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Income,  
Capital Growth,  
Low Cost

Appendix 4D Statement  
for the Half-Year Ending  
31 December 2024

**Contents**

- Results for Announcement to the Market
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- Appendix 4D Accounts
- Independent Auditors' Review Report

This half-year report is presented under listing rule 4.2A and should be read in conjunction with the Company's 2024 Annual Report.

This announcement was authorised for release by the Board of Australian Foundation Investment Company Limited.

Australian Foundation Investment Company Limited  
ABN 56 004 147 120

## Results for Announcement to the Market

The reporting period is the half year ended 31 December 2024, with the prior corresponding period being the half year ended 31 December 2023.

The half year financial report has been reviewed by the Company's auditors.

- > Profit after tax was \$154.2 million, up 2.7% on the previous corresponding period's \$150.1 million.
- > Profit after tax attributable to members was \$154.2 million (up 2.8% on the previous corresponding period's \$150.0 million).
- > Revenue from operating activities was \$173.5 million, up \$5.1 million or 3.0% from the previous corresponding period. This excludes capital gains on investments.
- > Investment income for the six months to 31 December 2024 was \$166.3 million, up from \$162.7 million in the corresponding period last year. The increase was largely because of a special dividend from Woolworths Group and increased holdings in BHP, Woodside Energy Group and Telstra Group over the course of the calendar year. These dividend increases offset the lower contribution from major bank dividends as holdings were reduced through the period.
- > The interim dividend is 12.0 cents per share, fully franked, up 0.5 cents from the previous corresponding period. The dividend will be paid on 25 February 2025 to ordinary shareholders on the register on 4 February 2025, and the shares are expected to commence trading on an ex-dividend basis on 3 February 2025. There is no conduit foreign income component of the dividend. No LIC gains are attached to the interim dividend.
- > A Dividend Reinvestment Plan (DRP) and Dividend Substitution Share Plan (DSSP) are available, the price for which will be set at a **nil discount** to the Volume Weighted Average Price of the Company's shares traded on the ASX and Cboe automated trading systems over the five trading days from when the shares trade ex-dividend. The last date for the receipt of an election notice for participation in the DRP and DSSP is 5pm (AEDT) on 5 February 2025.
- > The final dividend for the 2024 financial year was 14.5 cents per share (fully franked), and it was paid to shareholders on 30 August 2024.
- > Portfolio return for the half year was 7.2%, including franking. The return for the S&P/ASX 200 Accumulation Index was 7.6% including franking over this period. In the 12 months to 31 December 2024 the portfolio return was 13.2%, ahead of the S&P/ASX 200 Accumulation Index return over this period including franking of 12.7%. AFIC's performance returns are after costs.
- > Net tangible assets per share before any provision for deferred tax on the unrealised gains on the long term investment portfolio as at 31 December 2024 were \$8.24, up from \$7.62 at 31 December 2023 (both before allowing for any announced dividends).
- > The Company will be providing an update on these results via a webcast for shareholders on Wednesday 22 January 2025 at 3.30 p.m. (AEDT). Details are on the website at [afi.com.au](http://afi.com.au).

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# 12-month portfolio return outperforms in strong market conditions. Increase in the interim dividend.

## Half Year Report to 31 December 2024

AFIC’s investment focus is on a diversified portfolio of Australian equities, seeking to provide attractive income and capital growth to shareholders over the medium to long term. This is achieved at a low cost, with lower volatility than the market, and with low portfolio turnover which produces tax-effective outcomes for shareholders. AFIC’s management expense ratio is 0.15% (annualised) with no additional fees.

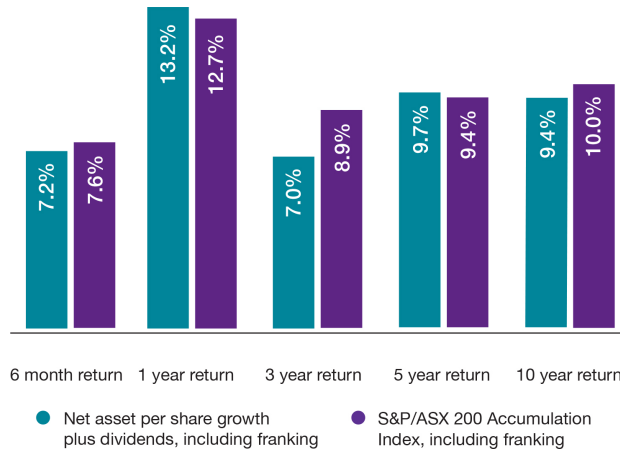
Half Year Profit was \$154.2 million. In the corresponding period last year, Half Year Profit was \$150.1 million.

