

25 November 2015

The Manager
ASX Market Announcements
Australian Securities Exchange
Exchange Centre
Level 4
20 Bridge Street
Sydney NSW 2000

Electronic Lodgement

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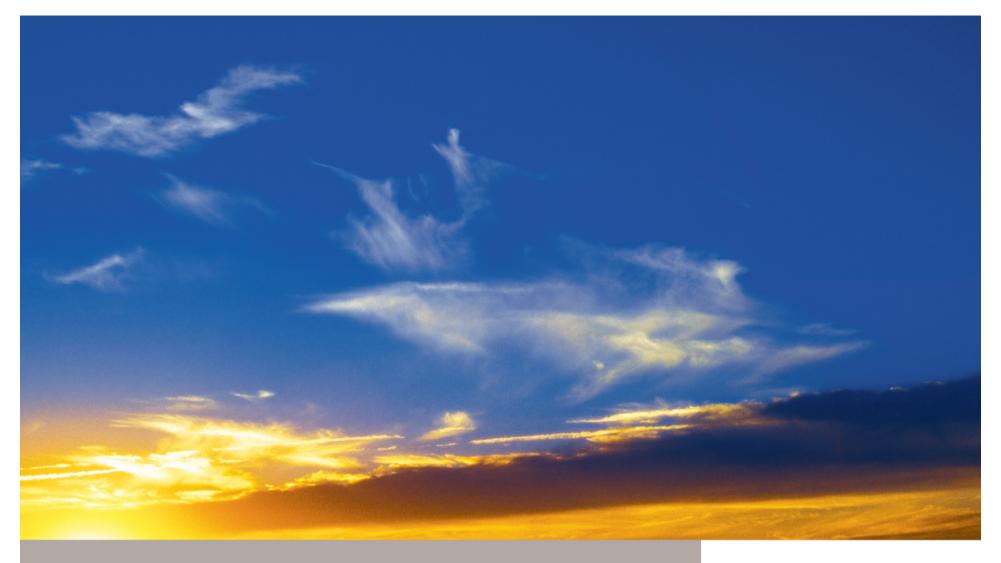
Australian Foundation Investment Company Limited NZ Information Meetings – Presentation

Dear Sir / Madam

Please find attached a presentation that will be delivered to shareholders at information meetings being held in New Zealand.

