

DIVERSIFIED
UNITED
INVESTMENT
LIMITED

ABN 33 006 713 177

2017

ANNUAL
FINANCIAL
REPORT

FOR THE YEAR ENDED
30 JUNE 2017

Directory

Directors

C B Goode AC - Chairman
A R Burgess
S G Hiscock
A J P Larke

Company Secretary

Andrew J Hancock FCA

Registered Office

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Website

www.oui.com.au

Bankers

Australia and New Zealand Banking Group Limited
National Australia Bank Limited

Auditors

KPMG
Chartered Accountants

Share Registry

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000
Locked Bag A14
Sydney South NSW 1235
Tel: (+61) 1300 554 474
Email: registrars@linkmarketservices.com.au
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Securities Exchange

The Company is listed on the Australian Securities Exchange Ltd.
ASX Code: DUI

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Chairman's Report

I present the twenty-fifth Annual Report of Diversified United Investment Ltd which is for the year ended 30 June 2017.

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 mainly through exchange traded index funds. Investments may also be made from time to time in interest bearing securities or convertible notes. The Company's exposure to the Australian equities Small Cap sector is through two Colonial First State managed funds. At 30 June 2017 11.5% of the portfolio was invested in international equities through Exchange Traded Index Funds. The foreign exchange currency exposure is currently unhedged.

Profit after tax for the year was \$32,800,000 which is an increase of 7.5% on the previous year or an increase of 2.4% if special dividends received are excluded. The profit for the year excludes net realised gains and losses on the investment portfolio which are recorded in the Asset Realisation Reserve.

Income earned during the year was \$39,412,000 comprising \$36,240,000 from dividends and trust distributions, \$2,169,000 from foreign income and \$1,003,000 from interest and options. The Company incurred operating expenses of \$1,085,000 (before interest costs) which is equivalent to 0.12% of the average value of the portfolio (previous year 0.13%). Including the management fees of the international exchange traded funds and Small Cap managed funds in which the Company is invested, the expense ratio was 0.15% (last year 0.14%).

This year special dividends received totalled \$1,820,000 after tax. Special dividends were received from Asciano and Adelaide Brighton. In 2016 special dividends of \$246,000 were received.

Leaving aside the special dividends, the year's result reflects a 2.6% increase in income from dividends and trust income, a 7% increase in income from international investments, a more than doubling in options trading income and a 1.2% rise in net interest expense.

The weighted average number of ordinary shares for the year was 208,179,034 as against 206,950,582 in the previous year, an increase of 0.6%.

Excluding the special dividends received, the earnings per share based on the weighted average number of shares on issue for the year was 14.9 cents per share compared to 14.6 cents for the year to 30 June 2016. Including the special dividends, earnings per share rose 7.5% to 15.8 cents.

Bank borrowings were \$95 million at the end of the financial year (previous year \$95 million) amounting to around 10% of the investment portfolio at market values. Cash on hand, cash on deposit and net short term receivables were \$30 million, or 3.2% of the investment portfolio at market values (previous year \$12 million, or 1%). Annual interest expense was covered 9.2 times by profit before interest and tax (previous year 8.6 times).

The net asset backing per share before estimated tax on unrealised gains and before provision for the final dividend was \$4.00 at 30 June 2017, compared to \$3.53 at 30 June 2016, an increase of 13.3%.

The Directors have declared a fully franked final dividend of 8.0 cents per share for the year to 30 June 2017, which with the interim dividend of 6.5 cents per share fully franked makes a total fully franked dividend of 14.5 cents per share for the year (previous year 14.0 cents fully franked). The final dividend will not include a Listed Investment Company capital gain dividend.

Dividends paid or payable for each of the last 5 financial years are as follows:

Dividends Cents Per Share	
2016/17	14.5
2015/16	14.0
2014/15	14.0
2013/14	13.6*
2012/13	13.1*

*the financial years ended 30 June 2013 to 2014 have been adjusted for bonus element in November 2014 1:5 Rights Issue

The Company's net tangible asset backing per share before provision for the final dividend (based on investments at market value, after tax on net realised gains, before any future tax benefit of net realised losses and before estimated tax on net unrealised gains/losses) over the last 5 years was as follows:

Net Tangible Asset Backing per Share	
30 June 2017	\$4.00
30 June 2016	\$3.53
30 June 2015	\$3.68
30 June 2014	\$3.69*
30 June 2013	\$3.19*

* the financial years ended 30 June 2013 to 2014 have been adjusted for bonus element in November 2014 1:5 Rights Issue.

The Australian equities portfolio is mainly in leading companies and at 30 June 2017 in terms of market values, 84% of the Australian equities portfolio was in the leading 50 companies (71% in the top 20 companies and 13% in the next 30 companies), with a further 9% invested in the second 50 companies and 7% invested in companies other than the largest 100 companies. The international equities portfolio comprised 11.5% of total investments.

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

	DUI Net Asset Backing Accumulation % p.a.	DUI Share Price Accumulation % p.a.	S&P ASX 200 Accumulation Index % p.a.
1 Year	17.6	18.5	14.1
3 Years	6.8	6.3	6.6
5 Years	13.0	14.9	11.8
10 Years	4.1	4.0	3.6

Including the benefit of franking credits for shareholders who can fully utilise them, the Company's accumulation return for the year to 30 June 2017 was a rise of 19.5% compared to a rise of 15.9% in the S&P/ASX 200 Franking Credit Adjusted Total Return Index.

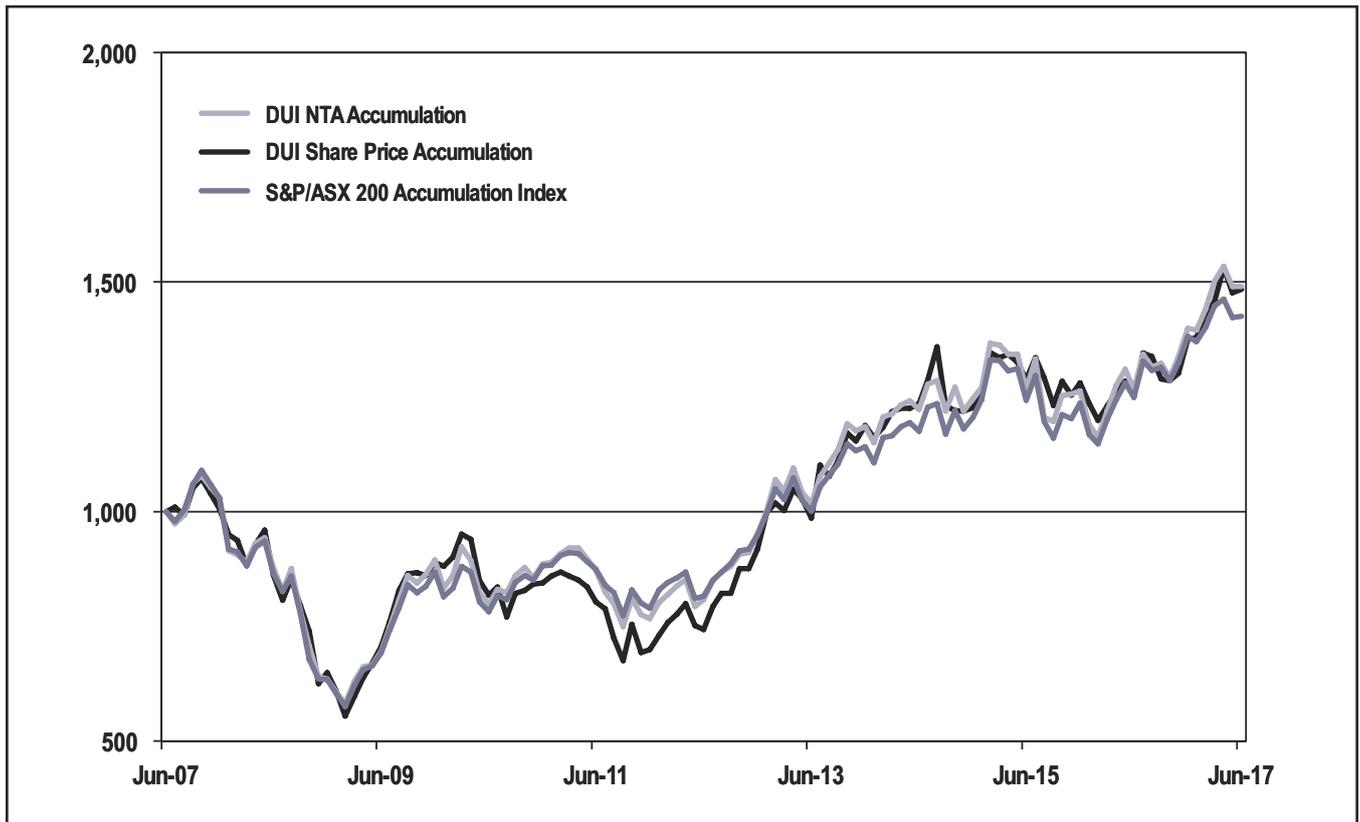
The Company's net asset backing accumulation performance is after all expenses, tax, and the impact of the Company's gearing. Such items are not included in the S&P/ASX indices.