Earnings per share for the half year was 12.3 cents per share. The interim dividend declared is 12.0 cents per share fully franked, an increase from 11.5 cents per share from the corresponding period last year. Increasing the interim dividend is in line with our long term objective of seeking to equalise the quantum of the interim and final dividends over time.

During the period a significant amount of realised taxable gains were incurred from sales as market valuations became stretched and some portfolio positions were reduced. The largest sale in this context was a small proportion of the holding in the Commonwealth Bank of Australia. These sales will generate franking credits from the tax payable on these transactions which further reinforces AFIC’s franking reserves. However, the trimming of portfolio positions where tax is payable also impacts reported portfolio returns as AFIC’s performance is reported after tax paid and costs.

Portfolio return for the half year was 7.2%, including franking. The return for the S&P/ASX 200 Accumulation Index was 7.6% including franking over this period. In the 12 months to 31 December 2024 the portfolio return was 13.2%, ahead of the S&P/ASX 200 Accumulation Index return over this period including franking of 12.7%.

### Portfolio return\* (including the full benefit of franking) to 31 December 2024.



\*Per annum returns other than for six months. AFIC’s performance figures are after costs and tax. Past performance is not indicative of future performance.

## Market Commentary and Portfolio Performance

The S&P/ASX 200 Accumulation Index including the benefit of franking, rose 12.7% in the calendar year to 31 December 2024 driven by the very strong performance of the Information Technology and Banking sectors. Throughout the year, valuations in both sectors saw a significant re-rating higher in price earnings multiples as investor confidence increased around their perceived lower earnings risk relative to the broader market. Both sectors ended the year with valuations at very high levels. The Resources sector underperformed in 2024 as softening demand from China significantly weighed on commodity prices. To date, China's easing policy stance is yet to materialise in accelerating economic growth.

AFIC's portfolio outperformed the Index with a return of 13.2% including franking for the 12 months to 31 December 2024 (return figures including franking only include the benefit of franking which AFIC has distributed to shareholders).

The portfolio relative outperformance over the twelve-month period can be largely attributed to holdings in Netwealth Group, Fisher & Paykel Healthcare, ResMed, Wesfarmers, JB Hi-Fi, Goodman Group and Macquarie Group. Meaningful detractors to performance came from IDP Education, Domino's Pizza Enterprises, and long-term core holdings James Hardie Industries and Transurban Group.

The underweight portfolio position in the Resources sector, which has underperformed, also contributed to relative outperformance. It has been a conscious decision to be underweight in this sector for some time given our concerns about the outlook for growth in China.

Five and 10-year portfolio return figures to 31 December 2024 including franking were 9.7% and 9.4% per annum respectively. The S&P/ASX 200 Accumulation Index over these corresponding periods including franking were 9.4% and 10.0% per annum. These figures include the full benefit of franking, with AFIC's return after costs. This performance has been achieved with lower portfolio volatility than the market and more consistent dividend income.

## Portfolio Adjustments

During the year, we increased our holdings in BHP, Woodside Energy Group, Telstra Group, Cochlear, James Hardie Industries and WiseTech Global. We consider long term prospects for all these companies remains strong. These purchases were transacted during periods of short term negative news flow, providing attractive buying opportunities for long term investors. All these companies hold strong market positions and generate meaningful free cash flow enabling reinvestment into their asset base for future earnings growth.

We initiated positions in five companies during the 12 month period: Ampol, Worley, Macquarie Technology, BlueScope Steel, and Sigma Healthcare. Ampol is Australia's leading integrated energy company engaged in refining, supply and marketing of petroleum and maintains a significant convenience retail footprint. Worley is a market leader in engineering and consulting services to the global energy, chemical and resources industries. Macquarie Technology is a data centre, cloud and telecommunications business. BlueScope Steel is a global leader in metal coating and painting products servicing a wide range of end markets and Sigma Healthcare operates in wholesale and community pharmacy with a proposed merger with Chemist Warehouse, a market leader in operating retail pharmacies.

We exited Ramsay Health Care as significant structural changes in the industry are likely to continue to undermine their competitive position, and Domino's Pizza Enterprises considering their long-term prospects appear to be increasingly challenged. Mineral Resources was sold because of the disappointing corporate governance practices that have emerged.

## International Portfolio

We have continued to manage the global portfolio (within the AFIC portfolio) over the period. This portfolio was first initiated in May 2021. We have been trialling this portfolio for over three years. AFIC has invested a total of \$106.8 million of shareholder capital in the global portfolio, which is valued at \$164.2 million as at 31 December, 2024. At current value, the global portfolio represents about 1.6% of the overall AFIC portfolio.

