

**AUSTRALIAN
FOUNDATION
INVESTMENT
COMPANY**

Annual Review
2022



AUSTRALIAN FOUNDATION INVESTMENT COMPANY IS A LISTED INVESTMENT COMPANY INVESTING IN AUSTRALIAN AND NEW ZEALAND EQUITIES.

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Year in Summary

	2022		
Profit for the Year	\$360.6m		\$235.1m in 2021. Up 53.4%
Fully Franked Dividend	14¢ <small>Final</small>	24¢ <small>Total</small>	24 cents total in 2021
Total Shareholder Return	0.1%		Share price plus dividend, including franking*
Total Portfolio Return	-6.8% <small>Including franking*</small>		S&P/ASX 200 Accumulation Index including franking* -5.1%
Management Expense Ratio	0.16%		0.14% in 2021
Total Portfolio	\$8.2b		Including cash at 30 June. \$9.1 billion in 2021

* Assumes a shareholder can take full advantage of the franking credits.

5 Year Summary

Net Profit After Tax (\$ Million)

2022	360.6	
2021	235.1	
2020	240.4	
2019	272.2	134.2 ^(a)
2018	279.0	

Net Profit Per Share (Cents)

2022	29.4	
2021	19.3	
2020	19.9	
2019	34.0	
2018	23.6	

Dividends Per Share (Cents)^(b)

2022	24	
2021	24	
2020	24	
2019	24	8 ^(c)
2018	24	

Investments at Market Value (\$ Million)^(d)

2022	8,087	
2021	8,978	
2020	7,122	
2019	7,566	
2018	7,274	

Net Asset Backing Per Share (\$)^(e)

2022 6.63

2021 7.45

2020 5.96

2019 6.49

2018 6.27

Number of Shareholders (30 June)

2022 164,979

2021 159,500

2020 153,588

2019 138,671

2018 129,948

Notes

(a) Participation in the Rio Tinto and BHP off-market share buy-backs, special dividends and the receipt of a dividend because of the Coles demerger from Westfarmers.

(b) All dividends were fully franked. The LIC attributable gain attached to the dividend was 2021: 4.29 cents, 2020: 7.14 cents, 2019: 7.14 cents, 2018: 2.86 cents, 2017: nil.

(c) 8 cents fully franked special dividend paid with the interim dividend.

(d) Excludes cash.

(e) Net asset backing per share based on year-end data before the provision for the final dividend. The figures do not include a provision for capital gains tax that would apply if all securities held as non-current investments had been sold at balance date as Directors do not intend to dispose of the portfolio.

About the Company

Australian Foundation Investment Company (AFIC) is a listed investment company investing in Australian and New Zealand equities.

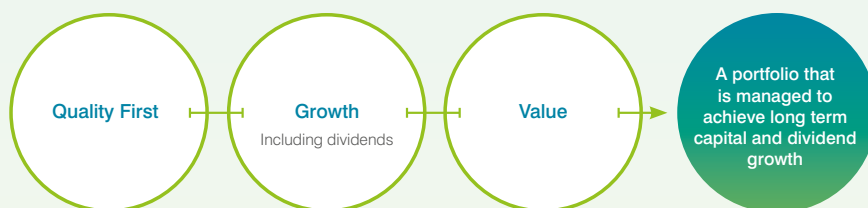
Investment Objectives

The Company aims to provide shareholders with attractive investment returns through access to a growing stream of fully franked dividends and growth in capital invested.

The Company's primary investment goals are:

- to pay dividends which, over time, grow faster than the rate of inflation; and
- to provide attractive total returns over the medium to long term.

How AFIC Invests – What We Look For in Companies



Approach to Investing

Investment Philosophy

The investment philosophy is built on taking a medium to long term view on companies in a diversified portfolio with an emphasis on identifying quality companies that are likely to sustainably grow their earnings and dividends over this time frame.

Quality in this context is an outcome of our assessment of the board and management as well as some key financial metrics. These include return on capital employed, return on equity, the level of gearing in the balance sheet, margins and free cash flow. The structure of the industry and a company's competitive position in this industry is also an important indicator of quality. Linked to this assessment of quality is the ability of companies to grow earnings over time, which ultimately should produce good dividend growth.

Recognising value is also an important aspect of sound long term investing. Short term measures such as the price earnings ratio, price to book or price to sales may be of some value, but aren't necessarily strong predictors of future performance. Our assessment of value tries to capture the opportunity a business has to prosper and thrive over the medium to long term.

In building the investment portfolio in this way, we believe we can offer investors a well-diversified portfolio of high-quality companies that is intended to deliver total returns ahead of the Australian equity market and with less volatility over the long term.

The Company also uses options written against a small proportion of its investments and a small trading portfolio to generate additional income.

From time to time, some borrowings may be used where potential investment returns justify the use of debt. This is managed within very conservative limits, as determined by the Board. AFIC is managed for the benefit of its shareholders with fees based on the recovery of costs rather than as a fixed percentage of the portfolio. There are no performance fees. As a result, the benefit of scale over time results in a very low expense ratio for investors. For the 12 months to 30 June 2022 this was 0.16 per cent, or 16 cents for each \$100 invested.

Approach to Environmental, Social and Governance (ESG) Issues

Environmental, Social and Governance (ESG) issues are taken into account as part of our investment process when assessing companies. As a long term investor, we seek to invest in companies that have strong governance and risk management processes, which includes consideration of environmental and social risks given the potential for these factors to impact investment performance. We are also closely monitoring the development of international standards for ESG reporting as these may further inform our approach going forward.