The year saw a strong performance in world equities markets with the Australian S&P/ASX 200 price index rising 9.3%, the Standard & Poors 500 rising 17.9%, the FTSE 100 rising 16.9% and the Nikkei-225 rising 30.6%.

The Company's relative performance for the year was assisted by stock selection in the Resources, Financials and Healthcare sectors, and by its underweight positions in the Telecommunications and Real Estate sectors which fell 22% and 6% respectively. In Australian dollar terms the international portfolio also contributed modestly to outperformance.

The following graph shows the accumulation performance of the Company's net asset backing (before provision for tax on unrealised gains) assuming all dividends were re-invested, as compared to the S&P/ASX 200 Accumulation Index over the last ten years.

**DUI Accumulation Investment Return vs S&P/ASX 200 Accumulation Index
10 Years to 30 June 2017**



Source: Evans & Partners

The Company's top twenty-five investments at 30 June 2017 were as follows:

Australian Equities	Market Value \$'000	% of Market Value of Total Investments
Commonwealth Bank Of Australia Ltd	82,810	8.9%
CSL Ltd	77,987	8.4%
Westpac Banking Corporation Ltd	57,969	6.2%
Australia & New Zealand Banking Group Ltd	57,440	6.2%
Transurban Group	47,400	5.1%
National Australia Bank Ltd	44,385	4.8%
Woodside Petroleum Ltd	29,870	3.2%
Rio Tinto Ltd	29,737	3.2%
BHP Billiton Ltd	27,936	3.0%
Wesfarmers Ltd	26,078	2.8%
Lend Lease Group	19,980	2.1%
Washington H Soul Pattinson & Co Ltd	18,337	2.0%
Woolworths Ltd	17,878	1.9%
Sydney Airport Group	17,725	1.9%
AMP Ltd	17,646	1.9%
Macquarie Atlas Roads Group	14,866	1.6%
Suncorp Group Ltd	14,820	1.6%
Oil Search Ltd	13,640	1.5%
Sonic Healthcare Ltd	12,110	1.3%
Perpetual Ltd	11,174	1.2%
Total Australian Equities in Top 25	639,788	68.8%
International Equities		
Vanguard All World Ex US Shares Index ETF	31,573	3.4%
Vanguard US Total Market Shares Index ETF	24,219	2.6%
Vanguard Developed European Ex UK Index ETF	14,156	1.5%
Vanguard Information Technology Index ETF	13,513	1.5%
iShares MSCI USA Minimum Volatility Index ETF	12,563	1.4%
Total International Equities in Top 25	96,024	10.4%
Total Top 25 Australian & International Equities	735,812	79.2%
Total Investments at Market Value, Net Short Term Receivables and Cash	929,513	



Charles Goode
Chairman

Corporate Governance Statement

The Company has adopted corporate governance principles in accordance with the Australian Securities Exchange Corporate Governance Council's "Good Corporate Governance Principles and Recommendations." Any material departures from the recommendations are referred to in this statement. This Statement is available in both the Company's Annual Report and on its website.

1. Accountability and Responsibility

The Board is accountable to the shareholders and is responsible for:

- Setting strategic and financial objectives;
- Monitoring the Company's performance and financial position and overseeing the financial accounts and reporting;
- Identifying and managing business and compliance risks;
- Managing the Company's investment portfolio;
- Overseeing relationships with outside service providers;
- Appointing the Company Secretary, and setting and overseeing responsibilities delegated to the Company Secretary; and
- Setting ethical standards for the Company.

2. Composition

The Board currently comprises 4 directors. The Company's constitution requires 3 to 6 directors. Other than the Company Secretary the Company has no executives or executive directors. If a vacancy arises the Nomination and Remuneration Committee chooses the best available candidate using professional advice if this is deemed necessary. In this process the Company has a neutral approach to gender diversity. A director who is appointed during the year is required to stand for election at the next Annual General Meeting.

Mr C B Goode and Mr Burgess are associated with The Ian Potter Foundation, a substantial shareholder. They bring significant relevant experience to the Board, but in that the Chairman of the Board is not independent and there is not a majority of independent directors, the Company departs from the Australian Securities Exchange Corporate Governance Council's Recommendations. Both other directors are regarded as independent. A lead independent director is not considered necessary given the small size of the Board. Appointed directors must stand for election at the next Annual General Meeting. One third of directors stand for re-election at each Annual General Meeting. There is no set retirement age or term for directors. Extensive experience in the investment markets is valued. Details of the qualifications, experience and length of service of directors are set out in the Annual Report.

3. Operation

The Board usually meets eleven times each year and consults on investment matters between meetings. The Board has responsibility for day to day management of the investment portfolio. Transaction levels are low as the portfolio is held for the long term. The Board reviews financial statements, forecasts, the investment portfolio, the net asset backing per share, and compliance reports monthly. The Company Secretary is responsible for either providing the information or co-ordinating it from outside service providers.

4. Delegation

The duties and responsibilities of the Company Secretary, the Company's only employee, are set out in a letter of engagement, which the Board approves. The Company Secretary is directly accountable to the Board, through the Chairman. The Board also approves letters of engagement for the externally provided accounting, tax, custody and audit services. Share registry services are on commercial terms.

5. Directors' Terms of Appointment, Remuneration and Performance

Directors' terms of appointment are set out by letter at the time of their appointment and new directors are inducted by the Chairman and the Company Secretary.

Directors' fees are reviewed annually by the Nomination and Remuneration Committee in the light of the Company's activity, changing responsibilities and in comparison to fee levels of a peer group of companies. Independent remuneration advice may be sought. The maximum total of directors' fees is set by the shareholders in general meeting. Details of directors' remuneration are set out in the Remuneration Report in the Annual Report.

Each director appointed before October 2006 entered into a Retirement Agreement at that time to convert accrued retirement benefits into shares in the Company to be held in the Non-Executive Directors 2006 Accrued Entitlements Share Plan until retirement, as approved by shareholders.

Each director has entered into a Deed of Access, Indemnity and Insurance with the Company and is covered by the Company's Directors and Officers Liability Insurance.

The duties of directors are as set out in the Corporations Law, in this statement and by letter at the time of their appointment. In addition to board meetings, directors are expected to attend committee meetings where applicable, for no additional fee. They are expected to make a pro-active contribution to the management of the Company's investment portfolio from their reading, research, analysis and information collected outside of board meetings.