We are encouraged by the performance of this portfolio which has exceeded its benchmark index (the MSCI World Index ex Australia) since its inception.

We are currently working through the most appropriate next steps for this initiative, including the options for establishing a separate low-cost global investment company in the future.

## Outlook

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The outlook for equity markets remains highly uncertain. Heightened geopolitical tensions coupled with election outcomes in many developed markets may lead to a wide dispersion of potential investment outcomes in the near term. Accordingly, equity market volatility is expected to remain a feature.

The operating environment for many companies appears set to become increasingly challenged. Sales growth appears set to slow as economic growth and consumer confidence remain subdued while cost inflation remains elevated, albeit now growing at a slower rate.

Following two strong years of performance, the Australian equity market now appears more fully priced. In this environment, we are cautiously allocating capital as the price you pay for any investment plays a large role in investment returns, even over extended time periods.

As long term investors, we are looking to utilise prevalent share price volatility to allocate capital to quality companies at attractive prices, where long term growth prospects remain strong. Our focus remains on quality companies that maintain a strong balance sheet, operate unique assets and are run by highly capable boards and management teams.

Please direct any enquiries to:

**Mark Freeman**  
Managing Director  
(03) 9225 2101

**Geoff Driver**  
General Manager  
(03) 9225 2102

22 January 2025

## Major Transactions in the Investment Portfolio (6 months to end December 2024)

<b>Acquisitions</b>	<b>Cost (\$'000)</b>
BHP	95,416
Worley	45,163
BlueScope Steel	27,868
Ampol	21,905
Cochlear	20,310

<b>Disposals</b>	<b>Proceeds (\$'000)</b>
Commonwealth Bank of Australia	190,178
Ramsay Health Care*	51,040
Mineral Resources*	35,342
Westpac Banking Corporation	35,089
Domino's Pizza Enterprises*	31,879

\*Complete disposal from the portfolio.

### New Companies Added to the Portfolio

Worley  
BlueScope Steel  
Sigma Healthcare

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## Top 25 Investments at 31 December 2024

Includes investments held in both the investment and trading portfolios.

### Value at Closing Prices at 31 December 2024

		Total Value \$ Million	% of the Portfolio
1	Commonwealth Bank of Australia	975.4	9.7%
2	BHP Group	820.8	8.1%
3	CSL	722.0	7.2%
4	Macquarie Group*	476.0	4.7%
5	National Australia Bank*	457.3	4.5%
6	Wesfarmers	454.2	4.5%
7	Westpac Banking Corporation	429.3	4.3%
8	Transurban Group	363.3	3.6%
9	Goodman Group	361.9	3.6%
10	Telstra Group	262.5	2.6%
11	James Hardie Industries	229.2	2.3%
12	Rio Tinto	218.7	2.2%
13	ResMed	214.8	2.1%
14	ANZ Group Holdings	211.6	2.1%
15	CAR Group*	205.0	2.0%
16	Woolworths Group	203.3	2.0%
17	Woodside Energy Group	200.9	2.0%
18	Coles Group*	183.4	1.8%
19	Mainfreight	160.0	1.6%
20	ARB Corporation	150.5	1.5%
21	Amcor	144.0	1.4%
22	Xero	140.7	1.4%
23	REA Group	134.6	1.3%
24	Reece	126.0	1.2%
25	Fisher & Paykel Healthcare	125.8	1.2%
<b>Total</b>		<b>7,971.1</b>	

As percentage of total portfolio value (excludes cash)

**79.0%**

\* Indicates that options were outstanding against part of the holding.

## Portfolio Performance to 31 December 2024

Performance Measures to 31 December 2024	6 Months	1 Year	3 Years % pa	5 Years % pa	10 Years % pa
<b>Portfolio Return – Net Asset Backing Return Including Dividends Reinvested</b>	6.4%	11.7%	5.5%	8.1%	7.7%
S&P/ASX 200 Accumulation Index	6.9%	11.4%	7.4%	8.1%	8.5%
<b>Portfolio Return – Net Asset Backing Gross Return Including Dividends Reinvested*</b>	7.2%	13.2%	7.0%	9.7%	9.4%
S&P/ASX 200 Gross Accumulation Index*	7.6%	12.7%	8.9%	9.4%	10.0%

\* Incorporates the benefit of franking credits for those who can fully utilise them.

Note: AFIC net asset per share growth plus dividend series is calculated after management expenses, income tax and capital gains tax on realised sales of investments. It should also be noted that Index returns for the market do not include the impact of management expenses and tax on their performance.