Yours faithfully

Simon Pordage Company Secretary



NEW ZEALAND SHAREHOLDER MEETINGS 2015

AUSTRALIAN FOUNDATION INVESTMENT COMPANY

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GET RICH SLOW

The secret of long term investment



SHORT TERM RETURNS CAN BE VERY VOLATILE

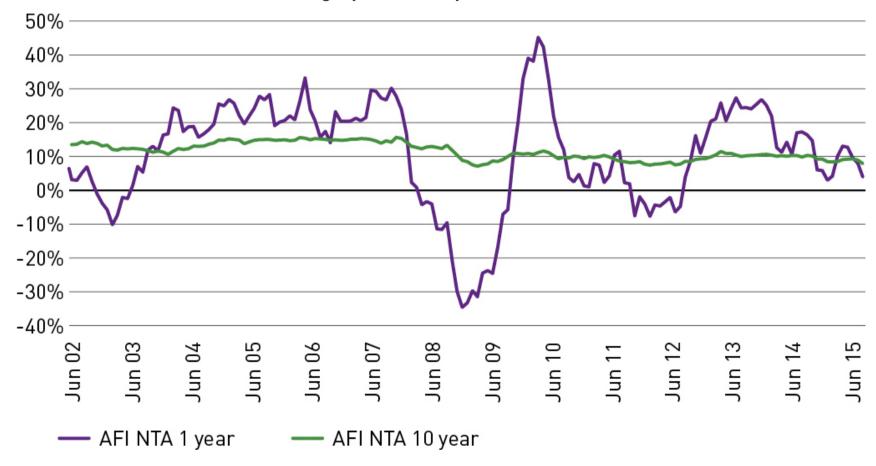






HOWEVER LONG TERM RETURNS BUILD WEALTH FOR PATIENT INVESTORS

AFIC rolling 1 year and 10 year returns to 30 June 2015

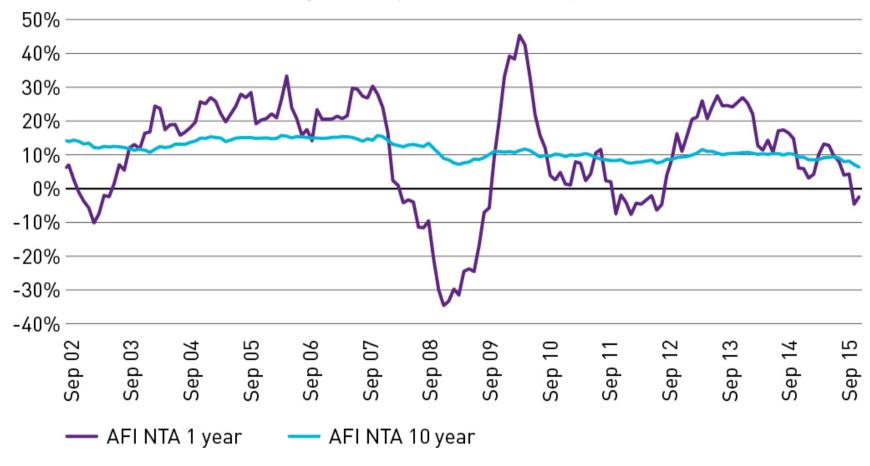


NZ SHAREHOLDER MEETINGS 2015

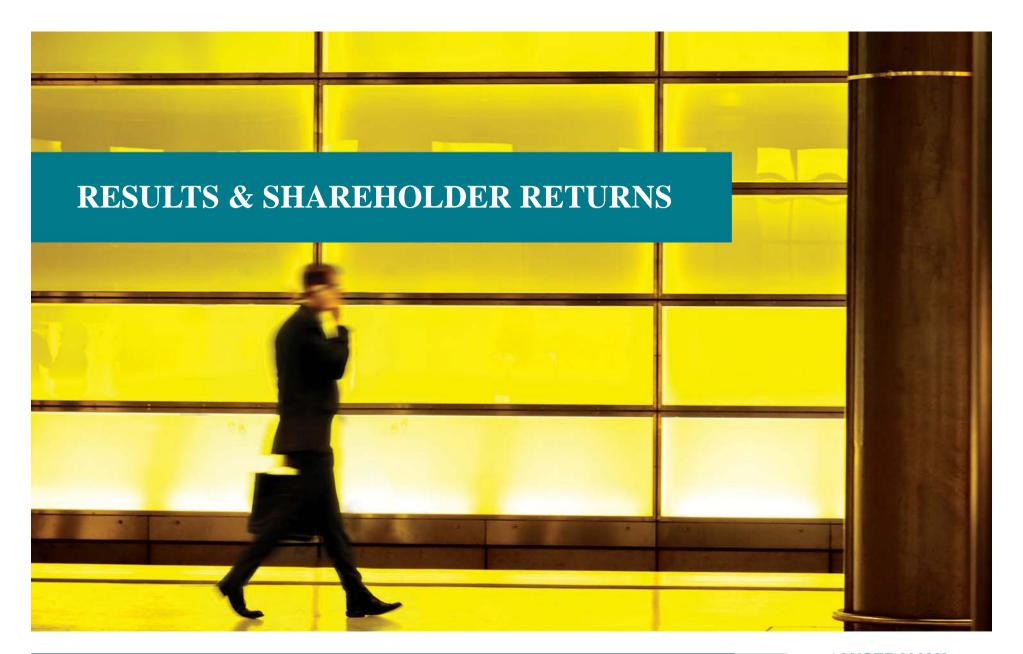


THIS STILL HOLDS EVEN IN LIGHT OF RECENT TURMOIL









AUSTRALIAN FOUNDATION INVESTMENT COMPANY

FULL YEAR FINANCIAL SUMMARY

