

Annual General Meeting

Presentation
September 2025

Income, Capital Growth, Low Cost

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ABN: 56 004 147 120

Agenda

Overview and Investment Objectives Mark Freeman

Financial Results Andrew Porter

Markets and the Portfolio David Grace

Recent portfolio activity Winston Chong

Outlook David Grace

Overview and Investment Objectives



Our Company

Predominantly invests in Australian and New Zealand companies

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

Shareholders own the 'management rights' to the portfolio

Management expense ratio of 0.16% with no performance fees

Long term investor with low turnover (tax effective)

Long history of growing/stable fully franked dividends

Team manages three other funds – Djerriwarrh, Mirrabooka and AMCIL

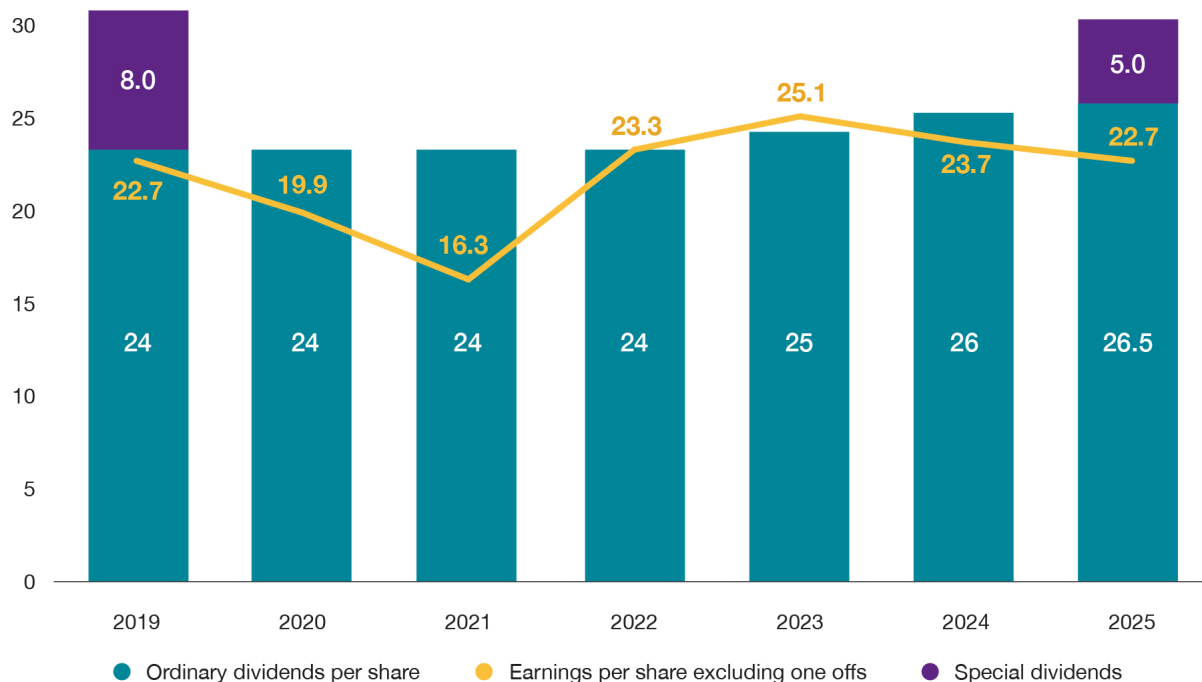
Investment Objectives

The Company's primary investment goals are:

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

Stable to Growing Dividend for Shareholders

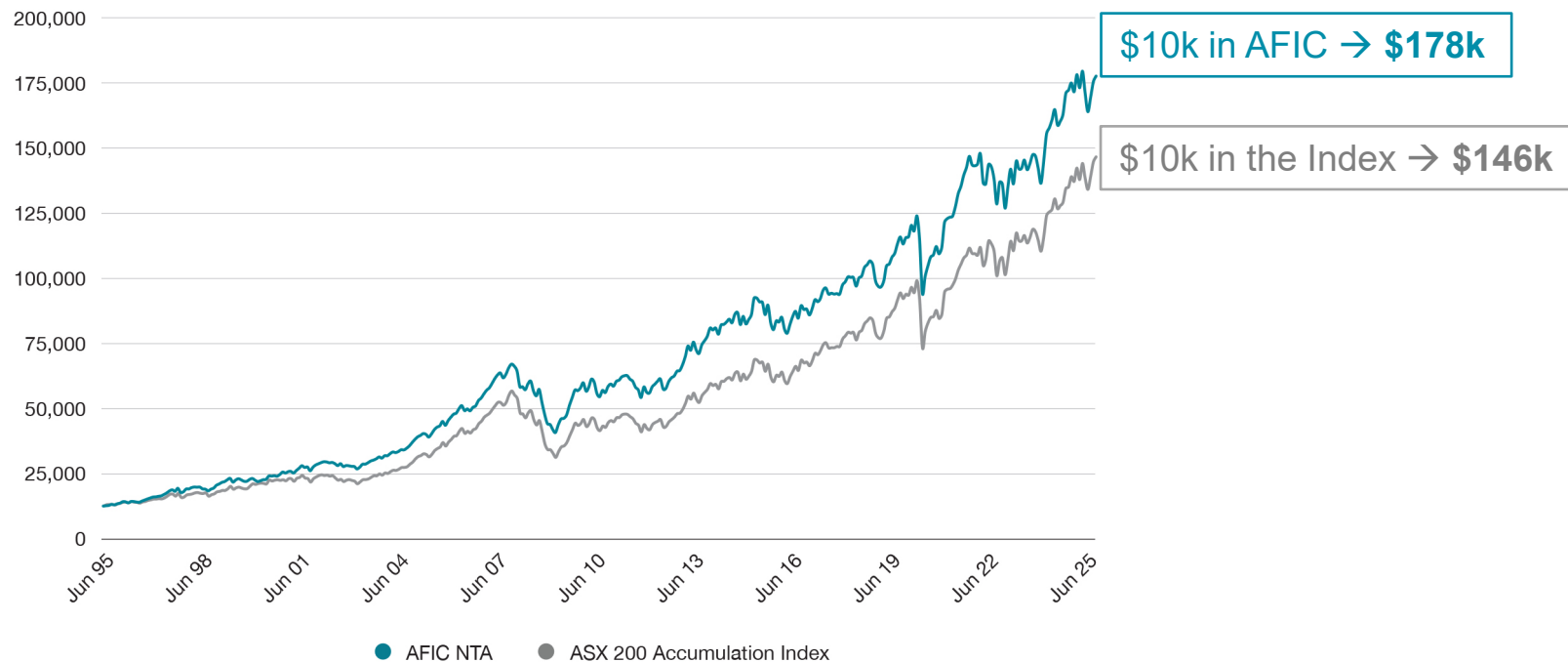
AFIC's franking reserve balance ensures we can pay a consistent dividend even through volatile times – full year dividends for the last 7 financial years.



Current franking credit
balance sufficient to pay
55c Dividend

Attractive Total Returns Over the Long-Term

AFIC NTA vs S&P ASX 200 Accumulation Index



Excludes the benefit of franking.

A low-angle, upward-looking photograph of several modern skyscrapers with glass facades. The buildings are set against a clear, light blue sky. The perspective creates strong diagonal lines and a sense of height and architectural scale. The glass reflects the sky and other buildings, creating a complex pattern of light and shadow.

Financial Results

Summary Full Year Results

2025

Profit for the Year

\$285.0m

\$296.4m in 2024

2025

Fully Franked Dividend Per Share

14.5¢ Final

5.0¢ Special

31.5¢

Total[#]

26 cents total in 2024

Total Portfolio Return

10.7% Including franking*

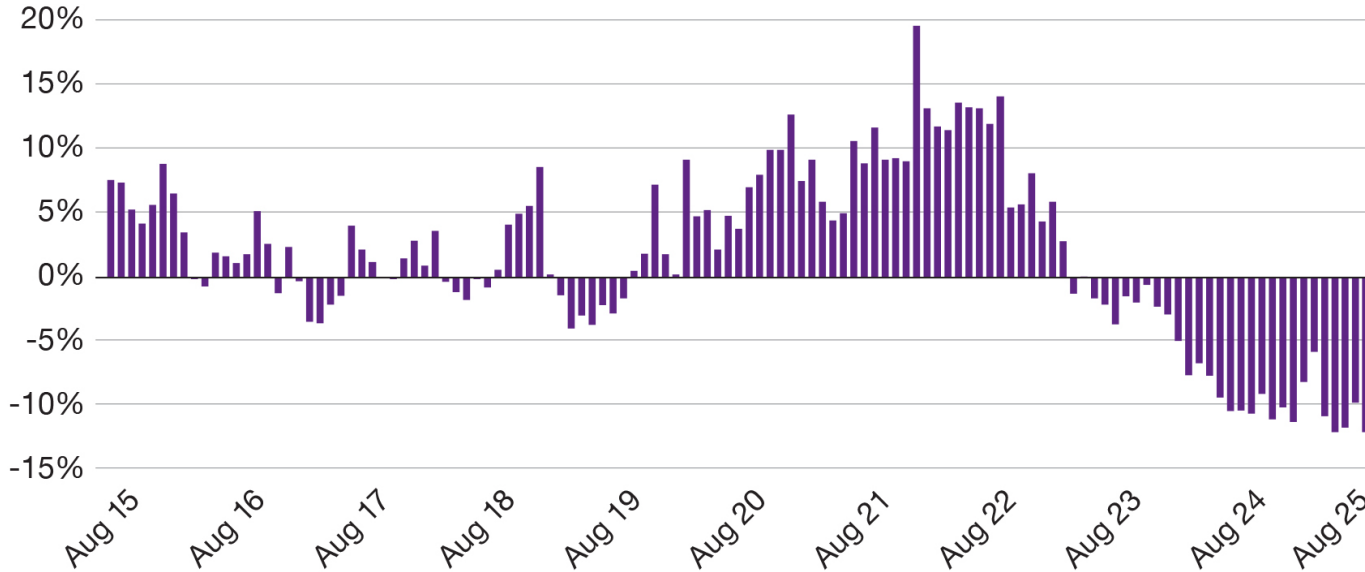
S&P/ASX 200 Accumulation Index including
franking* 15.1%

Management Expense Ratio

0.16%

0.15% in 2024

Share Price Relative to Net Tangible Asset (NTA)



31 August 2025

NTA: \$8.34

Share price: \$7.33



Markets and the Portfolio

Portfolio Performance to 31 August 2025



● Net asset per share growth plus dividends, including franking

● S&P/ASX 200 Accumulation Index, including franking

Per annum returns. Assumes the full benefit of franking credits.
Only includes franking that has been paid out.
Past performance is not indicative of future performance.