**AUSTRALIAN  
FOUNDATION  
INVESTMENT  
COMPANY  
LIMITED**

ABN 56 004 147 120

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**HALF-YEAR REPORT  
31 DECEMBER 2024**

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## COMPANY PARTICULARS

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### Australian Foundation Investment Company Limited (“AFIC”)

ABN 56 004 147 120

AFIC is a Listed Investment Company. As such it is an investor in equities and similar securities on the stock market primarily in Australia.

**Directors:** Craig M. Drummond, Chairman  
Rebecca P. Dee-Bradbury  
Julie A. Fahey  
Katie M. Hudson  
Graeme R. Liebelt  
Richard L. Murray  
David A. Peever  
R. Mark Freeman, Managing Director

**Company Secretaries:** Matthew J. Rowe  
Andrew J.B. Porter

**Auditor:** PricewaterhouseCoopers, Chartered Accountants

**Country of incorporation:** Australia

**Registered office:** Level 21  
101 Collins Street  
Melbourne, Victoria 3000

**Contact Details:** Mail Address: Level 21, 101 Collins St., Melbourne, Victoria 3000  
Telephone : (03) 9650 9911  
Facsimile: (03) 9650 9100  
Email: [invest@afi.com.au](mailto:invest@afi.com.au)  
Internet address: [afi.com.au](http://afi.com.au)  
For enquiries regarding net asset backing (as advised each month to the Australian Securities Exchange):  
Telephone: 1800 780 784 (toll free)

**Share Registrar:** MUFG Corporate Markets (AU) Limited  
Mail Address: Locked Bag A14, Sydney South, NSW, 1235  
AFIC Shareholder enquiry lines : 1300 857 499 (Aus)  
+64 9375 5998 (NZ)  
E-mail: [afi@cm.mpms.mufg.com](mailto:afi@cm.mpms.mufg.com)  
Facsimile: (02) 9287 0303  
Internet: [au.investorcentre.mpms.mufg.com](http://au.investorcentre.mpms.mufg.com)

For all enquiries relating to shareholdings, dividends and related matters, please contact the share registrar.

### Securities Exchange

**Codes:** AFI Ordinary shares (ASX and NZX)

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## DIRECTORS' REPORT

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The Directors present their report in relation to the half-year to 31 December 2024 on the consolidated entity (“the Group”) consisting of Australian Foundation Investment Company Limited (“the Company” and “AFIC”) and its subsidiary, Australian Investment Company Services Limited (“AICS”).

### Directors

The following persons were Directors of the Company during the half-year and up to the date of this report:

C.M. Drummond (appointed July 2021, appointed Chairman October 2023)  
R.P. Dee-Bradbury (appointed May 2019)  
J.A. Fahey (appointed April 2021)  
K.M. Hudson (appointed January 2024)  
G.R. Liebelt (appointed June 2012)  
R.L. Murray (appointed January 2024)  
D.A. Peever (appointed November 2013)  
R.M. Freeman (appointed January 2018)

### Review of the Group's operations and results

#### Overview

AFIC's investment focus is on a diversified portfolio of primarily Australian equities. There has been no change in the nature of the Company's activities during the period. Its primary objectives are to pay dividends which, over time, will grow at a faster rate than inflation, and to generate attractive total returns in terms of growth in net asset backing plus dividends.

#### Profit Performance and Dividend

Profit for the half-year was \$154.2 million, up 2.7% from the previous corresponding period.

The net profit per share for the six months to 31 December 2024 was 12.3 cents per share with an interim dividend declared of 12.0 cents per share fully-franked, an increase of 0.5 cents on the previous corresponding period.

The portfolio return for the 6 months (measured by change in net asset backing per share plus dividends reinvested) was 6.4% compared to the return of the S&P/ASX 200 Accumulation Index for the same period which was 6.9%. AFIC's portfolio return is calculated after management fees, income tax and capital gains tax on realised sales of investments and does not reflect the value of franking credits or LIC credits attached to the dividends. Index returns for the market do not include the impact of management expenses and tax on their performance.

During the half-year 6.4 million shares were issued under the DRP and the DSSP resulting in an additional \$39.5 million of capital (after costs). In addition, 4.8 million shares were bought back under the Company's on-market buy-back programme.

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### **Auditors' independence declaration**

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 13.

### **Rounding of amounts to nearest thousand dollars**

The Group is of a kind referred to in the ASIC Corporations' (Rounding in Financial/Directors' Reports) Instrument 2016/191, relating to the "rounding off" of amounts in the directors' report and financial report. Unless specifically stated otherwise, amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that Instrument.