About the Company

continued

Approach to Investing continued

We regularly review and meet with companies to ensure ongoing alignment of ESG issues with our investment framework:

- We believe environmental factors, including the impact of climate change, can have a material impact on society. These factors are considered when assessing a company's assets, long term sustainability of earnings and cash flow, cost of capital and future growth opportunities.

As reporting becomes more standardised, assessment of commitments and plans by companies to reach net zero by 2050 will also be considered having regard to the industry in which it operates, their progress against these plans and their broader contribution to social good in addressing the challenge of reducing global carbon emissions. In applying external data for benchmarking*, the current carbon intensity of AFIC's portfolio is considerably less than the S&P/ASX 200 Index.

- We believe that aligning ourselves with high-quality management and boards building sustainable long term businesses is the best approach to avoiding socially harmful businesses. We are attracted to companies that act in the best interest of all their stakeholders, including their employees, customers, suppliers and wider communities. Where appropriate, we consider a range of matters including safety, diversity and modern slavery as part of the investment process.

- We invest in high-quality companies with strong governance processes, and management and boards whose interests are closely aligned with shareholders. The investment process includes an assessment of their past performance, history of capital allocation, level of accountability, mix of skills, relevant experience and succession planning. We also closely scrutinise a company's degree of transparency and disclosure.

Engagement with Companies

Voting on resolutions is one of the key functions that a shareholder has in ensuring better long term returns and management of investment risk:

- We take input from proxy advisers but conduct our own evaluation of the merits of any resolution.
- We vote on all company resolutions as part of our regular engagement with the companies in the portfolio. Our voting record is on the Company's website.
- We actively engage with companies when we have concerns those resolutions are not aligned with shareholders' interests. We acknowledge that high-quality companies may face ESG challenges. We seek to stay engaged with the companies and satisfy ourselves that the issues are taken seriously and worked through constructively. Ideally, in this instance, we seek to remain invested to influence a satisfactory outcome for stakeholders.

* Data provided by ISS ESG.
Portfolio at 30 June 2022.



— Review of Operations and Activities —

Profit and Dividend

The full year profit was \$360.6 million, up from \$235.1 million in the previous corresponding period. The profit to 30 June 2022 includes a dividend of \$74.9 million (which was non-cash but carries franking credits with it) resulting from the BHP Petroleum/Woodside merger. Last year's figure included a demerger dividend of \$36.5 million resulting from the Endeavour Group demerger from Woolworths. Excluding both one-offs, the full year profit for the financial year to 30 June 2022 was \$285.7 million, up from \$198.6 million in the previous corresponding period. The increase in profit for the 2021–2022 financial year was driven by higher dividends received from investee companies.

Earnings per share for the financial year, excluding the BHP Petroleum/Woodside merger non-cash dividend, were 23.3 cents per share. The final dividend was maintained at 14 cents per share fully franked bringing total fully franked dividends applicable for the year to 24 cents per share, the same as last year.

Ten cents of the final dividend were sourced from taxable capital gains, on which the Company has paid or will pay tax. The amount of the pre-tax attributable gain on this portion of the dividend, known as an 'LIC capital gain', is equal to 14.29 cents per share. This enables some shareholders to claim a tax deduction in their tax return.

Market and Portfolio Performance

Following on from the recent strong share market returns since monetary policy was eased and significant fiscal stimulus was introduced in response to the COVID-19 pandemic, the Australian share market continued to enjoy strong positive returns in the first six months of the financial year as interest rates remained low and valuations for many companies were very high. These conditions were eventually overwhelmed in the second half of the financial year as inflation emerged, driving interest rates higher. Geopolitical events further exacerbated market volatility producing a significant divergence of returns across the market.

Figure 1 provides some context to the market decline over the financial year to 30 June 2022 given market movements since the onset of the initial COVID-19 pandemic in 2019.

Overall, the S&P/ASX 200 Accumulation Index (including franking) fell 5.1 per cent over the 12 months to 30 June 2022 as there was a rotation away from quality growth stocks to a focus on short term value. The previously underperforming Utilities sector was up 36.0 per cent over the period and Energy, which responded to rising oil prices resulting from Russia's invasion of the Ukraine, was up 30.1 per cent. In contrast, previous strong-performing sectors such as Information Technology and Consumer Discretionary were down 38.2 per cent and 20.9 per cent respectively (Figure 2).