Directors are not required to own shares in the Company. Directors have agreed not to enter into any margin loans over their shareholdings in the Company.

After prior discussion with the Chairman, directors are entitled to seek independent advice at the expense of the Company, which advice will then be made available to all other directors. Directors are entitled to unlimited access to the Company's records.

The Board reviews its performance annually by discussion and by individual communication with the Chairman and by reference to generally accepted Board performance standards. The Board also conducts an annual review of the performance of the Board Committees, the Company Secretary, and outside service providers.

6. Board Committees

The Board has an Audit and Risk Management Committee and a Nomination and Remuneration Committee. The Audit and Risk Management Committee meets at least twice and the Nomination and Remuneration Committee at least once per annum. The Charter of each committee is reviewed by the Board annually and is published on the Company's website. The Audit and Risk Management Committee Charter includes inter-alia, appointment of the auditor, assessing its independence, managing the audit relationship, and overseeing internal controls and risk management. The external audit partner rotates every 5 years.

The Audit and Risk Management Committee comprises all directors except the Company's Chairman, and it has an independent Chairman and a majority of independent directors. The Committee is considered to have sufficient relevant expertise. All members are non-executive.

The Nomination and Remuneration Committee comprises all directors. It has an independent Chairman, one other independent and two non-independent directors. The non-independent directors, Messrs Goode and Burgess bring significant relevant expertise to the Committee. The Committee considers and makes recommendations to the Board regarding Board composition and remuneration of the directors and the Company Secretary. The Company Secretary's remuneration is disclosed in the Remuneration Report in the Annual Report.

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

Committee Members' qualifications and attendance at meetings are set out in the Directors' Report in the Annual Report.

7. Disclosure Procedures and Share Trading

The Company has established policies and procedures to ensure compliance with the Australian Securities Exchange listing rule disclosure requirements including monthly disclosure of the Company's net tangible asset backing per share on both a pre and post tax basis. Directors and the Company Secretary are prohibited from dealing in the Company's securities (other than to participate in the Dividend Reinvestment Plan or any Share Purchase Plan or rights issue) from 1 January to the day after the announcement of the Company's half year results and interim dividend, and from 1 July to the day after the announcement of the Company's financial year results and final dividend.

8. Shareholder Communication

The Company communicates with shareholders through:

- The annual report
- The half year report
- The Company's website
- Telephone and email availability of the Company Secretary at the Company's office
- Annual General Meeting including Chairman's address and question time
- Mailing of Chairman's Address to all shareholders and posting to website

Shareholders may opt to receive Company communications electronically.

The external auditor is available for questioning at the Annual General Meeting.

9. Risk Management

The Company does not have an internal audit function. The Audit and Risk Management Committee reviews the internal control system and the management of risk half yearly after receiving reports from the Company Secretary on these matters and makes appropriate recommendations to the Board.

The Board receives a letter half yearly from the Company's external accountants and custodians (The Myer Family Company) regarding their procedures, and reporting whether the financial records have been properly maintained and the financial statements comply with the Accounting Standards. The Company receives a copy of the Independent Audit Report to the Management of The Myer Family Company Ltd in relation to the control procedures of their portfolio administration operations.

The Board receives a report half yearly from the auditors on matters arising from their audit procedures.

The Company Secretary, based on his review of the internal control systems, management of risk and the letter from the Company's external accountants, provides half yearly the declarations required by Section 295A of the Corporations Act and confirms that in his opinion the financial statements and accompanying notes comply with the Accounting Standards and give a true and fair view.

The Company does have direct material exposure to economic, environmental and social sustainability risk through its diversified portfolio of investments and through its borrowings. Details of the Company's financial risk management are set out in the notes to the financial statements in the Annual Report.

10. Ethical Conduct

The Company has no executives or executive directors other than the Company Secretary. Each director and the Company Secretary is expected to adopt high ethical standards in acting for the Company and in the interests of the shareholders. Directors are required to disclose potential conflicts of interest and to refrain from involvement in Board decisions, or leave the room, during discussion of a conflicted matter.

By approval of the Board
18 July 2017

Directors' Report

The directors of Diversified United Investment Limited present their Directors' Report together with the financial report for the financial year ended 30 June 2017 and the auditor's report thereon.

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 Chairman September 1991

Mr Goode is the Chairman of the Boards of Australian United Investment Company Limited (since 1990), The Ian Potter Foundation Limited (Governor since 1987, Chairman since 1994) and Flagstaff Partners Pty Ltd (since 2010). Formerly Mr Goode was a director of Australia and New Zealand Banking Group Limited (1991 – 2010, Chairman 1996 – 2010) and Woodside Petroleum Limited (1988 – 2007, Chairman 1999 – 2007).

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

Mr Burgess has over 30 years' experience in corporate finance in Melbourne, London and New York. He is Chief Executive Officer of Flagstaff Partners Pty Ltd (since 2010), an independent corporate finance advisory firm. 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, a Director of the Melbourne Business School Limited and a member of the Board of Management of the Melbourne Theatre Company.

Stephen Hiscock B.Com (Melb), M.App.Fin (Macq), F.Fin
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 and REITs. 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.

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

Mr Larke is a Non Executive Director of DuluxGroup Ltd and IXOM (a leading Australasian chemicals business). 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 over 25 years. He is Chairman of the Company's Audit and Risk Management Committee.

Company Secretary

Andrew Hancock FCA, B.Ec (Mon), Grad. Dip. CDP (RMIT)
Company Secretary
Appointed September 1991

Mr Hancock is also Company Secretary of Australian United Investment Company Limited (since 1995), has served as Chairman and is currently Secretary of the Australian Listed Investment Companies Association and is Chairman or a director of a number of private investment companies.

Operating and Financial Review

The principal activity of the Company is to take a medium to long term view and to invest in Australian equities, listed property trusts, international equities mainly through exchange traded index funds, and unlisted managed funds investing in Small Cap Australian equities. Investments may also be made from time to time in interest bearing securities or 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. There has been no significant change in the nature of the Company's activities during the financial year.

At 30 June 2017 Australian equities accounted for 88.5% and international equities 11.5% of the market value of the portfolio. Any foreign exchange currency exposure is currently unhedged.

For the year ended 30 June 2017 profit after tax before net gains and losses on the investment portfolio was \$32,800,000 (compared to \$30,506,000 in 2016) – an increase of 7.5%.

If special dividends received are disregarded, profit increased by 2.4%. In 2017, the profit after tax included \$1,820,000 of special dividends received (2016: \$246,000). The weighted average number of ordinary shares for the year was 208,179,034 as against 206,950,582 in the previous year, an increase of 0.6%.

The earnings per share was 14.9 cents excluding special dividends (2016: 14.6 cents), or 15.8 cents including special dividends (2016: 14.7 cents).

The net tangible asset backing of each of the Company's shares at 30 June 2017 was \$4.00 (2016: \$3.53). This net tangible asset backing calculation is 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 net tangible asset backing per share would have been \$3.47 (2016: \$3.14).

Bank borrowings as at 30 June 2017 were \$95 million (2016: \$95 million) amounting to 10% of the investment portfolio at market values (2016: 11%). Cash on hand, cash deposits and net short term receivables were \$30 million, or 3.2% of the investment portfolio at market values (2016: \$12 million or 1%). Annual interest expense was covered 9.2 times by profit before interest and tax (2016: 8.6 times).

During the year the accumulation performance of the Company's net asset backing (before provision for tax on unrealised gains) increased by 17.6%, as compared to the S&P/ASX 200 Accumulation Index rise of 14.1%.

Dividends declared by the Company for the 2017 financial year total 14.5 cents per share fully franked (2016: 14.0 cents per share fully franked).

It is the Directors' intention to continue to invest in a portfolio of listed Australian equities (both direct and through unlisted managed funds) and international equities through exchange traded index funds for long term capital gain and current income. The risks to which the Company is exposed are set out in Notes 20 and 21 to the Financial Statements.