This report is made in accordance with a resolution of the Directors.



C.M. Drummond  
Chairman

Melbourne  
22 January 2025

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## Auditor's Independence Declaration

As lead auditor for the review of Australian Foundation Investment Company Limited for the half-year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Australian Foundation Investment Company Limited and the entity it controlled during the period.

A handwritten signature in black ink that reads 'Kate L Logan'.

Kate L Logan  
Partner  
PricewaterhouseCoopers

Melbourne  
22 January 2025

# CONSOLIDATED INCOME STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

	Note	Half-year 2024 \$'000	Half-year 2023 \$'000
Dividends and distributions		166,298	162,673
Revenue from deposits and bank bills		4,126	3,263
Other revenue		3,113	2,491
<b>Total revenue</b>		<b>173,537</b>	<b>168,427</b>
Net gains/(losses) on trading portfolio		1,892	1,332
<b>Income from operating activities</b>	<b>3</b>	<b>175,429</b>	<b>169,759</b>
Finance & related costs		(631)	(700)
Administration expenses		(10,900)	(8,691)
<b>Profit before income tax expense</b>		<b>163,898</b>	<b>160,368</b>
Income tax expense		(9,734)	(10,289)
<b>Profit for the half-year</b>		<b>154,164</b>	<b>150,079</b>
<b>Profit is attributable to :</b>			
Equity holders (members) of Australian Foundation Investment Company Ltd		154,162	149,997
Minority Interest		2	82
		<b>154,164</b>	<b>150,079</b>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	<b>8</b>	12.29	12.05

This Income Statement should be read in conjunction with the accompanying notes.

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# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

	Half-Year to 31 December 2024			Half-Year to 31 December 2023		
	Revenue	Capital	Total	Revenue	Capital	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Profit for the half-year</b>	<b>154,164</b>	<b>-</b>	<b>154,164</b>	<b>150,079</b>	<b>-</b>	<b>150,079</b>
<b>Other Comprehensive Income</b>						
<i>Items that will not be recycled through the Income Statement</i>						
Gains for the period on equity securities in the investment portfolio	-	531,401	<b>531,401</b>	-	582,535	<b>582,535</b>
Tax on above	-	(162,605)	<b>(162,605)</b>	-	(176,807)	<b>(176,807)</b>
<b>Total other comprehensive income <sup>1</sup></b>	<b>-</b>	<b>368,796</b>	<b>368,796</b>	<b>-</b>	<b>405,728</b>	<b>405,728</b>
<b>Total comprehensive income <sup>2</sup></b>	<b>154,164</b>	<b>368,796</b>	<b>522,960</b>	<b>150,079</b>	<b>405,728</b>	<b>555,807</b>

<sup>1</sup> Net capital income not accounted for through the Income Statement

<sup>2</sup> This is the company's Net Return for the half-year, which includes the Net Profit plus the net realised and unrealised gains or losses on the Company's investment portfolio.

	Half-Year to 31 December 2024			Half-Year to 31 December 2023		
	Revenue	Capital	Total	Revenue	Capital	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total Comprehensive Income is attributable to:</b>						
Equity holders of Australian Foundation Investment Company Ltd	154,162	368,796	<b>522,958</b>	149,997	405,728	<b>555,725</b>
Minority Interest	2	-	<b>2</b>	82	-	<b>82</b>
	<b>154,164</b>	<b>368,796</b>	<b>522,960</b>	<b>150,079</b>	<b>405,728</b>	<b>555,807</b>

This Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

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## CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2024

		31 Dec 2024 \$'000	30 June 2024 \$'000
	Note		
<b>Current assets</b>			
Cash		294,114	166,499
Receivables		12,775	42,425
Trading portfolio	4	5,641	5,387
<b>Total current assets</b>		<b>312,530</b>	<b>214,311</b>
<b>Non-current assets</b>			
Deferred tax assets - other		1,328	-
Investment portfolio		10,081,228	9,703,558
<b>Total non-current assets</b>		<b>10,082,556</b>	<b>9,703,558</b>
<b>Total assets</b>		<b>10,395,086</b>	<b>9,917,869</b>
<b>Current liabilities</b>			
Payables		1,661	1,256
Borrowings – bank debt		10,000	10,000
Tax payable		53,093	34,105
Provisions		4,389	6,014
<b>Total current liabilities</b>		<b>69,143</b>	<b>51,375</b>
<b>Non-current liabilities</b>			
Provisions		151	154
Deferred tax liabilities - other		-	1,237
Deferred tax liabilities - investment portfolio	5	1,712,903	1,603,716
<b>Total non-current liabilities</b>		<b>1,713,054</b>	<b>1,605,107</b>
<b>Total liabilities</b>		<b>1,782,197</b>	<b>1,656,482</b>
<b>Net Assets</b>		<b>8,612,889</b>	<b>8,261,387</b>
<b>Shareholders' equity</b>			
Share Capital	6	3,208,290	3,204,950
Revaluation Reserve		3,679,098	3,449,280
Realised Capital Gains Reserve		631,683	546,953
General Reserve		23,637	23,637
Retained Profits		1,068,406	1,034,794
<b>Parent Entity Interest</b>		<b>8,611,114</b>	<b>8,259,614</b>
Minority Interest		1,775	1,773
<b>Total equity</b>		<b>8,612,889</b>	<b>8,261,387</b>

