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INVESTORS!

Affluence Investment Fund

Fund Report - July 2017

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Fund Commentary

The Affluence Investment Fund started the new financial year well, increasing by 0.7% to outperform both the ASX 200 (flat) and our benchmark. Since commencing in December 2014 the Fund has returned 9.6% per annum. Over that period the Fund has outperformed both the benchmark of 6.7% per annum (inflation plus 5%) and the ASX 200 (including dividends) of 7.3% per annum. Volatility of returns continues to be low, with the Fund's volatility only 3.0% per annum, compared to the ASX 200 of 12.1% per annum.

From July we have increased the distribution rate to 5.4 cents per annum. This is a 3% increase over the previous distribution rate, and represents a 5.1% yield on the July unit price.

The strongest investments for the Fund during July were the Phoenix Opportunities Fund (up 3.7%), the Wentworth Williamson Fund (up 2.6%), and the India Avenue Equity Fund (up 2.5%). Negative contributors was the Harvest Lane Absolute Return Fund, Baker Steel

Gold Fund, and the IML Concentrated Australian Share Fund.

We made one new investment during the month, and topped up on some existing positions. The new fund is the Perpetual Pure Credit Alpha Fund. We have found limited opportunities in the debt/ fixed income sector, and we were surprised to find something so interesting in a large institution. This fund is essentially the Perpetual credit teams "best ideas fund". They run a barbell strategy where at least 50% of the portfolio is held in high grade credit and the remainder is higher yielding opportunities where they see an appropriate risk reward trade off.

At month end, 60% of the Fund was invested in unlisted funds, 18% in the Affluence LIC Fund, 6% in other listed investments, and 16% in cash. If you'd like further details of the investment portfolio, including our top holdings and weightings, register on our website as an Affluence Member and follow the link to the Members Area to view the portfolio.

If you would like to invest with us and get access to a diverse range of Australia's best fund managers, including over 25 unlisted funds as well as more than 20 LIC's and other listed entities, visit the fund page on our website at <https://affluencefunds.com.au/aif/> to find out more. There, you can get information on the Fund, apply online or download the application pack. If you'd like to add to your existing investment in the Fund, you can either complete the one-page form available on our website, or use the online facility.

The cut-off for this month's applications is 25th August. Units will be issued effective 1 September.

Fund Performance

To 31 July 2017	1 Month	6 Months	1 Year	2 Years	Inception	Volatility
Income Distributions	0.4%	4.2%	6.8%	5.5%	7.0%	
Capital Growth	0.3%	0.1%	0.4%	4.2%	2.6%	
Total Return	0.7%	4.3%	7.2%	9.7%	9.6%	3.0%
Benchmark - Inflation + 5%	0.5%	3.1%	6.9%	6.6%	6.7%	
Outperformance against Benchmark	0.2%	1.2%	0.3%	3.1%	2.9%	

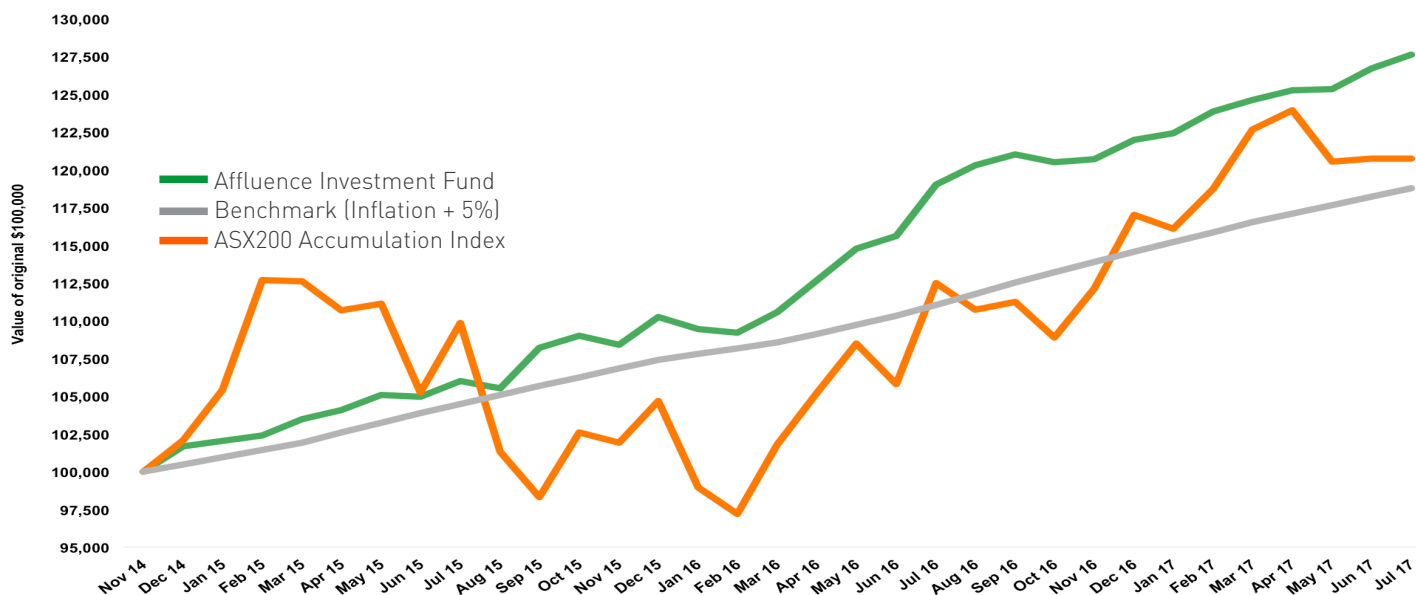
Total returns are net of fees and costs (excluding buy-sell spread) using the mid prices and assume the reinvestment of distributions. Returns for periods of more than 1 year are annualised. Past performance is not indicative of future performance. Inception date is 28 November 2014. The Fund aims to pay distributions of approximately 5% pa paid monthly. Distributions are not guaranteed and may be paid above or below this amount.

