

5 September 2012

The Manager  
ASX Market Announcements  
Australian Securities Exchange  
Exchange Centre  
Level 4  
20 Bridge Street  
Sydney NSW 2000

**Electronic Lodgement**

**Australian Foundation Investment Company Limited**  
**Monthly Net Tangible Asset Backing Per Share and Top 25 Investments**

Dear Sir / Madam

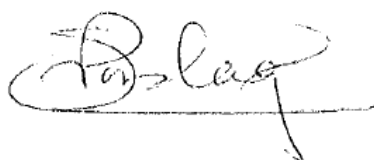
	Before Tax *	After Tax *
31 August 2012 <b>Ex Div</b>	\$4.54	\$3.96
31 July 2012 <b>Cum Div</b>	\$4.56	\$3.99

The August figures are after the provision for the final dividend of 13 cents per share and 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.

Attached is a list of the Company's Top 25 Investments as at 31 August 2012.

Yours faithfully



Simon Pordage  
Company Secretary

# AUSTRALIAN FOUNDATION INVESTMENT COMPANY LIMITED

## TOP INVESTMENTS AS AT 31/08/2012

Valued at closing prices at 31 August 2012

			Total Value \$ million
1	*	CBA Commonwealth Bank of Australia	468.1
2	*	BHP BHP Billiton	457.4
3	*	WBC Westpac Banking Corporation	457.0
4	*	WES Wesfarmers (a)	266.2
5	*	NAB National Australia Bank	253.8
6	*	ANZ Australia & New Zealand Banking Group	224.1
7		TLS Telstra Corporation	206.7
8		WOW Woolworths	184.1
9		RIO Rio Tinto	177.5
10	*	OSH Oil Search	118.1
11		AIX Australian Infrastructure Fund	109.5
12		WPL Woodside Petroleum	109.2
13	*	TCL Transurban Group	100.0
14		AMC Amcor	95.1
15	*	AMP AMP	93.3
16	*	STO Santos	89.6
17	*	ORG Origin Energy	85.7
18	*	QBE QBE Insurance Group	84.9
19		HDF Hastings Diversified Utilities Fund	77.9
20		AGK AGL Energy	77.1
21	*	BXB Brambles	71.7
22	*	ORI Orica	71.0
23		CPU Computershare	68.5
24		IPL Incitec Pivot	61.7
25		CCL Coca-Cola Amatil	57.0
Total			<b>4,065.3</b>
As % of Total Portfolio Value (excludes Cash)			83.6%

\* Indicates that options were outstanding against part or all of the holding in the Trading Portfolio

(a) Includes \$50.1 million of WESN partially protected securities