This Balance Sheet should be read in conjunction with the accompanying notes.



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

Attributable to members of Australian Foundation Investment Company  
Ltd

Half-Year to 31 December 2024	Note	Share Capital \$'000	Revaluation Reserve \$'000	Realised Capital Gains \$'000	General Reserve \$'000	Retained Profits \$'000	Total Parent Entity \$'000	Minority Interest \$'000	Total \$'000
Total equity at the beginning of the half-year		3,204,950	3,449,280	546,953	23,637	1,034,794	8,259,614	1,773	8,261,387
Dividends paid	7	-	-	(54,248)	-	(120,550)	(174,798)	-	(174,798)
Shares issued - Dividend Reinvestment Plan	6	39,650	-	-	-	-	39,650	-	39,650
Shares bought-back	6	(36,156)	-	-	-	-	(36,156)	-	(36,156)
Other Share Capital Adjustments	6	(154)	-	-	-	-	(154)	-	(154)
<b>Total transactions with shareholders</b>		<b>3,340</b>	<b>-</b>	<b>(54,248)</b>	<b>-</b>	<b>(120,550)</b>	<b>(171,458)</b>	<b>-</b>	<b>(171,458)</b>
Profit for the half-year		-	-	-	-	154,162	154,162	2	154,164
Net gains for the period on equity securities in the investment portfolio		-	368,796	-	-	-	368,796	-	368,796
<b>Other Comprehensive Income for the half-year</b>		<b>-</b>	<b>368,796</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>368,796</b>	<b>-</b>	<b>368,796</b>
Transfer to Realised Capital Gains Reserve of net cumulative gains (after tax) on investments sold		-	(138,978)	138,978	-	-	-	-	-
<b>Total equity at the end of the half-year</b>		<b>3,208,290</b>	<b>3,679,098</b>	<b>631,683</b>	<b>23,637</b>	<b>1,068,406</b>	<b>8,611,114</b>	<b>1,775</b>	<b>8,612,889</b>

This Statement of Changes in Equity should be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

Attributable to members of Australian Foundation Investment Company  
Ltd

Half-Year to 31 December 2023	Note	Share Capital \$'000	Revaluation Reserve \$'000	Realised Capital Gains \$'000	General Reserve \$'000	Retained Profits \$'000	Total Parent Entity \$'000	Minority Interest \$'000	Total \$'000
<b>Total equity at the beginning of the half-year</b>		3,136,282	2,926,191	509,741	23,637	960,171	7,556,022	1,534	7,557,556
Dividends paid	7	-	-	(83,588)	-	(83,588)	(167,176)	-	(167,176)
Shares issued - Dividend Reinvestment Plan		37,121	-	-	-	-	37,121	-	37,121
Other Share Capital Adjustments		(90)	-	-	-	-	(90)	-	(90)
<b>Total transactions with shareholders</b>		<b>37,031</b>	<b>-</b>	<b>(83,588)</b>	<b>-</b>	<b>(83,588)</b>	<b>(130,145)</b>	<b>-</b>	<b>(130,145)</b>
Profit for the half-year		-	-	-	-	149,997	149,997	82	150,079
<i>Other Comprehensive Income for the half-year</i>									
Net gains for the period on equity securities in the investment portfolio		-	405,728	-	-	-	405,728	-	405,728
<b>Other Comprehensive Income for the half-year</b>		<b>-</b>	<b>405,728</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>405,728</b>	<b>-</b>	<b>405,728</b>
Transfer to Realised Capital Gains Reserve of net cumulative gains (after tax) on investments sold		-	(59,469)	59,469	-	-	-	-	-
<b>Total equity at the end of the half-year</b>		<b>3,173,313</b>	<b>3,272,450</b>	<b>485,622</b>	<b>23,637</b>	<b>1,026,580</b>	<b>7,981,602</b>	<b>1,616</b>	<b>7,983,218</b>