PROFIT FOR THE YEAR

A\$293.6m

▲ Up 15.5% from 2014

15.4¢ 24.7¢

Final (NZ) Total (

▲ Up 1.1 cent (NZ) up from 2014

MANAGEMENT EXPENSE RATIO

0.16%

0.17% in 2014

TOTAL PORTFOLIO

A\$6.6b Including cash at 30 June

A\$6.4 billion in 2014

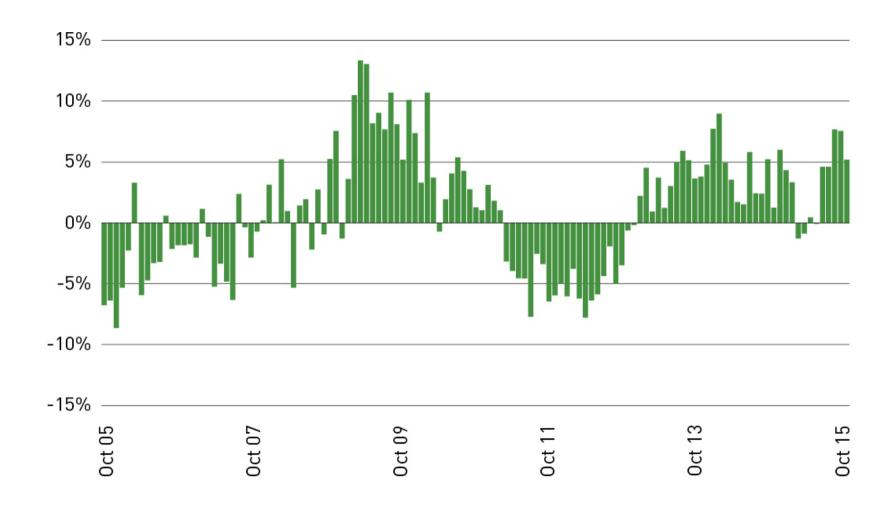


NEW ZEALAND IMPUTATION CREDITS PAID FOR THE FIRST TIME

- 3 cents per share of dividend had a credit
- Derived from dividends received from:
 - ANZ
 - Commonwealth Bank
 - National Australia Bank
 - Westpac
 - Auckland International Airport
 - Fisher and Paykel Healthcare
 - Fletcher Building
- Will be paid from time to time as sufficient credits are accrued to warrant distribution

