



Full Year Results

July 2026

Income, Capital
Growth, Low Cost

**AUSTRALIAN
FOUNDATION
INVESTMENT
COMPANY**



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ABN: 56 004 147 120

Agenda

Overview and Investment Objectives

Alison Gibson

Financial Results

Andrew Porter

Market and Portfolio Update

Brett McNeill and Winston Chong

Outlook

Brett McNeill



Overview and Investment Objectives

AFIC – Key Features

Predominantly invests in Australian and New Zealand companies

Largest listed investment company on the ASX, ~150,000 shareholders, independent Board of Directors

Shareholders own the 'management rights' to the portfolio

Low cost with no additional fees

Long term investor with low turnover (tax effective)

Long history of stable to growing fully franked dividends

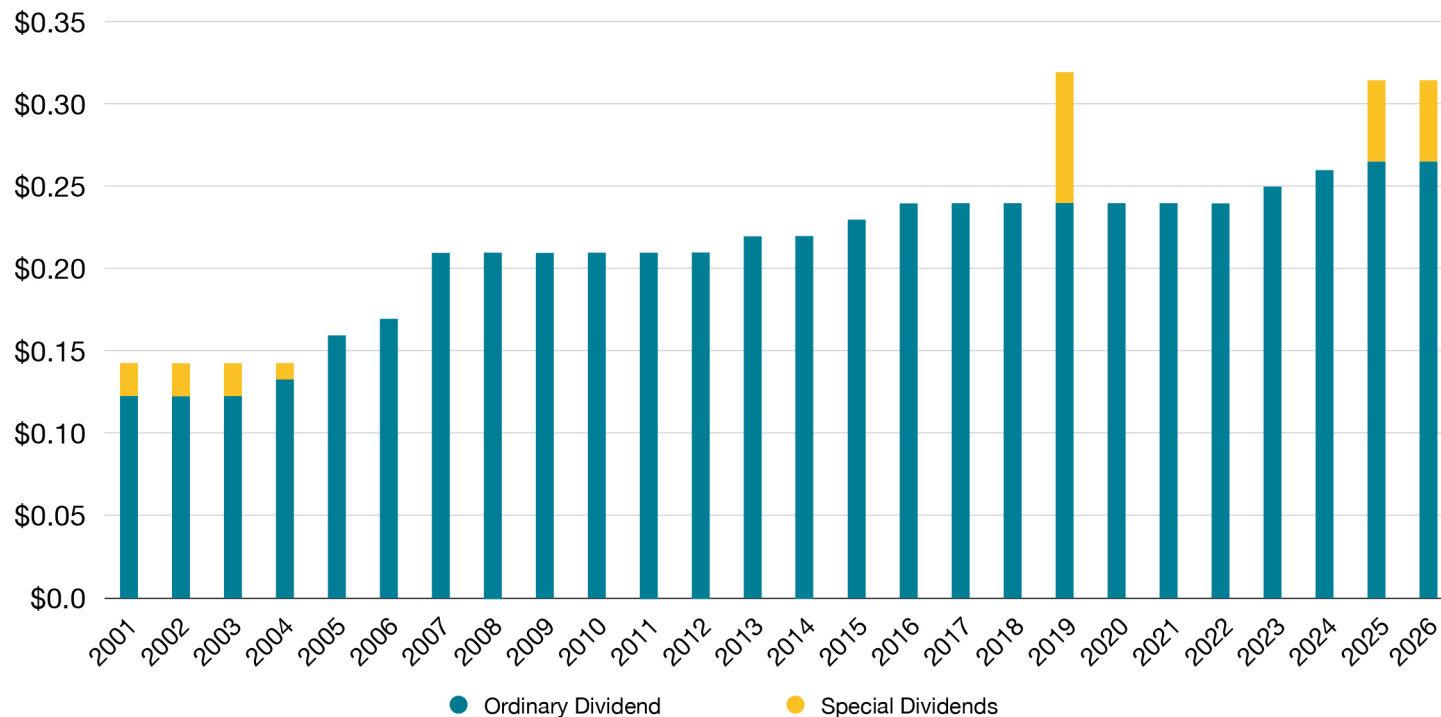
Team manages three other funds – Djerriwarrh, Mirrabooka and AMCIL