	2017 \$'000	2016 \$'000
The composition of the profit after income tax was:		
Revenue from investment portfolio		
Dividends	29,626	30,036
Trust Distributions	6,614	3,747
Foreign Income	2,169	2,028
Interest	264	242
Option Premium Income	739	340
	39,412	36,393
Expenses		
Administration and other expenses:		
Accounting and Custody Fees	192	187
Audit	49	48
Share Registry	61	61
Directors' Fees	400	400
ASX Fees	108	99
Company Secretary Fees	120	102
Insurance	42	44
Office rent, printing and other	113	129
Finance Costs:		
Interest	4,178	4,109
	5,263	5,179
Profit before income tax expense and net gains and losses on investment portfolio	34,149	31,214
Income tax expense	(1,349)	(708)
Profit before net gains and losses on investment portfolio	32,800	30,506

Expenses (excluding finance costs) were 0.12% of the average market value of the investment portfolio (2016: 0.13%). Including the management fees of the International Exchange Traded Funds and Small Cap Managed Funds in which the Company is invested, the expense ratio was 0.15% (last year: 0.14%).

Dividends

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

	\$'000
Paid or declared during the year	
A final dividend in respect of the year ended 30 June 2016 of 7.5¢ per share fully franked paid on 23 September 2016.	15,567
An interim dividend in respect of the year ended 30 June 2017 of 6.5¢ per share fully franked paid on 15 March 2017.	13,534
Paid or declared after end of year	
A final dividend in respect of the year ended 30 June 2017 of 8.0¢ per share fully franked payable on 22 September 2017.	16,697

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:

Director	Directors' Meetings		Audit & Risk Management Committee Meetings		Nomination & Remuneration Committee Meetings	
	No. of Meetings attended	No. of Meetings eligible	No. of Meetings attended	No. of Meetings eligible	No. of Meetings attended	No. of Meetings eligible
Charles Goode	10	11	1*	2*	0	1
Anthony Burgess	10	11	2	2	1	1
Stephen Hiscock	10	11	2	2	1	1
Andrew Larke	11	11	2	2	1	1

* In attendance – not a committee member.

The Audit and Risk Management Committee comprises Mr Larke (Chairman), Mr Burgess, and Mr Hiscock.

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

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:-

	1	Shares 2	3
Charles Goode	2,250,522	3,695,746	140,000
Anthony Burgess	-	1,315,000	-
Stephen Hiscock	-	80,000	-
Andrew Larke	-	-	-

Note:

1. Beneficial in own name
2. Held by an entity/related party in which the director has a relevant interest
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.

Remuneration Report (audited)

Non-executive Directors' Fees ⁽¹⁾

	2017			2016		
	Fee \$	Superannuation \$	Total \$	Fee \$	Superannuation \$	Total \$
Charles Goode	146,119	13,881	160,000	146,119	13,881	160,000
Anthony Burgess	73,059	6,941	80,000	73,059	6,941	80,000
Stephen Hiscock	73,059	6,941	80,000	73,059	6,941	80,000
Andrew Larke	73,059	6,941	80,000	73,059	6,941	80,000
Total	365,296	34,704	400,000	365,296	34,704	400,000

⁽¹⁾ No additional fees are paid to members of the board committees.

The Nomination and Remuneration Committee reviews and makes recommendations to the board on remuneration packages and policies applicable to the Company Secretary and directors of the Company including superannuation entitlements, retirement and termination entitlements, fringe benefits policies and professional indemnity and liability insurance policies. Other than the Company Secretary the Company has no Executives or Executive Directors.

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 in light of Company activity and changing responsibilities. The remuneration structures are designed to attract suitably qualified candidates, and to effect the broader outcome of increasing the Company's net profit. Directors' fees are fixed and reviewed annually and the maximum total of directors' fees is set by the shareholders in general meeting.

Directors' fees are fixed annually taking into account the Company's performance and market conditions. The Company's performance in respect of the current financial year and the previous four financial year was:

	2017	2016	2015	2014	2013
Profit (\$ Millions)	32.8	30.5	33.7	26.4	23.6
Earnings Per Share (excluding special dividends)	14.9	14.6	15.1	14.6	13.1
Dividends (cents per share)	14.5	14.0	14.0	13.6	13.1
Net Asset backing Per Share 30 June	\$4.00	\$3.53	\$3.68	\$3.69	\$3.19
Share Price 30 June	\$3.72	\$3.27	\$3.51	\$3.50	\$2.92
Management Expense Ratio	0.12%	0.13%	0.13%	0.15%	0.17%
S&P/ASX 200 Index 30 June	5,722	5,233	5,459	5,396	4,803

Each director has entered into a Deed of Access, Indemnity and Insurance with the Company and is covered by the Company's Directors and Officers Liability Insurance. Refer to Note 16 of the financial statements for information relating to the insurance contracts. No director has entered into 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.

The Company Secretary, Mr Andrew J Hancock, received \$120,000 (2016: \$101,500) for services provided to the Company.

Events Subsequent to Balance Date

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 years.

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 the value of the investment portfolio is expected to fluctuate broadly in line with market movements.

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

During the year KPMG, the Company's auditor, has provided taxation services in addition to its statutory duties. KPMG received fees of \$9,866 for these services including GST.

The board has considered the non-audit services provided during the year by the auditor and in accordance with written advice provided by resolution of the audit committee, is satisfied that the provision of those non-audit services is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Audit and Risk Management Committee to ensure they do not affect the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Environmental Regulation

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

Indemnification

Details of directors' indemnification are set out in Note 16 to the financial statements.

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 2017.

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.

Signed in accordance with a resolution of the directors:



Charles Goode

Director

Dated at Melbourne this 17th day of August 2017

Lead Auditor's Independence Declaration



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

To the Directors of Diversified United Investments Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Diversified United Investments Limited for the financial year ended 30 June 2017 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

Maria Trinci

Partner

Melbourne

17 August 2017

Liability limited by a scheme approved under
Professional Standards Legislation.

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Statement of Profit or Loss and Other Comprehensive Income

for the Year Ended 30 June 2017

	Note	2017 \$'000	2016 \$'000
Revenue from investment portfolio	2(a)	39,412	36,393
Administration and other expenses		(1,085)	(1,070)
Finance expenses	2(b)	(4,178)	(4,109)
Profit before Income Tax		34,149	31,214
Income tax expense	4(a)	(1,349)	(708)
Profit		32,800	30,506
Other Comprehensive Income			
<i>Items that will not be reclassified to profit or loss:</i>			
Revaluation of investment portfolio for the year		94,663	(32,421)
Provision for tax (expense) / benefit on revaluation for the year of investment portfolio		(29,278)	9,231
Other Comprehensive Profit / (Loss) net of Income Tax		65,385	(23,190)
Total Comprehensive Income		98,185	7,316
Basic and diluted earnings per share (cents)	18	15.8	14.7

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 31.

Balance Sheet as at 30 June 2017

	Note	2017 \$'000	2016 \$'000
Assets			
Cash assets	6	20,604	4,950
Receivables	7	9,110	6,933
Other	9	55	53
Total Current Assets		29,769	11,936
Investment portfolio	8	899,799	815,239
Total Non-Current Assets		899,799	815,239
Total Assets		929,568	827,175
Liabilities			
Payables	10	65	103
Current tax payable	4(c)	422	319
Total Current Liabilities		487	422
Provision for long service leave		43	41
Borrowings – interest bearing	11	95,060	95,184
Deferred tax liability	4(b)	109,047	79,805
Total Non-Current Liabilities		204,150	175,030
Total Liabilities		204,637	175,452
Net Assets		724,931	651,723
Equity			
Issued capital	13(a)	424,314	420,190
Reserves	13(b)	300,617	231,533
Total Equity		724,931	651,723

The Balance Sheet is to be read in conjunction with the Notes to the Financial Statements set out on pages 20 to 31.