Factors Behind Recent AFIC Portfolio Performance

Portfolio Factors

Portfolio: Key Contributors +0.9%

netwealth

JB
HI-FI

Wesfarmers

coles

computershare

T

Portfolio: Key Detractors -4.0%

reece

JamesHardie™

idp

amcor

MAINFREIGHT

CSL™

Index Winners Missed: Gold -1.1%

Non-Portfolio Factors

CGT not yet paid out as franking -0.74%

Management expenses -0.16%

Despite Near Term Headwinds Long-Term Opportunity Remains Significant.



- Strong market position in all business units.
- Demand for core IG product remains resilient and strong.
- The outlook for US healthcare funding remains highly uncertain
- Highly cash generative business with a strong balance sheet.



- Logistics operator with strong market positions in Australia and NZ.
- Near term earnings challenges on weak NZ economic conditions.
- Highly capable board and management team. Net cash balance sheet.



- Market leader in plumbing distribution in Australia and New Zealand.
- US housing market currently in a downturn.
- Highly capable board and management team. Strong balance sheet.

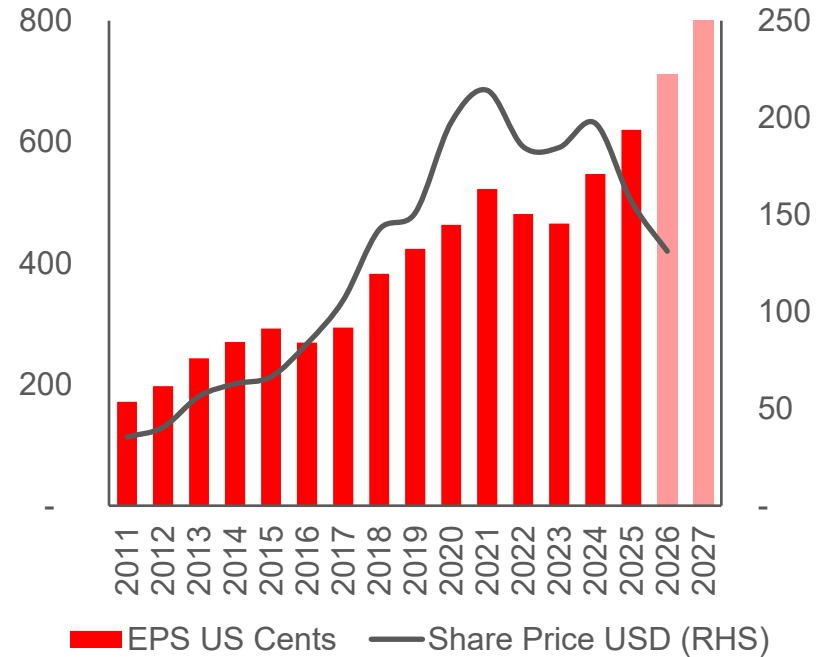
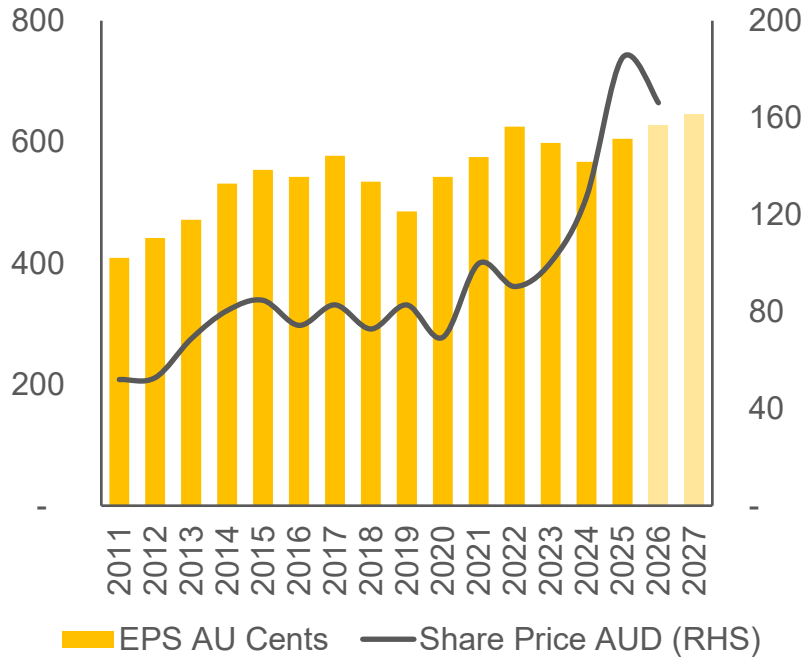


- Market leader in fibre cement cladding for US houses.
- Inappropriate capital structure in acquiring AZEK.
- Well positioned to capture significant market share over the long term.

