

27 July 2023



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Electronic Lodgement

Australian Foundation Investment Company Limited Results Webcast Presentation

Please find attached the presentation to be given at the Shareholder Webcast being held today, **Thursday 27 July 2023 at 3.30 p.m. (AEST)**

Webcast

To join the webcast please use the following link: [Webcast Link](#) (This link will open directly in your internet browser).

Conference Call

Alternatively, to join via the teleconference, please register using the following link: [conference call registration link](#)

Upon registering for the conference call you will have the option to dial in or to be called directly. International dial in numbers are available through the registration process.

You will be joined automatically to the conference. During the call you can indicate if you would like to ask a question by pressing (*1) on your telephone keypad and wait for your name to be announced.

The shareholder presentation material is available through our website www.afi.com.au.

Yours faithfully

Matthew Rowe
Company Secretary

ASX Release authorised by the Company Secretary

Full Year Results

July 2023

**AUSTRALIAN
FOUNDATION
INVESTMENT
COMPANY**



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Agenda

Overview and Investment Objectives	Mark Freeman
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Financial Results	Andrew Porter
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Markets and the Portfolio	David Grace
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Recent portfolio activity	Nga Lucas
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Outlook	David Grace
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A large yellow mining truck is shown from a low angle, emphasizing its massive size. The truck is yellow with blue safety railings and is parked on a gravel surface. In the background, there is a steep, terraced hillside, likely a quarry or mine, under a cloudy sky. The truck's large, treaded tires are prominent in the foreground.

Overview and Investment Objectives

Our Company

Invests in Australian and New Zealand companies

Largest listed investment company on the ASX, over 160k shareholders, independent Board of Directors

Shareholders own the 'management rights' to the portfolio

Management expense ratio of 0.14% with no performance fees

Long term investor with low turnover (tax effective). Portfolio and share price returns less volatile than the index

Long history of growing/stable fully franked dividends

Team manages three other funds – Djerriwarrh, Mirrabooka and AMCIL

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.

Financial Results



Results to 30 June 2023

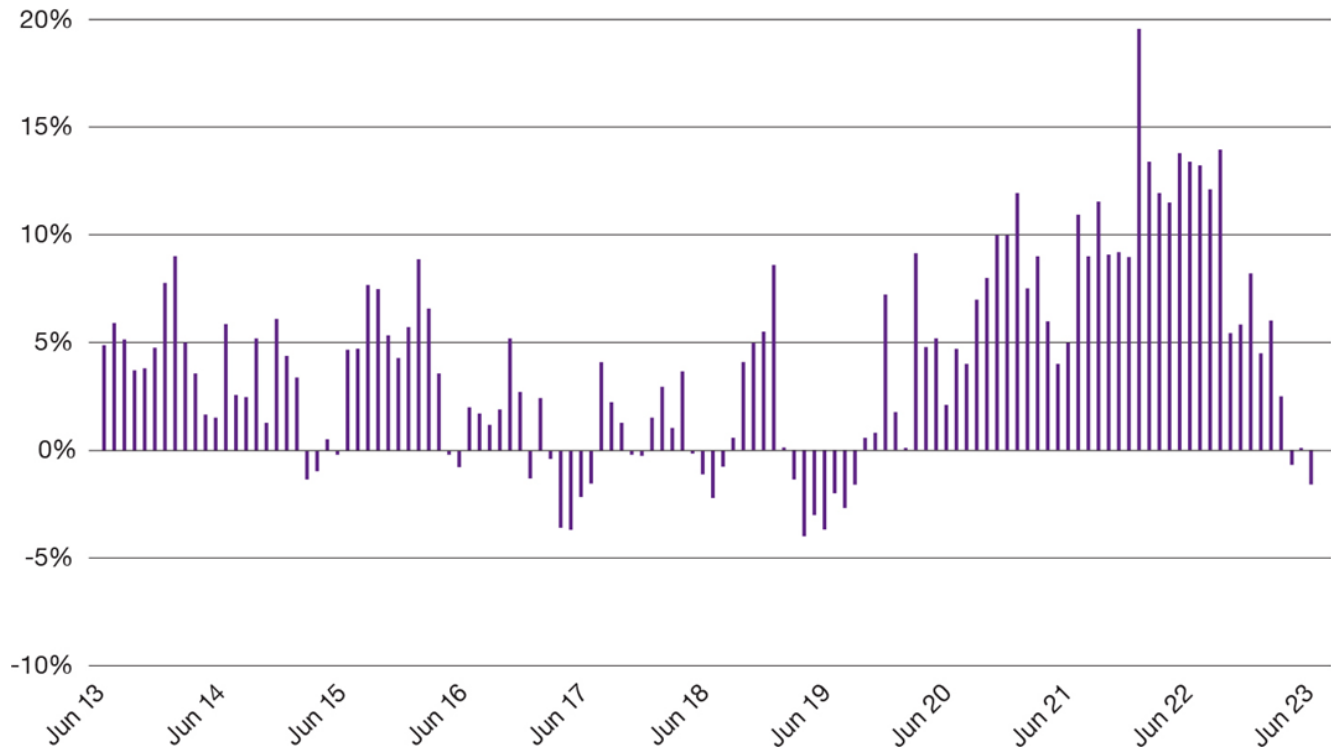
2023		
Profit for the Year	\$310.2m	\$360.6m* in 2022
Fully Franked Dividend	14¢ Final 25¢ Total	24 cents total in 2022
Total Shareholder Return	-1.4%	Share price plus dividend, including franking*

