

1 October 2026

The Manager
ASX Market Announcements
ASX Limited
Level 27,
39 Martin Place,
Sydney NSW 2000

Australian Foundation
Investment Company Limited
ABN 56 004 147 120
Level 21, 101 Collins St
Melbourne VIC 3000
T 03 9650 9911
F 03 9650 9100
invest@afi.com.au
afi.com.au

Electronic Lodgement

**Australian Foundation Investment Company Limited
2026 Annual General Meeting – Chairman's Address and Presentation**

Dear Sir / Madam

The following presentation will be delivered to shareholders at the Company's Annual General Meeting to be held today.

Yours faithfully,

A handwritten signature in grey ink, appearing to read 'M Rowe', is positioned above the printed name of the Company Secretary.

Matthew Rowe
Company Secretary

ASX Release authorised by the Company Secretary, Matthew Rowe.



Chairman's Address

Ladies and gentleman, the investment team will talk in detail about the portfolio and performance shortly, but I wanted to acknowledge that performance of the portfolio for the financial year was below expectations, particularly in the first half of the year due to a lack of exposure to small and mid cap resources companies, quality being out of favour and a number of individual stock positions which the team will talk to in the presentation. Improvement of performance is a key focus for the Board and we have taken steps to address this.

There were a number of significant changes in the last 12 months, including the appointment of Alison Gibson as CEO in July 2026 and Brett McNeill was appointed as Portfolio Manager late last year.

Alison is well placed to lead the company given her investment expertise combined with the knowledge and passion for the investment approach of AFIC. Alison will talk about what she sees as the key areas of improvement shortly, however she has already made strong progress enhancing the processes that equip our investment team to deliver on AFIC's investment objectives.

One of the key objectives of AFIC is to provide shareholders with a stable to growing stream of franked dividends. We are proud of the fact we have not cut the dividend in times of stress such as Covid and the GFC and that shareholders were able to rely on their AFIC dividend at these times. To meet this objective the Board has made the following decisions:

1. Move to quarterly dividends with the first quarterly ordinary dividend of 6.75 cents per share and a special dividend of 2.5 cents per share being determined this morning to be paid in November, with subsequent equivalent dividends being paid in February, May and August subject to no material unforeseen adverse market conditions and final Board approval.
2. The Board intends to return surplus franking credits to shareholders in a timely manner whilst maintaining an adequate level of franking reserves. This is reflected in this morning's announcement in which the Board noted its intention to determine a special dividend of 10 cents per share to be paid in equal quarterly instalments for the FY27 period.

The company currently intends to buy back shares in a meaningful way when trading at a material discount as this is value accretive for shareholders. To that end, \$243 million of shares were bought back in FY26 reflecting the extent of the value that the discount to net tangible assets offered



As announced in the Interim results in January 2026, the Board made the decision not to proceed with the establishment of a separate international listed investment company at this stage predominantly due to market conditions. On the back of this decision, we have revised our investment approach by increasing the concentration of the portfolio to increase the allocation to our highest conviction positions.

We have retained the international exposure in the AFIC portfolio for three reasons:

- 1) the portfolio provides diversification to companies and sectors that are not available on the domestic market.
- 2) It provides options in the event that the ASX continues to reduce in size and breadth.
- 3) The research provides valuable insights for companies in the domestic portfolio.

The portfolio remains small in size at 1.5% of the AFIC portfolio at 30 June 2026. This will remain while the strategy proves itself to earn a greater allocation of capital.

The international investment team are here today and will be around after the meeting if shareholders have any questions.

We thank shareholders for their continued support and are committed to deliver improved outcomes. We continue to believe AFIC provides an attractive investment option for all investors with access to a low cost, actively managed portfolio with an investor friendly structure.



Annual General Meeting

October 2026

Income, Capital
Growth, Low Cost

**AUSTRALIAN
FOUNDATION
INVESTMENT
COMPANY**



Board Members



Craig Drummond
Chairman and Independent
Non-Executive Director



Alison Gibson
Managing Director



Rebecca Dee-Bradbury
Independent Non-Executive
Director



Julie Fahey
Independent Non-Executive
Director



Katie Hudson
Independent Non-Executive
Director



Graeme Liebelt
Independent Non-Executive
Director



Richard Murray
Independent Non-Executive
Director



David A Peever
Independent Non-Executive
Director

Asking Questions Online

Asking questions

HELP NUMBER
+61 1800 990 363

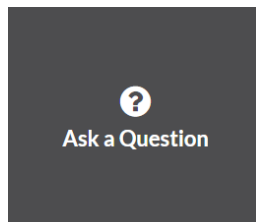
Only Shareholders and Proxyholders
are able to ask questions

Click on **“Ask a Question”**

Select **“General Business”**
or a specific resolution

Type in your question and
click **“Submit”**

Comments on resolutions can also be
submitted through “Ask a Question”



Ask a Question

We welcome any questions that you may have and will endeavour to answer all questions during the AGM. To submit a question, please select what the question pertains to and type your question in the provided area. If you have multiple questions please submit each individually.