Figure 1: Performance of the S&P/ASX 200 Price Index – 3 Years to 30 June 2022

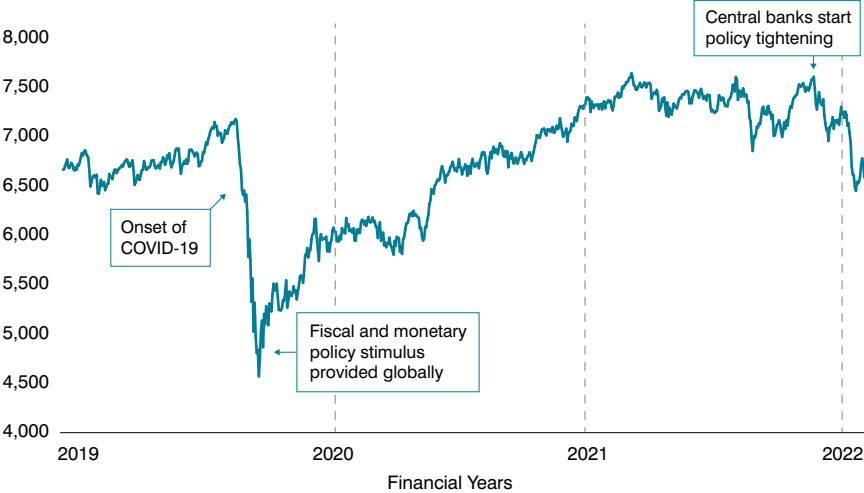
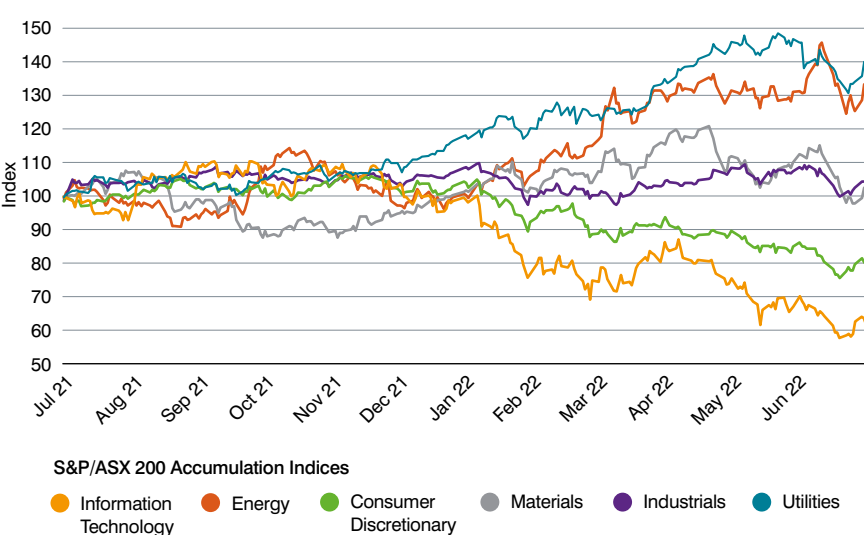


Figure 2: Key Sector Performance for the 12 Months to 30 June 2022



Source: FactSet

Review of Operations and Activities

continued

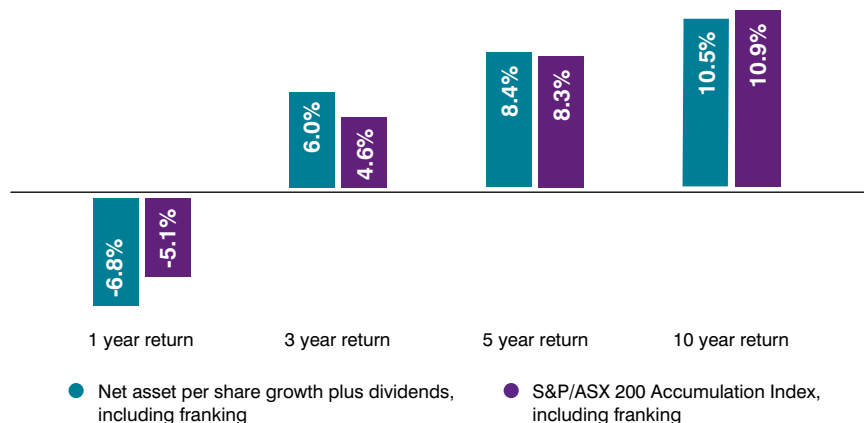
The portfolio had a negative return of 6.8 per cent including franking, with the largest drag on performance being the decline in the valuation of many high-quality companies from their previous very high levels. We remain convinced about the prospects for these companies despite the recent decline in share prices. In addition, relative performance to the Index was impacted by the underweight position in resources, which includes energy stocks, and the sale of Sydney Airport and Milton Corporation because of takeovers which generated a significant amount of capital gains tax.

Companies in the portfolio that performed relatively well against the Index through the 12-month period were Amcor, Sydney Airport (now taken over), Transurban Group, Ramsay Health Care, which is

currently subject to an expression of interest offer, Macquarie Group and Computershare.

The long term performance of the portfolio, which is better aligned with the Company's investment time frames, was 10.5 per cent per annum for the 10 years to 30 June 2022 (Figure 3). The Index return over the same period was 10.9 per cent per annum. These figures include the benefit of franking. AFIC's performance numbers are after costs. Performance has been achieved with low portfolio turnover, providing very tax effective returns for shareholders and with more consistent dividends. These returns have also been delivered with very low volatility, achieving an attractive profile of return relative to risk for investors.

Figure 3: Portfolio Performance – Per Annum Returns to 30 June 2022





— Review of Operations and Activities —

continued

Positioning the Portfolio

The majority of purchases during the year focused on increasing weightings to existing holdings including Transurban Group, CSL, Domino's Pizza Enterprises, Coles Group, Goodman Group, Carsales.com and Auckland International Airport.

We also initiated positions in JB Hi-Fi, Mirvac Group and a small holding in WiseTech Global. JB Hi-Fi is the largest consumer electronics retailer in Australia and New Zealand. While primarily providing attractive income to the portfolio we expect the consumer electronics category to continue delivering meaningful growth.

Mirvac Group is a diversified property company with operations across residential, commercial and industrial markets. Mirvac Group's in-house property development capability is relatively unique to the sector and provides a competitive advantage. The company's growth is largely sourced from product generation and less reliant on acquiring established assets.

During the 12-month period we exited Qube Holdings, APA Group, Lifestyle Communities, Origin Energy, Endeavour Group and Altium. We are observing structural industry challenges for many of these companies or an environment where competitive intensity has materially increased. We consider the growth prospects for all these companies to be increasingly challenged as a result.

Additionally, we exited our holding in Milton Corporation and Sydney Airport as a result of takeovers.

The ability to reinvest the cash from these takeovers was important during the year as these funds were deployed elsewhere in the portfolio in companies with good long term growth opportunities.

