

2 June 2011

The Manager  
Company Announcements Office  
Australian Securities Exchange  
Exchange Centre  
Level 4  
20 Bridge Street  
Sydney NSW 2000

**Electronic Lodgement**

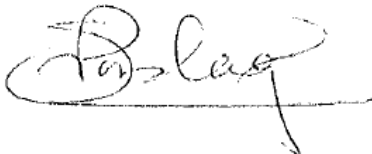
Dear Sir or Madam

**Australian Foundation Investment Company Limited  
Monthly Net Tangible Asset Backing Per Share**

	Before Tax *	After Tax *
31 May 2011	\$4.85	\$4.21
30 April 2011	\$4.97	\$4.28

\*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 any brought forward losses.

Yours faithfully



Simon Pordage  
Company Secretary