash	4.9%	6.3%
Interest expense coverage by profit before interest and tax	8.7 times	9.2 times

Management expense ratio

Expenses (excluding finance costs) were 0.12% of the average market value of the investment portfolio (2023: 0.12%).

Including the management fees of the international Exchange Traded Funds and managed funds in which the Company was invested during the year, the expense ratio was 0.16% (2023: 0.17%).

Dividends

Dividends paid or declared by the Company since the end of the previous financial year were:

	Cents per share	Total \$'000	Franking	Payment date
Declared during the year 2024				
Final 2023 dividend	9.0	19,544	100%	19 September 2023
Interim 2024 dividend	7.0	15,231	100%	15 March 2024
Declared after end of year				
Final 2024 dividend	9.0	19,413	100%	17 September 2024

Directors' Report

for the year ended 30 June 2024

Financial results history

The Company's financial results in respect of the current financial year and the previous four financial years was:

	2024	2023	2022	2021	2020
Profit after tax (\$ Millions)	36.0	42.8	45.8	31.0	30.1
Special income items after tax (\$ Millions)	1.2	2.1	7.0	8.4	2.5
Underlying profit (profit after tax less special income items after tax) (\$ Millions) ⁽¹⁾	34.8	40.7	38.8	22.6	27.6
Earnings per share (cents)	16.6	19.8	21.5	14.6	14.2
Earnings per share (excluding special income items after tax) (cents)	16.0	18.9	18.2	10.7	13.1
Dividends per share (cents)	16.0	16.0	16.0	15.5	15.5
Pre-tax NTA backing per share before tax on net unrealised gains, 30 June	\$5.83	\$5.40	\$4.96	\$5.35	\$4.45
Share Price 30 June	\$5.13	\$4.92	\$4.60	\$5.19	\$4.23
Management expense ratio	0.12%	0.12%	0.12%	0.13%	0.13%
Management expense ratio including managed funds fees	0.16%	0.17%	0.16%	0.18%	0.17%

(1) Underlying profit represents the ordinary and recurring income of the Company's investment portfolio, and is determined by deducting non-recurring items, non-cash items, dividends which have been declared as special dividends or income which is capital in nature from statutory net profit after tax.

On-market buyback

The Company has an on-market buyback capability in place which provides the Company the ability to purchase its own shares on-market, with any shares bought back being cancelled. Cancelling these shares when they have been bought back at a discount to pre-tax NTA increases the pre-tax NTA of all remaining shares on issue.

During the financial year, 2,282,125 shares were purchased and subsequently cancelled by the Company through its on-market buyback at a total cost of \$11.5 million.

Material business risks

The Company is exposed to material financial risks from its equity investments, cash on hand and borrowing facilities held. These risks include:

- Credit, liquidity and market risk, each of which are detailed in Note 18 to the Financial Statements, and
- Interest rate risk, detailed in Note 19 to the Financial Statements.

The Company incorporates ESG risk and opportunity assessment as part of its investment decision making practices. The Company's approach to ESG in relation to its investment process is detailed in its Responsible Investment Policy, available on the Company's website.

Directors' Report

for the year ended 30 June 2024

Other material business risks faced by the Company and the key risk mitigation strategies in place include:

Risk description	Key risk mitigation strategies
Operational risk – the risk of failure of internal operations or of key third party providers, resulting in the Company being unable to perform essential functions	<ul style="list-style-type: none"> • Backup, business continuity and disaster recovery procedures are in place internally and with key third party providers. • Duplication of knowledge between the Company and key third party providers.
Information technology (IT) and cybersecurity – the risk of the loss or theft of data resulting from the failure of IT systems or inadequate security controls.	<ul style="list-style-type: none"> • IT systems are continually monitored to detect and respond to failures. • Cybersecurity reviews are performed regularly to ensure best practice strategies are implemented. • Information security practices of key third party providers are reviewed and monitored to confirm they are appropriate.
Fraud and theft – the risk of loss or theft of the Company's financial assets due to internal or external events.	<ul style="list-style-type: none"> • Majority of assets are held in external custody, covered by appropriate protocols and insurances. • Callback and confirmation procedures ensure instructions on material transactions are validly authorised.
Compliance risk – the risk of failure to meet regulatory or other obligations, and the resulting financial and non-financial impact to the Company.	<ul style="list-style-type: none"> • Compliance obligations are documented and monitored. • Independent external advice supports internal procedures. • The Company holds Directors and Officers insurance.

Indemnification and insurance of Directors and Officers

The names of persons holding the position of Director of the Company during the year were Charles Goode, Anthony Burgess, Stephen Hiscock, Andrew Larke and Andrew Sisson.

The Company has indemnified each current Director and the Company Secretary against all liabilities to another person (other than the Company or a related body corporate) that may arise from his position with the Company except where the liability arises out of conduct involving a lack of good faith. The agreements stipulate that the Company will meet the full amount of any such liabilities, including costs and expenses.

The Company has paid insurance premiums in respect of Directors' and Officers' liability and legal expenses insurance, for current and former Directors and Officers, insuring them against liabilities, costs and expenses arising out of conduct which does not involve a wilful breach of duty. This insurance premium covers the period from 18 June 2024 to 30 June 2025.

Directors' Report

for the year ended 30 June 2024

Events subsequent to balance date

Other than as disclosed in the Financial Statements, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature, likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial periods.

Likely developments

The Directors do not anticipate any particular developments in the operations of the Company which will affect the results of future financial years other than that the value of the investment portfolio is expected to fluctuate broadly in line with market movements.

It is the Directors' intention to continue to invest in a portfolio of listed Australian equities and international equities (through exchange traded funds and some unlisted managed funds) for long-term capital gain and current income.

State of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Company that occurred during the financial year under review.

Non-audit services

There were no non-audit services provided by the auditor during the financial year (2023: nil).

Corporate Governance Statement

The Company's Corporate Governance Statement for the year ended 30 June 2024 will be published together with the 2024 Annual Report.

The Company's most recent Corporate Governance Statement can be found on the Company's website at <https://www.dui.com.au/corporate-governance>.

Environmental regulation

The Company's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation.

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 15 and forms part of the Directors' Report for the year ended 30 June 2024.

Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, and in accordance with that instrument, amounts in the financial report and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Directors' Report

for the year ended 30 June 2024

Remuneration Report

This Remuneration Report has been audited.

Directors

Non-executive Directors fees paid were as follows:

	2024			2023		
	Fee \$	Superannuation \$	Total \$	Fee \$	Superannuation \$	Total \$
Charles Goode	195,045	4,955	200,000	190,000	-	190,000
Anthony Burgess	100,000	-	100,000	90,486	4,514	95,000
Stephen Hiscock	90,090	9,910	100,000	85,973	9,027	95,000
Andrew Larke	90,090	9,910	100,000	95,000	-	95,000
Andrew Sisson	90,090	9,910	100,000	85,973	9,027	95,000
Total	565,315	34,685	600,000	547,432	22,568	570,000

No additional fees are paid to members of the Board Committees.

Company Secretary

The services of the Company Secretary, James Pollard, are provided to the Company through an administrative services agreement with Australian United Investment Company Limited.