Regarding Nothing selected

Question

Type your question here...

Characters left: 532Characters : 0

Submit Question

Voting Online

Lodging your votes

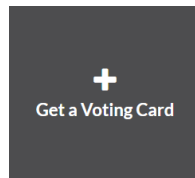
Click **“Get a Voting Card”**
(top and bottom of platform)

Enter your SRN/HIN or
Proxy Number and Postcode

Click **“Submit Details and Vote”**

Fill out your voting card
for each item of business

Click **“Submit Vote”**



Voting Card
Please provide your Shareholder or Proxy details

SHAREHOLDER DETAILS

Shareholder Number Post Code

SUBMIT DETAILS AND VOTE

OR

PROXY DETAILS

Proxy Number

SUBMIT DETAILS AND VOTE

HELP NUMBER
+61 1800 990 363

JOHN SAMPLE | *****0014

Voting Card

Please complete your vote by selecting the required voting instruction (For, Against or Abstain) for each resolution. If you would like to complete a partial vote, please specify the number of votes for each resolution in the Partial Vote section. Proxy holder votes will only be applied to discretionary (undirected) votes. Directed votes will be applied as per the shareholder's voting instructions.

Full Vote **Partial Vote**

Resolution 1 ☒ For ☒ Against ☒ Abstain

RESOLUTION 1

Resolution 2 ☒ For ☒ Against ☒ Abstain

RESOLUTION 2

Resolution 3 ☒ For ☒ Against ☒ Abstain

RESOLUTION 3

Resolution 4 ☒ For ☒ Against ☒ Abstain

RESOLUTION 4

SUBMIT VOTE



Annual General Meeting

Presentation
October 2026

Income, Capital
Growth, Low Cost

**AUSTRALIAN
FOUNDATION
INVESTMENT
COMPANY**



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ABN: 56 004 147 120

Agenda

CEO Address and Dividend Update

Alison Gibson

Financial Results

Andrew Porter

Portfolio Update

Brett McNeill

Market Update & Outlook

Brett McNeill and Winston Chong



CEO Address

Why did I rejoin AFIC?