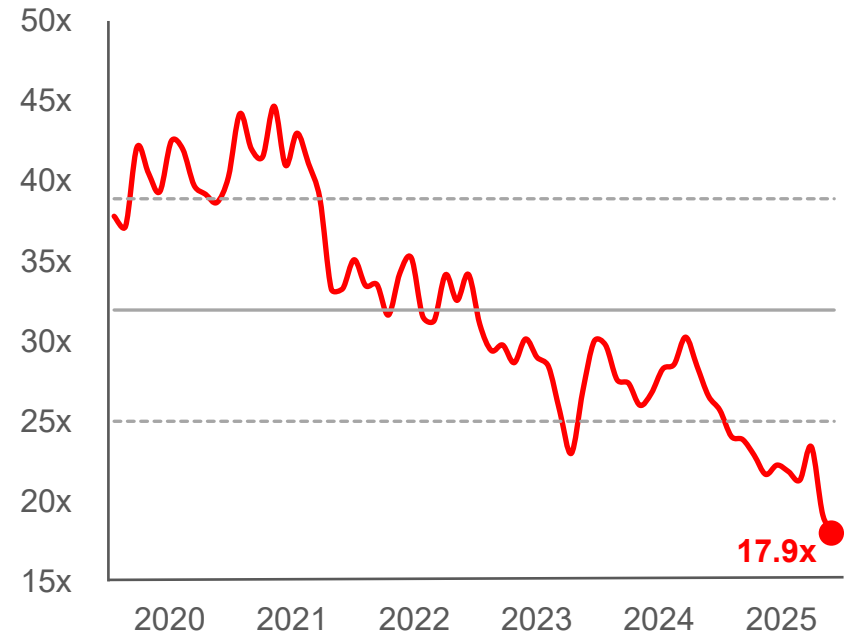
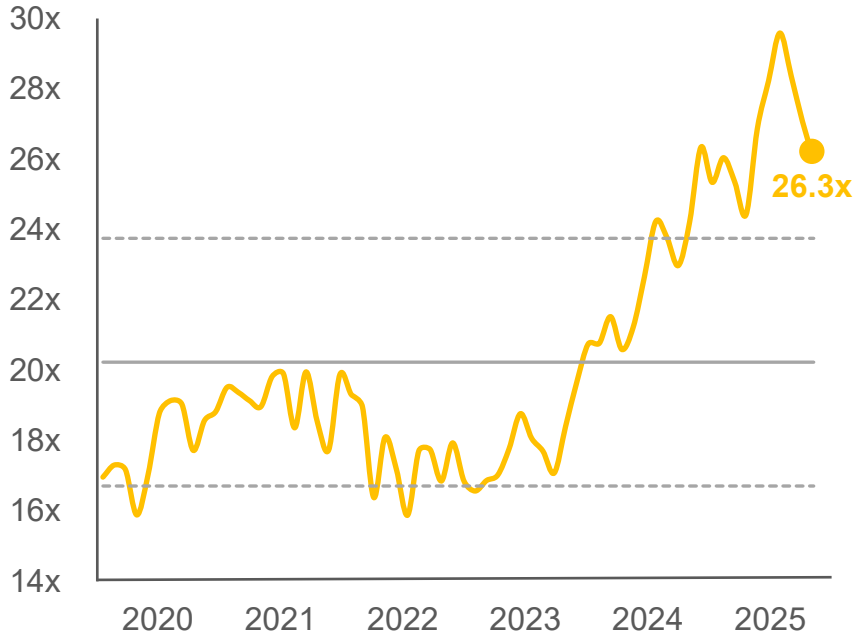
Share Prices Have Diverged From Earnings Growth