We seek to have a diversified portfolio that covers a range of sectors and industries. This also allows us to better spread risk through different market cycles. Figure 4 highlights the profile of AFIC's portfolio by the various sectors of the market at the end of the financial year and how it differs from the Index.

International Portfolio

We have continued to manage and carefully add to positions in the diversified global equities portfolio which was first initiated in May 2021. Through a combination of these additional investments and portfolio returns, we now have approximately \$89.2 million invested (which represents approximately 1.1 per cent of the portfolio).

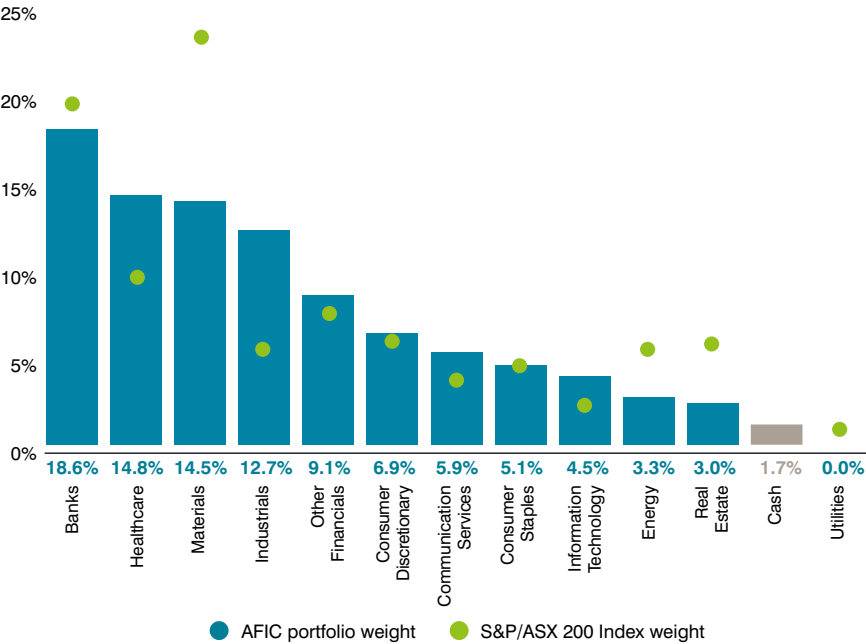
Leveraging our investment philosophy in the domestic market, the approach to international equities is similar. The international strategy invests in publicly listed companies outside the Australian and New Zealand markets with a medium to long term investment time horizon.

It focuses on high quality companies with strong management teams and competitive advantages that we view as sustainable, often underpinned by long term secular growth trends. With inherent business characteristics that allow these companies to generate an attractive return on capital, the selected companies are expected to generate a reasonable level of return for our shareholders through

a combination of earnings growth and dividends. We look to invest at a starting valuation that is sensible in the context of the expected return and the risk associated with each investment.

This activity is potentially a precursor to establishing a separate low-cost international Listed Investment Company in the future.

Figure 4: AFIC Investment by Sector Versus the S&P/ASX 200 Index as at 30 June 2022 – Excludes International Holdings



— Review of Operations and Activities —

continued

Share Price Return

The share price return, including reinvestment of dividends and franking credits, over the 12 months to 30 June 2022 was flat at 0.1 per cent, which is ahead of the portfolio return for the year. The share price was trading at a premium of 13 per cent to the net asset backing (before tax on unrealised gains) at the end of June 2022, whereas at 30 June 2021 the premium was 5 per cent (Figure 5).

Importantly, the long term, 10-year return is 12.2 per cent for the share price in comparison to 10.9 per cent for the Index (Figure 6). The figures for the Index and share price assumes a shareholder can take full advantage of the franking credits attached to the dividends paid.

Outlook

During the year strengthening demand produced supply chain challenges in many industries, which contributed to a meaningful increase in reported inflation. In endeavouring to achieve price stability, central banks signalled the end of stimulatory policy settings. Equity markets are now facing challenges on multiple fronts, slowing economic growth, inflation and interest rate hikes. As a result, the uncertain environment that produced a fall in equity markets during the financial year is unlikely to be materially different in the short term.

While the market has moved closer to long term value as measured by price to sales ratio (Figure 7 on page 16) and price to book ratio (Figure 8 on page 17) we are comfortable with the current portfolio settings and can afford to be patient with our capital until attractive opportunities present themselves.