The amount of the fees paid during the year which relate to the remuneration (including superannuation) of the Company Secretary was \$120,000 (2023: \$110,000).

Remuneration process

The Nomination and Remuneration Committee reviews and makes recommendations to the Board on remuneration packages and policies applicable to employees and Directors of the Company including superannuation entitlements, retirement and termination entitlements, fringe benefits policies and professional indemnity policies. The Company's key management personnel are the Directors and the Company Secretary.

Remuneration levels are competitively set to attract and retain appropriately qualified and experienced Directors. The Nomination and Remuneration Committee may seek independent advice on the appropriateness of remuneration packages, given trends in comparative companies and considering Company activity and changing responsibilities. The remuneration structures are designed to attract suitably qualified candidates, and to facilitate the broader outcome of supporting the Company's objectives of obtaining current income and longer-term capital gains within an acceptable level of risk.

Directors' fees are fixed and reviewed annually, considering the Company's performance and market conditions. The maximum total of Directors' fees is set by the shareholders in general meeting and is currently \$750,000.

Non-executive directors do not receive performance-related compensation and are not provided with retirement benefits apart from statutory superannuation and any shares issued as a result of accumulated benefits from the Non-Executive Directors' 2006 Accrued Entitlements Share Plan.

Directors' Report

for the year ended 30 June 2024

Dealings with Directors and the Company Secretary

Each Director and the Company Secretary has signed a Deed of Access, Indemnity and Insurance with the Company and is covered by the Company's Directors and Officers Liability Insurance. No Director has entered a material contract with the Company since the end of the previous financial year and there were no material contracts involving Directors' interests existing at year end, other than the Deeds of Access, Indemnity and Insurance held.

Signed in accordance with a resolution of the Directors, for and on behalf of the Board.



Charles Goode
Chairman
16 August 2024

Lead Auditor's Independence Declaration



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Diversified United Investment Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Diversified United Investment Limited for the financial year ended 30 June 2024 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

A handwritten signature in cursive script that reads 'Luke Sullivan'.

Luke Sullivan
Partner

Melbourne
16 August 2024

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Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Revenue from investment portfolio	2(a)	46,518	51,095
Fair value movements on unlisted investments		(17)	1,927
Administration and other expenses		(1,595)	(1,588)
Finance expenses	2(b)	(5,174)	(5,582)
Profit before tax		39,732	45,852
Income tax expense	4(a)	(3,699)	(3,014)
Profit after tax		36,033	42,838
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Revaluation of the investment portfolio for the year		91,321	86,924
Provision for tax expense on revaluation of the investment portfolio for the year		(28,047)	(26,167)
Other comprehensive profit after tax		63,274	60,757
Total comprehensive profit		99,307	103,595
Basic and diluted earnings per share (cents)	5	16.6	19.8

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the Notes to the Financial Statements set out on pages 20 to 37.

Balance Sheet

as at 30 June 2024

	Note	2024 \$'000	2023 \$'000
Assets			
Cash and cash equivalents	16(a)	3,794	4,119
Receivables	7	8,112	6,720
Other assets	8	92	99
Current assets		11,998	10,938
Investment portfolio	9	1,325,562	1,252,086
Non-current assets		1,325,562	1,252,086
Total assets		1,337,560	1,263,024
Liabilities			
Payables	10	667	695
Current tax payable	4(c)	664	29
Current liabilities		1,331	724
Borrowings – interest bearing	11	77,500	90,000
Net deferred tax liability	4(b)	224,931	195,512
Non-current liabilities		302,431	285,512
Total liabilities		303,762	286,236
Net assets		1,033,798	976,788
Equity			
Issued capital	13(a)	454,975	462,497
Reserves	13(b)	578,823	514,291
Total equity		1,033,798	976,788

The Balance Sheet is to be read in conjunction with the Notes to the Financial Statements set out on pages 20 to 37.

Statement of Changes in Equity

for the year ended 30 June 2024

	Issued capital \$'000	Revaluation Reserve \$'000	Realisation Reserve \$'000	Retained earnings \$'000	Total equity \$'000
As at 1 July 2022	446,415	373,278	(13,540)	85,368	891,521
Total comprehensive income					
Profit after tax	-	-	-	42,838	42,838
Revaluation of investment portfolio	-	86,924	-	-	86,924
Tax expense	-	(26,167)	-	-	(26,167)
Net realised losses on disposals	-	4,870	(4,870)	-	-
Tax benefit	-	(141)	141	-	-
Transfer fair value movements on unlisted investments to Revaluation Reserve	-	1,927	-	(1,927)	-
Tax expense	-	(578)	-	578	-
	-	66,835	(4,729)	41,489	103,595
Transactions with shareholders					
Dividend Reinvestment Plan	4,310	-	-	-	4,310
Share Purchase Plan	11,772	-	-	-	11,772
Dividends paid	-	-	-	(34,410)	(34,410)
	16,082	-	-	(34,410)	(18,328)
As at 30 June 2023	462,497	440,113	(18,269)	92,447	976,788
As at 1 July 2023	462,497	440,113	(18,269)	92,447	976,788
Total comprehensive income					
Profit after tax	-	-	-	36,033	36,033
Revaluation of investment portfolio	-	91,321	-	-	91,321
Tax expense	-	(28,047)	-	-	(28,047)
Net realised losses on disposals	-	1,742	(1,742)	-	-
Tax benefit	-	(523)	523	-	-
Transfer fair value movements on unlisted investments to Revaluation Reserve	-	(17)	-	17	-
Tax benefit	-	5	-	(5)	-
	-	64,481	(1,219)	36,045	99,307
Transactions with shareholders					
Dividend Reinvestment Plan	3,969	-	-	-	3,969
On-market buyback	(11,491)	-	-	-	(11,491)
Dividends paid	-	-	-	(34,775)	(34,775)
	(7,522)	-	-	(34,775)	(42,297)
As at 30 June 2024	454,975	504,594	(19,488)	93,717	1,033,798

The Statement of Changes in Equity is to be read in conjunction with the Notes to the Financial Statements set out on pages 20 to 37.

Statement of Cash Flows

for the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Cash flows from operating activities			
Interest received		370	283
Dividends and trust distributions received		40,224	45,394
Foreign income received		3,395	4,027
Other income		178	9
Administration and other expenses paid		(1,511)	(1,574)
Finance costs paid		(5,286)	(5,412)
Income taxes paid		(583)	(697)
Net cash from operating activities	16(b)	36,787	42,030
Cash flows from investing activities			
Proceeds from sale of investments		39,920	81,578
Purchases of investments		(22,235)	(46,499)
Net cash from used in investing activities		17,685	35,079
Cash flows from financing activities			
Proceeds from borrowings		43,000	140,500
Repayment of borrowings		(55,500)	(200,500)
Payments for shares bought back		(11,491)	-
Share Purchase Plan		-	11,772
Dividends paid net of Dividend Reinvestment Plan		(30,806)	(30,100)
Net cash used in financing activities	11	(54,797)	(78,328)
Net decrease in cash held		(325)	(1,219)
Cash and cash equivalents at 1 July		4,119	5,338
Cash and cash equivalents at 30 June	16(a)	3,794	4,119

The Statement of Cash Flows is to be read in conjunction with the Notes to the Financial Statements set out on pages 20 to 37.