Purpose



People



**Strong
foundations**

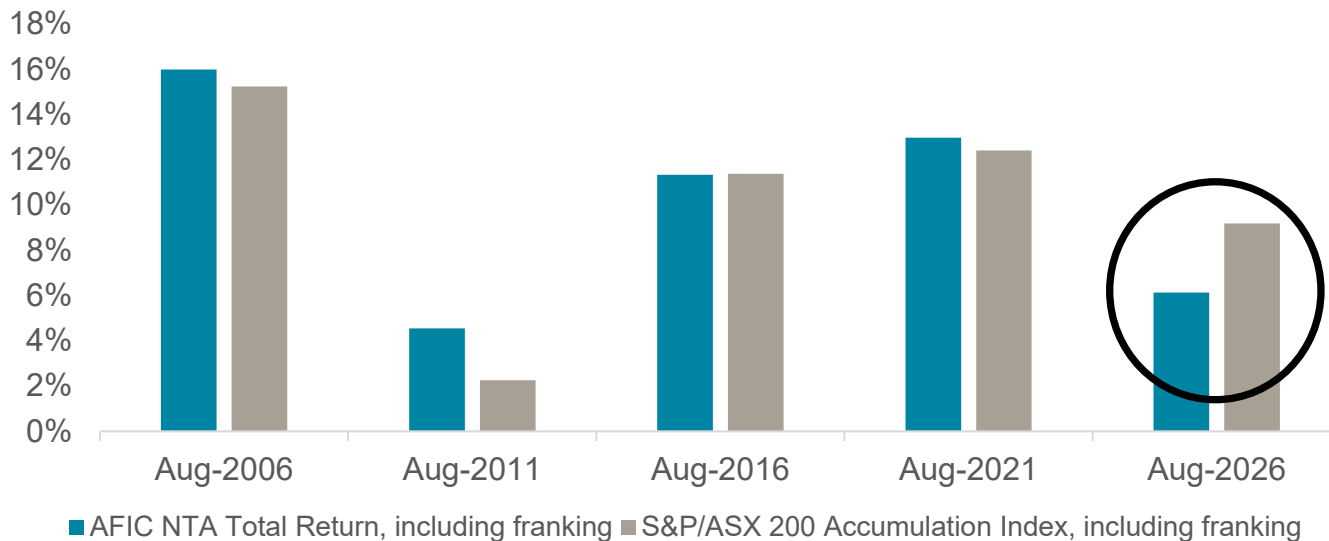


**Ability to make a
difference**

What am I looking to improve?

1) Investment Performance

AFIC 5 year Annualised Portfolio Returns

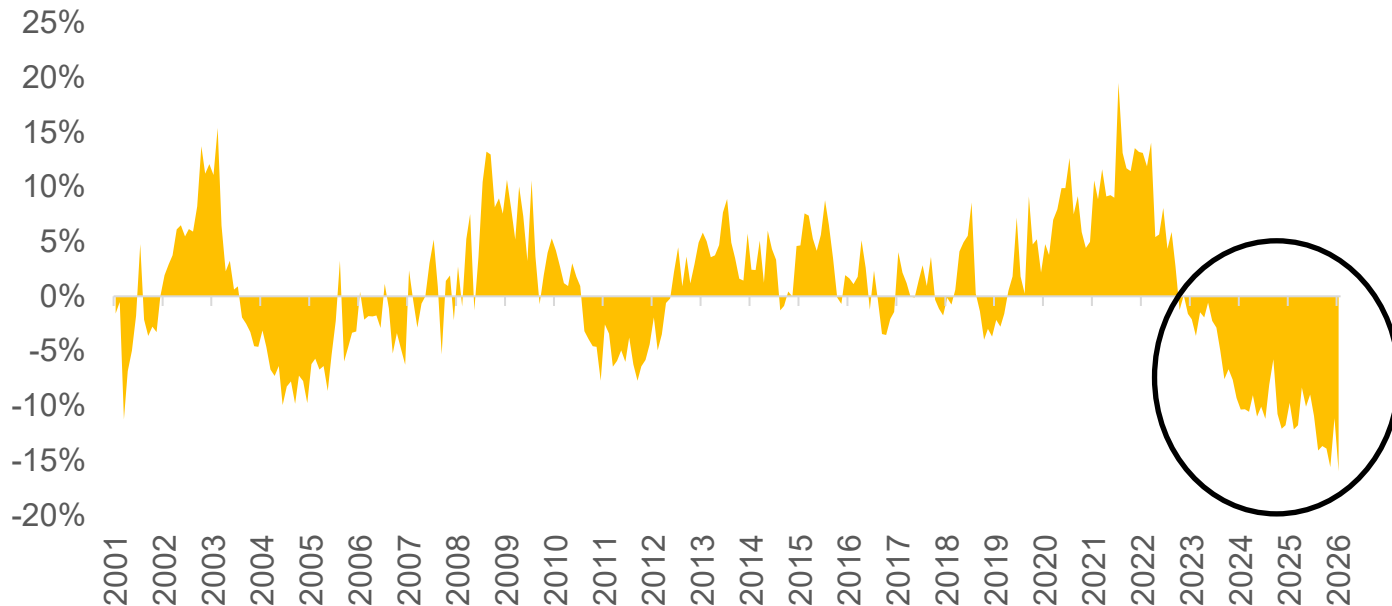


Assumes investors can take full advantage of franking credits. AFIC's portfolio is calculated after expenses, income tax and tax on realised capital gains. It should be noted that the market returns do not include expenses or tax.