Statement of Changes in Equity for the Year Ended 30 June 2017

	Issued Capital \$'000	Revaluation Reserve \$'000	Realisation Reserve \$'000	Retained Earnings \$'000	Total Equity \$'000
As at 1 July 2015	416,171	201,972	(6,775)	57,948	669,316
Comprehensive Income					
Revaluation of investment portfolio	-	(32,421)	-	-	(32,421)
Tax benefit on revaluation	-	9,231	-	-	9,231
Net realised losses on investment portfolio	-	(11,290)	11,290	-	-
Tax benefit on net realised losses	-	(1,512)	1,512	-	-
Profit	-	-	-	30,506	3,0506
	-	(19,220)	(3,970)	30,506	7,316
Transactions with Shareholders					
Dividend reinvestment plan	4,019	-	-	-	4,019
Dividends	-	-	-	(28,928)	(28,928)
	4,019	-	-	(28,928)	(24,909)
As at 30 June 2016	420,190	182,752	(10,745)	59,526	651,723
As at 1 July 2016	420,190	182,752	(10,745)	59,526	651,723
Comprehensive Income					
Revaluation of investment portfolio	-	94,663	-	-	94,663
Tax expense on revaluation	-	(29,278)	-	-	(29,278)
Net realised gains on investment portfolio	-	(16,838)	16,838	-	-
Tax expense on net realised gains	-	5,920	(5,920)	-	-
Profit	-	-	-	32,800	32,800
	-	(19,220)	(3,970)	30,506	7,316
Transactions with Shareholders					
Dividend reinvestment plan	4,124	-	-	-	4,124
Dividends	-	-	-	(29,101)	(29,101)
	4,124	-	-	(29,101)	(24,977)
As at 30 June 2017	424,314	237,219	173	63,225	724,931

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 31.

Statement of Cash Flows for the Year Ended 30 June 2017

	Note	2017 \$'000	2016 \$'000
Cash Flows from Operating Activities			
Interest received		264	242
Dividends and trust distributions received		34,354	33,250
Foreign income received		1,484	1,641
Option premium income received		739	340
Administration and other expenses paid		(1,122)	(1,046)
Finance costs paid		(4,302)	(4,124)
Income taxes paid		(889)	(924)
Net Cash from Operating Activities	17(b)	30,528	29,379
Cash Flows from Investing Activities			
Proceeds from sale of investments		90,377	53,327
Purchases of investments		(80,274)	(83,834)
Net Cash from / (used) used in Investing Activities		10,103	(30,507)
Cash Flows from Financing Activities			
Proceeds from additional borrowings		-	10,000
Dividends paid net of dividend reinvestment plan		(24,977)	(24,909)
Net Cash used in Financing Activities		(24,978)	(14,909)
Net increase / (decrease) in cash held		15,653	(16,037)
Cash and cash equivalents at 1 July	17(a)	4,950	20,987
Cash and Cash Equivalents at 30 June	17(a)	20,604	4,950

The Statement of Cash Flows is to be read in conjunction with the Notes to the Financial Statements set out on pages 20 to 31.

1. Statement of Significant 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 17 August 2017.

(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 early adopted AASB 9 Financial Instruments with initial application from 7 December 2009 (being the earliest date available for adoption). The Company has not applied any other Australian Accounting Standards that have been issued as at balance date but are not yet operative for the year ended 30 June 2017 (“the inoperative standards”). The effect of inoperative standards has been assessed and the effect has been identified as not being material. 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. After initial recognition at fair value (being cost), equity investments are measured at fair value.

Unrealised gains or losses on equity investments are recognised in the Asset Revaluation Reserve until the investment is sold, collected or otherwise disposed of, at which time the cumulative gain or loss is transferred to the Asset 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. Upon derecognition, unrealised gains/losses net of tax relating to the investment are transferred from the revaluation reserve to the realisation reserve.

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 accruals basis. Special Dividends are those dividends received which have been designated as special and non-recurring by the declaring company.

(e) Taxation

The income tax expense or revenue for the period is the tax payable or receivable on the current period's taxable income based on the company tax rate 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 Asset Revaluation Reserve and as a deferred tax liability. When the Company disposes of such securities, tax is calculated on gains 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 liability is similarly adjusted and transferred to current tax payable.

1. Statement of Significant Accounting Policies (cont.)

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.

(f) Interest bearing borrowings

Interest bearing borrowings are recognised initially at fair value less attributable transaction costs.

Subsequent to 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 available-for-sale equity investments are recognised in Other Comprehensive Income.

2. Revenue and Expenses

	2017 \$'000	2016 \$'000
(a) Revenue		
Ordinary dividends received or due and receivable	27,806	29,790
Special dividends received or due and receivable	1,820	246
	29,626	30,036
Trust distributions received or due and receivable	6,614	3,747
Foreign income received or due and receivable	2,169	2,028
Interest received or due and receivable	264	242
Option Premium Income	739	340
	39,412	36,393
(b) Expenses		
Finance expenses:		
- Interest and borrowing expenses	4,178	4,109

	2017 \$	2016 \$
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3. Auditor's Remuneration

During the year KPMG, the Company's auditor, received the following remuneration (including GST):

- Audit and review of financial reports	49,049	48,125
- Taxation related services	9,866	9,625

	2017 \$'000	2016 \$'000
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4. Taxation

(a) Income Tax Expense

(i) Recognised in the income statement

Current tax expense

Current year tax payment accrued	(1,059)	(480)
Withholding tax on foreign dividends	(308)	(337)
	(1,367)	(817)

Deferred tax expense

Temporary differences	36	2
Tax expense on operating profit	(1,331)	(815)
(Under)/over provision for prior years	(18)	107

Income tax expense in income statement	(1,349)	(708)
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(ii) Reconciliation between tax expense and pre-tax net profit

Prima facie tax expense calculated at 30% on the profit for the year	(10,245)	(9,364)
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Increase in tax expense due to:

Franking credits gross up on dividends received	(3,388)	(3,399)
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Decrease in tax expense due to:

Tax deferred distributions received	453	400
Franking credits on dividends received	11,293	11,331
Sundry items	556	217

Tax expense on operating profit	(1,331)	(815)
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(Under)/over provision prior year	(18)	107
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Tax expense attributable to profit	(1,349)	(708)
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(iii) Deferred tax recognised directly in equity

Increase/(decrease) in provision for tax on net unrealised gains on the equity investment portfolio	29,278	(9,231)
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	2017 \$'000	2016 \$'000
4. Taxation (cont.)		
(b) Deferred Tax Assets and Liabilities		
Recognised deferred tax assets and liabilities		
Revaluation reserve – Provision for tax on net unrealised gains on the equity investment portfolio	(109,655)	(86,297)
Tax effect of unfranked dividend receivable	(20)	(43)
Tax benefit of capital losses carried forward	628	6,535
Net deferred tax liabilities	(109,047)	(79,805)
(c) Current Tax Payable		
Current year tax liability	(1,367)	(817)
Less: Tax instalments paid	945	498
Net current tax payable	(422)	(319)

5. Dividends

Dividends recognised in the current year by the Company are:

(i) 2016 final dividend of 7.5¢ per share (2015: 7.5¢) fully franked paid 23 September 2016	15,567	15,474
(ii) 2017 interim dividend of 6.5¢ per share (2016: 6.5¢) fully paid 15 March 2017	13,534	13,454
	29,101	28,928

Subsequent to reporting date:

Since 30 June 2017, the directors have declared the following dividend payable on 22 September 2017:

Final dividend of 8.0 cents per share fully franked (2016: 7.5¢)	16,697	15,567
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The final dividend will not contain a Listed Investment Company capital gain dividend (2016: no LIC capital gain dividend).