2023		
Total Portfolio Return	13.9% Including franking*	S&P/ASX 200 Accumulation Index including franking* 16.6%
Management Expense Ratio	0.14%	0.16% in 2022
Total Portfolio	\$8.9b	Including cash at 30 June, \$8.2 billion in 2022

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

Includes a non-cash dividend of \$74.9 million from the BHP Petroleum/Woodside merger in 2022 .

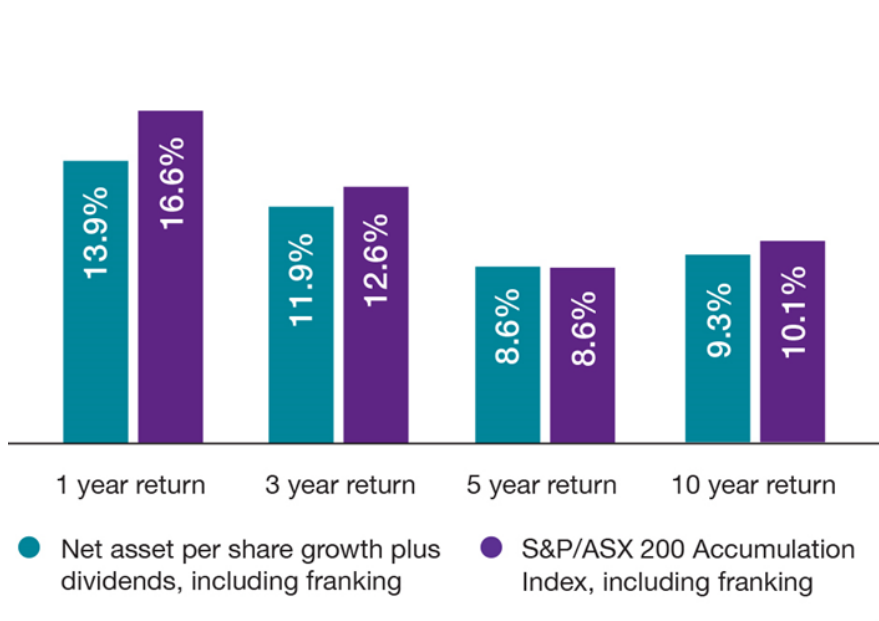
Share Price Relative to NTA has moved from a significant premium to a slight discount over the course of the financial year



