

Australian Foundation Investment Company Limited ('AFIC' or the 'Company') Dividend Guidance for FY27 and Move to Quarterly Dividends

- Ordinary dividend guidance of 27 cents per share for FY27, fully franked
- Special dividend of 10 cents per share for FY27, fully franked
- Move to quarterly dividends with first quarterly dividend to be paid in November 2026

FY27 Dividend Guidance

The Board of AFIC announces its intention to determine a total dividend of 37 cents per share, fully franked, for the financial year 2027, subject to no material unforeseen adverse market conditions and final Board approval. The proposed dividend will comprise a total ordinary dividend of 27 cents per share, a 1.9% increase on the prior year's ordinary dividend of 26.5 cents per share, and a special dividend of 10 cents per share.

Based on the share price of AFIC at 30 September 2026 this represents an ordinary dividend yield of 4.1% (5.8% including franking credits), and 5.6% (7.9% including franking credits), when including special dividends. The Board will determine any future special dividends after FY27 taking into consideration ordinary earnings, the balance of franking credits and the generation of realised capital gains and are therefore subject to variability.

Move to Quarterly Dividends

The Board also announces that dividends will be paid quarterly (four times a year), effective immediately. The quarterly dividend replaces the current semi-annual payment.

The Board has today determined the first quarterly dividend of 9.25 cents per share, fully franked. The dividend comprises an ordinary dividend of 6.75 cents per share and a special dividend of 2.5 cents per share. The dividends will be paid on 12 November 2026 to shareholders on the register on 16 October 2026.

The Board intends to distribute the remaining FY27 dividend equally over the following three quarterly periods. These dividends will be paid in February, May & August 2027.

The DRP and DSSP will continue to be in operation for the 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

* All dividends are fully franked

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Dividend Approach

A significant proportion of AFIC’s shareholders rely on the Company’s dividends as a source of regular income. The Board has listened to feedback that more frequent payments would be useful for a broad range of shareholders and bring AFIC’s payment frequency into line with other investment options now available to investors.

One of AFIC’s objectives is to deliver a stable to growing ordinary dividend over time. The following consideration will be given to the quarterly dividend payments:

- The majority of the Ordinary Dividend will be funded from earnings per share, supplemented by a modest contribution from realised capital gains.
- The quarterly dividends will be broadly equal, subject to the profit outlook and market conditions.
- The Board seeks to return surplus franking credits to shareholders in a timely manner, while maintaining an adequate level of franking reserves.

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