The financial effect of this dividend has not been brought to account in the financial statements for the Year Ended 30 June 2017.

Dividend Franking Account:

The balance of the Franking Account at 30 June 2017 is \$16,741,300 (2016: \$17,097,755) after adjusting for:

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

After allowing for the final 2017 dividend, which is not provided for in the 30 June financial statements, the balance of the franking account would be \$9,585,461 (2016: \$10,427,580). 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 Listed Investment Company (LIC) Capital Gain Account at 30 June 2017 was \$125,092 (2016: \$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.

	2017 \$'000	2016 \$'000
6. Cash Assets		
Units in Cash Management Trusts and Deposits at Call	20,604	4,950
7. Receivables		
<i>Current</i>		
Sundry debtors	9,110	6,933
8. Investments		
<i>Non-Current</i>		
Investments in equities quoted on prescribed stock exchanges (at fair value)	899,799	815,239
9. Other Assets		
<i>Current</i>		
Prepayments	55	53
10. Payables		
<i>Current</i>		
Trade Creditors	65	103
11. Borrowings		
<i>Non-Current</i>		
Loan Facility – Secured	95,060	95,184
<p>The face value of the drawn facility is \$95 million (2016: \$95 million). The amount disclosed above is held at amortised cost plus accrued interest.</p> <p>For more information about the company's exposure to interest risk and liquidity risk, see notes 20 and 21.</p>		
12. Financing Arrangements		
The Company has access to the following lines of credit:		
<i>Total facility available</i>		
Loan Facility – Secured	95,000	95,000
<i>Facilities utilised at balance date</i>		
Loan Facility – Secured	95,000	95,000

	2017 \$'000	2016 \$'000
13. Capital and Reserves		
(a) Issued Capital		
Issued and paid-up share capital 208,711,961 ordinary fully paid shares (2016: 207,516,538)	424,314	420,190
Movements in issued capital		
Balance at beginning of the year	420,190	416,171
Shares issued		
- Dividend re-investment plan ⁽¹⁾	4,124	4,019
	424,314	420,190

(1) In respect of the 2016 final dividend, paid on 23 September 2016, 651,476 shares were issued at \$3.3571 each under the dividend re-investment plan.
In respect of the 2017 interim dividend, paid on 15 March 2017, 543,947 shares were issued at \$3.5611 each under the dividend re-investment plan.

(b) Reserves

Retained Earnings	63,225	59,526
Revaluation Reserve	237,219	182,752
Realisation Reserve	173	(10,745)
	300,617	231,533

Revaluation Reserve

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

Details of the directors' remuneration are set out in the Remuneration Report that forms part of the Directors' Report. Total remuneration received by the directors for 2017 was \$400,000 (2016: \$400,000).

15. Contingent Liabilities and Capital Commitments

There were no contingent liabilities or capital commitments as at 30 June 2017.

16. Related Parties

The names of persons holding the position of director of the Company during the year were Messrs C B Goode, A R Burgess, S J Hiscock and A J P Larke.

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 2017 to 18 June 2018.

16. Related Parties (cont.)

Directors' Holdings Of Shares

The relevant interests of directors and their director related entities in shares of the Company at year end are set out below:

Directors	Held at 1/7/2016	Purchases	Sales	Held at 30/6/17
Charles Goode	5,846,547	239,721	-	6,086,268
Anthony Burgess	415,000	900,000	-	1,315,000
Stephen Hiscock	40,000	40,000	-	80,000
Andrew Larke	-	-	-	-

Directors' Transactions In Shares

The movement in directors' holdings of ordinary shares resulted from purchases under the Company's dividend reinvestment plan which were made on the same terms and conditions offered to other shareholders, and/or purchases on the open market.

	2017 \$'000	2016 \$'000
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17. 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 follows:

Units in Cash Management Trusts and Deposits at Call	20,604	4,950
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(b) Reconciliation of operating profit after income tax to net cash provided by operating activities

Profit for the year	32,800	30,506
Adjustments for:		
(Increase) / decrease in prepayments	(3)	(6)
(Increase) / decrease in debtors	(2,177)	(558)
(Increase) / decrease in deferred tax asset	-	(106)
(Increase) / decrease in prepaid interest	(124)	(15)
(Increase) / decrease in other assets	1	2
Increase / (decrease) in current tax payable	103	(444)
Increase / (decrease) in deferred tax liability on operating activities	(36)	(3)
Increase / (decrease) in creditors	(38)	(20)
Increase / (decrease) in other liabilities	2	23
Net cash provided by operating activities	30,528	29,379

(c) Financing Facilities

The Company's financing facilities are set out in note 12 of these Financial Statements.

18. Earnings per Share

	2017 Cents	2016 Cents
Basic and diluted earnings per share	15.8	14.7
Basic and diluted earnings per share excluding special dividends (refer Note 1(d))	14.9	14.6

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

The earnings per share for the year is calculated on a weighted average adjusted number of ordinary shares of 208,179,034. (2016: 206,950,582). The weighted average adjusted number of ordinary shares takes into account the shares issued in the dividend re-investment plan.

19. Capital Management

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

The Company's capital will fluctuate with prevailing market movements and the Company may adjust the amount of dividends paid, issue new shares or sell assets to reduce debt.

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

20. 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 Notes 7 and 17.

Cash

The Company invests in cash management units with the MF Cash Management Fund and cash deposits with Australian banks, with a direct or underlying AA- credit rating assigned by Standard & Poor's, being a Recognised Rating Agency.

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.

20. Financial Risk Management (cont.)

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 to meet all its financial obligations as they fall due.

Bank Borrowings were \$95 million at the end of the financial year (2016: \$95 million) gearing the investment portfolio by 10% (2016: 11%). The Company has interest bearing loan facilities in place with the Australia and New Zealand Banking Group Ltd which includes fixed rate components. The facilities expire at various intervals through to 2 July 2022, unless renewed. Annual interest expense was covered 9.2 times by profit before interest and tax (2016: 8.6 times).

The major cash inflows for the Company include dividends, distributions, sales proceeds received and the proceeds from the issue of further shares to shareholders. The major cash outflows are the purchase of securities, interest expense and dividends paid to shareholders, which can be managed by the Company.

The Company's investments are quoted on a prescribed stock exchange and are able to be realised if required.

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.

Based on a tax rate of 30% (2016: 30%), a general movement in market prices of 5% and 10% would lead to an change in the Company's equity of \$31,493,000, or 4% (2016: \$28,533,000, or 4%) and \$62,986,000, or 9% (2016: \$57,067,000, or 9%) respectively.

Market risk is managed by ensuring that the Company's Australian investment portfolio is not overly exposed to one company or one particular sector relative to the S&P/ASX 200 index and the international portfolio is held through Exchange Traded Index 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.

The Company also has exposure to interest rate risk on its borrowings as detailed in Note 21 which is minimised through conservative levels of gearing and ensuring that there is appropriate interest cover at all times.

21. 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 and financial liabilities which bear interest is set out below:

	Note	Floating Interest Rate \$'000
2017		
<i>Financial Assets</i>		
Cash	6	20,604
Weighted average interest rate		1.65%
2016		
<i>Financial Assets</i>		
Cash	6	4,950
Weighted average interest rate		2.34%

Borrowings

At 30 June 2017 the Company had facilities totalling \$95,000,000 (fully drawn) with Australia and New Zealand Banking Group Ltd as follows:

Amount	Maturity	Interest Rate ⁽¹⁾
\$10,000,000	2 July 2018	Fixed 5.19%
\$5,000,000	2 July 2018	Fixed 4.67%
\$7,500,000	2 July 2018	Fixed 4.81%
\$10,000,000	2 July 2019	Fixed 5.14%
\$5,000,000	2 July 2019	Fixed 4.91%
\$7,500,000	2 July 2019	Fixed 5.01%
\$20,000,000	1 July 2020	Fixed 4.09%
\$10,000,000	2 July 2021	Fixed 3.59%
\$20,000,000	2 July 2022	Fixed 3.66%

(1) Interest rate includes bank margins and fees.

