

Monthly net tangible asset (NTA) backing per share and top 25 investments as at 31 December 2018

	Before Tax*	After Tax*
31 December 2018	\$5.69	\$4.97
30 November 2018	\$5.70	\$4.97

* 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 are subject to external review by the auditors.**

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 December 2018.

Management cost: 0.14 per cent, no performance fees.

Investment style: Long-term, fundamental, bottom-up.

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.

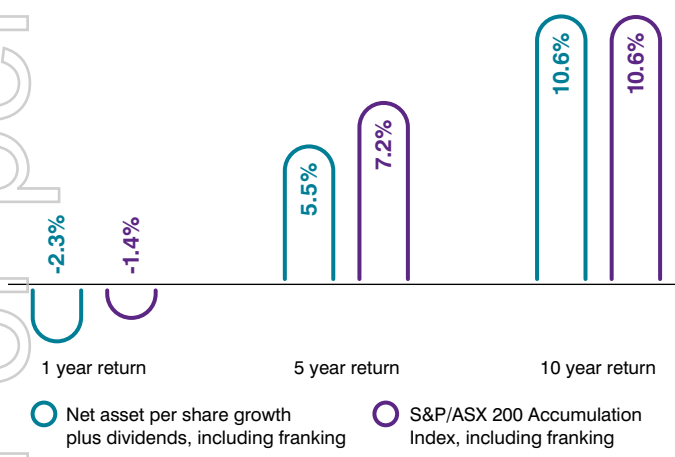
Professional management and an experienced Board, investment and management team.

Low-cost investing.

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

Shareholder meetings on a regular basis.

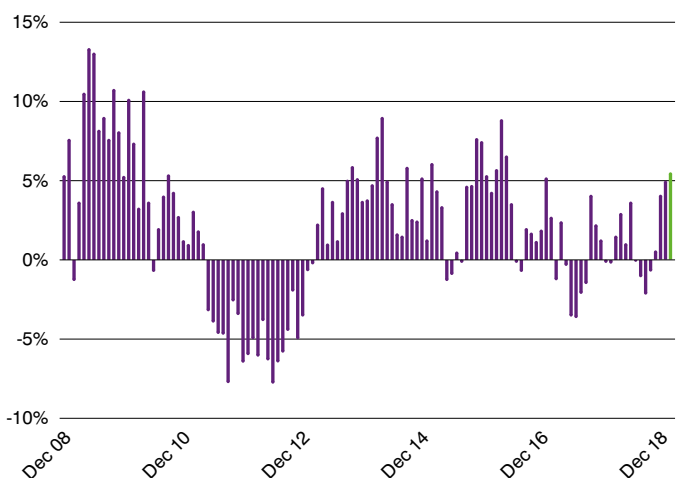
Portfolio performance percentage per annum-periods ending 31 December 2018*



* Assumes an investor can take full advantage of the franking credits. AFIC's portfolio return is also calculated after management fees, income tax and capital gains tax on realised sales of investments. It should be noted that Index returns for the market do not include management expenses or tax.

Past performance is not indicative of future performance.

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

Market commentary

The S&P/ASX 200 Accumulation Index failed to make up any ground in December following falls over the previous month. Concerns about trade and growth in China continued to weigh on the equity market, although there was a slight rebound shortly at the end of the month. Nevertheless, the S&P/ASX 200 Accumulation Index finished relatively flat recording a small decline of 0.1 per cent.

Within this period large companies outperformed the small and mid cap sectors. The Fifty Leaders recorded growth of 0.6 per cent whereas the combined small and mid caps were down 2.9 per cent.

Best performing sectors in December were materials (up 5.3 per cent), healthcare (up 2.9 per cent) and utilities (up 2.9 per cent). Sectors that recorded significant falls were communication services (down 5.1 per cent), information technology (down 4.0 per cent) and financials (down 3.1 per cent).

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

Portfolio facts

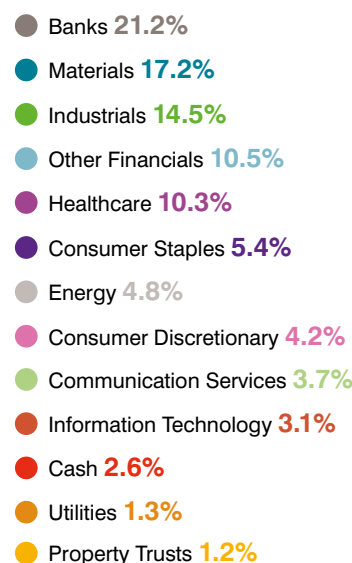
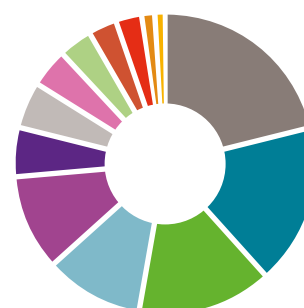
Top 25 investments valued at closing prices at 31 December 2018

	Total Value \$ Million	% of Portfolio
1 Commonwealth Bank of Australia	571.9	8.6
2 BHP*	462.6	7.0
3 Westpac Banking Corporation	389.2	5.9
4 CSL	355.5	5.4
5 Transurban Group*	270.6	4.1
6 National Australia Bank	234.3	3.5
7 Wesfarmers	216.6	3.3
8 Australia and New Zealand Banking Group	207.6	3.1
9 Macquarie Group	193.7	2.9
10 Woolworths Group*	178.1	2.7
11 Amcor	166.0	2.5
12 Rio Tinto	152.7	2.3
13 Woodside Petroleum*	131.6	2.0
14 Brambles	123.2	1.9
15 Sydney Airport*	120.4	1.8
16 Oil Search	118.0	1.8
17 Telstra Corporation	114.5	1.7
18 James Hardie Industries	91.7	1.4
19 Qube Holdings	88.8	1.3
20 Mainfreight	87.7	1.3
21 Ramsay Health Care*	86.9	1.3
22 Sonic Healthcare*	81.7	1.2
23 Treasury Wine Estates	80.7	1.2
24 Computershare	80.1	1.2
25 Coles Group	78.9	1.2
Total	4,683.0	

As percentage of total portfolio value (excludes cash) **70.8%**

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

Investment by sector at 31 December 2018



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