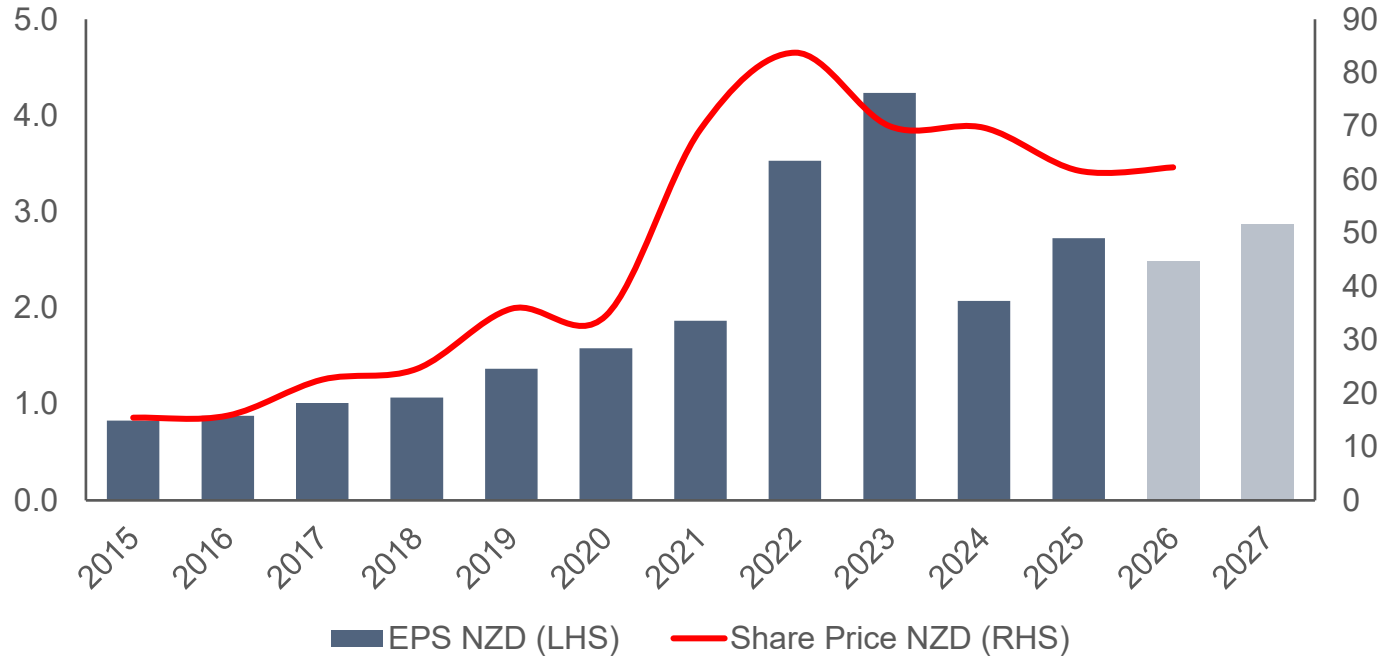
Commonwealth
Bank



Valuation Metrics – Price to Earnings of CBA vs. CSL



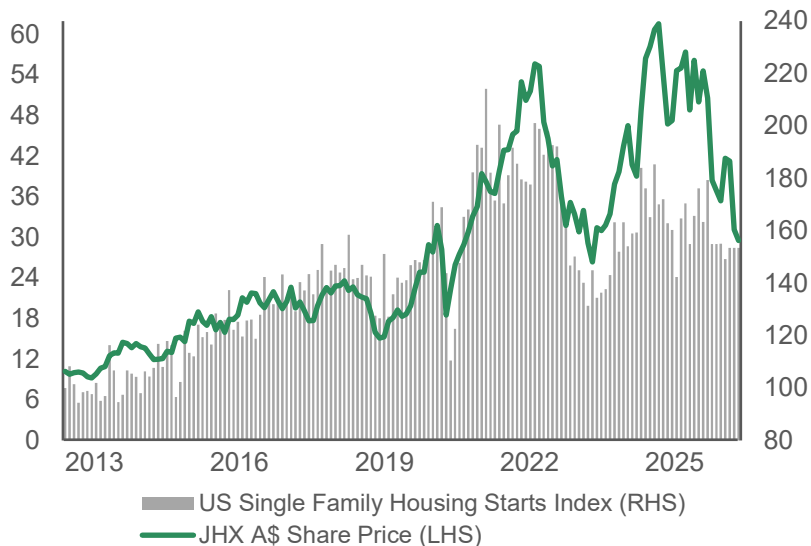
Mainfreight – Share Price Tracks Earnings



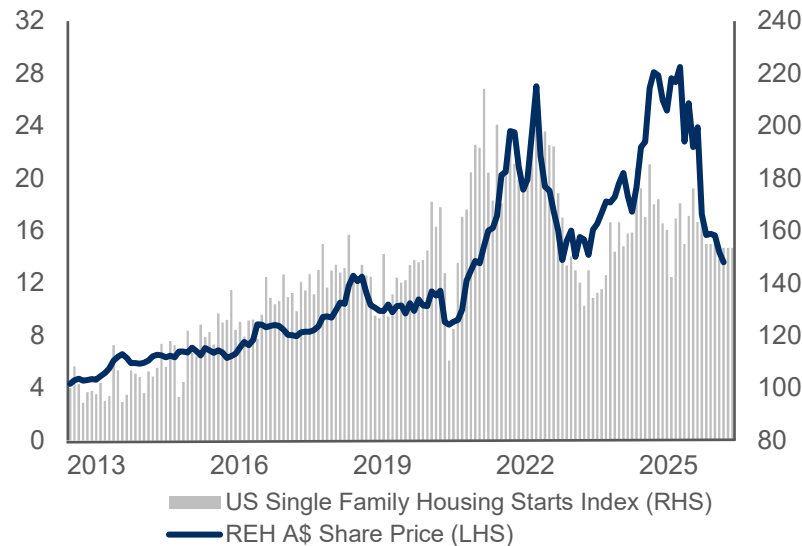
A Cyclical Downturn Causing Short-Term Headwinds