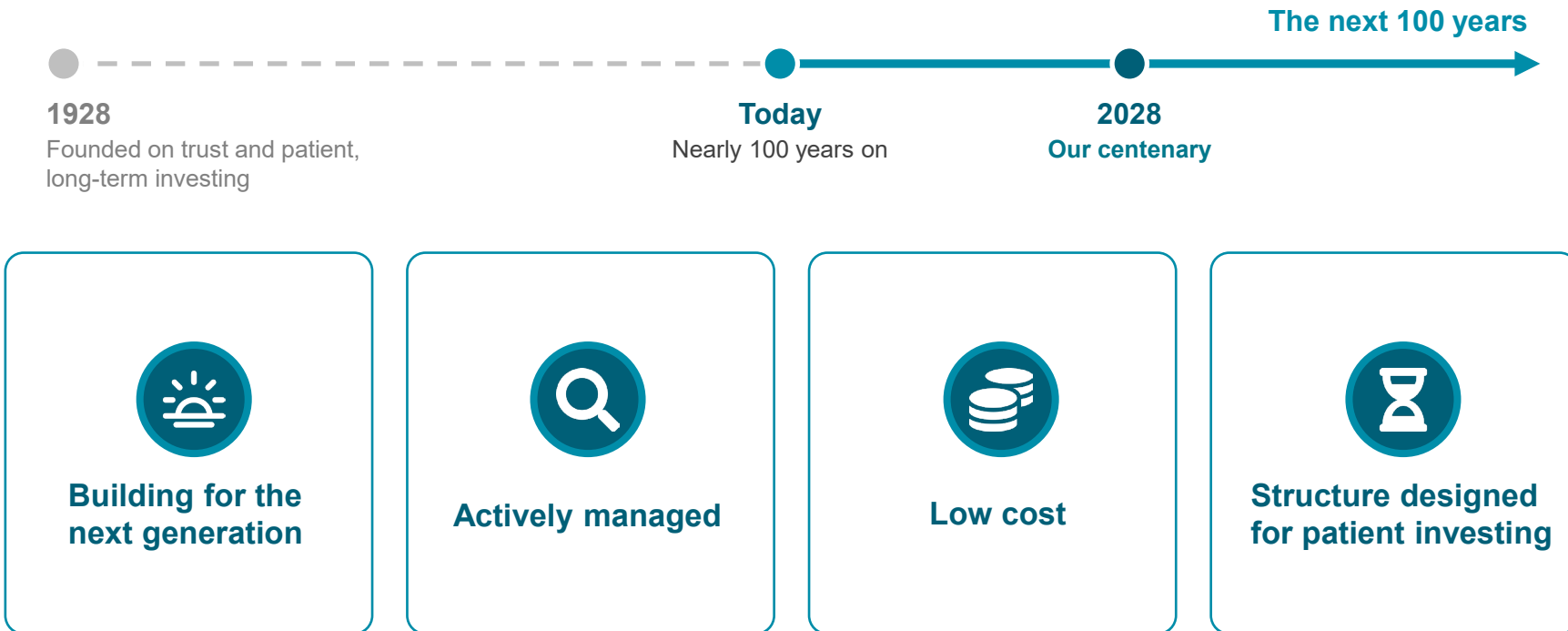
What am I looking to improve?