The Company has pledged as collateral for the secured borrowing facilities, the following equity investments:

Equities	No. of Shares	Value at 30 June 2017 \$'000
BHP Billiton Ltd	1,100,000	25,608
Commonwealth Bank Ltd	200,000	16,562
CSL Ltd	565,000	77,987
NAB Ltd	1,300,000	38,467
Rio Tinto Ltd	465,126	29,429
South32 Ltd	1,500,000	4,020
Transurban Group	3,000,000	35,550
Woodside Petroleum Ltd	1,000,000	29,8700
Total		257,493

The terms of the agreement require that the loan to value ratio should not exceed 50% (2016: 50%) of the market value of the pledged securities. At 30 June this was 37% (2016: 44%).

21. Financial Instruments Disclosure (cont.)

Net Fair Values of Financial Assets and Liabilities

Valuation Approach

The Company's investments are readily traded on organised markets in a standard form.

The net fair value of investments is determined by valuing them at current quoted market prices 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 investments is set out in Notes 8 and 24.

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

22. Segment Reporting

The Company operates as an investment company in Australia. 11.5% of the investment portfolio is in international equities.

23. Events Subsequent to Balance Date

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.

24. Holdings of Securities as at 30 June 2017

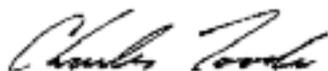
The following is a list of the Company's top 25 Investments as at 30 June 2017, which represent 79% of the total investment portfolio (2016: 79%). All Investments are valued at fair value through Other Comprehensive Income.

Security	2017 Market Value \$'000's	Security	2016 Market Value \$'000's
Australian Equities		Australia Equities	
Commonwealth Bank of Australia Ltd	82,810	CSL Ltd	67,308
CSL Ltd	77,987	Commonwealth Bank of Australia Ltd	66,933
Westpac Banking Corporation Ltd	57,969	Westpac Banking Corporation Ltd	55,860
Australia & New Zealand Banking Group Ltd	57,440	Australia & New Zealand Banking Group Ltd	48,240
Transurban Group	47,400	Transurban Group	47,960
National Australia Bank Ltd	44,385	National Australia Bank Ltd	33,059
Woodside Petroleum Ltd	29,870	BHP Billiton Ltd	29,840
Rio Tinto Ltd	29,737	Rio Tinto Ltd	27,300
BHP Billiton Ltd	27,936	Woodside Petroleum Ltd	26,840
Wesfarmers Ltd	26,078	Wesfarmers Ltd	24,060
LendLease Group	19,980	Medibank Private Ltd	20,650
Washington H Soul Pattinson & Co Ltd	18,337	Washington H Soul Pattinson & Co Ltd	18,700
Woolworths Ltd	17,878	Asciano Ltd	17,740
Sydney Airport Group	17,725	AMP Ltd	14,964
AMP Ltd	17,646	Woolworths Ltd	14,623
Macquarie Atlas Roads Group	14,866	Oil Search Ltd	13,340
Suncorp Group Ltd	14,820	Perpetual Ltd	12,336
Oil Search Ltd	13,640	Suncorp Group Ltd	12,180
Sonic Healthcare Ltd	12,110	Telstra Ltd	11,120
Perpetual Ltd	11,174	Sonic Healthcare Ltd	10,775
		Westfield Corporation	10,650
Total Australian Equities in Top 25	639,788	Total Australian Equities in Top 25	584,478
International Equities		International Equities	
Vanguard All-World Ex US Shares Index ETF	31,573	Vanguard All-World Ex- US Shares Index ETF	27,427
Vanguard US Total Market Shares Index ETF	24,219	Vanguard US Total Market Shares Index ETF	21,297
Vanguard Developed European Ex UK Index ETF	14,156	iShares MSCI USA Minimum Volatility Index ETF	12,290
Vanguard Information Technology Index ETF	13,513	Vanguard Information Technology Index ETF	10,643
iShares MSCI USA Minimum Volatility Index ETF	12,563		
Total International Equities in Top 25	96,024	Total International Equities in Top 25	71,657
Total Top 25 Investments	735,812		656,135
Total Investments at Market Value, Net Short Term Receivables and Cash	929,513		827,123

Directors' Declaration

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 31, and the remuneration disclosures that are contained in the Remuneration Report on page 13 of the Directors' Report, 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 2017 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 financial report also complies with International Financial Reporting Standards;
 - (c) 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 2017.

Signed in accordance with a resolution of the directors.



Charles Goode
Director
Melbourne

Dated at Melbourne this 17th day of August 2017



Independent Auditor's Report

To the members of Diversified United Investments Limited

Report on the audit of the Financial Report

Opinion

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

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Balance sheet as at 30 June 2017
- Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- 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* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.



Key Audit Matters

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

- Valuation and existence of investment portfolio
- Completeness of 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.

Valuation and existence of the investment portfolio (\$899,799,161)

Refer to Note 8 – Investment

The key audit matter

The Company's investment portfolio is \$899,799,161 which constitutes 97% of the Company's total assets as at 30 June 2017.

We do not consider the fair value of the investment portfolio to be judgemental in nature as it is mostly comprised of equity securities listed on the ASX. However, due to the size of the investment portfolio, valuation and existence is considered a key audit matter. It is an area which had the greatest effect on our overall audit strategy and allocation of time and resources in planning and completing our audit.

How the matter was addressed in our audit

Our procedures included:

- Documenting and assessing the processes in place to buy and sell equities in the portfolio, including the process to value the portfolio;
- Agreeing the valuation for the entire investment portfolio to externally quoted prices;
- Checking the number of shares or units in each equity investment for the entire investment portfolio to electronic share registry records; and



Completeness of deferred tax liability (\$109,675,114)

Refer to Note 4 – Taxation

The key audit matter	How the matter was addressed in our audit
<p>The Company's deferred tax liability is \$109,675,114 which constitutes 53% of the Company's total liabilities as at 30 June 2017.</p> <p>The deferred tax liability relates to the expected tax on disposal of equity securities in the investment portfolio and is recognised in equity and as a deferred tax liability. The deferred tax liability is determined as the difference between the carrying amount of the investment portfolio as per the financial statements and the tax base recorded.</p> <p>The Company's deferred tax assets are set off against the deferred tax liability arising on the unrealised gains on the equity investment portfolio in the Balance Sheet.</p> <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, including tax specialists.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • Engaging KPMG tax specialists to review and assess the reasonableness of the deferred tax liability; • Performing a proof of the deferred tax liability by reconciling the opening and closing deferred tax balances; • Recalculating the deferred tax liability, including checking the valuation and accuracy of the market value of the investment portfolio and checking the tax base to the Company's investment register; • Recalculating the closing tax cost base by adding the total purchases and sales of the year, stated at their tax cost base, to the opening balance of the equity portfolio and reconciling this to the Company's portfolio valuation report; and • Assessing whether the deferred tax effects of significant or events identified during the audit, such as fair value or tax base adjustments, have been appropriately identified, calculated and recorded, as applicable.

Other Information

Other Information is financial and non-financial information in Diversified United Investments Limited's annual reporting 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 that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal controls to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Company's ability to continue as a going concern. 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 this 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: http://www.auasb.gov.au/auditors_files/ar1.pdf. This description forms part of our Auditor's Report.



Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Diversified United Investments Limited for the year ended 30 June 2017, 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 on page 13 of the Directors' report for the year ended 30 June 2017.