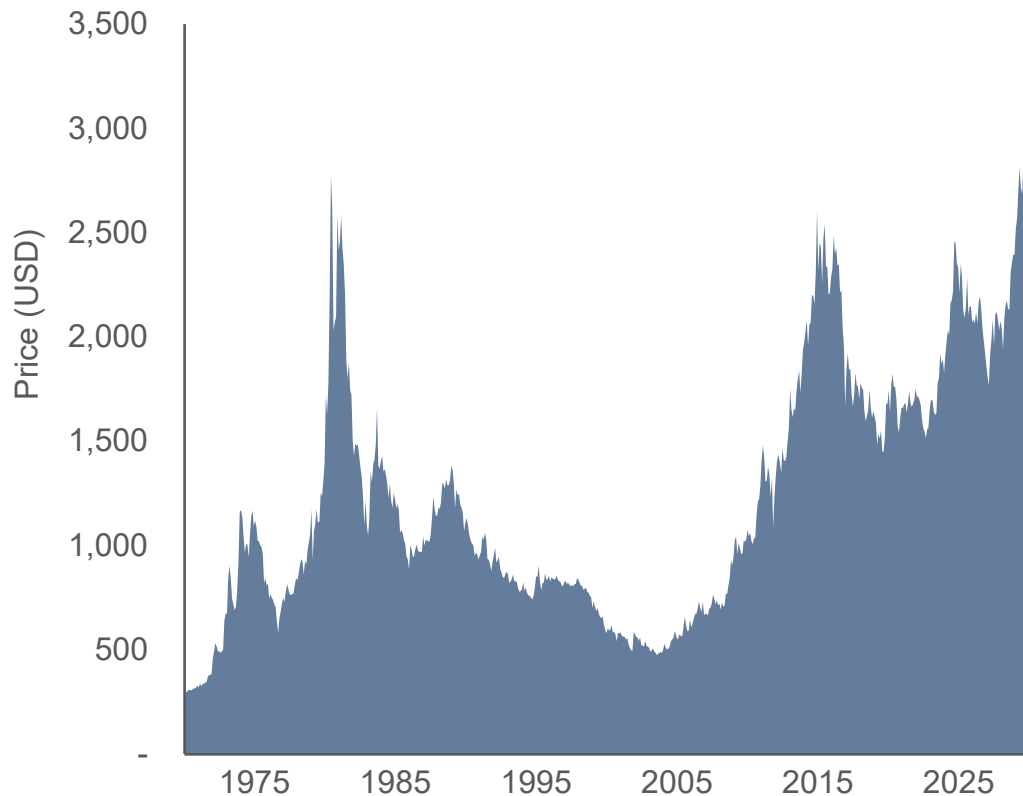
- Market leader in a large, growing market
- Debt-funded acquisition has weighed on the share price
- Market opportunity remains unchanged



- Founder led. Market leader in Australia
- Less established US business facing cyclical headwinds
- Long-term opportunity remains but may require patience



The Gold Price Has Run to All Time Highs



The gold price has reached record highs, driven by geopolitical uncertainty, Central Bank Buying, rising Government debt, and easing monetary conditions (rate cuts)

History shows these moves are often extreme in both directions

Gold mining stocks have outperformed substantially

These companies can have complex operations and limited lifespans, meaning it can be difficult to have long-term conviction

A photograph of the Chicago skyline at night, featuring several illuminated skyscrapers and the Willis Tower. In the foreground, a bridge with a prominent arch spans across a body of water, with its lights reflected in the water. A white rectangular text box is overlaid on the left side of the image.

Recent Portfolio Activity

Active Portfolio Management – Recent Transactions

Additions to Existing Holdings



N E X T D C

ResMed



Trimmed Holdings



Commonwealth Bank



Wesfarmers



JamesHardie™

New Purchases



Complete Disposals

Nil.

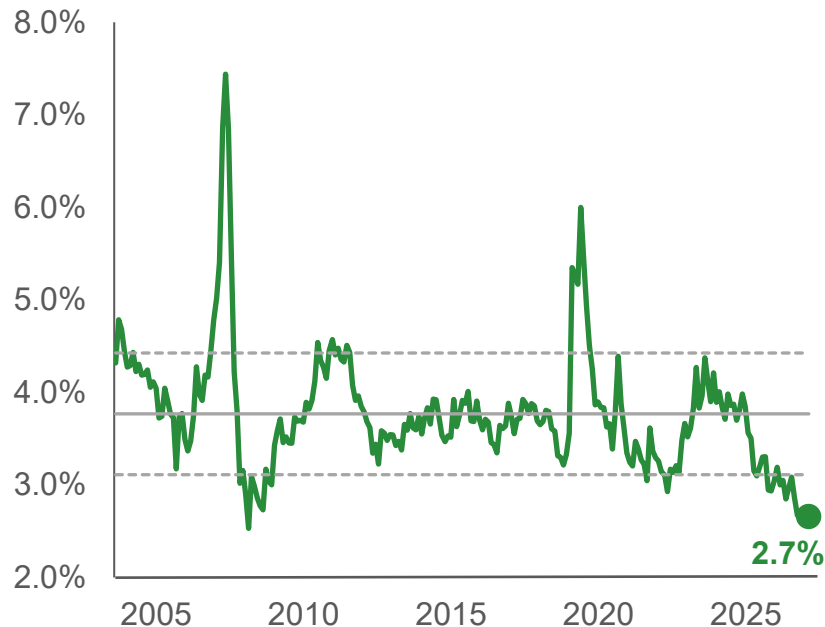
Why Are We Trimming Wesfarmers?