2) Communicating our value more effectively

AFIC Share Price relative to Net Asset Backing



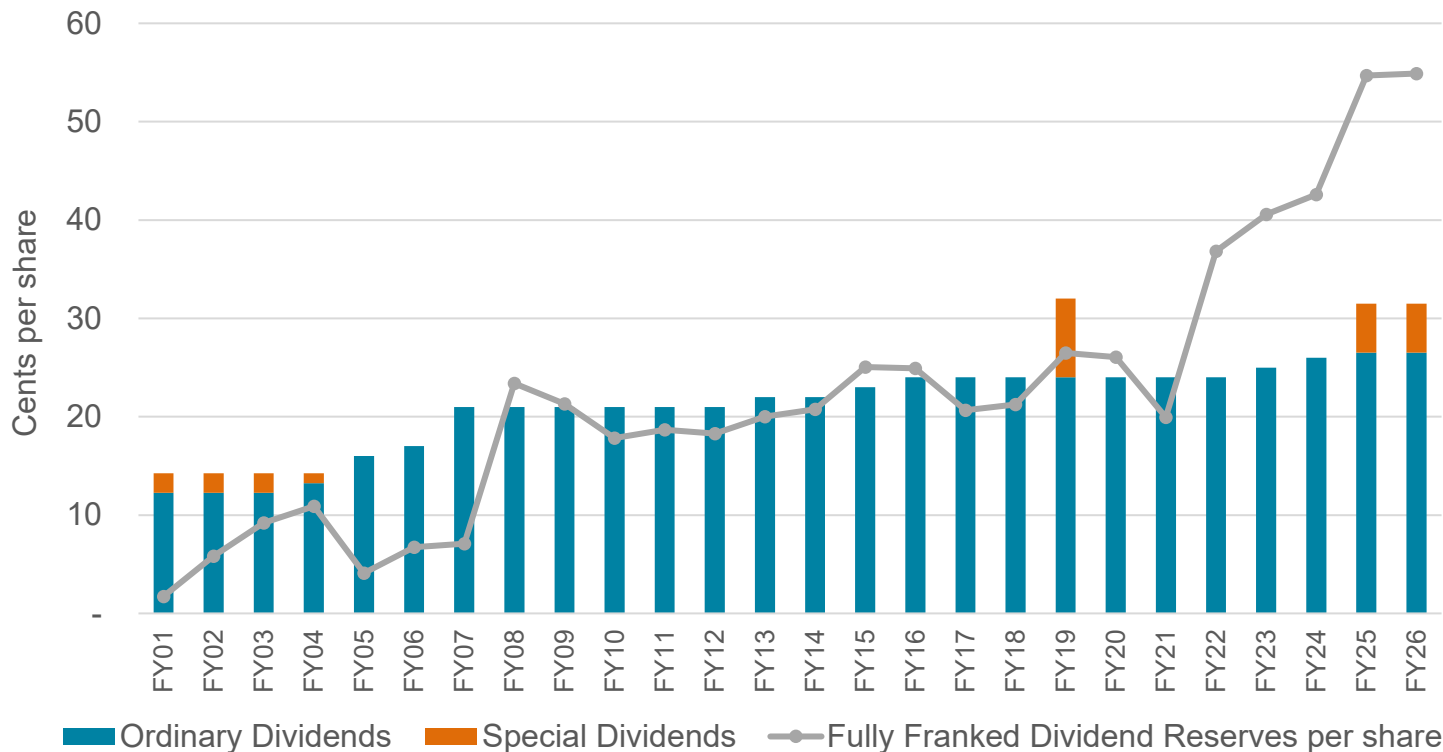
Embracing the future





Dividend Update

Stable to growing dividends with growing franking credit reserves



Franking credit
reserve now
~2 x ordinary
dividend

Dividend update announced this morning

Proposed FY27 Dividend*

Ordinary Dividend **27 cents per share**, fully franked

Special Dividend **10 cents per share**, fully franked

Total FY27 Dividend
37 cents per share, fully franked

Moving to Quarterly Dividends

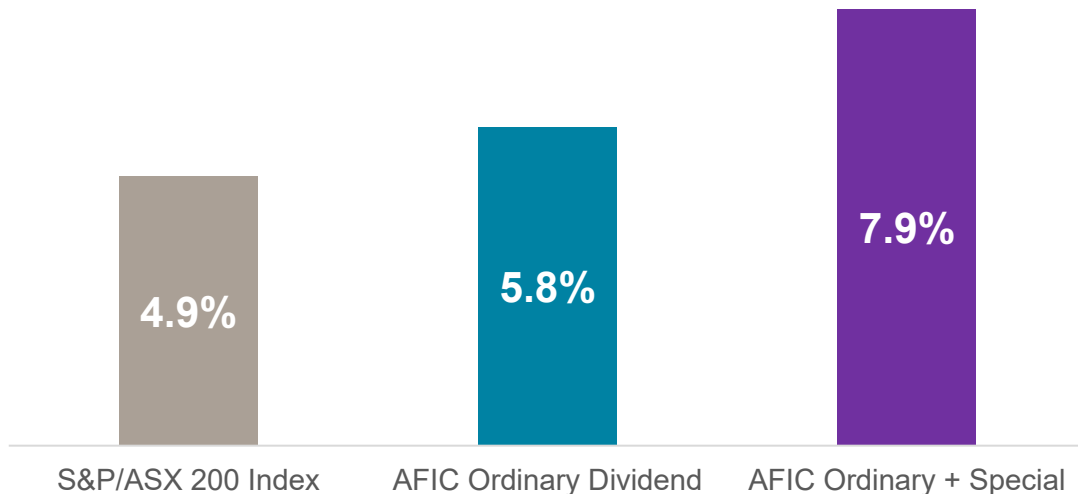
Proposed Dividend Schedule (cents per share)

Payment Date	Ordinary Dividend	Special Dividend	Total Dividend
November 2026	6.75	2.50	9.25
February 2027	6.75	2.50	9.25
May 2027	6.75	2.50	9.25
August 2027	6.75	2.50	9.25
Total	27.00	10.00	37.00

* Final determination of the dividends remains subject to no material unforeseen adverse market conditions and final Board approval.

