

29 July 2024



The Manager  
ASX Market Announcements  
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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, **Monday 29 July 2024 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).

The shareholder presentation material is available through our website [www.afi.com.au](http://www.afi.com.au).

Yours faithfully

Matthew Rowe  
Company Secretary

ASX Release authorised by the Company Secretary

**Full Year Results  
Financial Year  
2023/24**



# Disclaimer

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A close-up photograph of a doctor in a white lab coat using a tablet computer. The doctor's hands are visible, with a gold ring on the left hand. A stethoscope is visible around the doctor's neck, and a blue ID badge is clipped to the lab coat. The background is blurred, showing what appears to be a hospital setting.

## Overview and Investment Objectives

# Our Company

Invests in Australian and New Zealand companies

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

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Shareholders own the 'management rights' to the portfolio

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Management expense ratio of 0.15% with no performance fees

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

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Long history of stable to growing fully franked dividends

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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.

# Attractive Total Returns over the Long-term

## AFIC NTA vs ASX 200 Accumulation Index



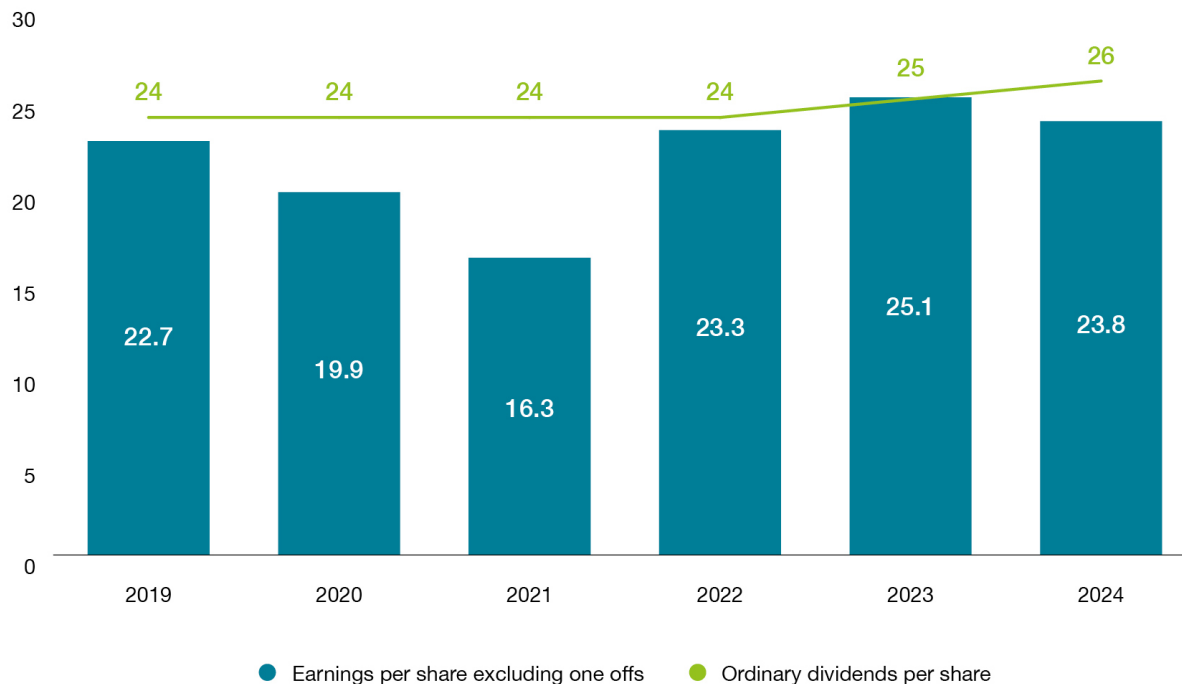
**\$10k in AFIC → \$173k**

**\$10k in the Index → \$138k**

Excludes the benefit of franking

# Ensuring a 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 last 6 financial years





An aerial photograph of a city street grid, showing various buildings, streets, and greenery. A white rectangular box is overlaid on the left side of the image, containing the text "Financial Results".