Notes to the Financial Statements

for the year ended 30 June 2024

1. Statement of material accounting policies

Diversified United Investment Limited (“the Company”) is a for-profit company domiciled in Australia. The financial report was authorised for issue by the Directors on 16 August 2024.

(a) Statement of compliance

This financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (‘AASBs’) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (‘AASB’) and the Corporations Act 2001. The financial report of the Company also complies with International Financial Reporting Standards (‘IFRSs’) and interpretations adopted by the International Accounting Standards Board.

(b) Basis of preparation

The financial report is presented in Australian dollars. The accounting policies set out below have been applied consistently to all periods presented in these Financial Statements.

The Company has prepared an assessment of its ability to continue as a going concern, taking into account all available information for a period of 12 months from the date of these Financial Statements. It is the view of the Directors that the Company will be able to pay its debts as and when they become due and payable and as such these Financial Statements are prepared on a going concern basis.

The Company has not applied any Australian Accounting Standards that have been issued as at balance date but are not yet operative for the year ended 30 June 2024 (“the inoperative standards”). The inoperative standards have been assessed as having no material impact. The Company only intends to adopt inoperative standards at the date at which their adoption becomes mandatory.

The financial report is prepared on a historical cost basis except that the investment portfolio is stated at its fair value.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

(c) Investments

The Company is a long-term investor. Under Australian Accounting Standards, the Company has elected to classify equity investments at fair value through other comprehensive income, as they are not held for trading.

Where other investments (such as unlisted managed funds) are not eligible for this treatment under Australian Accounting Standards, fair value and foreign exchange movements are recognised in profit and loss. The net impact of these unrealised changes in fair value are subsequently transferred from Retained Earnings to the Revaluation Reserve in the period in which they occur.

Notes to the Financial Statements

for the year ended 30 June 2024

1. Statement of material accounting policies (continued)

After initial recognition at fair value (being cost), all investments are measured at fair value.

Unrealised gains or losses on equity and other investments are recognised in the Revaluation Reserve until the investment is sold or otherwise disposed of, at which time the cumulative gain or loss is transferred to the Realisation Reserve.

The Company derecognises an investment when it is sold, or it transfers the investment, and the transfer qualifies for derecognition in accordance with AASB 9.

Interest bearing investments are recognised at fair value and then measured at amortised cost. Amortised cost is calculated with any difference between cost and redemption value being recognised in the income statement over the period of the investment on an effective interest basis.

(d) Revenue from investment portfolio

The activity of the Company is that of an investment company, returns being in the form of dividends, interest income, trust income and option premiums. Dividend income is recognised in the income statement at ex-dividend date and all other income is recognised on an accrual basis. Special Dividends are those dividends received which have been designated as special by the declaring company.

The managed funds in which the Company invests distribute realised capital gains from time to time and these are included in operating revenue, as required under accounting standards.

The Company may write covered call options where it is prepared to sell or reduce a long-term investment at prices higher than current market. Open option contracts are marked to market through the profit and loss account.

(e) Taxation

The income tax expense or benefit for the period is the tax payable or receivable on the current period's taxable income based on the applicable company tax rate of 30% adjusted by changes in deferred tax assets and liabilities which arise from items being brought to account in different periods for income tax and accounting purposes.

The expected tax on disposal of equity securities in the investment portfolio is recognised directly in the Revaluation Reserve and as a deferred tax asset or liability. When the Company disposes of such securities, tax is calculated on gains or losses made according to the particular parcels allocated to the sale for tax purposes and offset against any capital losses carried forward.

At this time, the tax recognised directly in the Revaluation Reserve is transferred to the Realisation Reserve. The associated deferred tax is similarly adjusted and transferred to current tax payable.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Notes to the Financial Statements

for the year ended 30 June 2024

1. Statement of material accounting policies (continued)

(f) Interest bearing borrowings

Interest bearing borrowings are recognised initially at fair value less attributable transaction costs. After initial recognition, interest bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowing on an effective interest basis.

(g) Ordinary shares

Ordinary shares are classified as equity. Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(h) Foreign currency

Transactions in foreign currencies are translated into Australian dollars at the exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Australian dollars at the exchange rate at the reporting date. Realised foreign currency gains or losses are generally recognised in profit or loss. However, foreign currency differences arising from the translation of investments are treated as part of the overall revaluation of the investment portfolio and are recognised in other comprehensive income (equity investments) or profit and loss (other investments) in line with the accounting treatment adopted for the underlying investment.

2. Revenue and expenses

	2024 \$'000	2023 \$'000
(a) Revenue		
Ordinary dividends received or due and receivable	34,149	38,612
Special dividends received or due and receivable	519	740
	34,668	39,352
Trust distributions received or due and receivable	5,809	7,117
Foreign income received or due and receivable	5,502	4,334
Interest received or due and receivable	370	283
Other	169	9
	46,518	51,095
(b) Expenses		
Finance expenses:		
Interest and borrowing expenses	(5,174)	(5,582)

3. Auditor's remuneration

During the year, KPMG, the Company's auditor, received the following remuneration inclusive of goods and services tax (GST):

	2024 \$	2023 \$
Audit and review of financial reports	62,329	60,154

Notes to the Financial Statements

for the year ended 30 June 2024

4. Taxation

	2024 \$'000	2023 \$'000
(a) Income tax expense		
Income tax recognised in the income statement		
Current year tax liability	(1,363)	(935)
Withholding tax on foreign dividends	(967)	(679)
Temporary differences	(1,373)	(1,569)
Over provision of prior year income tax expense	4	169
Income tax expense	(3,699)	(3,014)
Reconciliation between profit and income tax expense		
Profit before tax	39,732	45,852
Prima facie income tax expense at 30%	(11,920)	(13,756)
Adjustments:		
Franking credits gross up on dividends received	(3,651)	(4,507)
Franking credits on dividends received	12,170	15,022
Other	(302)	58
Over provision of prior year income tax expense	4	169
Income tax expense	(3,699)	(3,014)
Deferred tax recognised directly in equity		
Increase in provision for tax on net unrealised gains on investments	28,047	26,167
(b) Net deferred tax assets and liabilities		
Provision for tax on net unrealised gains on investments	224,695	195,401
Tax benefit of capital losses carried forward	(234)	(331)
Other	470	442
Net deferred tax liabilities	224,931	195,512
(c) Current tax payable		
Current year tax payable	1,363	935
Tax instalments paid	(699)	(906)
Current tax payable	664	29

Notes to the Financial Statements

for the year ended 30 June 2024

5. Earnings per share

	2024 '000	2023 '000
Weighted average number of ordinary shares	217,286	216,156
	\$'000	\$'000
Profit after tax	36,033	42,838
	Cents	Cents
Basic and diluted earnings per share	16.6	19.8
Earnings per share excluding special income items after tax (refer Note 1(d))	16.0	18.9

There are no factors which cause diluted earnings per share to be different from basic earnings per share.