Represents attractive yield for shareholders

AFIC Dividend Yield, including franking



AFIC dividend yields are based on the dividends the Board has announced that it intends to determine for the FY27 period, fully franked, and the share price at 30 September 2026. S&P/ASX 200 Index yield is based on Consensus estimates for the next 12 months and the Market Value at 30 September 2026 assuming a franking rate of 70%. Final determination of the dividends remains subject to no material unforeseen adverse market conditions and final Board approval.

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. The window shows a dark sky and a building with a lit-up number '3'. In the foreground, there are blurred laboratory equipment and glassware. The overall atmosphere is professional and focused.

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

A surveyor wearing a white hard hat and a high-visibility yellow safety jacket is operating a total station 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 "Portfolio Update" is overlaid on the left side of the image.

Portfolio Update

Our key competitive advantages

- Permanent capital
- Long term focus
- Investor friendly structure

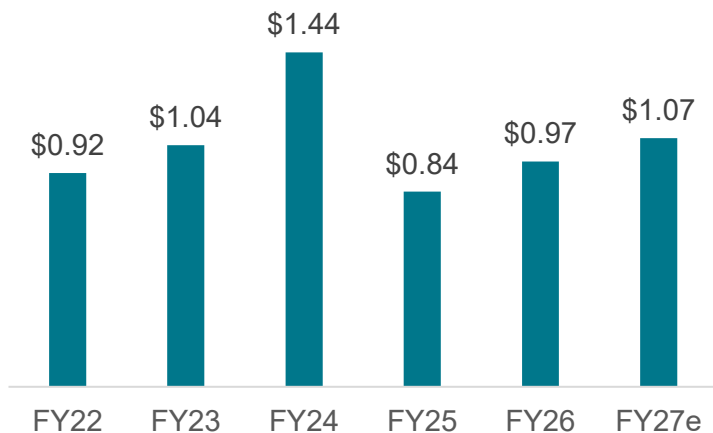
Our approach

- Focus on quality companies
- Build a well diversified portfolio with the right mix of income and growth
- Benefit from compounding returns over the long term

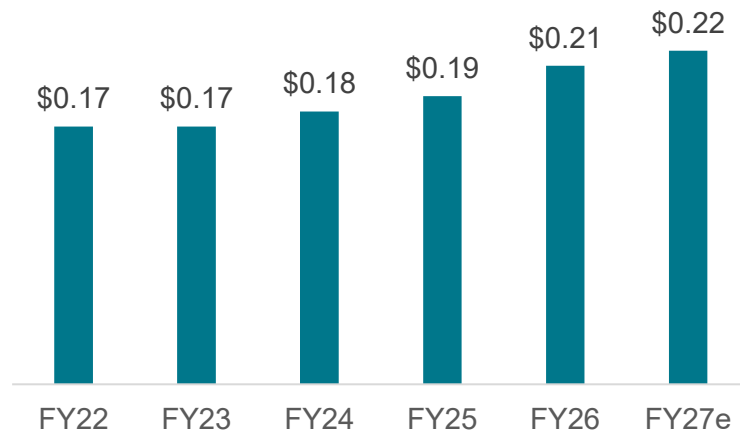
Recent Buying: Woolworths and Telstra



Dividend Per Share



Dividend Per Share

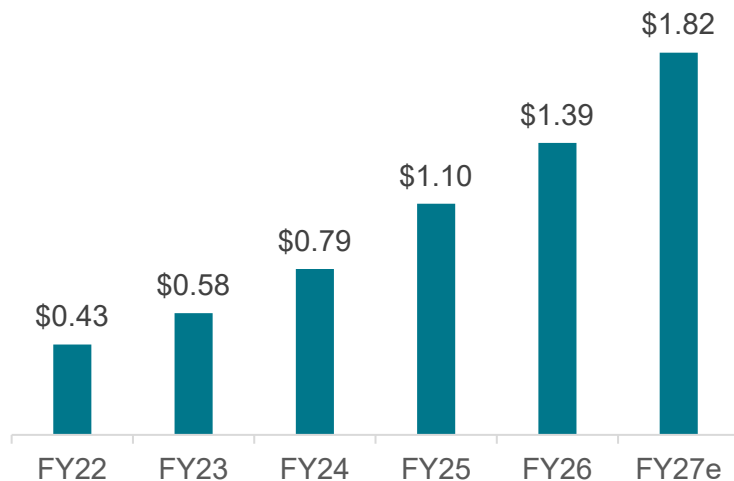


Source: FactSet, Company Reports; FY27e Dividends are Consensus FY27 estimates.

