

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

	Before Tax*	After Tax*
31 August 2017 Ex Div	\$5.75	\$4.94
31 July 2017 Cum Div	\$5.87	\$5.06

The August 2017 figures are after the payment of the final dividend of 14.0 cents per share while the July figures are before the provision for the dividend.

* 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: \$6.8 billion at 31 August 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.

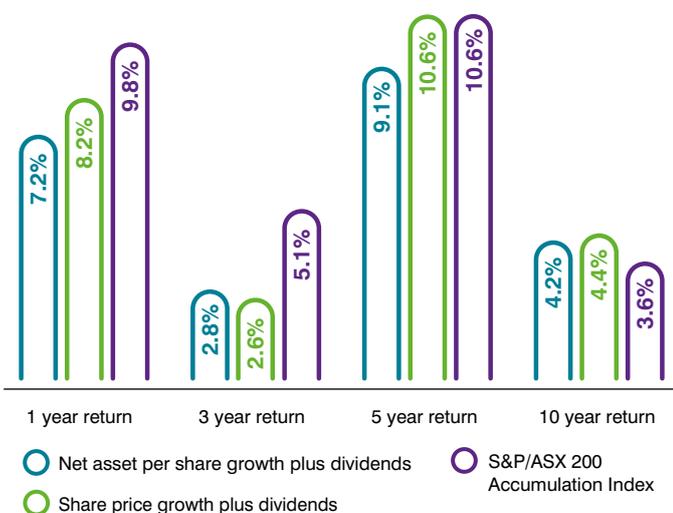
Professional management and an experienced Board, investment and management team.

Low-cost investing.

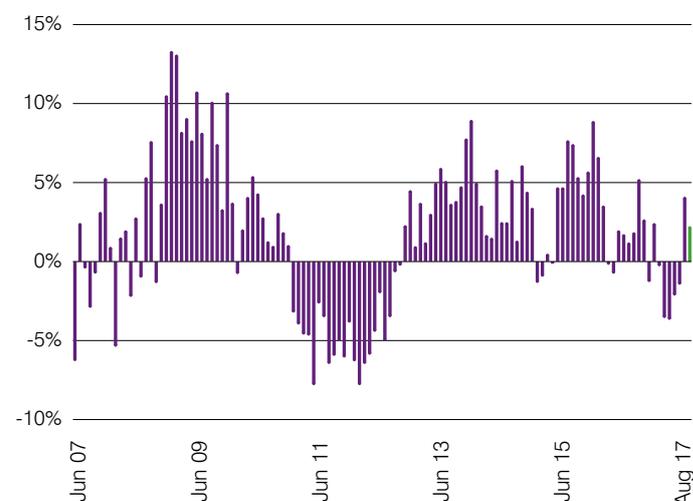
Ease of investing, transparent ASX pricing, good liquidity in shares.

Shareholder meetings on a regular basis.

Portfolio performance percentage per annum-periods ending 31 August 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 | afi.com.au

Share Registrar
Computershare Investor Services Pty Ltd
investorcentre.com.au

1300 350 760 (in Australia)
+61 3 9415 4296 (outside Australia)

Market commentary

The S&P/ASX200 Accumulation Index rose modestly for the month of August 2017 (up 0.7 per cent).

For the second month in a row the resources sector was strongly up as commodity prices held their ground. The energy, consumer staples and industrial sectors were also well supported.

The biggest fall of the month of August was the Telecommunication Services sector, down over 7 per cent. Telstra in particular, was down 6.7 per cent after announcing a cut in its future dividend. Other sectors to fall included banks and financials both down over 2 per cent.

August sees many companies reporting their results to the market. Generally speaking, we have seen growth in both profits and dividends particularly in the resource sector. However, outlook comments have largely been subdued. Companies which have disappointed the market either with reported results or lower future guidance have frequently had strong negative price reactions in the market.

For more information visit our website: afi.com.au

Portfolio facts

Top 25 investments valued at closing prices at 31 August 2017

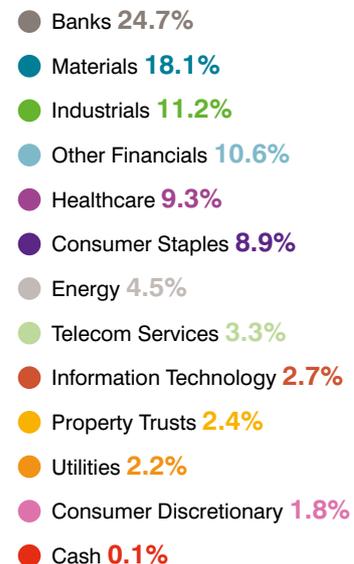
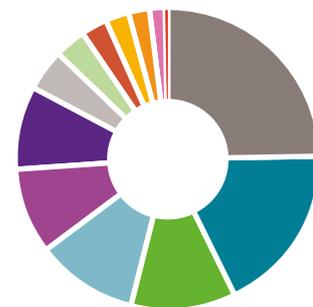
	Total Value \$ Million	% of Portfolio
1 Commonwealth Bank of Australia	598.8	8.9
2 Westpac Banking Corporation	486.1	7.2
3 BHP*	386.3	5.7
4 National Australia Bank*	301.0	4.5
5 Wesfarmers	286.5	4.2
6 Australia and New Zealand Banking Group	249.5	3.7
7 Rio Tinto	247.7	3.7
8 CSL*	238.9	3.5
9 Telstra Corporation	223.0	3.3
10 Amcor	198.2	2.9
11 Transurban Group	192.5	2.9
12 Woolworths	131.7	2.0
13 Brambles*	125.1	1.9
14 Oil Search	110.6	1.6
15 AGL Energy	103.3	1.5
16 AMP	102.5	1.5
17 Treasury Wine Estates*	99.2	1.5
18 Ramsay Health Care	96.7	1.4
19 Woodside Petroleum	94.6	1.4
20 Qube Holdings	88.1	1.3
21 QBE Insurance Group	82.2	1.2
22 ALS	73.4	1.1
23 Incitec Pivot*	72.2	1.1
24 Macquarie Group*	67.8	1.0
25 Computershare	65.5	1.0
Total	4,721.3	

As percentage of total portfolio value (excludes cash)

69.9%

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

Investment by sector at 31 August 2017



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