6. Dividends

Dividends recognised in the current year by the Company are:

	2024 \$'000	2023 \$'000
2023 final dividend of 9.0 cents per share (2022: 9.0 cents) fully franked paid 19 September 2023	19,544	19,236
2024 interim dividend of 7.0 cents per share (2023: 7.0 cents) fully franked paid 15 March 2024	15,231	15,174
	34,775	34,410

Since 30 June 2024, the Directors have declared the following dividend:

	2024 \$'000	2023 \$'000
2024 final dividend of 9.0 cents per share (2023: 9.0 cents) fully franked payable on 17 September 2024	19,413	19,544

The financial effect of this dividend has not been brought to account in the Financial Statements for the year ended 30 June 2024.

The final dividend will not contain a Listed Investment Company (LIC) capital gain dividend (2023: no LIC capital gain dividend).

Notes to the Financial Statements

for the year ended 30 June 2024

6. Dividends (continued)

Franking Account

The balance of the Franking Account at 30 June 2024 is \$14,533,149 (2023: \$16,289,555) after adjusting for:

- (a) franking credits that will arise from any current income tax payable, and
- (b) franking credits that will arise from the receipt of dividends recognised as receivables at year end.

After allowing for the final 2024 dividend, which is not provided for in these Financial Statements, the balance of the franking account would be \$6,233,434. The ability to utilise the franking credits is dependent upon the ability of the Company to declare dividends.

Listed Investment Company (LIC) capital gain account

The balance of the LIC Capital Gain Account at 30 June 2024 was \$125,092 (2023: \$125,092). When distributed, LIC capital gains may entitle certain shareholders to a special deduction in their taxation return, as set out in the relevant dividend statement.

7. Receivables

	2024 \$'000	2023 \$'000
Current		
Dividends receivable	3,159	3,082
Trust distributions receivable	2,796	2,620
Foreign income receivable	2,157	1,018
	8,112	6,720

8. Other assets

	2024 \$'000	2023 \$'000
Current		
Prepayments	86	90
GST receivable	6	9
	92	99

Notes to the Financial Statements

for the year ended 30 June 2024

9. Investments

	2024 \$'000	2023 \$'000
Non-current		
Investments in equities quoted on prescribed stock exchanges and in managed funds (at fair value)	1,325,562	1,252,086

10. Payables

	2024 \$'000	2023 \$'000
Current		
Trade creditors	210	125
Accrued interest	457	570
	667	695

11. Borrowings

	2024 \$'000	2023 \$'000
Non-current		
Bank borrowings - secured	77,500	90,000

At 30 June 2024 the Company had facilities totalling \$77.5 million with Australia and New Zealand Banking Group Ltd (ANZ) and \$62.5 million with National Australia Bank Ltd (NAB) as follows:

Maturity	Bank	Interest rate ⁽¹⁾	Facility limit \$'000
31 July 2025	NAB	Floating 5.02%	62,500
2 July 2025	ANZ	Floating 4.68%	20,000
2 July 2025	ANZ	Floating 5.10%	20,000
2 July 2026	ANZ	Floating 5.66%	37,500
			140,000

(1) Interest rate includes bank margins and fees.

The terms of the ANZ agreement require that the loan to value ratio should not exceed 50% (2023: 50%) of the market value of the equity securities pledged as collateral. As at 30 June 2024 the securities pledged as collateral had a market value of \$237.4 million (2023: \$363.3 million) giving a ratio of 33% (2023: 38%).

Notes to the Financial Statements

for the year ended 30 June 2024

11. Borrowings (continued)

The terms of the NAB agreement require that the value of stock committed to the facility be at least 110% of the amount drawn. As at 30 June 2024, the facility was undrawn with no minimum committed value required and the actual value of stock committed was \$25.6 million.

Reconciliation of movements in borrowings to cash flows from financing activities

	Liabilities		Equity	
	Borrowings	Retained Earnings	Issued Capital	Total
	2023	2023	2023	2023
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2022	150,000	85,368	446,415	681,783
Changes from financing cash flows				
Proceeds from borrowings	140,500	-	-	140,500
Repayment of borrowings	(200,500)	-	-	(200,500)
Proceeds from Share Purchase Plan	-	-	11,772	11,772
Cash dividends paid	-	(30,100)	-	(30,100)
Total changes from financing cash flows	(60,000)	(30,100)	11,772	(78,328)
Equity-related other changes	-	37,179	4,310	41,489
Balance at 30 June 2023	90,000	92,447	462,497	644,944

	Liabilities		Equity	
	Borrowings	Retained Earnings	Issued Capital	Total
	2024	2024	2024	2024
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2023	90,000	92,447	462,497	644,944
Changes from financing cash flows				
Proceeds from borrowings	43,000	-	-	43,000
Repayment of borrowings	(55,500)	-	-	(55,500)
On-market buyback	-	-	(11,491)	(11,491)
Cash dividends paid	-	(30,806)	-	(30,806)
Total changes from financing cash flows	(12,500)	(30,806)	(11,491)	(54,797)
Equity-related other changes	-	32,076	3,969	36,045
Balance at 30 June 2024	77,500	93,717	454,975	626,192

Notes to the Financial Statements

for the year ended 30 June 2024

12. Financing arrangements

The Company has access to the following lines of credit:

	2024 \$'000	2023 \$'000
Total facility available		
Loan facility – secured	140,000	180,000
Facilities utilised at balance date		
Loan facility – secured	77,500	90,000

13. Capital and reserves

(a) Issued capital

	2024 \$'000	2023 \$'000
Issued and paid-up share capital		
215,696,292 ordinary fully paid shares (2023: 217,158,853)	454,975	462,497
Movements in issued capital		
Balance at beginning of the year	462,497	446,415
Shares issued:		
Dividend Reinvestment Plan ⁽¹⁾	3,969	4,310
Share Purchase Plan ⁽²⁾	-	11,772
On-market buyback ⁽³⁾	(11,491)	-
	454,975	462,497

(1) In respect of the final dividend paid in September 2023, 433,965 ordinary shares were issued at \$4.80 each and in respect of the interim dividend paid in March 2024, 385,599 ordinary shares were issued at \$4.91 each.

(2) In respect of the Share Purchase Plan in September 2022, 2,541,592 ordinary shares were issued at \$4.66 each. Transaction costs associated with the Share Purchase Plan were \$71,000.

(3) In respect of the on-market buyback, 2,282,125 shares were purchased at an average price of \$5.02. Transaction costs associated with the on-market buyback were \$33,000.

(b) Reserves

	2024 \$'000	2023 \$'000
Retained earnings	93,717	92,447
Revaluation Reserve	504,594	440,113
Realisation Reserve	(19,488)	(18,269)
	578,823	514,291

Revaluation Reserve

Increments or decrements arising from the revaluation of long-term equity investments after provision for deferred tax are recorded in this reserve.

Notes to the Financial Statements

for the year ended 30 June 2024

13. Capital and reserves (continued)

Increments or decrements arising from the revaluation of unlisted investments are initially recognised in profit and loss. They are subsequently transferred from Retained Earnings to the Revaluation Reserve in the period in which they occur.

When an investment has been sold or de-recognised, realised gains or losses (after tax) are transferred from the Revaluation Reserve to the Realisation Reserve.

Realisation Reserve

The Realisation Reserve records realised gains and losses (after tax) from the sale of investments in equities which are transferred from the Revaluation Reserve.

