

# Affluence Small Company Fund

## Fund Report - December 2016



### Fund Commentary

Australian and global markets continued to climb in December, with the ASX 200 increasing by 4.4% for the month and 11.8% for the calendar year, and the ASX Small Ordinaries increasing by 3.6% for the month and 13.2% for the year. The Affluence Small Company Fund increased by 2.1% in December, to bring total performance since inception 8 months ago to 8.9%.

During December the Forager Australian Share Fund listed on the ASX. We originally invested in this Fund when it was unlisted as we

thought very highly of the manager. It listed at a large premium to its NTA and we took some profits and sold approximately half. It continues to trade at a premium to NTA as the fund has quite a loyal investor base. The other major contributor to this months performance was the Phoenix Opportunities Fund which increased by 5.6%.

At the end of December, the Affluence Small Company Fund held investments in 4 unlisted funds representing 61% of the total portfolio, 5 LICs accounting for 14%

of the total portfolio, and the balance 25% cash.

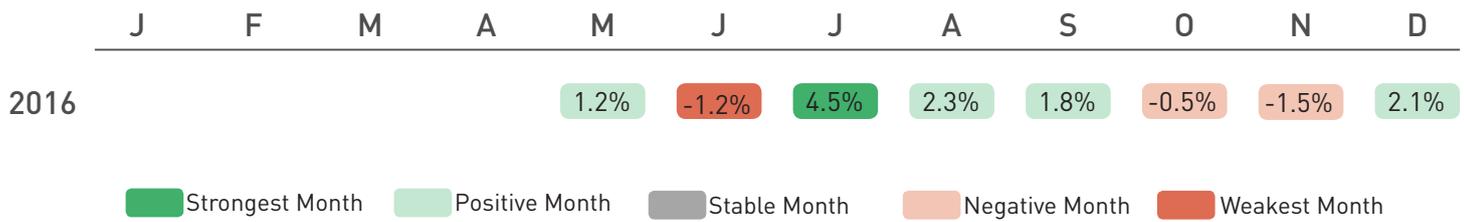
If you'd like further details of the Affluence Small Company Fund portfolio at any time, just email us and we'll provide it to you.

### Fund Performance

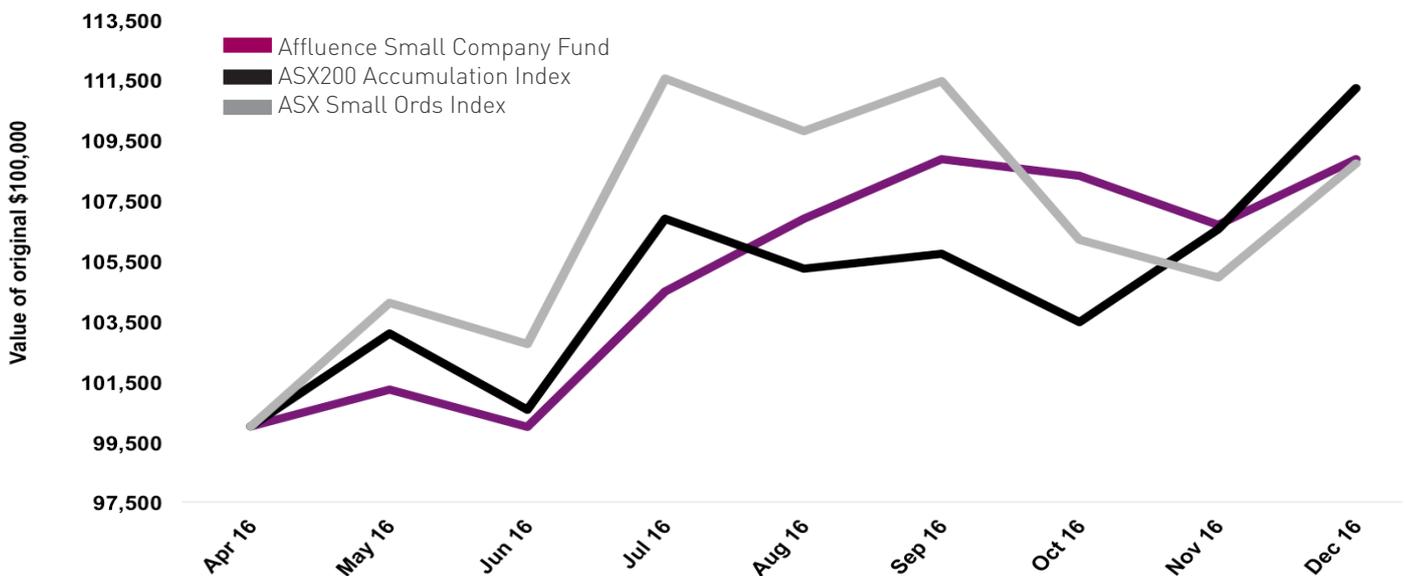
To 31 December 2016	1 Month	3 Months	6 Months	Inception	Volatility
Affluence Small Company Fund	2.1%	0.0%	8.9%	8.9%	7.1%
ASX Small Ordinaries Index	3.6%	(2.5%)	5.8%	8.7%	14.5%
<b>Outperformance against ASX Small Ords Index</b>	<b>(1.5%)</b>	<b>2.5%</b>	<b>3.1%</b>	<b>0.1%</b>	
ASX200 Accumulation Index	4.4%	5.2%	10.6%	11.2%	11.3%
<b>Outperformance against ASX200 Accumulation Index</b>	<b>(2.3%)</b>	<b>5.2%</b>	<b>(1.7%)</b>	<b>(2.3%)</b>	