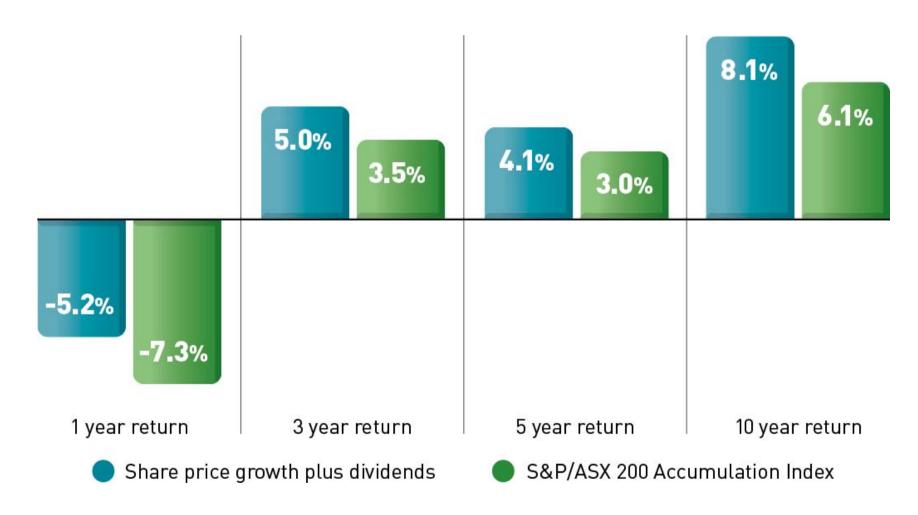


SHARE PRICE IS AT A PREMIUM





SHARE PRICE PERFORMANCE IN \$NZ – PER ANNUM RETURN TO 31 OCTOBER 2015

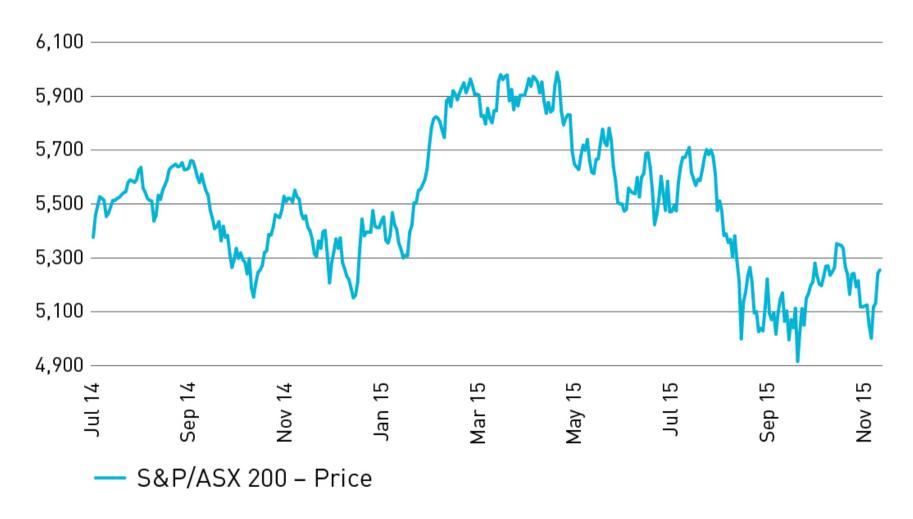






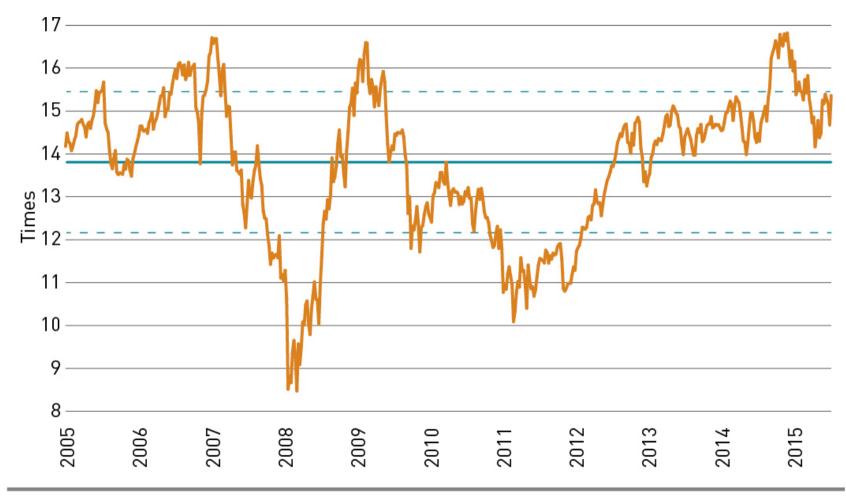


WITH LOWER PROSPECTS FOR GROWTH THE MARKET HAS BEEN MORE VOLATILE





MARKET VALUATIONS (PRICE EARNINGS RATIO) ARE MOVING HIGHER AFTER RECENT DECLINES



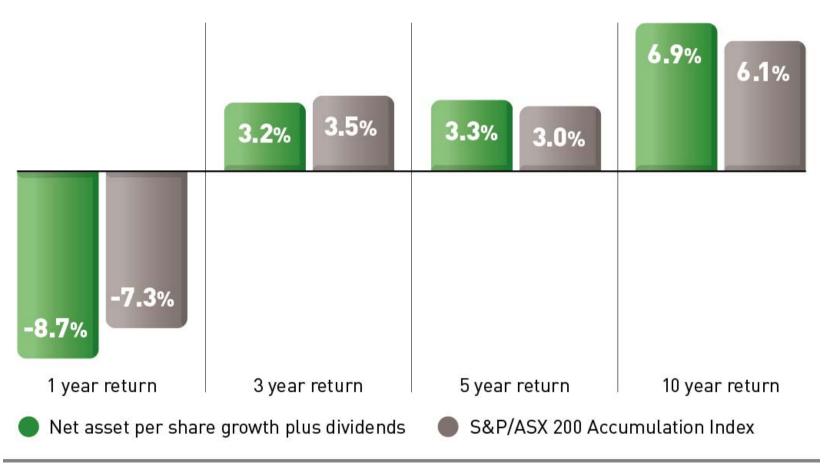
Source: FactSet.







SHORT TERM PORTFOLIO PERFORMANCE IMPACTED BY ENERGY HOLDINGS AND UNDERWEIGHT PROPERTY EXPOSURE—PER ANNUM RETURN IN \$NZ TO 31 OCTOBER 2015



After tax and expenses for AFIC.