14. Contingent liabilities and capital commitments

There were no contingent liabilities or capital commitments as at 30 June 2024.

15. Related parties

Per the definition in AASB124 – *Related Party Disclosures*, Australian United Investment Company Limited (AUI) has been identified as a related party of the Company due to the provision of services of key management personnel (being the Company Secretary, James Pollard) from AUI to the Company.

In July 2019, the Company entered into an agreement with AUI for the provision of administrative services which includes a portion of the Company Secretary's salary. The total fees paid for services provided during the year were \$311,938 including GST (2023: \$317,900).

The Company's office premises, which is provided via the administrative services agreement with AUI, is leased from Flagstaff Partners Pty Ltd (Flagstaff) on commercial, arms-length terms. The Company advises that Charles Goode, Chairman of the Company, is also Chairman Emeritus of Flagstaff and that Anthony Burgess, Director of the Company, is also Chairman of Flagstaff.

Key management personnel compensation

The Company's key management personnel include its Directors and the Company Secretary.

The total Directors' remuneration for the year was \$600,000 (2023: \$570,000). Details of the Directors' remuneration are set out in the Remuneration Report that forms part of the Directors' Report.

Key management personnel compensation during the year comprised the following:

	2024 \$'000	2023 \$'000
Amounts paid or payable to Directors	600,000	570,000
Short-term employee benefits	108,108	99,548
Post-employment benefits (superannuation)	11,892	10,452
	720,000	680,000

Notes to the Financial Statements

for the year ended 30 June 2024

16. Notes to the Statement of Cash Flows

(a) Reconciliation of cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank and short-term deposits at call. Cash as at the end of the financial year is shown in the Statement of Cash Flows and in the Balance Sheet as \$3,794,000 (2023: \$4,119,000).

(b) Reconciliation of profit after tax to net cash flows from operating activities

	2024 \$'000	2023 \$'000
Profit after tax	36,033	42,838
Adjustments for:		
Decrease in other assets	8	4
Increase in receivables	(1,391)	(703)
Decrease / (increase) in deferred tax asset	1,496	(169)
(Decrease) / increase in accrued expenses	(29)	180
Decrease / (increase) in unlisted investment valuation	17	(1,927)
Increase in current tax payable	634	238
Increase in deferred tax liability	19	1,569
Net cash flows from operating activities	36,787	42,030

17. Capital management

The Company's objective in managing capital is to continue to provide shareholders with dividends and capital appreciation over the longer term within acceptable levels of risk.

The Company may adjust the quantum of dividends paid, issue new shares or buy back shares, or increase or reduce debt in order to manage its capital structure.

The Company is not subject to any externally imposed capital requirements.

18. Financial risk management

AASB 7 – *Financial Instruments: Disclosures* identifies three types of risk associated with financial instruments (i.e. investments, receivables, payable and borrowings).

The Company has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework and receives advice from the Audit and Risk Management Committee.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The credit risk exposure of the Company lies principally in its cash and receivables to the extent of their carrying values and any accrued unpaid interest. Refer Note 16.

Notes to the Financial Statements

for the year ended 30 June 2024

18. Financial risk management (continued)

Cash

The Company invests in cash management units with the Mutual Trust Cash Fund. Investments are restricted to at-call deposits and term deposits with APRA-regulated banks. Banks are limited to a minimum counterparty credit risk rating of Standard & Poor's A-2 short term and BBB-long term.

All other cash deposits are held with Australian banks with a direct or underlying AA- credit rating assigned by Standard & Poor's.

Receivables

Receivables are non-interest bearing and represent dividends, proceeds of sales and distributions yet to be received. The credit risk exposure of the Company in relation to receivables is the carrying amount.

Given the nature of the counterparties with which the Company deals, management does not expect any counterparty to fail to meet its obligations. Additionally, none of these assets is overdue or considered to be impaired.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities as they fall due. The Company monitors its cash flow requirements and ensures that it has cash or access to sufficient borrowing facilities or liquid securities to meet all its financial obligations as they fall due.

Bank Borrowings were \$77.5 million at the end of the financial year (2023: \$90.0 million), and net debt as a proportion of the portfolio excluding cash was 4.9% (2023: 6.3%). At 30 June 2024 the Company had interest bearing loan facilities in place with the Australia and New Zealand Banking Group Ltd and the National Australia Bank Ltd. The facilities expire at various intervals through to 2 July 2026, unless renewed. Annual interest expense was covered 8.7 times by profit before interest and tax (2023: 9.2 times).

The Company's significant cash inflows are derived from dividends, distributions, and the sale proceeds received from its investment portfolio and proceeds from borrowings. Its major cash outflows include the purchase of securities, finance expenses, borrowing repayments and dividends paid to shareholders, which are managed by the Company.

The Company's investments are quoted on a prescribed stock exchange or are in managed investment funds and can be realised if required.

Notes to the Financial Statements

for the year ended 30 June 2024

18. Financial risk management (continued)

Exposure to liquidity risk

The following are the contractual maturities of financial liabilities at the reporting date. The carrying amount represents the account balance of the liability in the financial statements and the contractual cash flows are the undiscounted future cash payments as required by the relevant arrangement.

Financial liabilities 2023	Contractual cash flows					
	Carrying amount \$'000	Total \$'000	12 months or less \$'000	1 to 2 years \$'000	2 to 3 years \$'000	3 to 4 years \$'000
Trade creditors	125	(125)	(125)	-	-	-
Accrued interest	570	(570)	(570)	-	-	-
Borrowings	90,000	(90,000)	-	(36,500)	(40,000)	(13,500)
	90,695	(90,695)	(695)	(36,500)	(40,000)	(13,500)

Financial liabilities 2024	Contractual cash flows					
	Carrying amount \$'000	Total \$'000	12 months or less \$'000	1 to 2 years \$'000	2 to 3 years \$'000	3 to 4 years \$'000
Trade creditors	210	(210)	(210)	-	-	-
Accrued interest	457	(457)	(457)	-	-	-
Borrowings	77,500	(77,500)	-	(40,000)	(37,500)	-
	78,167	(78,167)	(667)	(40,000)	(37,500)	-

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments.

Inherently, the Company is not free of market risk as it invests its capital in securities whose market prices can fluctuate.

Market risk is managed by ensuring that the Company's Australian investment portfolio is not overly exposed to one company or one sector relative to the S&P/ASX 200 index after taking into account unrealised capital gains and that the international portfolio is held through Exchange Traded funds and managed investment funds invested across geographic regions and sectors.

The Company's asset allocation, the relative weightings of the individual securities and the relative market sector weightings are reviewed by the Board at each Directors' meeting.

Exposure to foreign currency movements is regularly monitored and while the base policy position is to have an unhedged currency exposure, hedging may be undertaken in normal circumstances up to a maximum of 50% of the exposure. There could be higher hedging where very strong views are held.

Notes to the Financial Statements

for the year ended 30 June 2024

18. Financial risk management (continued)

Price risk

The Company is exposed to price risk to the extent that the value of investments held may fluctuate with movements in market prices.