Price to Earnings

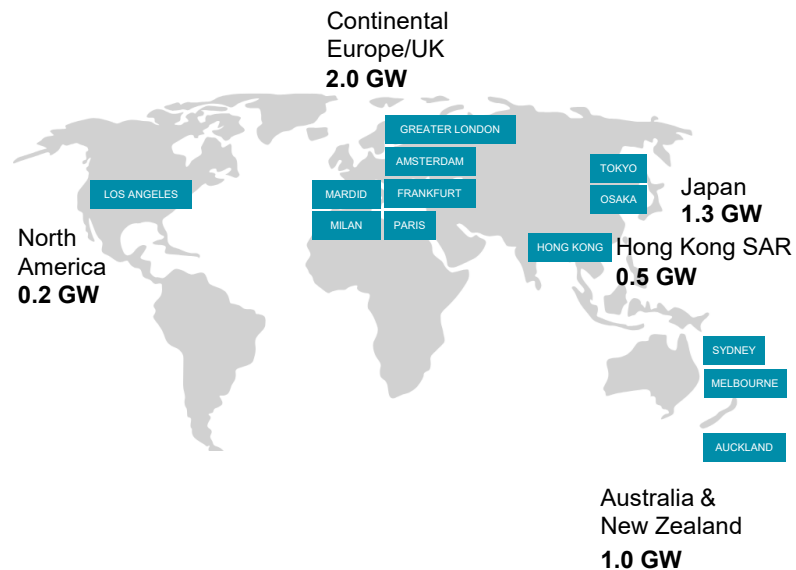


Dividend yield



The Long Term Opportunity

Significant data centre development pipeline



Source: Goodman Group

Short Term Weakness

Concerns about slowing capex by hyperscalers

GMG Share Price (A\$)

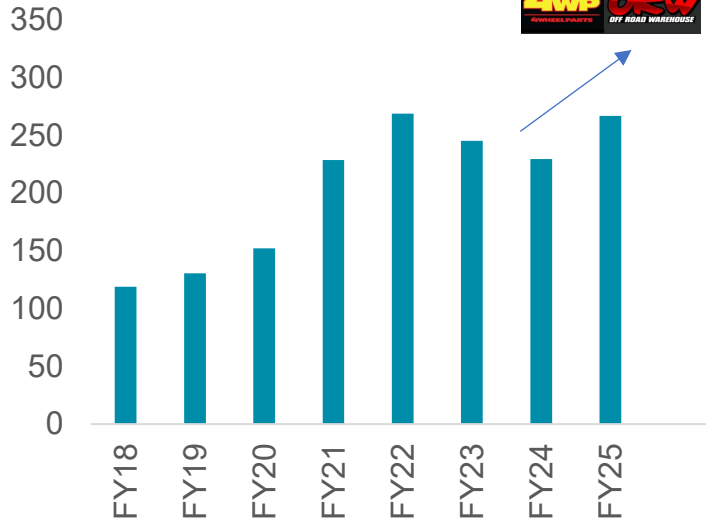


Source: Factset

The Long Term Opportunity

Growing traction in US export sales

ARB Export Sales (A\$m)



Source: ARB

Short Term Weakness

Soft Australian vehicle market and US tariff concerns

ARB Share Price (A\$)



Source: Factset



Outlook

Our Confidence in the Long-Term Portfolio Outlook Remains Strong

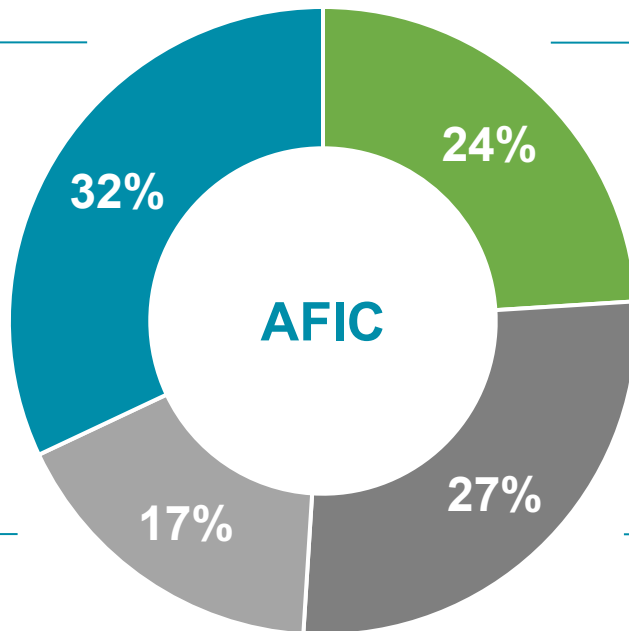
Growth Companies



Cyclicals



Excludes cash.