This Statement of Changes in Equity should be read in conjunction with the accompanying notes

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## CONSOLIDATED CASH FLOW STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

	Half-year 2024 \$'000	Half-year 2023 \$'000
	INFLOWS/ (OUTFLOWS)	INFLOWS/ (OUTFLOWS)
<b>Cash flows from operating activities</b>		
Sales from trading portfolio	11,225	10,229
Purchases for trading portfolio	(9,586)	(6,240)
Interest received	4,215	3,340
Dividends and distributions received	194,598	190,537
	<u>200,452</u>	<u>197,866</u>
Other receipts	3,108	2,470
Administration expenses	(12,360)	(10,903)
Finance costs paid	(631)	(700)
Taxes paid	(14,227)	(13,876)
<b>Net cash inflow/(outflow) from operating activities</b>	<u><b>176,342</b></u>	<u><b>174,857</b></u>
<b>Cash flows from investing activities</b>		
Sales from investment portfolio	479,038	332,260
Purchases for investment portfolio	(325,306)	(281,529)
Taxes paid on capital gains	(31,287)	(26,246)
<b>Net cash inflow/(outflow) from investing activities</b>	<u><b>122,445</b></u>	<u><b>24,485</b></u>
<b>Cash flows from financing activities</b>		
Share issue costs	(154)	(90)
Shares bought-back	(36,156)	-
Dividends paid	(134,862)	(129,557)
<b>Net cash inflow/(outflow) from financing activities</b>	<u><b>(171,172)</b></u>	<u><b>(129,647)</b></u>
Net increase/(decrease) in cash held	127,615	69,695
Cash at the beginning of the half-year	166,499	165,385
<b>Cash at the end of the half-year</b>	<u><b>294,114</b></u>	<u><b>235,080</b></u>

This Cash Flow Statement should be read in conjunction with the accompanying notes.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

## 1. Basis of preparation of half-year financial report

This general purpose half-year financial report has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This half-year financial report does not include all the notes of the type normally included in an annual financial report. This report should be read in conjunction with the 2024 Annual Report and public announcements made by the Group during the half-year, in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

In the interests of transparency in its reporting, the Group uses the phrase “market value” in place of the AASB terminology “fair value for actively traded securities.” The Company’s investments in listed securities are valued at the closing price on the ASX on the last trading day before the period end.

## 2. Financial reporting by segments

The Group consists of a Listed Investment Company and a subsidiary which provides administration services to it and to other Listed Investment Companies in Australia. It has no reportable business or geographic segments.

### (a) Segment information provided to the Board

The internal reporting provided to the Board for the Group’s assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of Australian Accounting Standards, except that net assets are reviewed both before and after the effects of capital gains tax on investments (as reported in the Group’s Net Tangible Asset announcements to the ASX).

The relevant amounts as at 31 December 2024 and 31 December 2023 were as follows:

	2024	2023
	\$	\$
<b>Net tangible asset backing per share</b>		
Before Tax	8.24	7.62
After Tax	6.87	6.40

### (b) Other segment information

#### Segment Revenue

Revenues from external parties are derived from the receipt of dividend, distribution and interest income, and income arising on the trading portfolio.

The Company is domiciled in Australia and the Group’s dividend and distribution income is predominantly from entities which maintain a listing in Australia. The Group has a diversified portfolio of investments, with only two investments comprising more than 10% of the Group’s income (including trading portfolio) for the half-year ended 31 December 2024 – BHP 13.3% and Commonwealth Bank 10.2% (2023 : 2 – BHP 13.0% and Commonwealth Bank 11.0%).

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<b>3. Income from operating activities</b>	<b>Half-year 2024 \$'000</b>	<b>Half-year 2023 \$'000</b>
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Income from operating activities is comprised of the following:

Dividends & distributions		
• securities held in investment portfolio	166,298	162,596
• securities held in trading portfolio	-	77
	<u>166,298</u>	<u>162,673</u>
Interest income		
• deposits and income from bank bills	4,126	3,263
	<u>4,126</u>	<u>3,263</u>
Net gains/(losses) and write downs		
• net gains from trading portfolio sales	1,004	2,039
• unrealised gains/(losses) in trading portfolio	888	(707)
	<u>1,892</u>	<u>1,332</u>
Administration fees received from other Listed Investment Companies	3,017	2,458
Expenses recovered from other Listed Investment Companies	85	4
Other expenses recovered	6	27
Sundry income	5	2
	<u><b>175,429</b></u>	<u><b>169,759</b></u>

#### 4. Trading portfolio

As part of the activities of the trading portfolio, the Company enters into option contracts for the purpose of enhancing returns, offsetting risk or providing opportunities to acquire or sell securities at advantageous prices.

