

6 January 2017

The Manager
ASX Market Announcements
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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 December 2016	\$5.83	\$5.01
30 November 2016	\$5.60	\$4.85

*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.

These figures do not include the effects of any dilution that would arise from the conversion of the outstanding Convertible Notes.

These figures are subject to external review by the auditors.

Attached is a list of the Company's Top 25 Investments as at 31 December 2016.

Yours faithfully



Andrew Porter
Company Secretary

AUSTRALIAN FOUNDATION INVESTMENT COMPANY LIMITED

TOP 25 INVESTMENTS AS AT 31/12/2016

Valued at closing prices at 30 December 2016

			Total Value \$ million
1	CBA	Commonwealth Bank of Australia	651.0
2	WBC	Westpac Banking Corporation	506.8
3	BHP	BHP Billiton	350.6
4	* NAB	National Australia Bank	306.0
5	WES	Wesfarmers	283.3
6	TLS	Telstra Corporation	267.5
7	* ANZ	Australia and New Zealand Banking Group	263.4
8	RIO	Rio Tinto	218.7
9	TCL	Transurban Group	189.2
10	AMC	Amcor	183.9
11	* CSL	CSL	178.5
12	* BXB	Brambles	155.7
13	WOW	Woolworths	122.1
14	OSH	Oil Search	118.2
15	AGL	AGL Energy	112.0
16	WPL	Woodside Petroleum	102.3
17	AMP	AMP	101.3
18	QBE	QBE Insurance Group	97.8
19	RHC	Ramsay Health Care	96.6
20	* IPL	Incitec Pivot	80.2
21	QUB	Qube Holdings	77.5
22	* TWE	Treasury Wine Estates	73.4
23	HSO	Healthscope	68.7
24	* JHX	James Hardie Industries	68.1
25	* MQG	Macquarie Group	60.5
			<u>4,733.3</u>
		As % of Total Portfolio Value (excludes Cash)	70.1%

* Indicates that options were outstanding against part of the holding