# Financial Results

# Financial Year in Summary

2024

**Profit for  
the Year**

**\$296.4m**

\$310.2m in 2023

**Fully Franked  
Dividend  
Per Share**

**14.5¢**  
Final

**26¢**  
Total

25 cents total  
in 2023

2024

**Total Portfolio  
Return**

**15.1%**  
Including franking\*

S&P/ASX 200  
Accumulation Index  
including franking\*  
13.5%

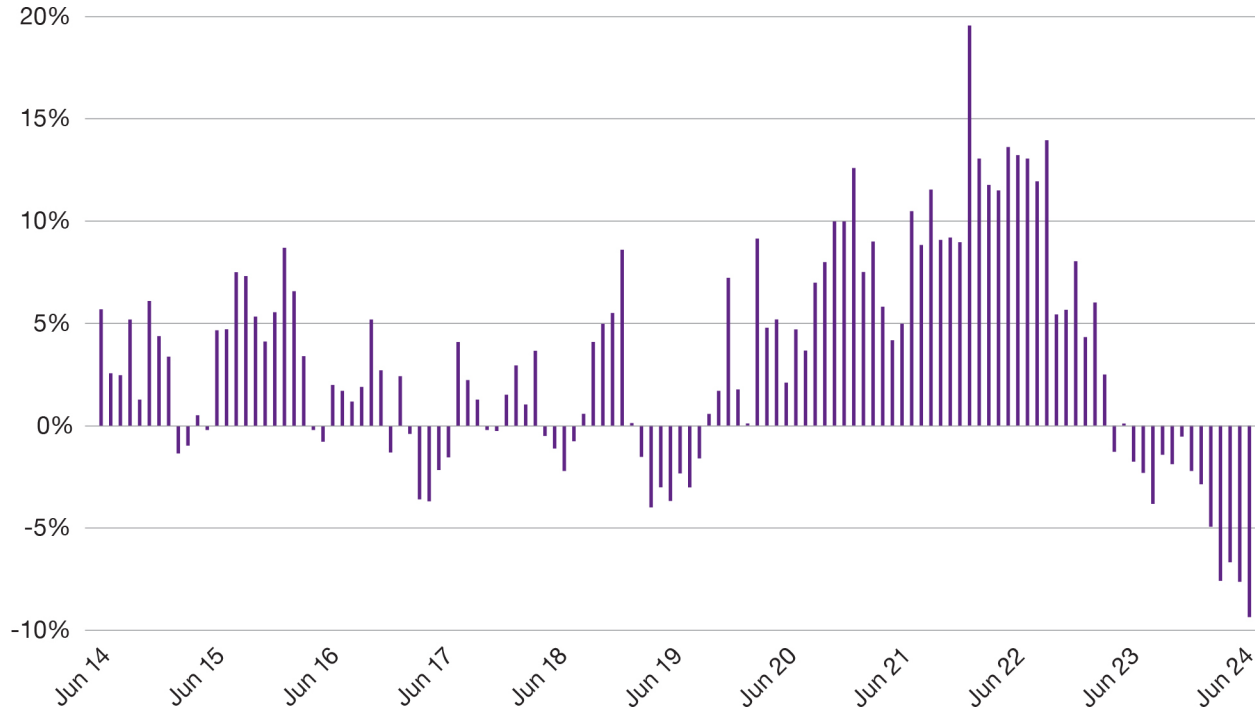
**Management  
Expense Ratio**

**0.15%**

0.14% in 2023

\* Assumes an investor can take full advantage of the franking credits.