Stalwarts



Income

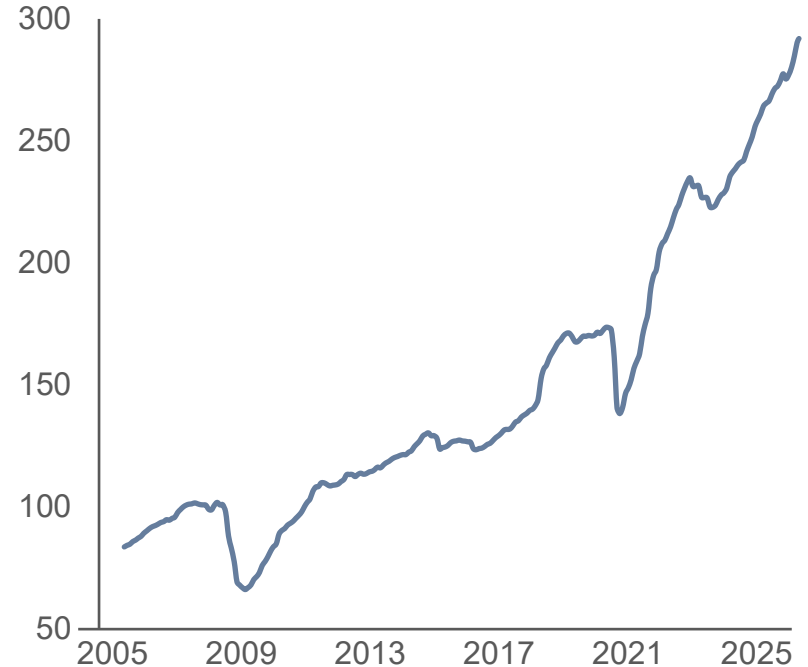


US Market – Market Valuation Following Earnings Higher

S&P 500 Price / Earnings NTM



S&P 500 EPS (USD \$/Share)

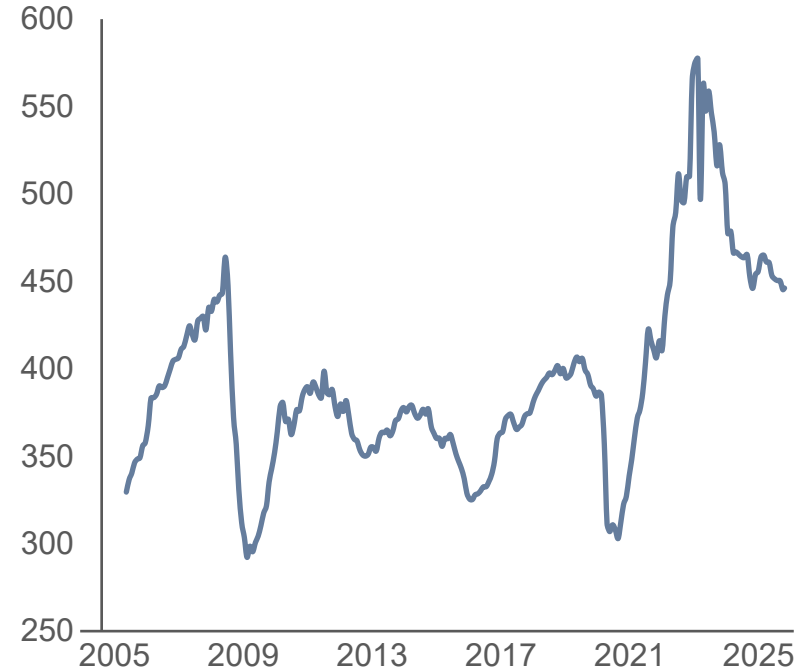


Australian Market – Market Valuation and Earnings Disconnected

S&P/ASX 200 Price / Earnings NTM



S&P/ASX 200 EPS (AUD \$/Share)



Summary

Performance has been disappointing the last 12 months. It's not where we expect it to be.

A small number of stocks have significantly underperformed.

We have reviewed all portfolio holdings and believe the portfolio remains well positioned to deliver our investment objectives.

We maintain investment in a portfolio of quality companies with good prospects to deliver meaningful earnings growth over the medium to long term.

Reinforce value considerations within our process.

We increased our dividend in FY25 despite aggregate dividends from ASX 200 companies being below the prior year.

Low economic growth is providing an increasingly challenging environment for companies to grow earnings. Slowing revenue growth means cost out initiatives increasingly required.

In many cases, the valuations of companies with perceived earnings certainty is now at extreme levels, driven more by capital flows rather than a true reflection of fundamental value.

Portfolio positioning increasingly defensive with a particular focus on balance sheet strength.

We are cautious on valuations, over paying for even high quality companies will likely to lead to poor investment returns over the longer term.

The portfolio is invested in well managed companies with proven track records of financial discipline capturing value-accretive opportunities as they arise.

- Portfolio was first initiated in May 2021. At 30 June 2025 valued at \$168.1 million (1.6% of the AFIC total portfolio).
- Significant preparatory work has been done for establishing a separate global investment company in the future.
- We are still considering the most appropriate next steps for this initiative.
- AFIC's global portfolio returned 14.0% for the financial year, an attractive return for shareholders although below our benchmark.
- Medium term performance since inception:

Gross Returns in \$A 30 June 2025

	3 Years %pa	Since Inception %pa
AFIC Global Portfolio	21.0	14.0
Benchmark	20.3	14.0

Source: Northern Trust

Snapshot of the International Portfolio which has 43 holdings



NETFLIX

Lilly

FERGUSON

JPMORGAN
CHASE & CO.



HCA
Healthcare



Google



amazon



**AUSTRALIAN
FOUNDATION
INVESTMENT
COMPANY**