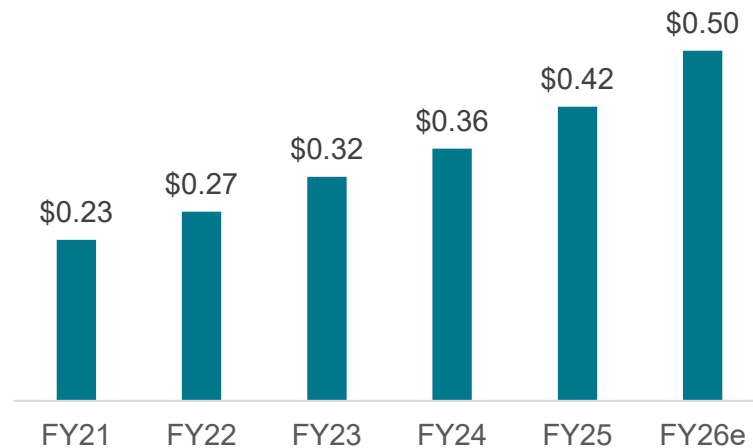
Recent Buying: ProMedicus and TechnologyOne



Earnings Per Share



Earnings Per Share

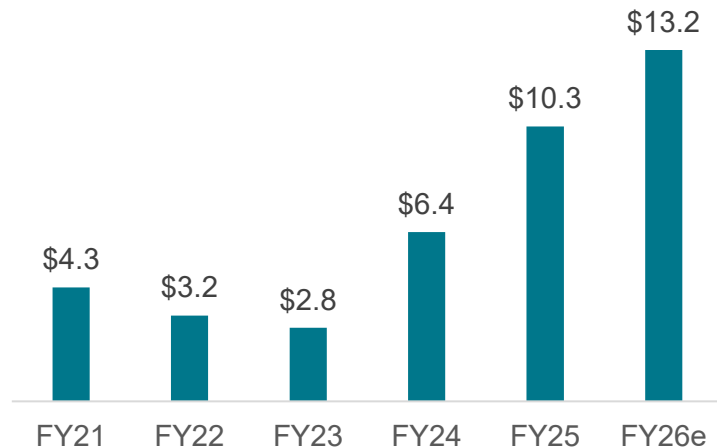


Source: FactSet, Company Reports; FY26e and FY27e Earnings are Consensus estimates; TNE has a 30 September fiscal year-end with full year results reported in November.

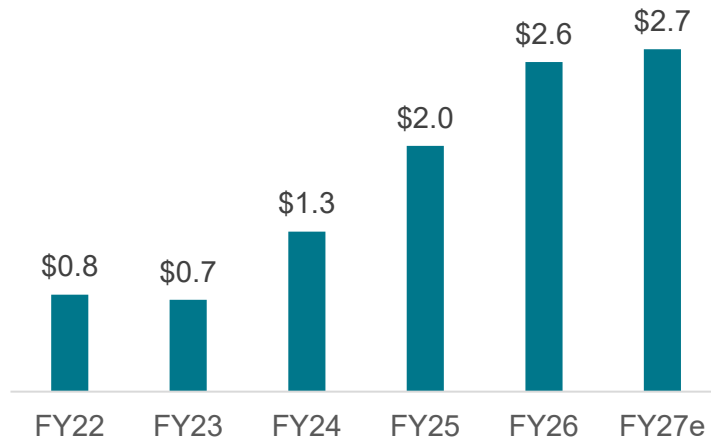
Recent Buying: Newmont and Evolution Mining

Newmont

Operating Cash Flow (USD\$b)



Operating Cash Flow (AUD\$b)



Source: FactSet, Company Reports; FY26e and FY27e Operating Cash Flow are Consensus estimates.

Recent Selling

Trimmed Holdings



Complete Disposals



Source: Major transactions for Calendar Year 2026 to date.

International Portfolio

Key Portfolio Statistics

\$157m
Total Portfolio Value
1.6%
Total % of AFIC Portfolio Value
20
Stocks in the Portfolio

Based on the Portfolio as at 31 August 2026. Excludes Cash.