Investment Objectives

The Company's primary investment goals are:

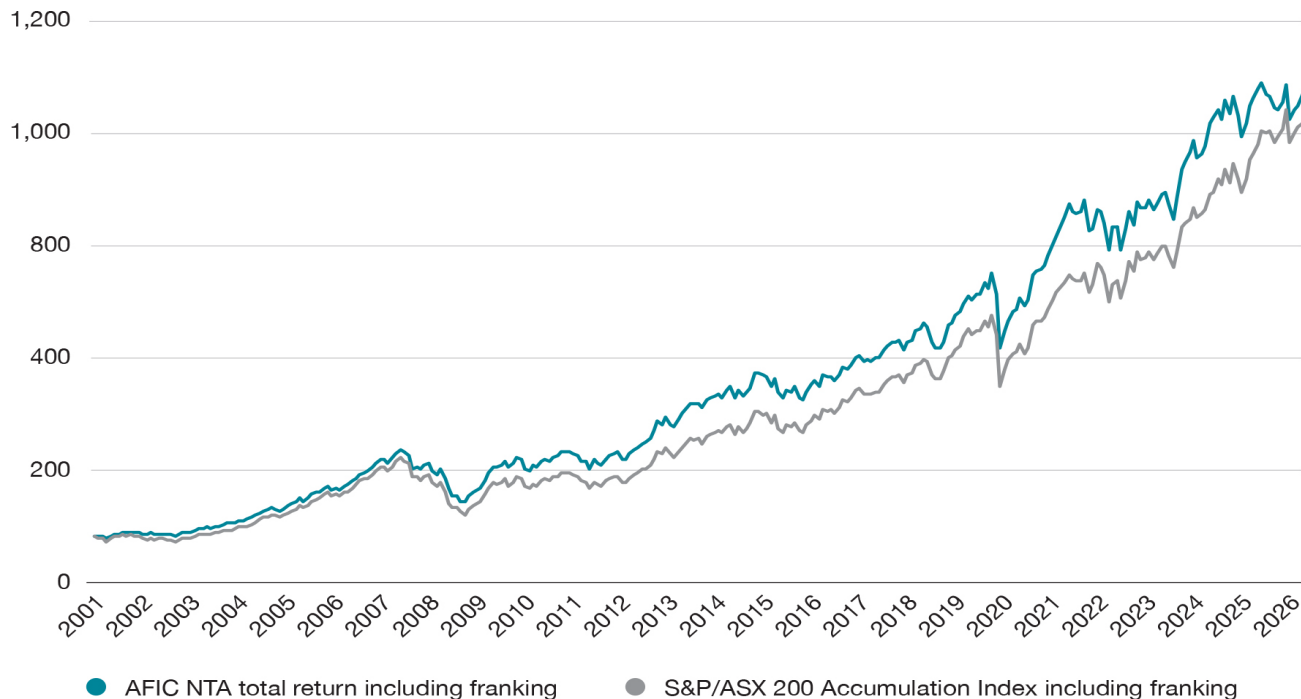
- to pay stable to growing ordinary dividends over time; and
- to provide attractive total returns over the medium to long term.

Stable to Growing Ordinary Dividends for Shareholders



Outperformed the Market Over the Long-Term

AFIC Portfolio Total Return compared to S&P/ASX 200 Accumulation
Index over 25 Years to 30 June 2026



Assumes investors can take full advantage of franking credits. AFIC's portfolio is calculated after expenses, income tax and tax on realised capital gains. It should be noted that the market returns do not include expenses or tax.

A woman in a white lab coat is seated at a desk in a laboratory, working on a computer. The room is dimly lit, with light coming from the computer screen and a window in the background. To the right, there is a large piece of medical equipment, possibly an ultrasound machine. In the foreground, there are some blurred laboratory equipment and containers.

