

## Monthly net tangible asset (NTA) backing per share and top 25 investments as at 31 December 2017

	Before Tax*	After Tax*
31 December 2017	\$6.15	\$5.24
30 November 2017	\$6.03	\$5.15

\* The before and after tax numbers relate to the provision for deferred tax on the unrealised gains in the Company's investment portfolio. The Company is a long term investor and does not intend disposing of its total long term investment portfolio. Under current Accounting Standards, the Company is required to provide for tax on any gains that may arise on such a theoretical disposal, after the utilisation of brought forward losses.

### Key facts

**Investment objectives:** AFIC aims to provide shareholders with attractive investment returns through access to a growing stream of fully franked dividends and enhancement of capital invested over the medium to long term.

**Benchmark:** S&P/ASX 200 Accumulation Index.

**Size of portfolio:** \$7.2 billion at 31 December 2017.

**Management cost:** 0.14 per cent, no performance fees.

**Investment style:** Active, fundamental, bottom-up, value.

**Suggested investment period:** Five years to 10 years or longer.

**Net asset backing:** released every month with top 25 investments.

**Listed on ASX and NZX:** code AFI.

### Key benefits

**Diversified portfolio** primarily of ASX-listed Australian equities.

**Tax-effective income** via fully franked dividends.

**Consistent after tax paid investment returns** achieved over the long term.

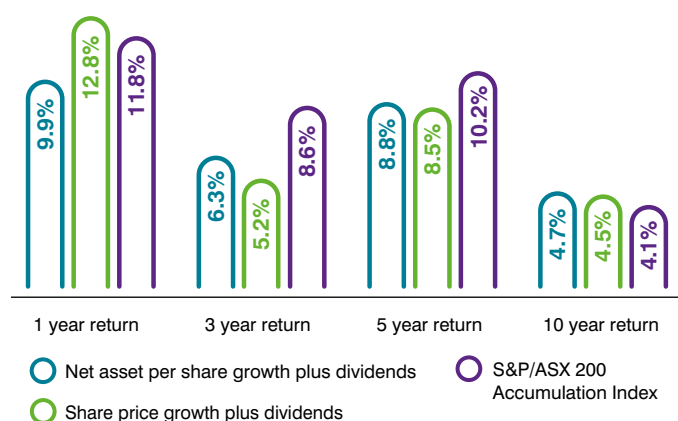
**Professional** management and an experienced Board, investment and management team.

**Low-cost** investing.

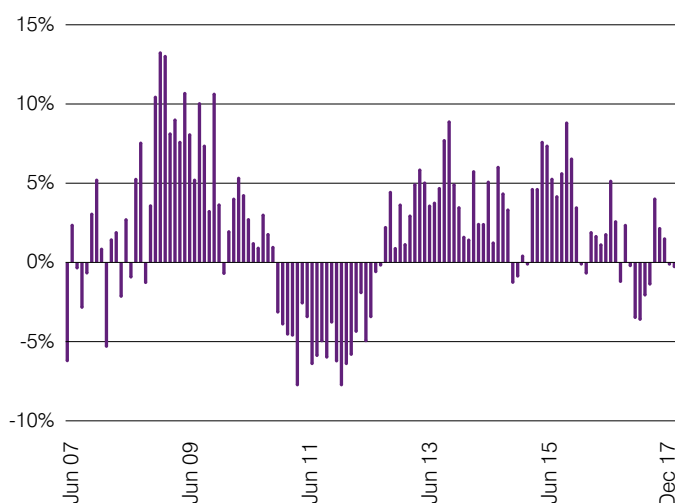
**Ease of investing**, transparent ASX pricing, good liquidity in shares.

