

Monthly Fund Report - February 2016

Fund Commentary

The Affluence Investment Fund returned -0.2% in February. The Australian stock market returned -1.8% over the same period. February was in many ways a carbon copy of January - a tough month with values falling substantially in the first half followed by a partial recovery later in the month.

Over the past 12 months, the Affluence Fund is up 6.7% with the Australian stock market down 13.7% including dividends. The difference is over 20% and it is pleasing. Nonetheless, our total returns of 6.7% are, in our mind, barely adequate. We expect to be able to improve upon that in a friendlier market environment.

Within the portfolio last month, we saw an unusually wide variation in results from underlying managers. We put this down to two factors. Firstly, February is half-year results month for most listed

companies and this always leads to greater than usual volatility among individual stocks, as everyone digests results announcements and adjusts their forecasts accordingly. Secondly, we saw emerging signs of a trend change in the resource and commodities space. It seems confidence is improving and there is an increasing view the worst might be over. Not too many in the space are outright bullish yet, but many of the short sellers got squeezed.

Given this, it is no surprise our best performing investments were in the resources space. Our worst results were from our long-short managers, who for various reasons were negatively affected. Two of our managers had their worst monthly performance ever, a rare event but one that we were able to absorb without too much fuss given the positive contributions from other investments.

At 29 February, the Affluence Fund held investments in 15 unlisted funds, which represented 65% of the total portfolio. It also held 16 investments in listed investment companies and other listed securities, representing 14% of the portfolio. The balance of 21% was held in cash. We remain ready to deploy that cash as opportunities arise.

With the further market correction in February, we are moving well into buying territory now. Please let us know if you would like to invest with us, or add to an existing holding. A reminder the cut-off for monthly investments is the 25th. If you know anyone else that may be interested in the Fund, feel free to forward on this e-mail.

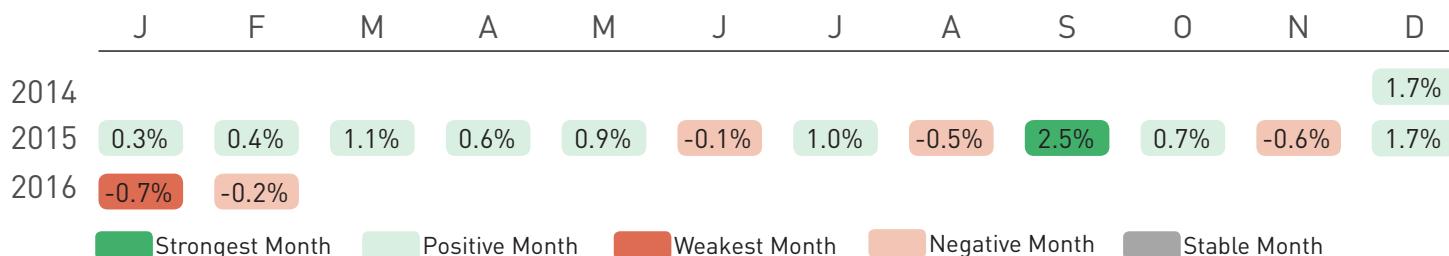
Fund Performance

To 29 February 2016

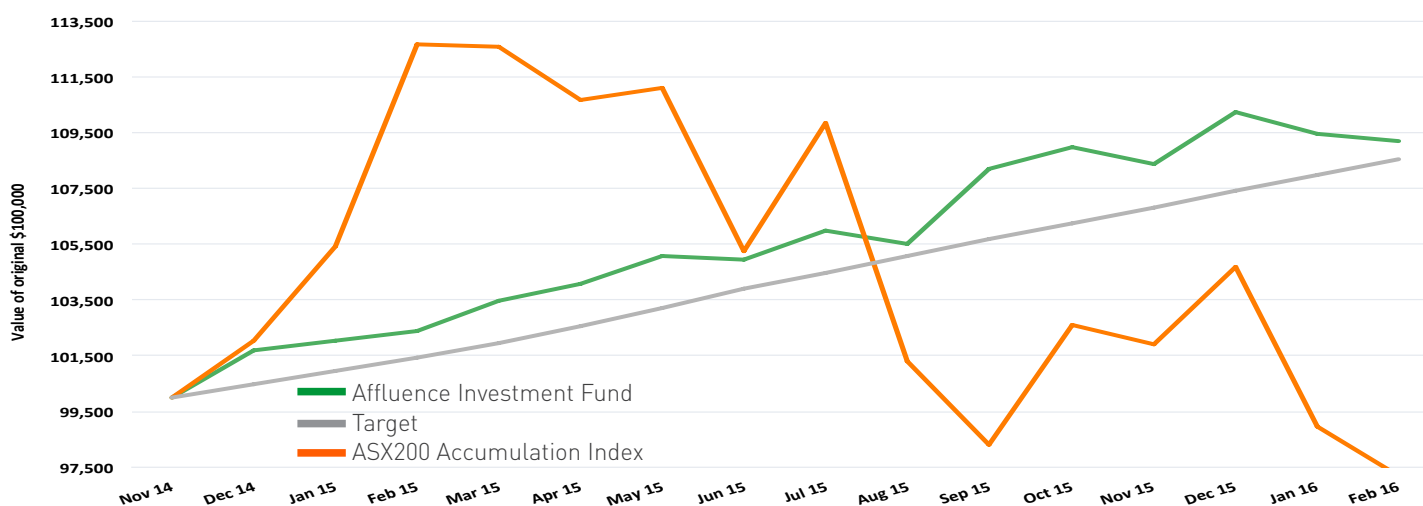
	1 Month	3 Months	6 Months	1 Year	Inception
Affluence Investment Fund	(0.2%)	0.8%	3.5%	6.7%	7.3%
Target - Inflation + 5%	0.5%	1.6%	3.3%	7.0%	6.8%
Outperformance against Target	(0.7%)	(0.9%)	0.2%	(0.3%)	0.5%
ASX200 Accumulation Index (AI)	(1.8%)	(4.6%)	(4.0%)	(13.7%)	(2.2%)
Outperformance against ASX200AI	1.6%	5.4%	7.6%	20.4%	9.6%