Financial Results

Results Summary for Financial Year 2026

Profit for the Year

\$293.5m

\$285.0m in 2025

Management Expense Ratio

0.14%

0.16% in 2025

Fully Franked Dividend Coverage

55¢ per share

After payment of final dividend

Total Portfolio

\$9.8b

Including cash at 30 June. \$10.5 billion in 2025

Fully Franked Dividend Per Share

14.5¢ Final

2.5¢ Special

31.5¢
Total[#]

31.5 cents total in 2025

Share Buy Backs

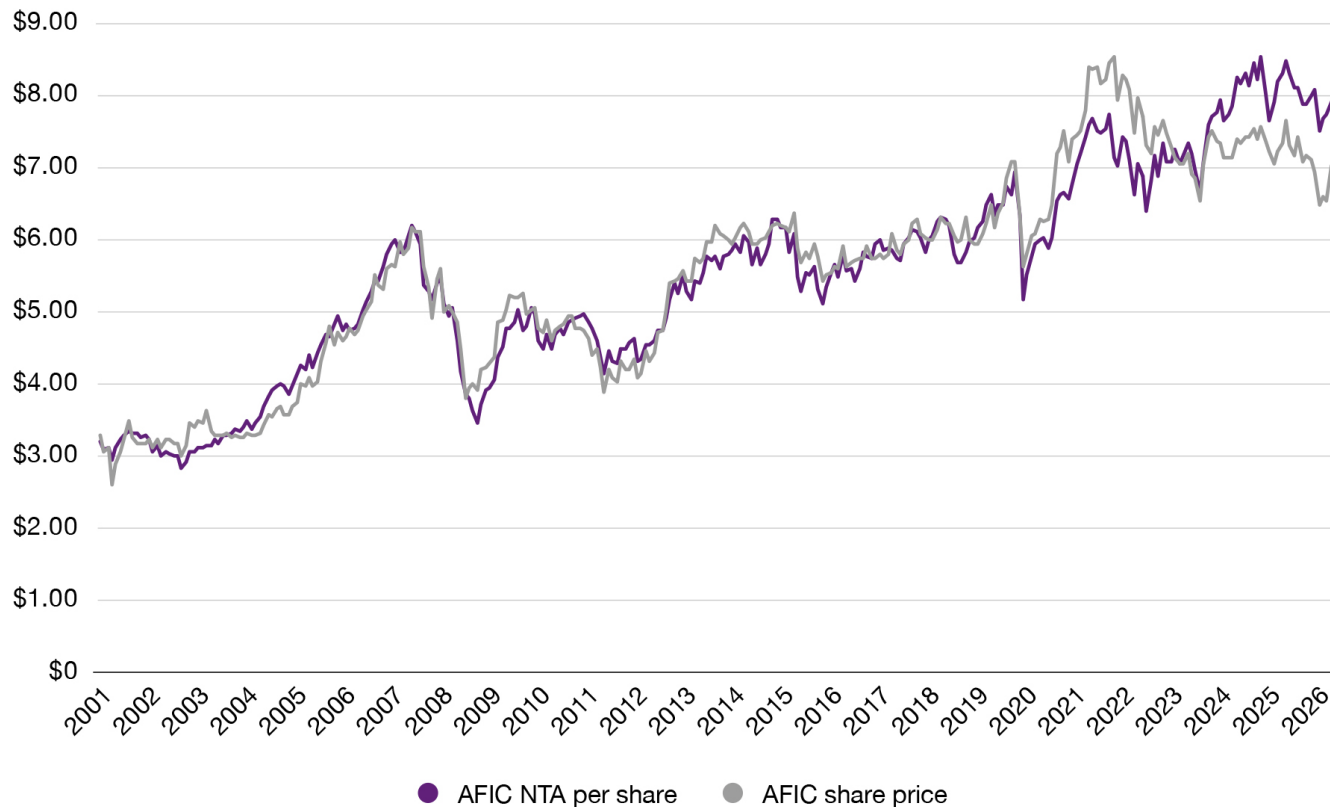
35.4m Shares bought back

Cost of ~\$242.8m

Net Tangible Asset (NTA) Movement for the Year



Share Price Relative to Net Tangible Assets (NTA)