Fund Monthly Return History

	J	F	M	A	M	J	J	A	S	O	N	D	Year
2014												1.7%	N/A
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%	8.4%
2016	-0.7%	-0.2%	1.2%	1.9%	1.9%	0.7%	3.0%	1.1%	0.6%	-0.4%	0.2%	1.1%	10.7%
2017	0.3%	1.2%	0.6%	0.5%	0.1%	1.1%	0.7%						

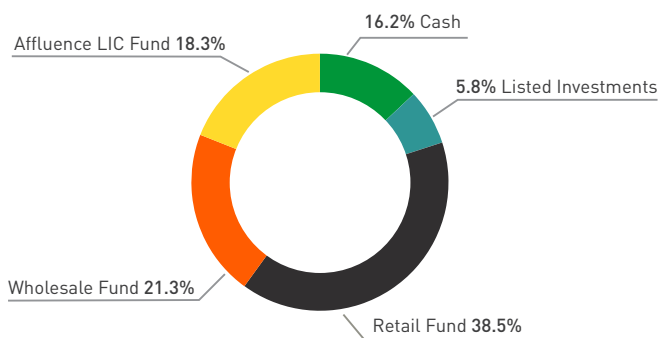
■ Strongest Month
 ■ Positive Month
 ■ Stable Month
 ■ Negative Month
 ■ Weakest Month

Return on \$100,000 Investment

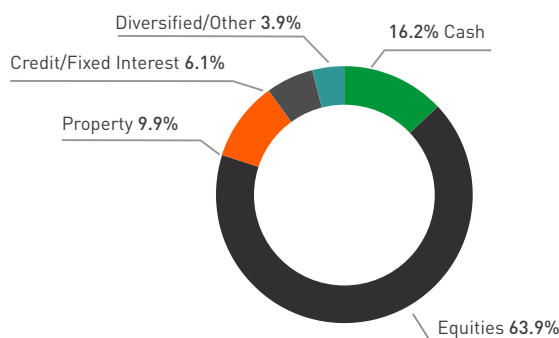


Portfolio Summary

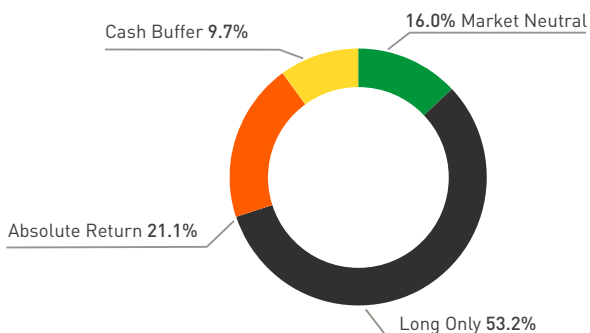
Underlying Investment Types



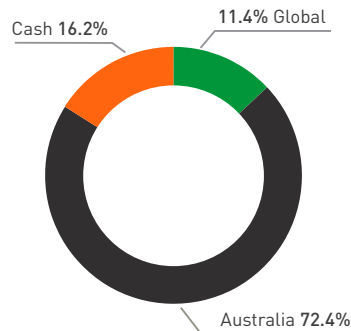
Asset Class



Equities Strategies



Geographic Exposure



Top 10 Largest Investments

Cash	KIS Asia Long Short Fund
Affluence LIC Fund	Alexander Credit Opportunities Fund
Phoenix Opportunities Fund	Packer & Co Investigator Trust
Cromwell Direct Property Fund	Microequities Deep Value Microcap Fund
Wentworth Williamson Fund	Cromwell Riverpark Trust

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	Diversified
Minimum Investment	\$20,000
Suggested Timeframe	At least 3 years
Benchmark Returns	Inflation + 5%
Fund Value	\$6.5m
Entry Price	\$1.0721
Exit Price	\$1.0646
Annual Distributions	5.40 cpu
Distribution Yield	5.1% 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%

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.

Contact Us

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

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