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

KPMG

Maria Trinci

Partner

Melbourne

17 August 2017

Additional Information

Distribution of shareholders as at 31 July 2017

Category Holders	Ordinary Shares	No of Holders	%
1 – 1,000	159,660	717	0.08
1,001 – 5,000	4,215,503	1,393	2.02
5,001 – 10,000	10,775,656	1,446	5.16
10,001 – 100,000	70,874,956	2,744	33.96
100,001 and over	122,686,186	149	58.78
	208,711,961	6,449	100.00

There were 420 ordinary shareholders holding less than a marketable parcel (131 shares) at 31 July 2017.

Substantial Shareholders

The number of shares disclosed by the substantial shareholders and their associates in substantial shareholder notices received up to 31 July 2017 are set out below:

Shareholder	Ordinary Shares
The Myer Family Investments Pty Ltd	12,387,776
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.

Top Twenty Shareholders

The number of shares held by the top twenty shareholders listed in the Company's register as at 31 July 2017 were:

Shareholder	Ordinary Shares	% Held
1. The Ian Potter Foundation Ltd	24,375,338	11.68
2. Australian United Investment Company Ltd	14,400,000	6.90
3. National Nominees Limited	12,742,686	6.10
4. Australian Foundation Investment Company Ltd	12,030,202	5.76
5. Argo Investments Limited	9,569,575	4.59
6. Dundee Trading Pty Ltd	6,398,349	3.07
7. The Ian Potter Foundation Ltd (No 1 GA A/c)	4,838,500	2.32
8. Beta Gamma Pty Ltd	2,657,225	1.27
9. Mr Charles Barrington Goode	2,250,522	1.08
10. HSBC Custody Nominees (Australia) Ltd	1,675,396	0.80
11. Primrose Properties Pty Ltd	1,006,026	0.48
12. Brownell Superannuation Pty Ltd	1,000,000	0.48
13. Willpower Investments Pty Ltd	989,542	0.47
14. Alan Farrell Pty Ltd	805,754	0.39
15. Chabar Pty Ltd	748,471	0.36
16. A J Dixon Pty Ltd (Super Fund A/c)	659,958	0.32
17. Mr James Vincent Chester Guest	616,903	0.30
18. A & M Dixon Investments Pty Ltd	606,055	0.29
19. Yelgarn Pty Ltd	501,769	0.24
20. Melbourne Business School Ltd	486,000	0.23
	98,358,271	47.13

Brokerage Paid

The amount of brokerage paid or charged to the Company during the financial year ended 30 June 2017 totalled \$249,314 (2016:\$243,209). None of that 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 2017

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

	Market Value \$	30/6/17 Units Held	% of Portfolio at Market Value	30/6/16 Units Held
Australian Equities				
<i>Banks</i>				
Australian & New Zealand Banking Group Ltd	57,440,000	2,000,000	6.2	2,000,000
Commonwealth Bank of Australia Ltd	82,810,000	1,000,000	8.9	900,000
Mystate Ltd	-	-	-	1,400,000
National Australia Bank Ltd	44,385,000	1,500,000	4.8	1,300,000
Westpac Banking Corporation Ltd	57,969,000	1,900,000	6.2	1,900,000
<i>Building Materials</i>				
Adelaide Brighton Ltd	5,630,000	1,000,000	0.6	1,000,000
<i>Consumer</i>				
IDP Education Ltd	7,635,000	1,500,000	0.8	500,000
<i>Energy</i>				
Oil Search Ltd	13,640,000	2,000,000	1.5	2,000,000
Origin Energy Ltd	10,290,000	1,500,000	1.1	1,500,000
Santos Ltd	2,121,000	700,000	0.2	700,000
Woodside Petroleum Ltd	29,870,000	1,000,000	3.2	1,000,000
<i>Health Care</i>				
CSL Ltd	77,986,950	565,000	8.4	600,000
Healthscope Ltd	2,983,500	1,350,000	0.3	1,350,000
Medibank Private Ltd	-	-	-	7,000,000
Ramsay Health Care Ltd	5,520,000	75,000	0.6	75,000
Resmed Inc.	5,020,000	500,000	0.5	500,000
Sonic Healthcare Ltd	12,110,000	500,000	1.3	500,000
<i>Infrastructure and Utilities</i>				
Macquarie Atlas Roads Group	14,866,500	2,650,000	1.6	2,000,000
Sydney Airport Group	17,725,000	2,500,000	1.9	1,300,000
Transurban Group	47,400,000	4,000,000	5.1	4,000,000
<i>Insurance</i>				
Insurance Australia Group Ltd	-	-	-	1,000,000
Suncorp Group Ltd	14,820,000	1,000,000	1.6	1,000,000
<i>Mining</i>				
BHP Billiton Ltd	27,936,000	1,200,000	3.0	1,600,000
Rio Tinto Ltd	29,736,900	470,000	3.2	600,000
South32 Ltd	9,380,000	3,500,000	1.0	5,000,000
<i>Mining Service</i>				
Orica Ltd	-	-	-	200,000
<i>Other Financials</i>				
AMP Ltd	17,646,000	3,400,000	1.9	2,900,000
ASX Ltd	5,361,000	100,000	0.6	100,000
Brickworks Ltd	6,895,000	500,000	0.7	500,000
BT Investment Management Ltd	5,690,000	500,000	0.6	1,150,000
Computershare Ltd	9,898,000	700,000	1.1	700,000
Janus Henderson Group PLC	4,340,000	100,000	0.5	100,000
Perpetual Ltd	11,174,000	200,000	1.2	300,000
Washington H Soul Pattinson & Company Ltd	18,337,000	1,100,000	2.0	1,100,000

List of Investments as at 30 June 2017

	Market Value \$	30/6/17 Units Held	% of Portfolio at Market Value	30/6/16 Units Held
Australian Equities (cont.)				
<i>Property</i>				
Australian Unity Office Fund	2,230,000	1,000,000	0.2	1,000,000
GDI Property Group	1,435,000	1,400,000	0.2	3,000,000
LendLease Group	19,980,000	1,200,000	2.1	700,000
Scentre Group	8,100,000	2,000,000	0.9	2,000,000
Stockland Group	8,760,000	2,000,000	0.9	2,000,000
Vicinity Centres	3,855,000	1,500,000	0.4	-
Westfield Corporation	8,030,000	1,000,000	0.9	1,000,000
<i>Retailers</i>				
Wesfarmers Ltd	26,078,000	650,000	2.8	600,000
Woolworths Ltd	17,878,000	700,000	1.9	700,000
<i>Transportation</i>				
Asciano Limited	-	-	-	2,000,000
Aurizon Holdings Ltd	8,040,000	1,500,000	0.9	1,500,000
Brambles Ltd	3,410,000	350,000	0.4	350,000
<i>Telecommunications Services</i>				
Telstra Corporation Ltd	10,750,000	2,000,000	1.2	2,000,000
Total Australian Equities	775,162,110		83.4	
Managed Funds				
Colonial Small Co Core Fund Unit Trust	8,725,069	5,410,560	0.9	-
RealIndex RAFI Australian Small Co Fund	9,223,060	8,700,179	1.0	-
Total International Equities	17,948,129		1.9	
International Equities				
iShares Global Healthcare Index ETF	10,665,213	74,100	1.1	74,100
iShares MSCI USA Minimum Volatility Index ETF	12,563,280	197,500	1.4	197,500
Vanguard Developed European Ex UK Index ETF	14,156,166	330,000	1.5	-
Vanguard Information Technology Index ETF	13,512,730	73,800	1.5	73,800
Vanguard All-World Ex US Shares Index ETF	31,572,788	483,800	3.4	483,800
Vanguard US Total Market Shares Index ETF	24,218,744	149,600	2.6	149,600
Total International Equities	106,688,921		11.5	
Cash, Bills of Exchange & Net Short Term Receivables	29,713,988		3.2	
Total	929,513,148		100.0	