30 June 2026

NTA: \$7.93

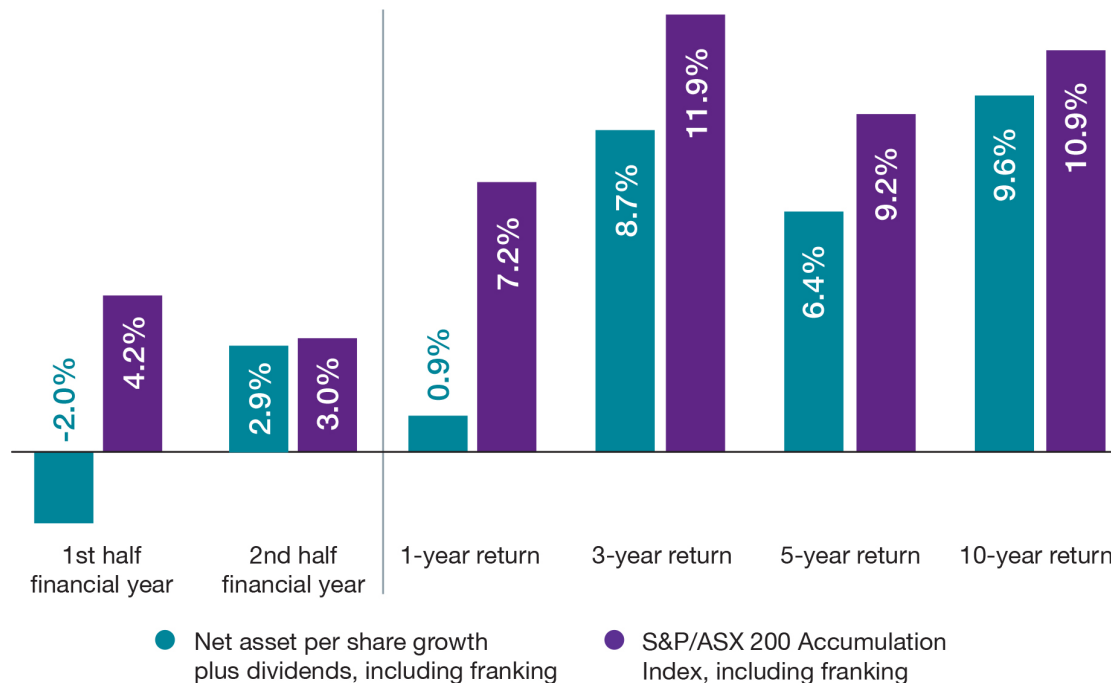
Share price: \$7.05

Discount: 11.1%

A surveyor wearing a white hard hat and a high-visibility yellow safety jacket is operating a surveying instrument mounted on a tripod. The scene is set under a large concrete bridge structure, with a long, straight concrete path leading into the distance. The background shows a construction site with red and white striped barriers and some distant structures under a clear sky. The text "Market and Portfolio Update" is overlaid on the left side of the image in a blue font.