As at balance date there were call options outstanding which, if they were all exercised, would require the Company to deliver securities to the value of \$95.6 million (30 June 2024: \$34.5 million).

## 5. Deferred tax liabilities – investment portfolio

In accordance with AASB 112 *Income Taxes*, deferred tax liabilities have been recognised for Capital Gains Tax on the unrealised gain in the investment portfolio at current tax rates (30%) totalling \$1,712.9 million (30 June 2024 : \$1,603.7 million). As the Directors do not intend to dispose of the portfolio, this tax liability may not be crystallised at this amount.

## 6. Shareholders' equity – share capital

Movements in Share Capital of the Company during the half-year were as follows:

Date	Details	Notes	Number of shares '000	Issue price \$	Paid-up Capital \$'000
01/07/2024	Opening Balance		1,251,570		3,204,950
30/08/2024	Dividend Reinvestment Plan	i	5,461	7.26	39,650
30/08/2024	Dividend Substitution Share Plan	ii	920	7.26	n/a
Various	On-market buybacks	iii	(4,831)		(36,156)
Various	Other Share Capital adjustments		-		(154)
31/12/2024	Balance		<u>1,253,120</u>		<u>3,208,290</u>

- i The Company has a Dividend Reinvestment Plan under which some shareholders elected to have all or part of their dividend payment reinvested in new ordinary shares. Pricing of the new DRP shares was based on the average selling price of shares traded on the Australian Securities Exchange & Cboe automated trading systems in the five days from the day the shares begin trading on an ex-dividend basis.
- ii The Company has a Dividend Substitution Share Plan under which some shareholders elected to forego all or part of their dividend payment and receive shares instead. Pricing of the new DSSP shares was done on the same basis as the DRP.
- iii The Company introduced an on-market Buy-Back Programme in December 2000. This plan remains active. During the year, 4,831,108 shares were bought back at an average price of \$7.48.

7. Dividends	Half-year 2024 \$'000	Half-year 2023 \$'000
Dividends (fully franked) paid during the period (excluding DSSP shares)	174,798 (14.5 cents per share)	167,176 (14 cents per share)

### Dividends not recognised at period end

Since the end of the half-year the Directors have declared an interim dividend of 12.0 cents per share, fully franked. The aggregate amount of the proposed interim dividend expected to be paid on 25 February 2025, but not recognised as a liability at the end of the half-year is

150,374

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<b>8. Earnings per Share</b>	<b>Half-year 2024</b>	<b>Half-year 2023</b>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used as the denominator	1,254,483,603	1,244,426,335
	<b>\$'000</b>	<b>\$'000</b>
Profit after tax for the half-year attributable to members of the Company	154,162	149,997
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	12.29	12.05

There are no dilutive instruments on issue and consequently diluted earnings per share are the same as basic earnings per share.

#### **9. Events subsequent to balance date**

Since 31 December 2024 to the date of this report there has been no event specific to the Group of which the Directors are aware which has had a material effect on the Group or its financial position.

#### **10. Contingencies**

At balance date Directors are not aware of any material contingent liabilities or contingent assets other than those already disclosed elsewhere in the financial report.

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## DIRECTORS' DECLARATION

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In the Directors' opinion:

- (a) the financial statements and notes set out on pages 14 to 23 are in accordance with the Corporations Act 2001, including:
  - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance, as represented by the results of the operations, changes in equity and cash flows, for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



C.M. Drummond  
Chairman

Melbourne  
22 January 2025

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## ***Independent auditor's review report to the members of Australian Foundation Investment Company Limited***

### **Report on the half-year financial report**

#### ***Conclusion***

We have reviewed the half-year financial report of Australian Foundation Investment Company Limited (the Company) and the entity it controlled during the half-year (together the Group), which comprises the consolidated balance sheet as at 31 December 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated cash flow statement and consolidated income statement for the half-year ended on that date, selected explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Australian Foundation Investment Company Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### ***Basis for conclusion***

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### ***Responsibilities of the directors for the half-year financial report***

The directors of the Company are responsible for the preparation of the half-year financial report, in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.



***Auditor's responsibilities for the review of the half-year financial report***

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*PricewaterhouseCoopers*

PricewaterhouseCoopers

*Kate L Logan*

Kate L Logan  
Partner

Melbourne  
22 January 2025

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