International Portfolio Holdings



A surveyor wearing a white hard hat and a bright yellow high-visibility safety vest is operating a theodolite mounted on a tripod. The scene is set at a construction site, with a concrete bridge structure visible in the background and a road with red and white striped barriers in the foreground. The sun is low in the sky, creating a warm, golden light. A white rounded rectangle containing the text "Market Update & Outlook" is overlaid on the left side of the image.

Market Update & Outlook

August Results Season: Key themes

Relief Rallies

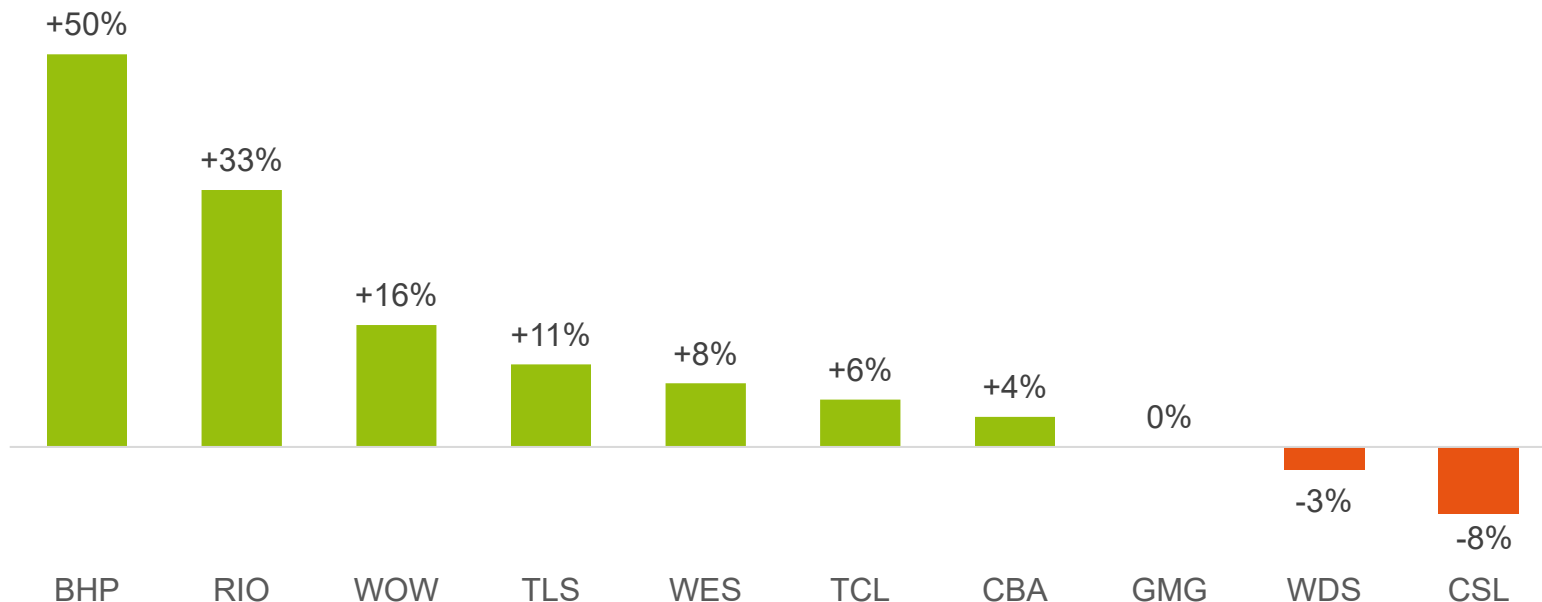
**Consumer
Softness**

**Takeover
Activity**

**Good Dividend
Growth**

Good dividend growth from our largest holdings

August Reporting Season – Dividend Growth from some of AFIC's largest holdings



Source: Factset, Company Reports; Dividend growth measured as ordinary dividends declared for the six months to June 2026 versus the prior corresponding period.

Portfolio 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

\$9.9b

Total Portfolio Value*

59

Stocks in the Portfolio**

\$8.06

Net Tangible Asset (NTA) Backing Per Share

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

**As at 31 August 2026 – Australia and New Zealand Portfolio.

Top 25 Holdings

BHP



Commonwealth Bank



MACQUARIE

CSL

Westpac



nab

Transurban



Wesfarmers



Telstra

RioTinto



Goodman



Woolworths Group



ANZ



Woodside Energy

coles



Resmed



CAR Group



Computershare



Mineright



Fisher & Paykel Healthcare



REA Group



ALS



James Hardie



JB HI-FI



Evolution Mining



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