# Share Price Relative to NTA



30 June 2024

NTA: \$7.88

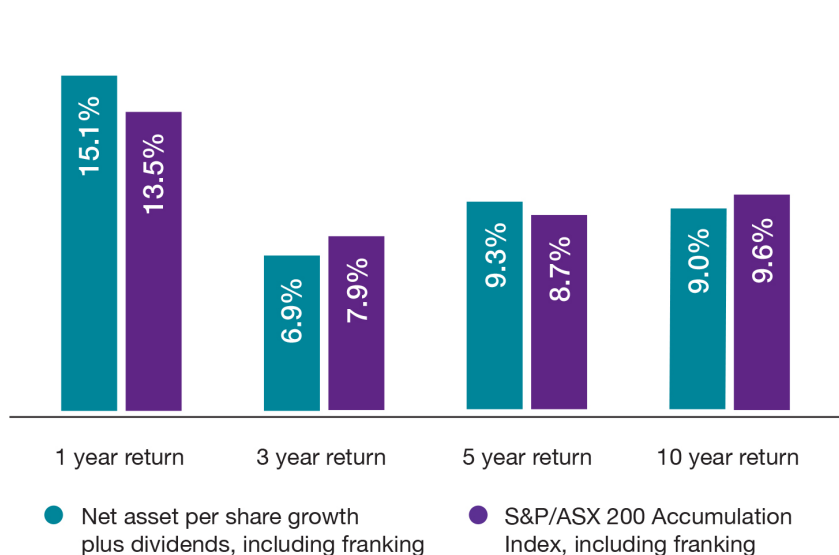
Share price: \$7.15

A construction worker wearing a white hard hat and a blue jacket is shown in profile, looking towards the left. The background is a blurred construction site with yellow machinery. A white rectangular box is overlaid on the left side of the image, containing the text "Markets and the Portfolio".

## Markets and the Portfolio

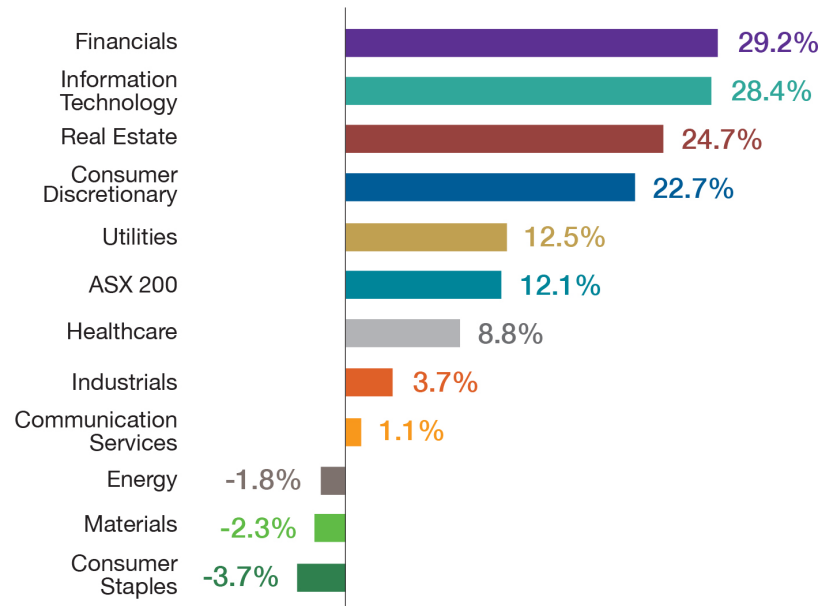
# Portfolio and Sector Performance – to 30 June 2024

## Portfolio Return (Including the Full Benefit of Franking) – Per Annum to 30 June 2024



Past performance is not indicative of future performance.

