



# Affluence Investment Fund

## Fund Report - November 2016

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## Fund Commentary

November was somewhat of an abnormal month for Australian and global markets, with the ASX 200 trading in a range of almost 10% during the month from top to bottom. There was a very sharp drop early in November as investors realised that Trump would be the next president of the USA. However, within a day, markets decided this was actually a positive development and started moving upwards strongly. The ASX 200 Accumulation Index ended the month up 3.0%. The Affluence Investment Fund increased by 0.2% over this period, once again weathering the ups and downs with relative calm.

Swift movements back and forth in markets such as we saw in November can quite often have a negative impact on performance. And so it was a tough month for many of our underlying managers. Large cap financial and resources stocks dominated the gains, with small and midcap equities not fairing so well. The range of monthly returns for the Funds underlying investments ranged from negative 10% to positive 4%. With the large

disparity of investment returns, the overall result of positive 0.2% for the month was acceptable given the tough conditions. This reinforces that one of the key elements of investing is genuine diversification; by asset class, investment strategy and risk exposure.

In November, we took advantage of market volatility and added to some existing investments. These included the Phoenix Opportunities Fund, Baker Steel Gold Fund, Smallco Broadcap Fund and Smallco Investment Fund, and the Affluence LIC Fund. We sold the investment in the Insync Global Titans Fund. We also met with quite a few potential new managers. We expect to initiate new investments with some of these over the coming few months.

At the end of November, the Affluence Investment Fund held investments in 23 unlisted funds representing 58% of the total portfolio. The Affluence LIC Fund accounted for 19% of the total portfolio, and provided exposure to 21 LIC's. We held investments in 5 other listed entities which represented 6% of the total portfolio,

with the remaining 17% held in cash.

This month marks two years since the Funds inception. We are pleased with the returns, and even more so given the Funds very low volatility in challenging market conditions.

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

If you would like to invest with us and get access to over 30 of Australia's best fund managers, we encourage you to utilise our online application facility. Just follow the link on our website. If you'd like to add to your existing investment, you can either complete the one-page form available on our website, or use the online facility. A reminder, the cut-off for this month's investment intake is December 23rd.

If you know anyone that may be interested in the Fund, feel free to let them know.

## Fund Performance

To 30 November 2016	1 Month	6 Months	1 Year	2 Years	Inception	Volatility
Affluence Investment Fund	0.2%	5.2%	11.3%	9.9%	9.9%	3.4%
Benchmark - Inflation + 5%	0.7%	3.9%	6.7%	6.8%	6.8%	N/A
<b>Outperformance against Benchmark</b>	<b>(0.5%)</b>	<b>1.3%</b>	<b>4.6%</b>	<b>3.1%</b>	<b>3.1%</b>	<b>N/A</b>
ASX200 Accumulation Index (AI)	3.0%	3.4%	10.0%	5.9%	5.9%	13.3%
<b>Outperformance against ASX200AI</b>	<b>(2.8%)</b>	<b>1.8%</b>	<b>1.3%</b>	<b>4.0%</b>	<b>4.0%</b>	<b>N/A</b>

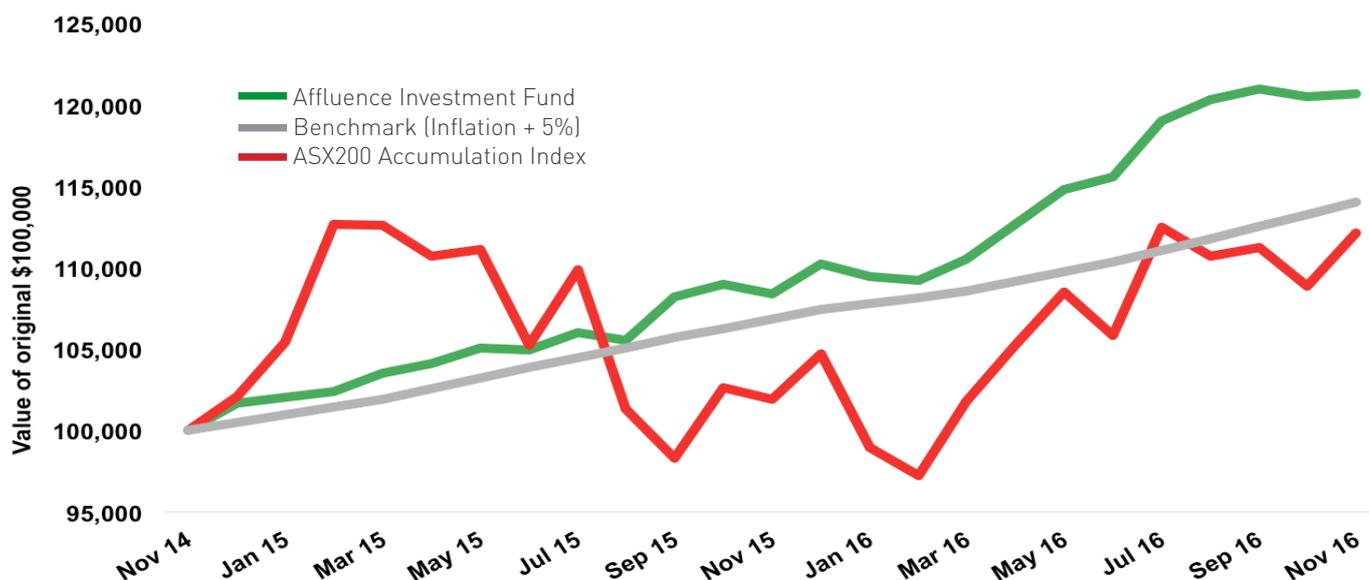
Total returns are net of fees and costs (excluding buy-sell spread) using the mid prices and assume the reinvestment of distributions. Returns of more than one year are annualised. Inception date is 28 November 2014.