WE BELIEVE THE PORTFOLIO REMAINS WELL POSITIONED ALTHOUGH WE HAVE BEEN MAKING SOME ADJUSTMENTS

- Further broadened the portfolio by adding to small/midcap holdings
- Marginally reduced exposure to:
 - banks
 - energy
 - supermarkets
- Used recent market volatility to generate returns from buy and write portfolio

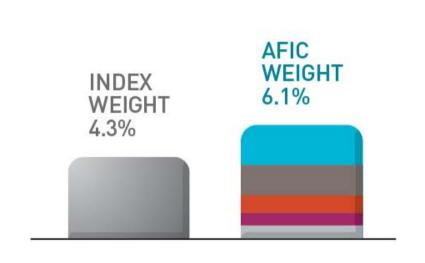


BANKS – PORTFOLIO AT 31 OCTOBER 2015





ENERGY – PORTFOLIO AT 31 OCTOBER 2015

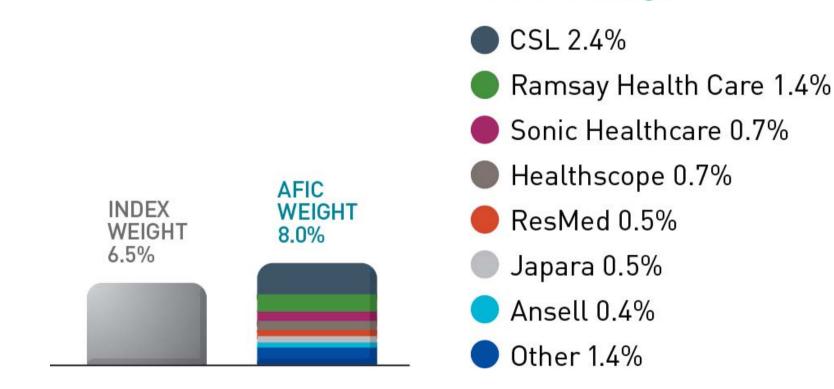


AFIC's Holdings

- Oil Search 2.1%
- Woodside Petroleum 1.6%
- Origin 0.9%
- Santos 0.7%
- Other 0.7%



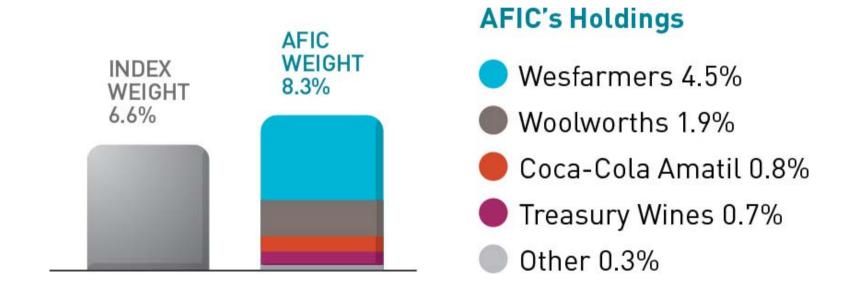
HEALTHCARE – PORTFOLIO AT 31 OCTOBER 2015



AFIC's Holdings



CONSUMER STAPLES – PORTFOLIO AT 31 OCTOBER 2015





REAL ESTATE – PORTFOLIO AT 31 OCTOBER 2015



AFIC's Holdings

- Federation Centres 0.8%
- Scentre Group 0.8%
- Westfield Corporation 0.7%
- Cedar Woods 0.2%
- Other 0.2%