Figure 5: Share Price Premium/Discount to Net Asset Backing

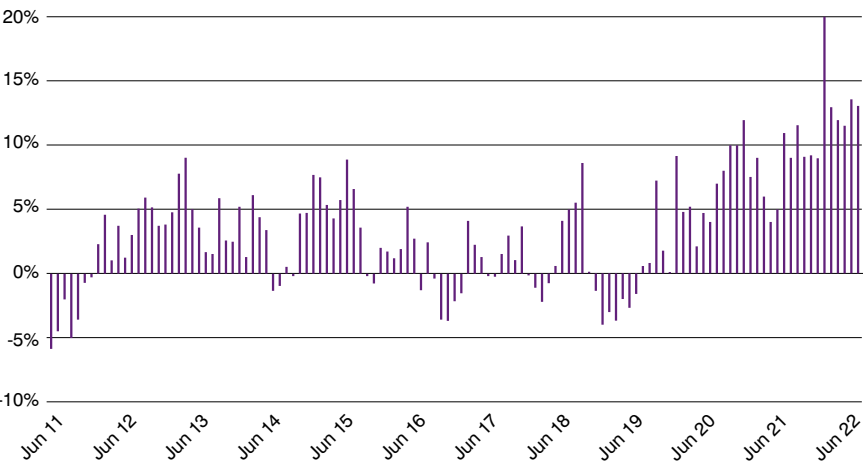
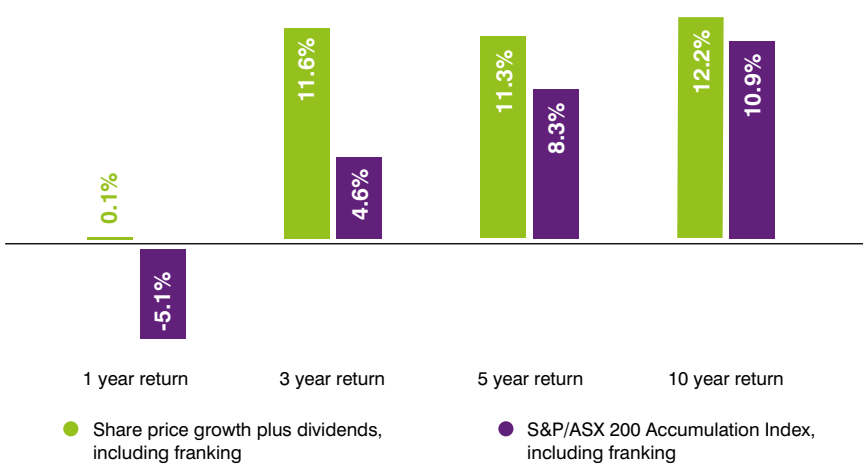


Figure 6: Share Price Return – to 30 June 2022



— Review of Operations and Activities —

continued

In this context it is also worth noting even though the valuation of the market, as measured by price earnings ratio (Figure 9), has moved well below the long term average it is against the background of very high profit margins which may come under pressure in the near term given expected difficult economic conditions.

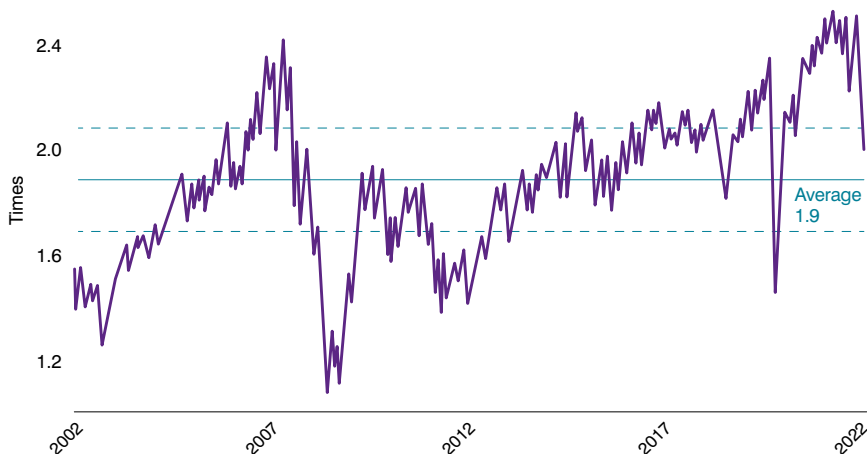
Directorship Matters

Mr Peter Williams, a Non-Executive Director of the Company has advised that he will not seek re-election at the 2022 Annual General Meeting and will retire at the conclusion of the meeting to be held on 4 October 2022.

Mr Williams has been a Director since 2010 and is currently the Chairman of the Audit Committee and a member of the Investment and Nomination Committees. Mr Williams is also the Non-Executive Chairman of the Company's subsidiary, Australian Investment Company Services Limited.

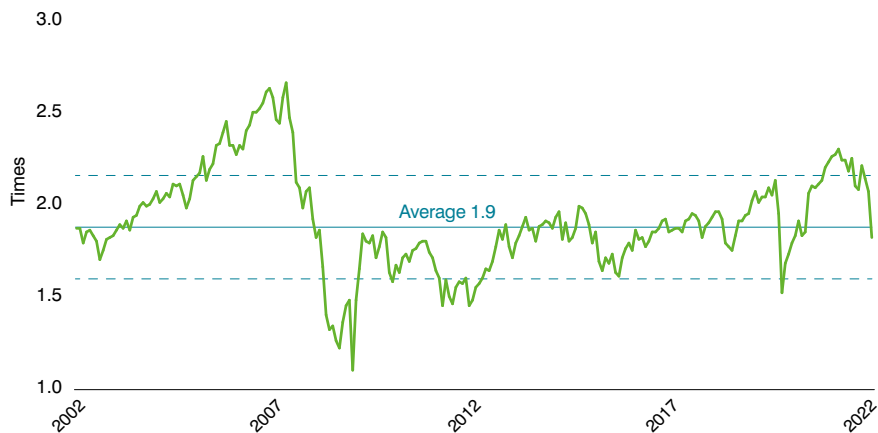
The Board has greatly benefited from Mr Williams' extensive experience. The Board wishes to record its thanks to Peter for his significant contribution and service to the Board during his tenure and wish him well for the future.