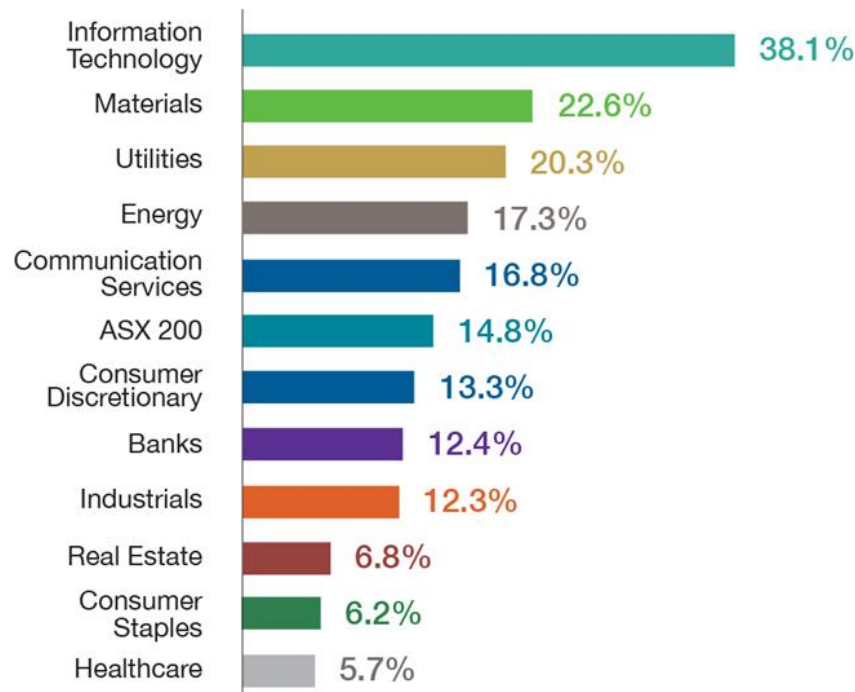


Markets and the Portfolio

Portfolio and Sector Performance – to 30 June 2023

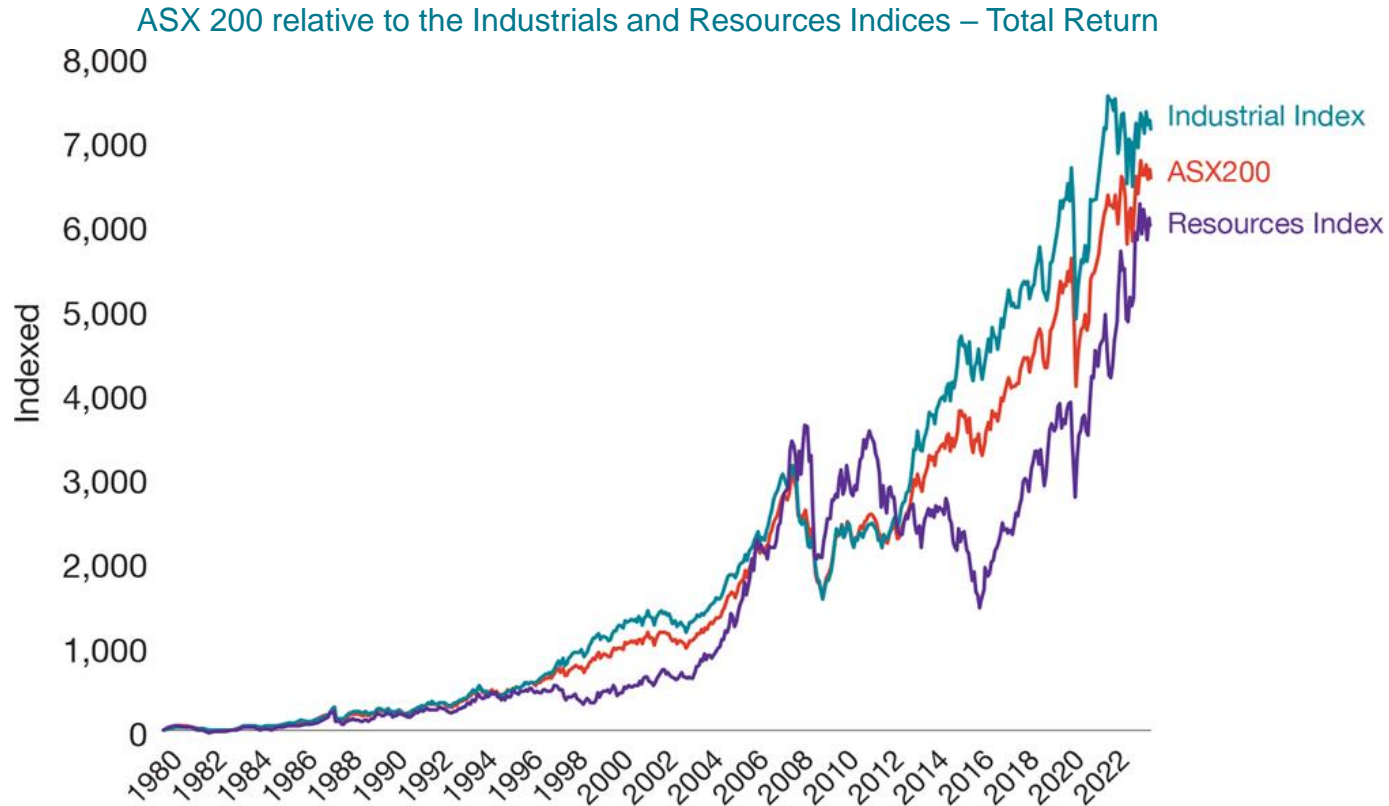


Figures assume an investor can take full advantage of the franking credits.
Past performance is not indicative of future performance.