Price risk sensitivity

Based on a tax rate of 30% (2023: 30%), a general movement in market prices of 5% and 10% would lead to a change in the Company's equity as follows:

	2024		2023	
	\$'000	%	\$'000	%
Market prices increase by 5%	46,395	4.5	43,823	4.5
Market prices increase by 10%	92,789	9.0	87,646	9.0
Market prices fall by 5%	(46,395)	(4.5)	(43,823)	(4.5)
Market prices fall by 10%	(92,789)	(9.0)	(87,646)	(9.0)

Currency risk

The Company is exposed to currency risk to the extent that the value of investments which are denominated in foreign currencies may fluctuate due to movements in exchange rates against the Company's reporting currency.

Investments held in the portfolio are denominated in Australian dollars (AUD), US dollars (USD) and Euros (EUR). The Company's reporting currency is AUD.

The Company's investments grouped by their denominated currencies is as follows:

	2024 AU\$'000	2023 AU\$'000
AUD denominated investments	1,197,624	1,139,523
USD denominated investments	113,167	98,991
EUR denominated investments	14,771	13,572
Investments in equities quoted on prescribed stock exchanges and in managed funds (at fair value)	1,325,562	1,252,086

Currency risk sensitivity

Based on a tax rate of 30% (2023: 30%), a general movement in the value of the Australian dollar relative to other currencies of 5% and 10% would lead to a change in the Company's equity as follows:

	2024		2023	
	\$'000	%	\$'000	%
AUD strengthens by 5%	(4,478)	(0.4)	(3,940)	(0.4)
AUD strengthens by 10%	(8,956)	(0.9)	(7,879)	(0.8)
AUD weakens by 5%	4,478	0.4	3,940	0.4
AUD weakens by 10%	8,956	0.9	7,879	0.8

The Company also has exposure to interest rate risk on its borrowings as detailed in Note 19.

Notes to the Financial Statements

for the year ended 30 June 2024

19. Financial instruments disclosure

Interest rate risk

The Company's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets which bear interest is set out below.

Interest income

The Company is exposed to interest rate risk through its cash accounts and short-term deposits. Interest bearing investments are not core to the Company's investment strategy, therefore the exposure to interest rate risk on interest income is not material.

The weighted average interest rate on cash accounts is as follows:

	Note	Floating Interest Rate \$'000
2024		
Cash	16	3,794
Weighted Average Interest Rate		4.4%
2023		
Cash	16	4,119
Weighted Average Interest Rate		3.0%

Interest paid

The Company is also exposed to interest rate risk through its floating rate loan facilities, which is mitigated through conservative levels of gearing, ensuring that appropriate interest cover exists and establishing fixed interest rate facilities when appropriate.

At 30 June 2024, the Company had drawn floating rate borrowings of \$77.5 million (2023: \$90.0 million). The interest paid on these loans can fluctuate with changes in the floating interest rate, which is affected by external factors and notably movements in the Bank Bill Swap Rate (BBSW).

Interest paid sensitivity

A movement in the floating rates on these facilities of 50 basis points and 100 basis points would lead to a change in profit after tax of \$271,250 or 0.8% (2023: \$315,000 or 0.7%), and \$542,500 or 1.5% (2023: \$630,000 or 1.5%) respectively.

Net fair values of financial assets and liabilities

Valuation approach

Net fair values of financial assets and liabilities are determined by the Company on the following basis:

Recognised financial instruments

Listed securities included in "Investments" are readily traded on organised markets in a standardised form.

Notes to the Financial Statements

for the year ended 30 June 2024

19. Financial instruments disclosure (continued)

The net fair value of listed securities is determined by valuing them at the last quoted market price as at balance date. In accordance with Australian Accounting Standards, this is considered "Level 1" under the fair value measurement hierarchy, which is defined as quoted prices (unadjusted) in active markets for identical assets or liabilities.

The net fair value of unlisted managed funds is determined by valuing them at the net asset value provided by the fund manager as at balance date. Unlisted managed funds included in "Investments" are considered "Level 2" under the fair value measurement hierarchy, which is defined as inputs other than quoted prices, which can be observed either directly (as prices) or indirectly (derived from prices).

As at 30 June 2024, the Company's Level 1 investments totalled \$1,303,070,000 (2023: \$1,229,577,000) and Level 2 investments totalled \$22,491,900 (2023: \$22,509,000). The net fair value of investments is set out in Notes 9 and 22.

Fixed interest borrowings

At 30 June 2024, the fair value of the Company's fixed interest rate borrowings was nil (2023: nil) while the face value was nil (2023: nil).

For all other financial assets and liabilities, the carrying amount closely approximates its fair value.

20. Segment Reporting

The Company operates as an investment company in Australia.

At 30 June 2024, the allocation of the investment portfolio was as follows:

	2024		2023	
	\$'000	%	\$'000	%
Australian equities	1,049,880	78.5	1,003,780	79.5
International equities	275,682	20.6	248,306	19.7
Cash and receivables, net pending settlements	11,906	0.9	10,839	0.8
	1,337,468	100.0	1,262,925	100.0

Income received during the year grouped by each investment allocation was as follows:

	2024		2023	
	\$'000	%	\$'000	%
Australian equities	40,477	87.0	46,469	90.9
International equities	5,502	11.8	4,334	8.5
Cash and receivables, net pending settlements	370	0.8	283	0.6
Non-portfolio income	169	0.4	9	-
	46,518	100.0	51,095	100.0

Notes to the Financial Statements

for the year ended 30 June 2024

20. Segment reporting (continued)

Significant investments

For the year ended 30 June 2024, dividends received from BHP made up 10.1% of total revenue (2023: 14.8%) and dividends from Woodside made up 7.4% of total revenue (2023: 11.3%).

As at 30 June 2024, CSL comprised 12.5% of the total value of the investment portfolio including cash (2023: 13.1%).

21. Events subsequent to balance date

Other than as disclosed in this report, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature, likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial periods.

Notes to the Financial Statements

for the year ended 30 June 2024

22. Holdings of securities as at 30 June 2024

The following is a list of the Company's top 25 Investments as at 30 June 2024, which represent 90.6% of the total investment portfolio (2023: 89.5%). All Investments are valued at fair value through Other Comprehensive Income, or if the investment is not eligible for this treatment under Australian Accounting Standards, through profit and loss.