## Fund Monthly Return History

	J	F	M	A	M	J	J	A	S	O	N	D
2014												1.7%
2015	0.3%	0.4%	1.1%	0.6%	0.9%	-0.1%	1.0%	-0.5%	2.5%	0.7%	-0.6%	1.7%
2016	-0.7%	-0.2%	1.2%	1.9%	1.9%	0.7%	3.0%	1.1%	0.6%	-0.4%	0.2%	

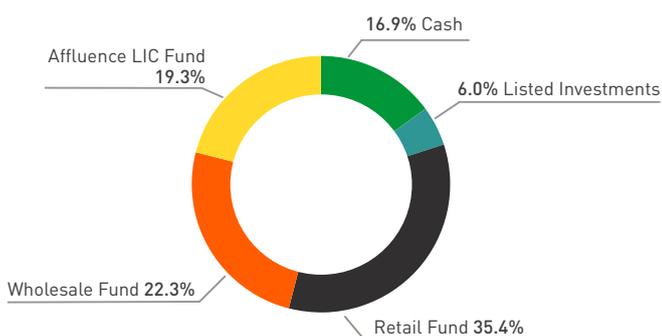
■ Strongest Month   
 ■ Positive Month   
 ■ Stable Month   
 ■ Negative Month   
 ■ Weakest Month

## Return on \$100,000 Investment

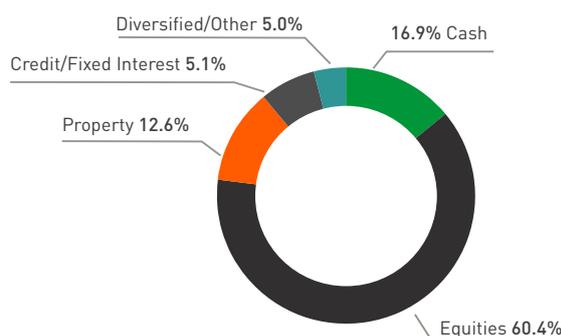


## Portfolio Summary

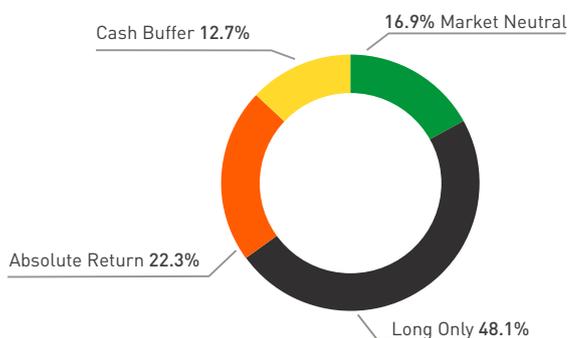
### Underlying Investment Types



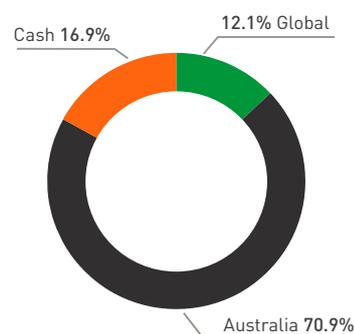
### Asset Class



### Equities Strategies



### Geographic Exposure



## Top 10 Largest Investments

Cash	Alexander Credit Opportunities Fund
Affluence LIC Fund	Ellerston Australian Market Neutral Fund
Cromwell Direct Property Fund	KIS Asia Long Short Fund
Phoenix Opportunities Fund	LHC Capital Australia High Conviction Fund
Wentworth Williamson Fund	Auscap Long Short Australian Equities 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	Diversified
Minimum Investment	\$20,000
Suggested Timeframe	At least 5 years
Benchmark Returns	Inflation + 5%
Entry Price	\$1.0651
Exit Price	\$1.0577
Annual Distributions	5.25 cpu
Distribution Yield	4.9% 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:

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

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

## 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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