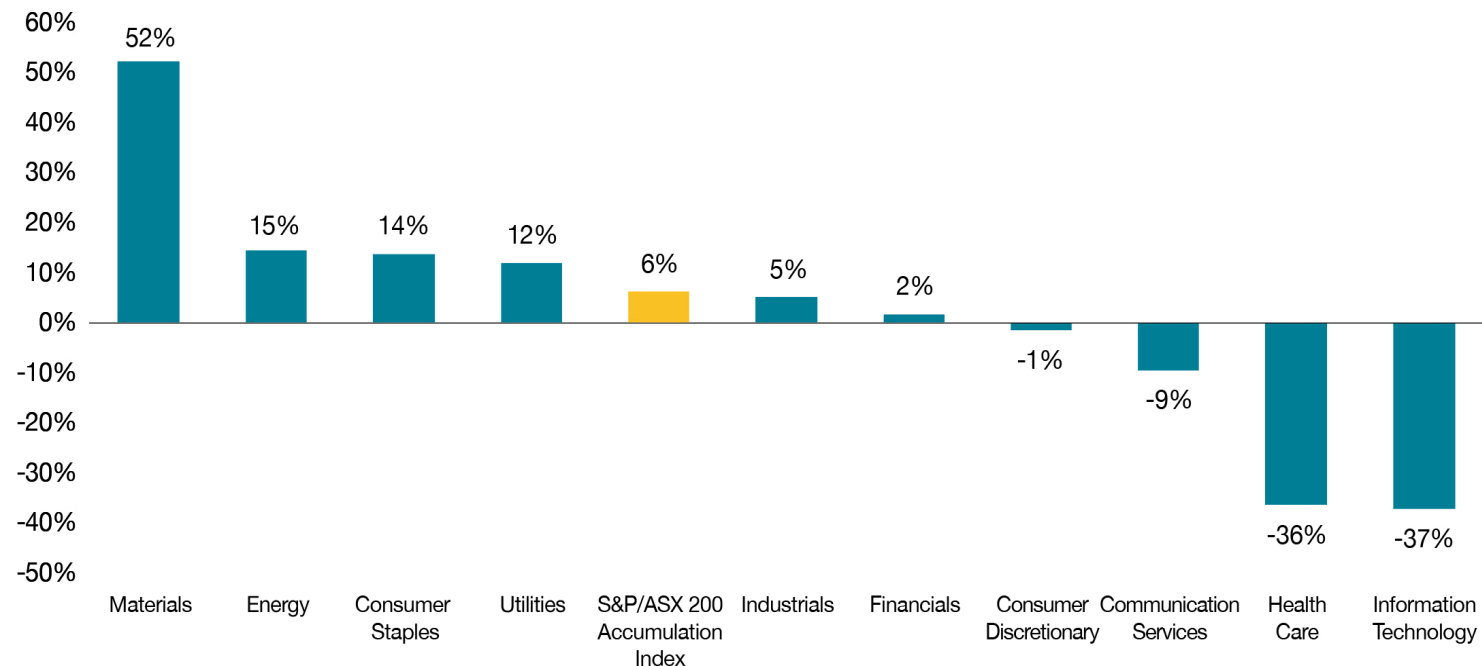
Market and Portfolio Update

AFIC Portfolio Performance – Per Annum Returns to 30 June 2026



Returns assume the full benefit of franking credits. AFIC's performance figures are after expenses, income tax and tax on realised capital gains. It should be noted that market returns do not include expenses or tax. Past performance is not indicative of future performance.

S&P/ASX 200 Index – 12-month Market and Sector Performance



Source: FactSet. Returns include dividends but do not include franking.

Key Drivers of Relative Portfolio Performance

Positive Contributors

RioTinto

68%

Total Return



Woolworths

32%

Total Return



38%

Total Return



Commonwealth Bank

-8%

Total Return

Underweight position in
Commonwealth Bank led to
positive relative performance

Negative Contributors

CSL™

-51%

Total Return



Resmed

-26%

Total Return



-40%

Total Return



CAR Group

-29%

Total Return

Source: Factset, Stock Total Returns for FY26 shown.

Portfolio Activity

Additions to Existing Holdings



Trimmed Holdings



Commonwealth Bank



New Additions to the Portfolio



Complete Disposals



* Based on major transactions for the 12 months to 30 June 2026.

Portfolio Update: Summary

Constructing a diversified portfolio of **high-quality** companies across different sectors and with the appropriate balance of **Income and Growth** is the key for AFIC to deliver on its Investment Objectives in a variety of market conditions.

Key Portfolio Statistics

\$9.8b

Total Portfolio Value*

59

Stocks in the Portfolio**

\$7.93

Net Tangible Asset (NTA) Backing Per Share

*Portfolio Value is based on the Investment Portfolio plus the Trading portfolio, including Cash.

**As at 30 June 2026 – Australia and New Zealand Portfolio.

Top 25 Holdings

BHP



Commonwealth Bank



MACQUARIE



Wesfarmers

Westpac



nab

Transurban



Goodman



TELSTRA



woolworths

RioTinto

CSL



ANZ

coles



Woodside Energy



Resmed



CAR Group



Computershare



JamesHardie™



JB HI-FI



ALS



MAINFREIGHT



amcor



Fisher & Paykel
HEALTHCARE

Brambles

International Portfolio Update

The international portfolio within AFIC has generated value for shareholders since inception. However, at this stage we are not considering the listing of a separate fund.

In this context we have adjusted our portfolio approach to focus on a smaller number of holdings most aligned with AFIC's quality-focused investment philosophy with attractive medium to long term prospects.

This will still provide AFIC with the opportunity to find the best ideas in international markets through a more concentrated and complementary portfolio consistent with AFIC's investment style. We believe this approach also provides for greater strategic flexibility in the future.

Key Portfolio Statistics

\$149m
Total Portfolio Value
1.5%
Total % of AFIC Portfolio Value
19
Stocks in the Portfolio

Based on the Portfolio as at 30 June 2026.