**Shareholder meetings** on a regular basis.

### Portfolio performance percentage per annum-periods ending 31 December 2017



### Share price premium/discount to NTA



Australian Foundation Investment Company Limited (AFIC) – ABN 56 004 147 120

Level 21, 101 Collins Street, Melbourne Victoria 3000  
(03) 9650 9911 | [invest@afi.com.au](mailto:invest@afi.com.au) | [afi.com.au](http://afi.com.au)

**Share Registrar**  
Computershare Investor Services Pty Ltd  
[investorcentre.com.au](http://investorcentre.com.au)

1300 662 270 (in Australia)  
+61 3 9415 4373 (outside Australia)

## Market commentary

The emergence of a synchronised expansion in growth across many major economies has seen equity markets, including Australia, reach post GFC highs. The Australian share market finished December 1.8 per cent higher, marking a 11.8 per cent gain through the first six months of the financial year.

The energy sector was strong over the month, up 6.4 per cent as the oil price continued to rally higher. The materials sector also increased 6.2 per cent during the month, supported by gains in BHP and Rio Tinto shares of 8.3 per cent and 6.9 per cent respectively.

Other increases of note were telecommunications services which was up 5.5 per cent (although still well down over the financial year) and consumer discretionary up 3.8 per cent.

Utilities was the worst performing sector over the month, down 4.5 per cent.

For more information visit our website: [afi.com.au](http://afi.com.au)

## Portfolio facts

### Top 25 investments valued at closing prices at 29 December 2017

	Total Value \$ Million	% of Portfolio
1 Commonwealth Bank of Australia	634.7	8.9
2 Westpac Banking Corporation	487.3	6.8
3 BHP*	419.1	5.9
4 Wesfarmers	298.6	4.2
5 National Australia Bank*	294.7	4.1
6 CSL*	262.6	3.7
7 Rio Tinto	262.1	3.7
8 Transurban Group	246.4	3.4
9 Australia and New Zealand Banking Group	243.9	3.4
10 Telstra Corporation	190.4	2.7
11 Amcor	189.7	2.7
12 Woolworths*	143.1	2.0
13 Brambles	135.4	1.9
14 Oil Search	128.4	1.8
15 Woodside Petroleum	108.6	1.5
16 Treasury Wine Estates*	107.1	1.5
17 AGL Energy	104.9	1.5
18 AMP	104.3	1.5
19 Macquarie Group*	102.7	1.4
20 Ramsay Health Care	99.2	1.4
21 Qube Holdings	90.6	1.3
22 James Hardie Industries*	81.2	1.1
23 Computershare	76.0	1.1
24 Westfield Corporation*	75.2	1.1
25 Origin Energy*	71.5	1.0
<b>Total</b>	<b>4,957.6</b>	

As percentage of total portfolio value (excludes cash) **69.4%**

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

### Investment by sector at 31 December 2017



Banks	23.5%
Materials	18.2%
Industrials	11.2%
Other Financials	10.6%
Healthcare	9.4%
Consumer Staples	8.5%
Energy	5.0%
Telecom Services	3.1%
Information Technology	2.7%
Property Trusts	2.6%
Utilities	2.0%
Consumer Discretionary	1.8%
Cash	1.4%

### Important Information

This information has been prepared by Australian Foundation Investment Company Limited (AFIC) (ABN 56 004 147 120) and is provided by its subsidiary Australian Investment Company Services Limited, holder of Australian Financial Services Licence 303209 (Provider). To the extent that this information includes any financial product advice, the advice is of a general nature only and does not take into account any individual's objectives, financial situation or particular needs. Before making an investment decision an individual should assess whether it meets their own needs and consult an appropriately licensed financial adviser. The information contained in these materials have been prepared in good faith. However, no warranty (express or implied) is made as to the accuracy, completeness or reliability of any statements, estimates or opinions or other information contained in these materials (any of which may change without notice) and to the maximum extent permitted by law, the Disclosers disclaim all liability and responsibility (including, without limitation, any liability arising from fault or negligence on the part of any or all of the Disclosers) for any direct or indirect loss or damage which may be suffered by any recipient through relying on anything contained in or omitted from these materials. A copy of the relevant Financial Services Guide can be found on AFIC's website: [www.afi.com.au](http://www.afi.com.au)