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 one year are annualised. Inception date is 28 November 2014.

Fund Return History

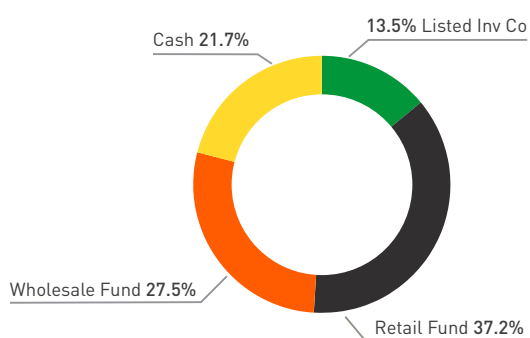


Return on \$100,000 Investment

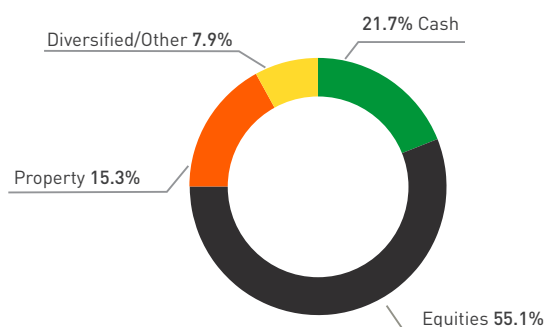


Portfolio Summary

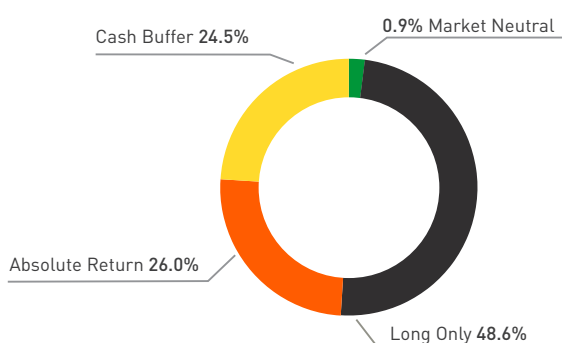
Underlying Investment Types



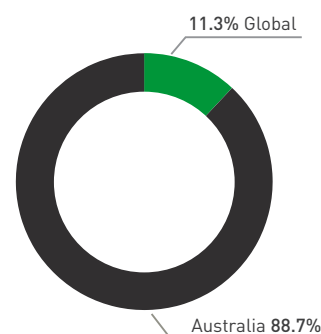
Asset Class



Equities Strategies



Geographic Exposure



Top 10 Largest Investments

Cash	Sandon Capital Activist Fund
Cromwell Direct Property Fund	Insync Global Titans Fund
LHC Capital Australia High Conviction Fund	Microequities Deep Value Microcap Fund
Cromwell Phoenix Opportunities Fund	Ophir High Conviction Fund
Wentworth Williamson Fund	Totus Capital Alpha 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

Status	Open to Eligible Investors
Investment Class	Diversified
Minimum Investment	\$20,000
Suggested Timeframe	At least 5 years
Target Returns	Inflation + 5%
Entry Price	\$1.0043
Exit Price	\$0.9973
Annual Distributions	5.10 cpu
Distribution Yield	5.10% p.a.
Distribution Frequency	Monthly
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:

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Investment Strategy

We believe that exposure to quality investments across multiple asset classes, managers, geographies and strategies should be an essential part of any well diversified portfolio.

The Fund provides access to a diversified investment portfolio of the best fund managers as selected by Affluence. We aim to provide a distribution yield of approximately 5% pa paid monthly and a total annualised return of at least inflation plus 5% over rolling 3 year periods. We aim to deliver these returns with less volatility than the stock market.

The Investment Team



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