Figure 7: Valuation of the Market – Price to Sales of the S&P/ASX 200 Index



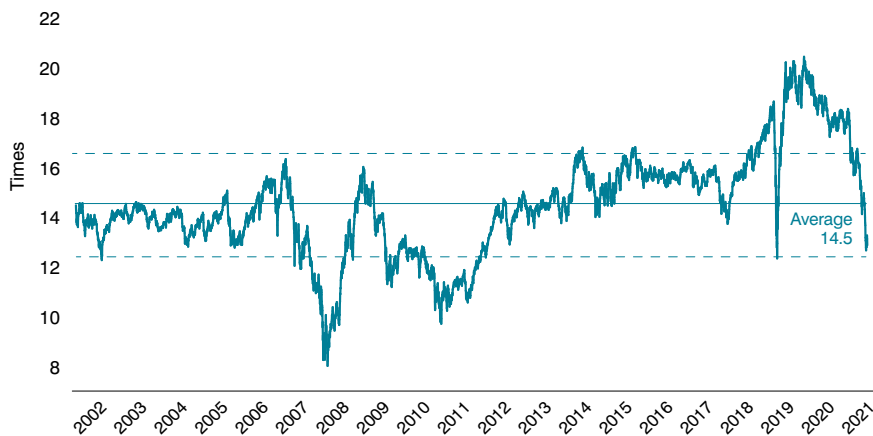
Source: FactSet

Figure 8: Valuation of the Market – Price to Book of the S&P/ASX 200 Index



Source: FactSet

Figure 9: Valuation of the Market – Price to Earnings Ratio of the S&P/ASX 200 Index



Source: FactSet

Top 25 Investments

As at 30 June 2022

Includes investments held in both the investment and trading portfolios.

Value at Closing Prices at 30 June 2022

		Total Value \$ Million	% of the Portfolio
1	Commonwealth Bank of Australia	714.0	8.8
2	CSL	638.1	7.9
3	BHP Group	574.4	7.1
4	Transurban Group	414.0	5.1
5	Macquarie Group	363.0	4.5
6	Wesfarmers	309.0	3.8
7	National Australia Bank	305.5	3.8
8	Westpac Banking Corporation	303.1	3.7
9	Woolworths Group	255.4	3.2
10	Amcor	209.3	2.6
11	Mainfreight	206.5	2.6
12	Rio Tinto	191.2	2.4
13	Telstra Corporation	187.4	2.3
14	Australia and New Zealand Banking Group	187.0	2.3
15	Woodside Energy Group*	184.9	2.3
16	James Hardie Industries	166.6	2.1
17	Coles Group	160.7	2.0
18	Goodman Group	157.6	1.9
19	Carsales.com	147.6	1.8
20	ResMed	145.8	1.8
21	ASX	117.0	1.4
22	Ramsay Health Care	115.9	1.4
23	Sonic Healthcare	109.6	1.4
24	Computershare	99.6	1.2
25	Brambles	99.4	1.2
Total		6,362.7	

As percentage of total portfolio value (excludes cash)

78.7%

* Indicates that options were outstanding against part of the holding.

Income Statement

For The Year Ended 30 June 2022

	2022 \$'000	2021 \$'000
Dividends and distributions	388,492	257,874
Revenue from deposits and bank bills	61	116
Net gains on trading portfolio (including unrealised gains or losses)	629	2,472
Total income	389,182	260,462
Finance costs	(845)	(1,831)
Administration expenses (net of recoveries)	(14,294)	(10,678)
Profit before income tax	374,043	247,953
Income tax	(13,486)	(12,858)
Net profit	360,557	235,095
	Cents	Cents
Net profit per share	29.40	19.28

Balance Sheet

As at 30 June 2022

	2022 \$'000	2021 \$'000
Current assets		
Cash	144,619	97,122
Receivables	36,598	40,011
Trading portfolio	4,979	4,745
Total current assets	186,196	141,878
Non-current assets		
Investment portfolio	8,082,513	8,973,080
Deferred tax assets	-	59
Total non-current assets	8,082,513	8,973,139
Total assets	8,268,709	9,115,017
Current liabilities		
Payables	28,688	1,020
Borrowings – bank debt	10,000	-
Tax payable	62,567	12,621
Provisions	6,114	5,235
Total current liabilities	107,369	18,876
Non-current liabilities		
Provisions	896	888
Deferred tax liabilities – other	503	-
Deferred tax liabilities – investment portfolio	1,169,452	1,536,231
Total non-current liabilities	1,170,851	1,537,119
Total liabilities	1,278,220	1,555,995
Net assets	6,990,489	7,559,022
Shareholders' equity		
Share capital	3,070,213	3,007,780
Revaluation reserve	2,556,466	3,394,297
Realised capital gains reserve	510,503	416,071
General reserve	23,637	23,637
Retained profits	829,670	717,237
Total shareholders' equity (including minority interests)	6,990,489	7,559,022

Summarised Statement of Changes in Equity

For the Year Ended 30 June 2022

	2022 \$'000	2021 \$'000
Total equity at the beginning of the year	7,559,022	6,240,517
Dividends paid	(283,554)	(282,473)
Shares issued – Dividend Reinvestment Plan	62,584	60,632
Other share capital adjustments	(151)	(145)
Total transactions with shareholders	(221,121)	(221,986)
Profit for the year	360,557	235,095
Revaluation of investment portfolio	(1,008,188)	1,881,261
Provision for tax on revaluation	300,219	(575,865)
Revaluation of investment portfolio (after tax)	(707,969)	1,305,396
Total comprehensive income for the year	(347,412)	1,540,491
Realised gains on securities sold	196,422	90,262
Tax expense on realised gains on securities sold	(66,560)	(13,133)
Net realised gains/(losses) on securities sold	129,862	77,129
Transfer from revaluation reserve to realised gains reserve	(129,862)	(77,129)
Total equity at the end of the year	6,990,489	7,559,022

A full set of AFIC's final accounts are available on the Company's website.

Holdings of Securities

At 30 June 2022

Individual investments for the combined investment and trading portfolios as at 30 June 2022 are listed below. The list should not, however, be used to evaluate portfolio performance or to determine the net asset backing per share at other dates. Net asset backing is advised to the Australian Securities Exchange each month and is recorded on the toll free telephone service at 1800 780 784 and posted to AFIC's website afi.com.au.

