

Affluence Small Company Fund

Monthly Fund Report - September 2016



Fund Commentary

The Affluence Small Company Fund increased by 1.8% in September, outperforming both the ASX Small Ordinaries Accumulation Index and the ASX 200 Accumulation Index. Total returns for the Fund since inception are now 8.9%.

All of the five unlisted funds provided a positive contribution for the month, with the Forager Australian Share Fund performing the best with a 4.5% increase. The Ausbil Microcap Fund also performed well increasing

3.9%, and the Microequities Deep Value Microcap Fund increased 3.1%. The LIC portfolio increased by just over 2% for the month. We made a new investment in September into the 8IP Emerging Companies Limited LIC. This LIC invests in small and microcap equities, with an additional tilt towards an absolute return bias. It is a relatively new company, however performance to date has been strong and we purchased at a reasonable discount to NTA.

At the end of September, the Affluence Small Company Fund held investments in 5 unlisted funds representing 73% of the portfolio, 8 LIC's accounting for 20% of the portfolio with the balance 7% held in cash.

If you'd like further details of the Affluence Small Company Fund portfolio at any time, please let us know.

Fund Performance

To 30 September 2016

	1 Month	3 Months	Inception	Volatility
Affluence Small Company Fund	1.8%	8.9%	8.9%	7.1%
ASX Small Ordinaries Index	1.5%	5.5%	11.5%	14.6%
Outperformance against ASX Small Ords Index	0.3%	0.3%	(2.6%)	
ASX200 Accumulation Index	0.5%	5.1%	5.7%	12.4%
Outperformance against ASX200 Accumulation Index	1.3%	3.8%	3.2%	

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

J F M A M J J A S O N D

2016

1.2%

1.2%

4.5%

2.3%

1.8%

■ Strongest Month

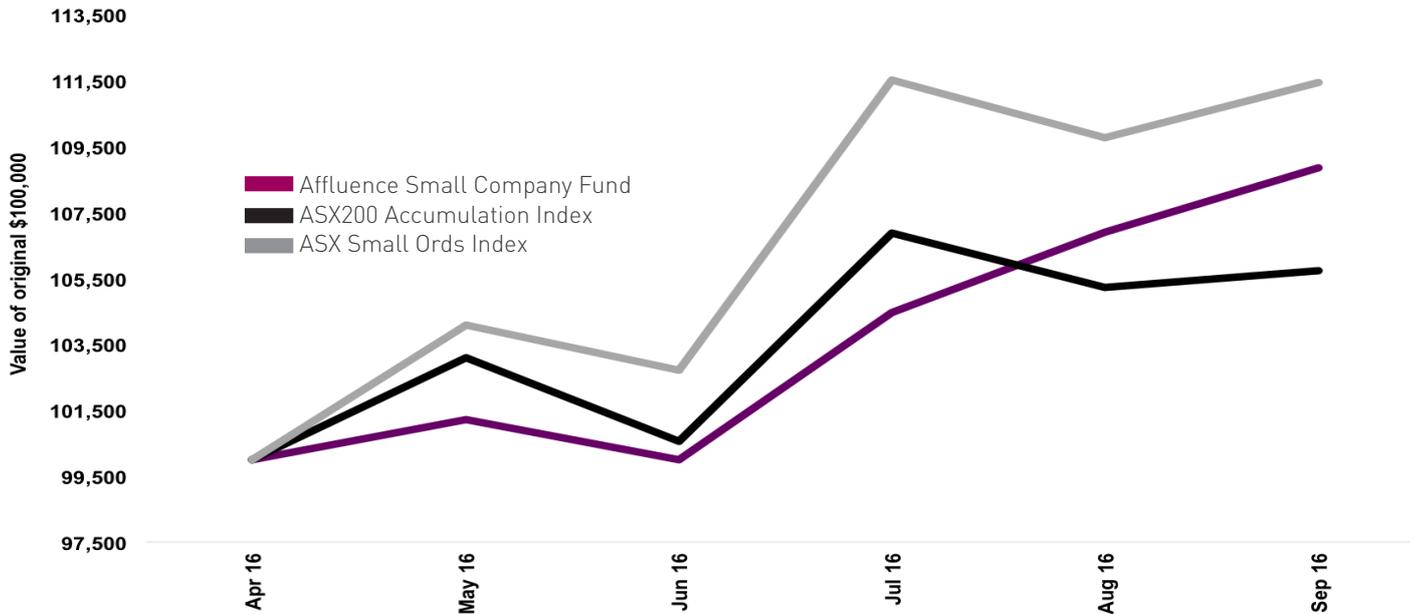
■ Positive Month

■ Stable Month

■ Negative Month

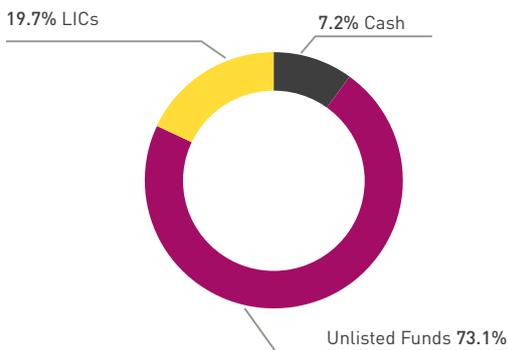
■ Weakest Month

Return on \$100,000 Investment



Portfolio Summary

Asset Class



Top 5 Largest Investments

Microequities Deep Value Microcap Fund

Phoenix Opportunities Fund

Wentworth Williamson Fund

Forager Australian Shares Fund

Ausbil Microcap Fund

What Makes This Fund Different

Traditional Fund Managers	Affluence - Invest Differently
Follow The Herd: Traditional managers are too scared to fail, so they don't succeed. Most don't outperform the index.	Actively Pursue Out-performance: From our fee structure alignment to our investment methodology, our strategy targets positive returns and low volatility.
Restricted Product Selection: Commonly places clients into their own managed funds or choose from a restricted list of 'approved' funds.	Best Of Breed: We will seek the best fund managers, and combine them in a way which cushions against market corrections.
Traditional Asset Classes: Manage large amounts in traditional asset classes (e.g. ASX200 equities), which minimises chances of excess performance.	Unique Strategies: We prefer managers who operate in specialised markets with less funds under management and a competitive advantage.
High, Fixed Fees: Take fees regardless of performance.	No Fixed Fees: 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	\$1.0341
Exit Price	\$1.0269
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

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



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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.