Sector returns do not include franking

Long term performance of Industrials v Resources

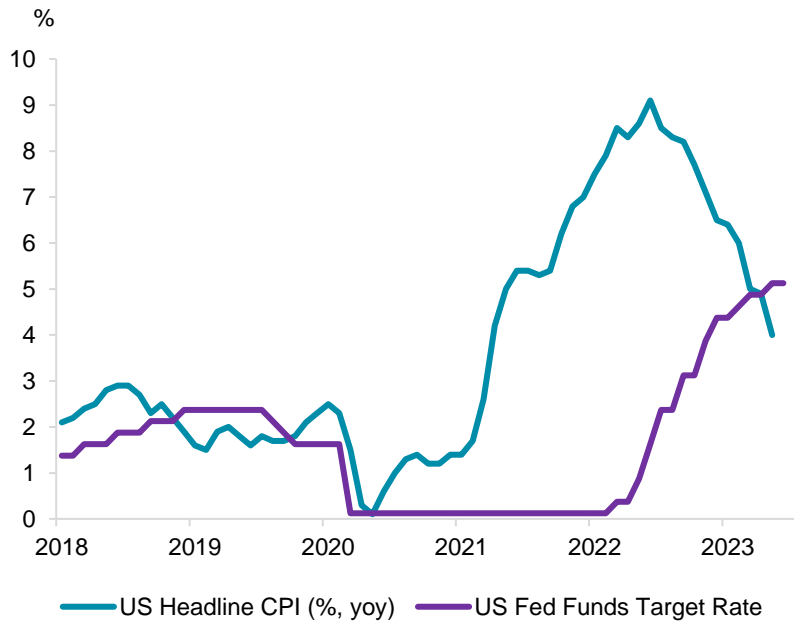


Source: Goldman Sachs Research

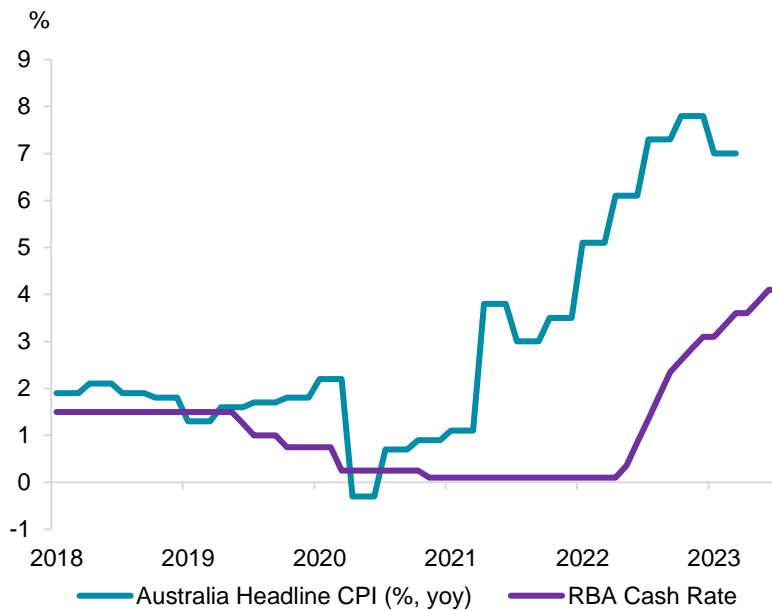
Inflation easing as interest rate rises take effect

More rate rises may be required but has inflation peaked?