Total returns are net of fees and costs (excluding buy-sell spread) using the mid prices and assume the reinvestment of distributions. Returns of more than 1 year are annualised. Inception date is 21 April 2016.

## Fund Monthly Return History

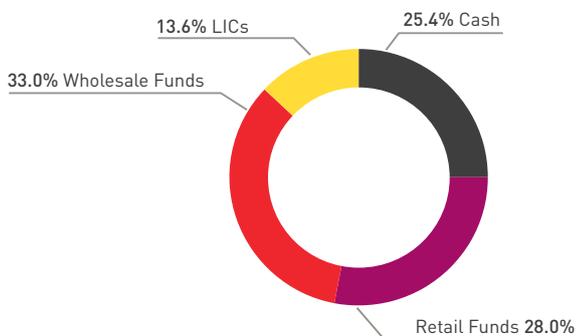


## Return on \$100,000 Investment



## Portfolio Summary

### Underlying Investment Type



## Top 5 Largest Investments

- Phoenix Opportunities Fund
- Microequities Deep Value Microcap Fund
- Wentworth Williamson Fund
- Ausbil Microcap Fund
- Forager Australian Shares Fund

## What Makes This Fund Different

Traditional Fund Managers	Affluence - Invest Differently
<b>Follow The Herd:</b> Traditional managers are too scared to fail, so they don't succeed. Most don't outperform the index.	<b>Actively Pursue Out-performance:</b> From our fee structure alignment to our investment methodology, our strategy targets positive returns and low volatility.
<b>Restricted Product Selection:</b> Commonly places clients into their own managed funds or choose from a restricted list of 'approved' funds.	<b>Best Of Breed:</b> We will seek the best fund managers, and combine them in a way which cushions against market corrections.
<b>Traditional Asset Classes:</b> Manage large amounts in traditional asset classes (e.g. ASX200 equities), which minimises chances of excess performance.	<b>Unique Strategies:</b> We prefer managers who operate in specialised markets with less funds under management and a competitive advantage.
<b>High, Fixed Fees:</b> Take fees regardless of performance.	<b>No Fixed Fees:</b> Our fees are 100% performance based.

## Key Statistics

Investment Class	Small & Micro Cap Equities
Minimum Investment	\$20,000
Suggested Timeframe	At least 5 years
Benchmark Returns	ASX Small Ords Accumulation Index
Entry Price	\$1.0343
Exit Price	\$1.0271
Applications	Monthly
Withdrawals	Monthly
Management Fees	Nil
Performance Fee	12.5% of positive performance
Buy/Sell Spread	0.35%/0.35%

## Contact Us

If you have any questions, please do not hesitate to contact us:

**Phone:** 1300 AFFLUENCE (1300 233 583)

**Email:** [invest@affluencefunds.com.au](mailto:invest@affluencefunds.com.au)

## Investment Strategy

We believe that exposure to Small and Microcap Australian Equities through quality investments across different managers, investment strategies and structures can provide higher risk adjusted returns from this asset class.

The Fund provides access to a diversified investment portfolio of Small and Microcap Australian equities unlisted funds and LIC's as selected by Affluence. We aim to outperform both the ASX Small Ordinaries Accumulation Index and the ASX 200 Accumulation Index over rolling 3 year periods and to deliver these returns with lower volatility.

## The Investment Team



### Daryl Wilson

CEO / Portfolio Manager  
[daryl.wilson@affluencefunds.com.au](mailto:daryl.wilson@affluencefunds.com.au)  
 0402 046 883



### Greg Lander

Portfolio Manager  
[greg.lander@affluencefunds.com.au](mailto:greg.lander@affluencefunds.com.au)  
 0409 645 893



### Kane Doyle

Investment Associate  
[kane.doyle@affluencefunds.com.au](mailto:kane.doyle@affluencefunds.com.au)  
 0422 013 860

Affluence Funds Management Limited ABN 68 604 406 297 ("AFM") has prepared this report and is the trustee, and the issuer of units in, the Affluence Investment Fund. The Fund is not currently open for investment but is expected to be during 2017. The information in this report has been prepared without considering your objectives, financial situation or needs. Therefore, in deciding whether to acquire or continue to hold an investment in the Fund, you should consider the PDS and assess, with or without your financial or taxation adviser, whether the product fits your objectives, financial situation or needs.