Individual holdings in the portfolios may change during the course of the year. In addition, holdings which are part of the trading portfolio may be subject to call options or sale commitments by which they may be sold at a price significantly different from the market price prevailing at the time of the exercise or sale.

Code	Ordinary Shares, Trust Units or Stapled Securities	Number Held 2021 '000	Number Held 2022 '000	Market Value 2022 \$'000
AIA	Auckland International Airport	6,073	10,300	66,743
ALQ	ALS	7,012	7,622	81,405
AMC	Amcor	11,600	11,600	209,265
ANN	Ansell	1,079	1,369	30,444
ANZ	Australia and New Zealand Banking Group	8,488	8,488	186,984
ARB	ARB Corporation	3,503	3,473	98,065
ASX	ASX	1,432	1,432	117,009
AUB	AUB Group	2,526	2,378	42,049
BHP	BHP Group	13,413	13,926	574,433
BXB	Brambles	9,279	9,279	99,374
CAR	Carsales.com	6,053	8,026	147,602
CBA	Commonwealth Bank of Australia	7,900	7,900	714,002
COH	Cochlear	334	334	66,400
COL	Coles Group	7,068	9,023	160,691
CPU	Computershare	4,043	4,043	99,607
CSL	CSL	2,185	2,372	638,076
CWY	Cleanaway Waste Management	17,014	17,014	42,876
DJW	Djerriwarrh Investments	7,505	7,505	21,465
DMP	Domino's Pizza Enterprises	254	653	44,416

Code	Ordinary Shares, Trust Units or Stapled Securities	Number Held 2021 '000	Number Held 2022 '000	Market Value 2022 \$'000
DUI	Diversified United Investment	12,030	12,030	55,339
EQT	EQT Holdings	1,322	1,322	34,626
FCL	FINEOS Corporation	7,338	9,253	13,694
FPH	Fisher & Paykel Healthcare Corporation	3,913	3,913	69,799
GMG	Goodman Group	6,685	8,835	157,616
IAG	Insurance Australia Group	9,527	9,527	41,540
IEL	IDP Education	566	790	18,809
IRE	IRESS	7,091	8,211	94,511
IVC	InvoCare	3,512	3,512	36,740
JBH	JB Hi-Fi	0	1,131	43,508
JHX	James Hardie Industries	4,590	5,245	166,646
MFT	Mainfreight (NZX listed)	3,268	3,268	206,524
MGR	Mirvac Group	0	22,000	43,450
MIR	Mirrabooka Investments	8,728	8,728	25,573
MQG	Macquarie Group	2,207	2,207	362,997
NAB	National Australia Bank	11,155	11,155	305,530
NAN	Nanosonics	3,545	5,970	20,059
NWL	Netwealth Group	2,090	3,489	42,427
NXT	NEXTDC	7,864	7,864	83,678
ORI	Orica	2,226	2,226	35,100
PXA	PEXA Group	2,919	2,919	40,543
REA	REA Group	553	644	72,053
REH	Reece	7,201	7,201	99,234
RHC	Ramsay Health Care	1,915	1,583	115,923
RIO	Rio Tinto	1,862	1,862	191,229
RMD	ResMed	4,250	4,750	145,778
RWC	Reliance Worldwide Corporation	10,963	5,918	23,910
RYM	Ryman Healthcare (NZX listed)	880	880	7,084
SEK	Seek	3,641	3,333	69,985

Holdings of Securities

At 30 June 2022 continued

		Number Held 2021 '000	Number Held 2022 '000	Market Value 2022 \$'000
Code	Ordinary Shares, Trust Units or Stapled Securities			
SHL	Sonic Healthcare	3,704	3,320	109,582
STO	Santos	0	11,286	83,740
TCL	Transurban Group	23,867	28,791	414,012
TLS	Telstra Corporation	54,510	48,680	187,419
TPW	Temple & Webster	2,367	3,844	12,761
WBC	Westpac Banking Corporation	15,545	15,545	303,128
WDS*	Woodside Energy Group	3,620	5,816	184,894
WES	Wesfarmers	7,372	7,372	308,961
WOW	Woolworths Group	6,416	7,175	255,420
WTC	WiseTech Global	0	250	9,463
XRO	Xero	833	833	64,108
Total				7,998,297

* Part of the security was subject to call options written by the Company.

Holdings of International Securities

At 30 June 2022

Code	Ordinary shares, trust units or stapled securities	Number Held 2021	Number Held* 2022	Market Value 2022 A\$
ACN-US	Accenture	2,760	5,506	2,223,158
AENA-ES	Aena	4,993	10,728	1,977,600
GOOGL-US	Alphabet	642	1,534	4,861,461
AMZN-US	Amazon	6,980	23,360	3,607,952
AAPL-US	Apple	4,788	21,658	4,306,044
SCHW-US	Charles Schwab	0	27,651	2,540,574
CMG-US	Chipotle	714	1,325	2,518,891
CTAS-US	Cintas	1,994	3,414	1,854,485
COST-US	Costco	1,589	2,976	2,074,212
CCI-US	Crown Castle	4,226	10,886	2,665,546
EL-US	Estée Lauder	2,046	5,037	1,865,453
FERG-GB	Ferguson	6,357	12,851	2,085,332
FTNT-US	Fortinet	20,510	24,220	1,992,822
HCA-US	HCA Healthcare	5,511	10,619	2,595,284
HD-US	Home Depot	2,757	6,284	2,506,373
ICE-US	Intercontinental	7,772	15,643	2,139,337
JPM-US	JP Morgan	0	12,029	1,969,869
OR-FR	L'Oréal	790	3,018	1,510,932
MC-FR	LVMH Moët	1,240	2,155	1,905,817
MAR-US	Marriott	6,266	9,615	1,901,751
MA-US	Mastercard	1,421	3,461	1,587,838
MCD-US	McDonald's	4,188	8,702	3,124,192
META-US	Meta Platforms (formerly Facebook)	3,553	2,889	677,442
MSFT-US	Microsoft	7,066	16,083	6,006,840
NESN-CH	Nestlé	9,176	18,826	3,186,865
NFLX-US	Netflix	2,257	3,792	964,306
NEE-US	Nextera	5,861	20,749	2,337,167
NKE-US	Nike	7,784	13,173	1,957,771