Top 10 Holdings



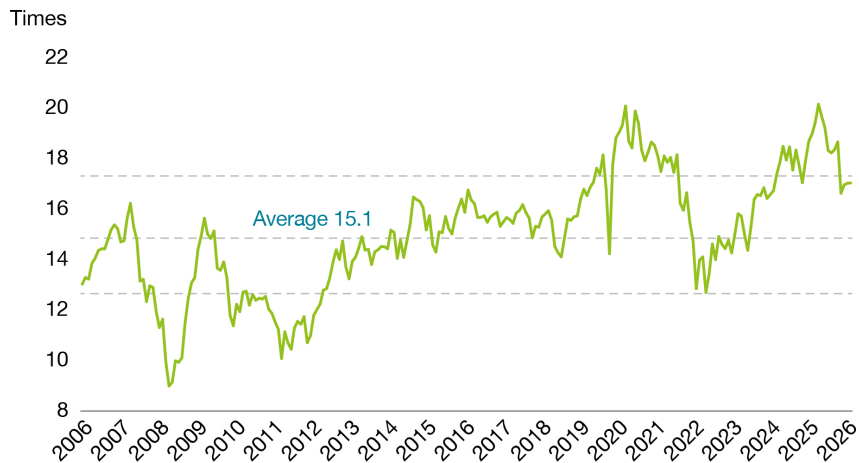
A large, white, parabolic satellite dish antenna is the central focus of the image. It is constructed from a complex lattice of metal beams and is mounted on a multi-level support structure with yellow safety railings. The dish is angled upwards towards the top right of the frame. In the background, another similar dish is partially visible. The sky is a clear, solid blue. A white, rounded rectangular box is superimposed on the left side of the image, containing the word "Outlook" in a teal-colored font.

Outlook

The Australian share market delivered its fourth year in a row of positive returns in FY26, driven by the strong returns of the resources sector.

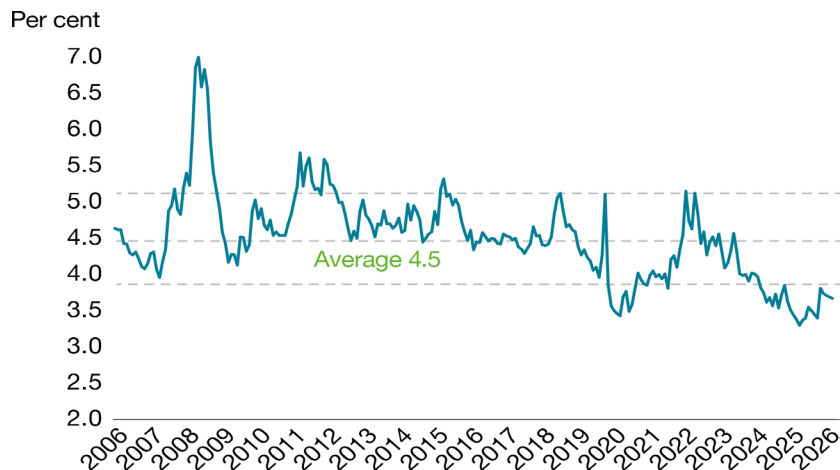
In the context of recent geopolitical conflicts, the Australian economy has proved resilient. However the Australian share market continues to look moderately expensive on a range of long term valuation metrics.

Forward Looking Price to Earnings Ratio
of S&P/ASX 200 Index



Source: Factset. Forecast valuation metrics based on consensus estimates.

Forward Looking Dividend Yield
of S&P/ASX 200 Index



In terms of our dividend income, we believe that the portfolio has a good balance across the key sectors such as resources, banks and consumer staples, which should generate a solid level of fully franked dividend income.

We continue to believe that AFIC's diversified portfolio of high-quality companies can produce an attractive level of income and capital growth over the long term, thereby enabling us to meet our dividend and long term total return objectives.

AFIC declared a fully franked special dividend of 5 cents per share for financial year 2026. Despite the recent payment of these special dividends the franking credit balance remains strong because of further sales during the financial year that resulted in realised capital gains. Directors will continue to consider further capital management initiatives for future financial years taking into consideration the balance of franking credits and the generation of realised capital gains. We anticipate providing an update regarding any special dividends for financial year 2027 at the AGM in October 2026.



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