PORTFOLIO AT 31 OCTOBER 2015 – TOP 10 HOLDINGS REPRESENT 50.5% OF THE PORTFOLIO

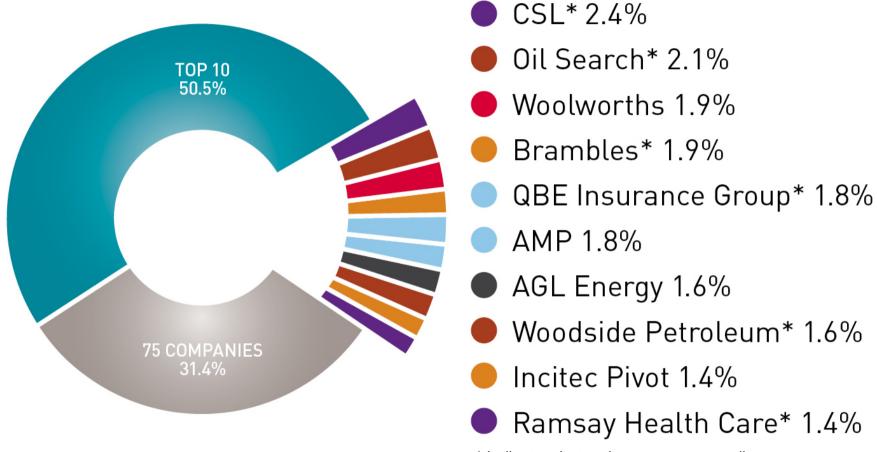


- Commonwealth Bank of Australia 10.3%
- Westpac Banking Corporation 8.6%
- BHP Billiton* 5.2%
- National Australia Bank 4.9%
- Wesfarmers 4.5%
- Telstra 4.5%
- ANZ Banking Group 3.7%
- Transurban Group 3.1%
- Rio Tinto 3.0%
- Amcor 2.7%



^{*} Indicates that options were outstanding against part the holding.

PORTFOLIO AT 31 OCTOBER 2015 – NEXT 10 REPRESENT 18.1% OF THE PORTFOLIO



^{*} Indicates that options were outstanding against part the holding.



WE HAVE RECENTLY TOPPED UP SOME SMALLER POSITIONS











NEW HOLDINGS ADDED THIS FINANCIAL YEAR

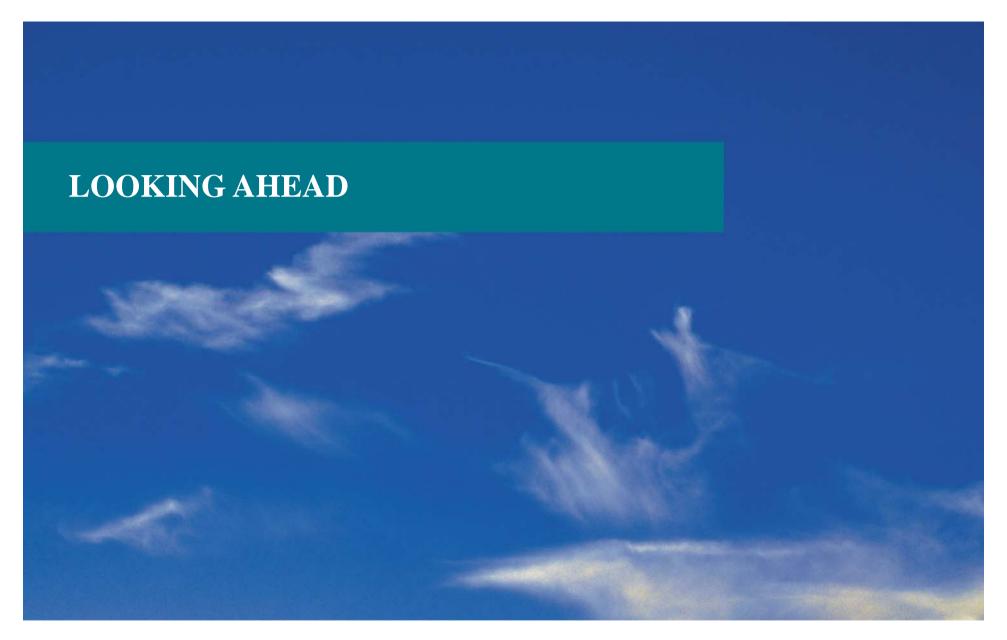














WHAT IS ON OUR MIND

- Sluggish domestic economy.
- Top line earnings growth difficult for many companies.
- Changes in the Chinese economy likely to affect Australia.
- Slower growth in the advanced economies.
- Falling Australian dollar may assist.
- Interest rates likely to stay low in Australia.
- A market for stock pickers.



WHAT IS ON OUR MIND - con't.

- There are small and mid sized companies with growth prospects greater than the broader economy.
- Market volatility is providing opportunities for ongoing portfolio adjustments.
- Cash positions being replenished.



SHARE PURCHASE PLAN

- Raised A\$153.3 million with 17.9% of shareholders participating
- Priced at A\$5.51 per share (approximately \$NZ 6.07 per share)
 a discount of 5.0% on the VWAP on the ASX and Chi-X over the 5 trading days up to, and including, the day on which the SPP closed
- New shares <u>not entitled</u> to upcoming interim dividend
- Shares issued on 25 November ASX Code: AFINA
 - NZX Code: AFIND