Holdings of International Securities

At 30 June 2022 continued

Code	Ordinary shares, trust units or stapled securities	Number Held 2021	Number Held* 2022	Market Value 2022 A\$
NOVOB-DK	Novo Nordisk	8,634	12,978	2,088,550
PEP-US	PepsiCo	5,323	10,474	2,538,479
ROG-CH	Roche	2,790	5,035	2,436,336
SPGI-US	S&P Global	2,558	3,927	1,924,858
SU-FR	Schneider	5,527	10,228	1,755,534
SOON-CH	Sonova	1,814	4,544	2,098,328
SBUX-US	Starbucks	8,598	11,612	1,289,977
669-HK	Techtronic	31,777	125,890	1,909,751
TMO-US	Thermo Fisher	1,684	3,523	2,783,346
V-US	Visa	3,461	4,977	1,425,015
Total				89,195,485

* Note some increase in the number held are because of share splits through 2022.

Major Transactions in the Investment Portfolio

Acquisitions	Cost (\$'000)
Woodside Energy (merger with BHP Oil and Gas)	74,888
Santos (merger with Oil Search)	72,660
Transurban Group (includes \$35.5 million in entitlement offer at \$13 per share)	65,548
Mirvac Group	54,111
JB Hi-Fi	52,191
CSL (includes \$30.2 million in placement offer at \$273 per share)	50,109
Domino's Pizza Enterprises	46,376
Goodman Group	45,103

Disposals	Proceeds (\$'000)
Sydney Airport*	221,802
Oil Search* (merger with Santos)	72,660
Qube Holdings*	68,985
APA Group*	57,159
Milton Corporation*	50,443
Lifestyle Communities*	36,760

* Complete disposal from the portfolio.

New Companies Added to the Portfolio

Santos (merger with Oil Search)

Mirvac Group

JB Hi-Fi

WiseTech Global

Company Particulars

Australian Foundation Investment Company Limited (AFIC)

ABN 56 004 147 120

Directors

John Paterson, Chairman
Robert M Freeman, Managing Director
Rebecca P Dee-Bradbury
Craig M Drummond
Julie A Fahey
Graeme R Liebelt
David A Peever
Catherine M Walter AM
Peter J Williams

Company Secretaries

Matthew J Rowe
Andrew JB Porter

Auditor

PricewaterhouseCoopers
Chartered Accountants

Country of Incorporation

Australia

Registered Office and Mailing Address

Level 21, 101 Collins Street
Melbourne Victoria 3000

Contact Details

Telephone (03) 9650 9911
Facsimile (03) 9650 9100
Email invest@afi.com.au
Website afi.com.au

For enquiries regarding net asset backing
(as advised each month to the Australian
Securities Exchange):

Telephone 1800 780 784 (toll free)

Shareholder Information

Share Registrar

Computershare Investor Services Pty Ltd
Yarra Falls
452 Johnston Street
Abbotsford Victoria 3067

New Zealand Address

Computershare Investor Services Limited
159 Hurstmere Road
Takapuna Auckland 0622

Shareholder

Enquiry Line 1300 662 270
+61 3 9415 4373
(from overseas)

Facsimile (03) 9473 2500

Website investorcentre.com/
contact

For all enquiries relating to shareholdings, dividends and related matters, please contact the Share Registrar as above.

Securities Exchange Codes

AFI Ordinary shares
(ASX and NZX)

Annual General Meeting

Time 10.00am
Date Tuesday 4 October 2022
Venue The Clarendon Auditorium
Melbourne Convention
and Exhibition Centre
(MCEC)
Location 2 Clarendon Street
Southbank Victoria
Australia

Subject to any change in the Government restrictions for public gatherings, the AGM will be a hybrid meeting with a physical meeting and access via an online platform. Further details are provided in the Notice of Annual General Meeting.

Adelaide Shareholder Meeting

Time 10.00am
Date Monday 17 October 2022
Venue Adelaide Convention Centre
North Terrace Adelaide
Location Hall E1 and E2

Perth Shareholder Meeting

Time 10.00am
Date Tuesday 18 October 2022
Venue Perth Convention Centre
21 Mounts Bay Road Perth
Location Meeting Rooms 1 and 2

Canberra Shareholder Meeting

Time 10.00am
Date Friday 21 October 2022
Venue Park Hyatt Hotel
120 Commonwealth Avenue
Canberra
Location Federation Ballroom

Brisbane Shareholder Meeting

Time 10.00am
Date Monday 24 October 2022
Venue Brisbane Convention Centre
Cnr Merivale and Glenelg Streets
South Bank Brisbane
Location Sky Room

Sydney Shareholder Meeting

Time 10.00am
Date Tuesday 25 October 2022
Venue Wesley Conference Centre
220 Pitt Street Sydney
Location Auditorium

**AUSTRALIAN
FOUNDATION
INVESTMENT
COMPANY**