2024		2023	
Security	Market Value \$'000	Security	Market Value \$'000
Australian equities		Australian equities	
CSL Ltd	166,794	CSL Ltd	165,041
Commonwealth Bank of Australia Ltd	127,380	Commonwealth Bank of Australia Ltd	100,270
BHP Group Ltd	85,360	BHP Group Ltd	89,980
Transurban Group	77,500	Transurban Group	89,063
ANZ Group Holdings Ltd	60,716	Rio Tinto Ltd	57,345
Rio Tinto Ltd	59,500	Woodside Energy Group Ltd	55,104
Woodside Energy Group Ltd	50,778	ANZ Group Holdings Ltd	50,977
Westpac Banking Corporation	43,571	Westpac Banking Corporation	38,412
Aristocrat Leisure Ltd	39,808	Computershare Ltd	32,732
Computershare Ltd	36,876	Washington H Soul Pattinson & Co Ltd	31,780
Washington H Soul Pattinson & Co Ltd	32,820	Perpetual Ltd	31,056
Wesfarmers Ltd	32,590	Aristocrat Leisure Ltd	30,928
Resmed Inc	29,100	Wesfarmers Ltd	24,670
National Australia Bank Ltd	26,937	Ramsay Health Care Ltd	22,516
Perpetual Ltd	25,572	Woolworths Ltd	21,852
Macquarie Group Ltd	24,563	Macquarie Group Ltd	21,314
Woolworths Ltd	18,585	Sonic Healthcare Ltd	17,785
Stockland	16,679	Resmed Inc	16,405
		Stockland	16,120
Total Australian equities in Top 25	955,129	Total Australian equities in Top 25	913,350
International equities		International equities	
Vanguard US Total Market Index ETF	58,980	Vanguard US Total Market Index ETF	52,694
Vanguard Info Tech Index ETF	58,368	Vanguard Info Tech Index ETF	50,097
Vanguard All World Ex-US Index ETF	45,216	Vanguard All World Ex-US Index ETF	41,483
iShares TR MSCI USA Min Vol Index ETF	35,256	iShares TR MSCI USA Min Vol Index ETF	31,441
Northcape Capital Emerging Market Fund	22,492	Northcape Capital Emerging Market Fund	22,509
iShares Global Healthcare Index ETF	21,056	iShares Global Healthcare Index ETF	19,056
Vanguard FTSE Dev Eur Ex UK	14,771		
Total International equities in Top 25	256,139	Total International equities in Top 25	217,280
Total top 25 investments	1,211,268	Total top 25 investments	1,130,630

Consolidated Entity Disclosure Statement

for the year ended 30 June 2024

Diversified United Investment Limited (“the Company”) is not required by Australian Accounting Standards (AAS) to prepare consolidated financial statements. As a result, the requirement of subsection 295(3A)(a) of the Corporations Act 2001 to prepare a *Consolidated Entity Disclosure Statement* does not apply to the Company.

Directors' Declaration

for the year ended 30 June 2024

1. In the opinion of the Directors of Diversified United Investment Limited ("the Company"):
 - (a) The Financial Statements and Notes set out on pages 16 to 37, and the remuneration disclosures that are contained in the Remuneration Report on pages 13 and 14, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Company as at 30 June 2024 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
 - (b) The Consolidated Entity Disclosure Statement as at 30 June 2024 set out on page 38 is true and correct;
 - (c) The financial report also complies with International Financial Reporting Standards;
 - (d) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2024.

Signed in accordance with a resolution of the Directors.



Charles Goode
Chairman
16 August 2024

Independent Auditor's Report



Independent Auditor's Report

To the shareholders of Diversified United Investment Limited

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report** of Diversified United Investment Limited (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the Company's financial position as at 30 June 2024 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Balance Sheet as at 30 June 2024;
- Statement of profit or loss and other comprehensive income, Statement of changes in equity, Statement of cash flows for the year then ended;
- Consolidated entity disclosure statement as at 30 June 2024;
- Notes, including material accounting policies; and
- Directors' Declaration.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key Audit Matters

The **Key Audit Matters** we identified are:

- Valuation and existence of financial assets
- Completeness of the deferred tax liability

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Independent Auditor's Report

Valuation and existence of financial assets (\$1,325.6m)	
Refer to Note 9 to the Financial Report	
The key audit matter	How the matter was addressed in our audit
<p>The Company's investment portfolio consists of investments in listed securities, and in accordance with the Company's accounting policy, is accounted for at fair value through "Other Comprehensive Income".</p> <p>The Company outsources certain processes and controls relevant to (a) the recording and valuing of the investments and (b) maintaining custody and underlying records relevant to the investments.</p> <p>Valuation and existence of the financial assets is a key audit matter due to the:</p> <ul style="list-style-type: none"> • Size of the Company's investment portfolio. These financial assets represent 99% of the Company's total assets as at 30 June 2024; and • Importance of the performance of these investments in driving the Company's income and capital performance, as reported in the Financial Report. <p>As a result, this was an area which had the greatest effect on our overall audit strategy and allocation of time and resources in planning and completing our audit.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • We assessed the appropriateness of the Company's accounting policies, including those relevant to the fair value of investments, against the requirements of the accounting standards; • Understanding the Company's processes in place to buy and sell securities in the investment portfolio, including assessing the controls over transactions, specifically director approval of investment purchases and sales; • We obtained and read the GS007 (Guidance Statement 007 Audit Implications of the Use of Service Organisations for Investment Management Services) assurance report for the period from 1 July 2023 to 30 June 2024 of the Company's custodian to understand the processes and assess the controls relevant to the recording and valuing of the investments and to maintaining custody and underlying records of the Company's investments; • Testing the existence, being ownership and number of shares or units held in individual investments for the investment portfolio, through reconciliation to custodian records and obtaining external custody confirmations as at 30 June 2024; • We checked the valuation of the investments, as recorded in the general ledger, based on the number of shares or units held and the externally quoted market price from relevant stock exchanges on 30 June 2024; and • We assessed the disclosures in the financial statements, using our understanding obtained from our testing, against the requirements of the accounting standards.

Independent Auditor's Report

Completeness of the deferred tax liability (\$224.9m)	
Refer to Note 4 to the Financial Report	
The key audit matter	How the matter was addressed in our audit
<p>The completeness of the deferred tax liability is a key audit matter given it represents a significant portion of the total liabilities of the Company and involved the use of senior audit team members.</p> <p>The Company's deferred tax liability is \$224.9 million which constitutes 74% of the Company's total liabilities as at 30 June 2024.</p> <p>The deferred tax liability primarily relates to the expected tax on disposal of securities in the investment portfolio. This deferred tax liability is determined by the Company as the difference between the carrying amount of the investment portfolio as per the financial statements and the tax base of the individual investments, multiplied by the applicable company tax rate.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • We assessed the appropriateness of the Company's accounting policies against the requirements of the accounting standards and our understanding of the business and industry practice; • We assessed the scope, competency and objectivity of the external expert engaged by the Company to assist in determining the Company's deferred tax liability; • Assessing the tax effects of significant events identified during the audit, such as investment fair value or tax base adjustments, for identification, calculation and recording in the Company's calculation of deferred tax liability for consistency, as applicable; • We recalculated the closing tax cost base of the Company's investment portfolio. We did this by obtaining the total purchases and sales of securities for the year stated at their tax cost base obtained from the Company's investment register, as tested by us in the "Valuation and existence of financial assets" key audit matter above. We added these to the opening balances of the Company's investment portfolio and compared this to the Company's closing tax cost base of the investment portfolio (after adjusting for transactions which affect the tax cost base such as deferred tax distributions). We then recalculated the deferred tax liability by multiplying the difference between the Company's closing accounting value of the investment portfolio and the closing tax cost base by the Company's tax rate and compared this to the deferred tax liability recorded by the Company; and • We assessed the disclosures in the financial statements, using our understanding obtained from our testing, against the requirements of the accounting standards.

Independent Auditor's Report

Other Information

Other Information is financial and non-financial information in Diversified United Investment Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Company, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Company, and that is free from material misstatement, whether due to fraud or error
- assessing the Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf. This description forms part of our Auditor's Report.