US – Inflation vs Interest Rates



Australia – Inflation vs Interest Rates



Valuation in a Long Term Context

Price to Book – S&P/ASX 200 Index



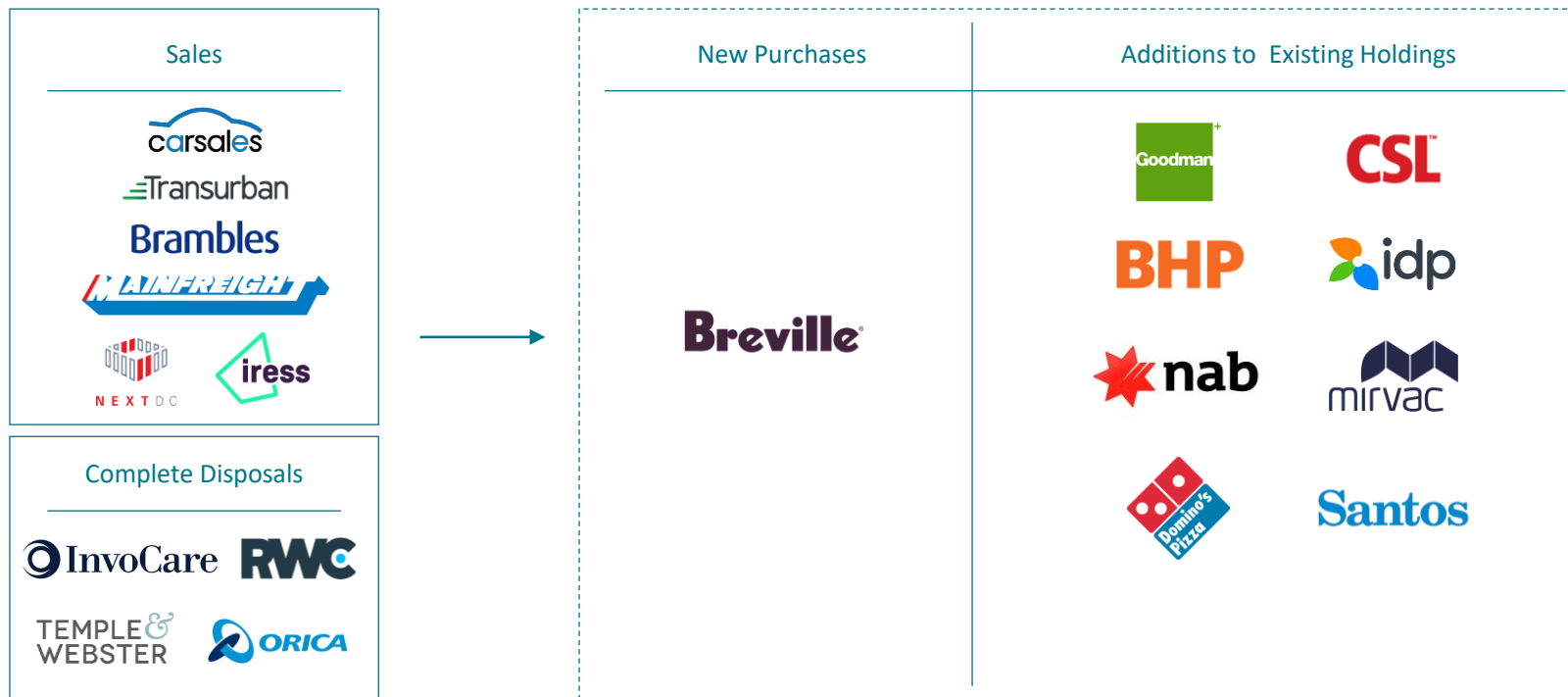
Price to Sales – S&P/ASX 200 Index





Recent Portfolio Activity

Active Portfolio Management – Recent Transactions





CSL is a specialist biotechnology company that develops and manufactures products to treat serious human medical conditions.

Market leadership position in plasma fractionation operating more efficiently than competitors.

Recent capital investment increasing capacity while delivering operating efficiencies and higher returns.

Consistent investment in Research & Development of new pipeline drugs for long-term earnings growth.

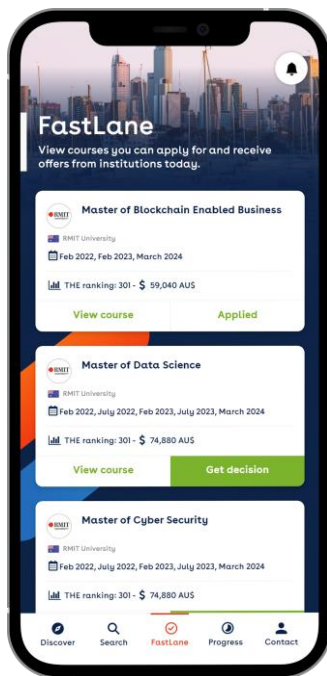


Goodman Group is a specialist developer, owner and manager of industrial properties operating in 14 countries.

Market leader in providing high-quality essential infrastructure for the digital economy.

Unique opportunity to invest alongside the founder of the company, Greg Goodman, who remains a significant shareholder.

Strong balance sheet and experienced management team.



IDP Education is the leading global provider of high stakes English language testing and student placements to tertiary institutions.

Competitive advantage in strong network effects, in-country infrastructure and highly trusted brand with significant opportunity to grow market share.

Supportive structural tailwinds with strong demand for Western education and immigration

Strategy to digitise and evolve into an online education marketplace for students and universities in the long term



Outlook

Outlook

➤ What's occupying our mind:

- Solid economic growth despite rapid rise in interest rates.
- Strong equity market returns despite broad based expectations of a recession.
- Stubborn inflation.
- Slow growth in China.

➤ Portfolio positioning:

- Diversified portfolio of quality companies owning strategic assets, with strong balance sheets that are well managed.
- An appropriate mix of forecast growth and income returns to meet our long-term investment objectives.

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