## Sector Performance to 30 June 2024



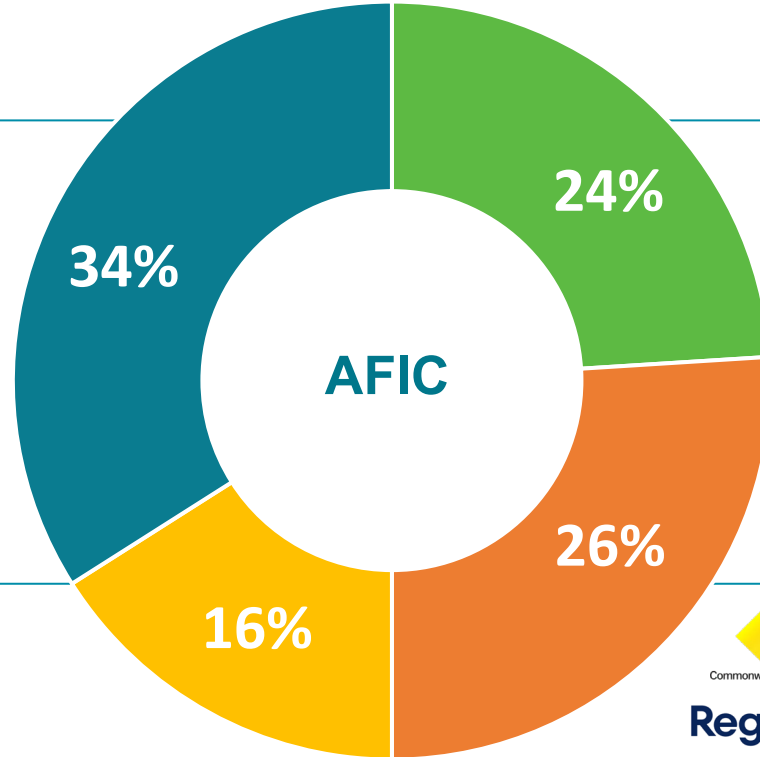
Sector returns do not include franking

# Portfolio Set to Perform in Most Economic Settings

## Growth Companies



## Cyclicals



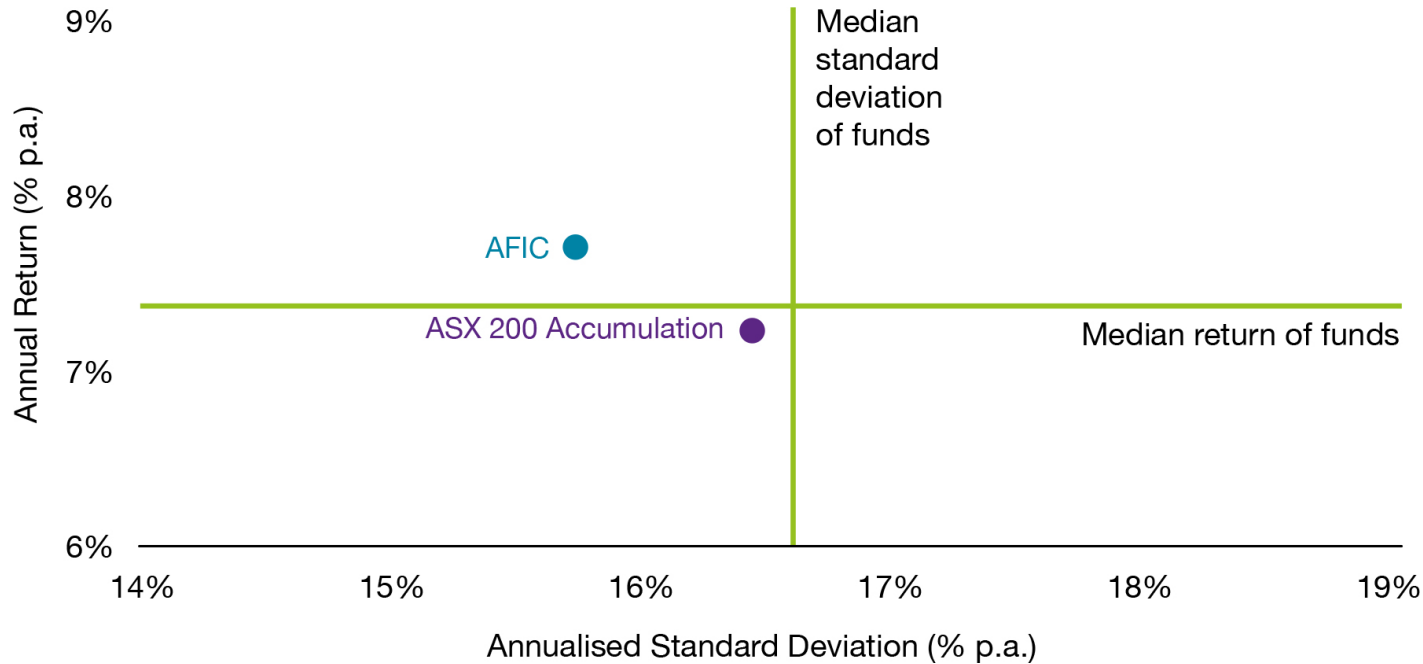
## Stalwarts



## Income



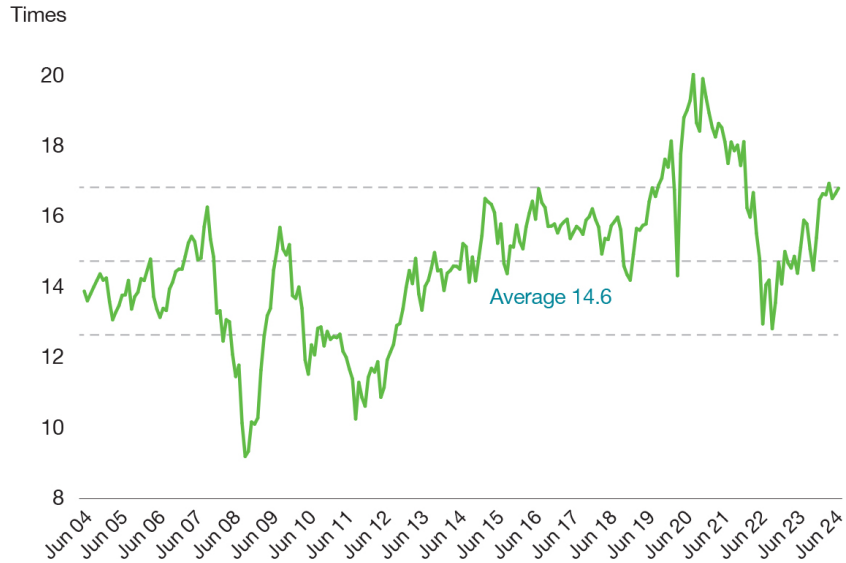
# Over the 5-year period to 30 June 2024 AFIC has a higher portfolio return with less volatility than the S&P/ASX 200 Index (both exclude franking)



Source: Mercer Investment Performance Survey of Wholesale-Equity – Australia. Note AFIC's return is after tax paid and costs. The universe for Wholesale-Equity – Australia returns are before tax and after fees

# Valuation in a Long Term Context

## ASX 200 Index Price Earnings Ratio



## ASX 200 Index Dividend Yield



Source: FactSet



# Active Portfolio Management – Recent Transactions

## Additions to Existing Holdings



## Trimmed Holdings



## New Purchases



## Complete Disposals





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

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

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

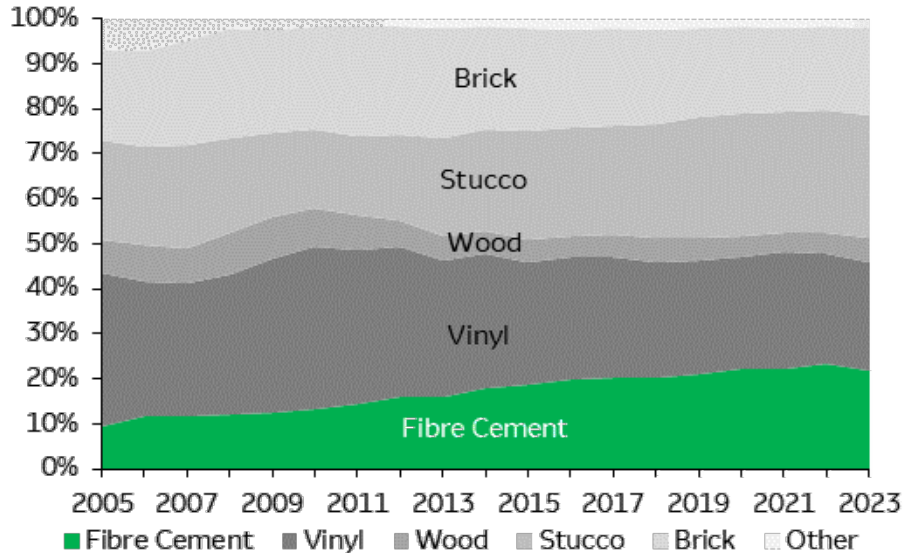
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Consistent investment in Research & Development of new pipeline drugs for long-term earnings growth.



# James Hardie Continuing to Capture Market Share

## Fibre cement gaining market share



Source: James Hardie

- Market leader in fibre cement cladding for US homes.
- Fibre cement has grown from 9% wall share in 2005 to 22% today. All other competing materials have lost market share over this period.
- New product development focussed on architectural trend of modern look homes.
- High return on capital and strong balance sheet.

# Outlook



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Slowing economic growth providing an increasingly challenging environment for companies to deliver earnings growth.

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Interest rates nearing the end of a raising cycle. Inflation appears to have peaked.

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Investment markets been prepared to pay high prices where there is a high degree of confidence of earnings growth.

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Drivers of market performance expected to broaden.

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We remain focused on companies well positioned to create long term shareholder value.

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

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**AUSTRALIAN  
FOUNDATION  
INVESTMENT  
COMPANY**