Independent Auditor's Report

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Diversified United Investment Limited for the year ended 30 June 2024, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 10 to 11 of the Directors' report for the year ended 30 June 2024.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG



Luke Sullivan
Partner

Melbourne
16 August 2024

Additional Information

Distribution of shareholders as at 16 August 2024

Category Holders	Ordinary Shares	%	No of Holders	%
1 – 1,000	425,178	0.2	1,164	16.7
1,001 – 5,000	5,075,395	2.3	1,780	25.5
5,001 – 10,000	9,732,074	4.5	1,318	18.9
10,001 – 100,000	68,522,086	31.8	2,540	36.5
100,001 and over	131,941,559	61.2	166	2.4
	215,696,292	100.0	6,985	100.0

There were 226 ordinary shareholders holding less than a marketable parcel (95 shares) at 16 August 2024.

Substantial Shareholders

The number of shares disclosed by the substantial shareholders and their associates in substantial shareholder notices received up to 16 August 2024 are set out below:

Shareholder	Ordinary Shares
The Ian Potter Foundation Ltd, Dundee Trading Pty Ltd, The Ian Potter Foundation Ltd ATF The George Alexander Foundation and Australian United Investment Company Limited	49,652,187
Australian Foundation Investment Company Limited	13,283,243

Voting Rights

All ordinary shares carry equal voting rights.

As provided by the Company's constitution, each member present at general meeting is entitled to:

- one vote, where voting is conducted by show of hands; or
- one vote per share held, where voting is conducted by poll.

Additional Information

Top Twenty Shareholders

The number of shares held by the top twenty shareholders listed in the Company's register as at 16 August 2024 were:

Shareholder	Ordinary Shares	% Held
The Ian Potter Foundation Ltd	30,059,402	13.9
Mutual Trust Pty Ltd	16,362,427	7.6
Australian Foundation Investment Company Ltd	12,030,202	5.6
BNP Paribas Nominees Pty Ltd	9,092,456	4.2
HSBC Custody Nominees (Australia) Ltd	9,005,761	4.2
The Ian Potter Foundation Ltd (No 1 GA A/c)	5,927,785	2.7
Argo Investments Limited	5,227,226	2.4
Beta Gamma Pty Ltd	3,311,687	1.5
Mr Charles Barrington Goode	2,895,831	1.3
Netwealth Investments Ltd	1,200,980	0.6
Willpower Investments Pty Ltd	1,125,755	0.5
Primrose Properties Pty Ltd	1,089,709	0.5
Brownell Superannuation Pty Ltd	1,026,438	0.5
Chabar Pty Ltd	955,153	0.4
Somoke Pty Limited	650,126	0.3
Mr James Vincent Chester Guest	616,903	0.3
A J Dixon Pty Ltd	607,282	0.3
Timbs Family Investments Pty Ltd	590,323	0.3
Invia Custodian Pty Ltd	540,257	0.3
Yelgarn Pty Ltd	540,000	0.3
	102,855,703	47.7

Investment Transactions and Brokerage Paid

During the financial year ended 30 June 2024, there were 71 investment transactions. The amount of brokerage paid or charged to the Company on these transactions totalled \$103,219 (2023: \$154,911). No brokerage was paid to any stock or sharebroker, or any employee or nominee of any stock or sharebroker, who is an officer of the Company.

List of Investments

as at 30 June 2024

	2024			2023
	Market Value \$	Units Held	% of Portfolio	Units Held
Australian Equities				
Banks				
ANZ Group Holdings Ltd	60,716,000	2,150,000	4.5	2,150,000
Commonwealth Bank of Australia Ltd	127,380,000	1,000,000	9.5	1,000,000
National Australia Bank Ltd	26,937,005	743,500	2.0	600,000
Westpac Banking Corporation	43,570,723	1,600,100	3.3	1,800,000
Consumer				
Aristocrat Leisure Ltd	39,808,000	800,000	3.0	800,000
CAR Group Ltd	12,337,500	350,000	0.9	350,000
Coles Group Ltd	8,515,000	500,000	0.6	500,000
IDP Education Ltd	7,575,000	500,000	0.6	500,000
REA Group Ltd	4,916,500	25,000	0.4	25,000
Reece Ltd	12,585,000	500,000	0.9	500,000
Wesfarmers Ltd	32,590,000	500,000	2.4	500,000
Woolworths Group Ltd	18,584,500	550,000	1.4	550,000
Energy				
Woodside Energy Group Ltd	50,778,000	1,800,000	3.8	1,600,000
Health Care				
CSL Ltd	166,793,650	565,000	12.5	595,000
Ramsay Health Care Ltd	12,480,556	262,970	0.9	400,000
Resmed Inc	29,100,000	1,000,000	2.2	500,000
Sonic Healthcare Ltd	13,150,000	500,000	1.0	500,000
Infrastructure and Utilities				
Transurban Group	77,500,000	6,250,000	5.8	6,250,000
Mining				
BHP Group Ltd	85,360,000	2,000,000	6.4	2,000,000
Rio Tinto Ltd	59,500,000	500,000	4.5	500,000

Unless otherwise stated, the securities in this list are fully paid ordinary shares or stock units.

List of Investments

as at 30 June 2024

	2024			2023
	Market Value \$	Units Held	% of Portfolio	Units Held
Australian Equities (continued)				
Other Financials				
ASX Ltd	6,000,000	100,000	0.4	100,000
Computershare Ltd	36,876,000	1,400,000	2.8	1,400,000
Macquarie Group Ltd	24,562,800	120,000	1.8	120,000
Perpetual Ltd	25,572,000	1,200,000	1.9	1,200,000
PEXA Group Ltd	-	-	-	840,000
Washington H Soul Pattinson & Company Ltd	32,820,000	1,000,000	2.5	1,000,000
Property				
GPT Group	4,400,000	1,100,000	0.3	1,100,000
Scentre Group	12,792,000	4,100,000	1.0	4,100,000
Stockland Corporation Ltd	16,680,000	4,000,000	1.2	4,000,000
Total Australian Equities	1,049,880,234		78.5	
International Equities				
Global X Copper Miners	5,953,329	88,000	0.4	88,000
iShares Global Healthcare Index ETF	21,055,500	150,000	1.6	150,000
iShares TR MSCI USA Min Vol Index ETF	35,256,148	280,000	2.6	280,000
Northcape Capital Global Emerging Market Fund	22,491,900	9,000,000	1.8	9,000,000
Vanguard FTSE Japan UCITS ETF	8,343,338	155,000	0.6	155,000
Vanguard FTSE Dev. European Ex-UK Index ETF	14,771,277	230,000	1.1	230,000
VanEck Global Mining UCITS ETF	5,245,696	107,000	0.4	107,000
Vanguard Information Technology Index ETF	58,368,064	67,500	4.4	75,000
Vanguard All-World Ex-US Index ETF	45,216,600	510,000	3.4	510,000
Vanguard US Total Market Index ETF	58,980,200	145,000	4.4	160,000
Total International Equities	275,682,052		20.7	
Cash and net short-term receivables	11,906,112		0.8	
Total	1,337,379,630		100.0	

Unless otherwise stated, the securities in this list are fully paid ordinary shares or stock units.



DIVERSIFIED UNITED INVESTMENT LIMITED

ABN 33 006 713 177