

Affluence Investment Fund

Fund Report - January 2017

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Fund Commentary

In January the ASX 200 decreased by 0.8%, but is now up 17.3% over 12 months. While this appears impressive, it was off a low base as during the prior 12 months the index was down 6.1%, to give a two year return of 4.9% per annum. A timely reminder of why you must be careful when assessing performance, especially over a short period. The Affluence Investment Fund increased by 0.3% in January, with a total return of 11.8% over 12 months and 9.5% per annum over two years.

Our best performing investments this month were both resources related, with the Baker Steel Gold Fund up 9.5%, and the Terra Capital Natural Resources Fund up 8.1%. Our long Australian equities funds were relatively flat, with the standouts being Sandon Capital up 4.4% and the Phoenix Opportunities Fund up 3.0%. Our four long/short funds were down 1.2% overall,

continuing a generally tough 12 months for these strategies.

During the month we made two new investments, increasing our exposure to the Affluence LIC Fund and a new fund called the Cyan C3G Fund. Cyan is a small boutique manager specialising in small cap equities. One of the principals was an original founder of OC Funds Management, which now has substantial FUM and has produced excellent returns over many years using a similar strategy. We are excited about this investment, as the combination of good historical performance (both in this fund and previous funds) and low FUM, can translate into strong returns over the next 3 to 5 years.

At the end of January, the Fund held investments in 24 unlisted funds representing 56% of the portfolio. The Affluence LIC Fund accounted

for 20% of the portfolio, and provided exposure to 21 LIC's. We held investments in 6 other listed entities which represented 7% of the Fund, with the remaining 17% held as cash.

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 24th February.

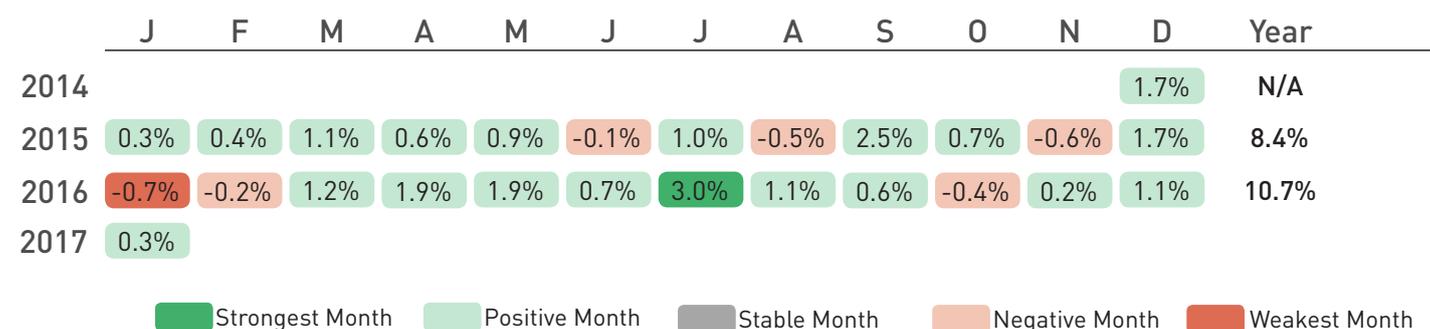
Fund Performance

To 31 January 2017

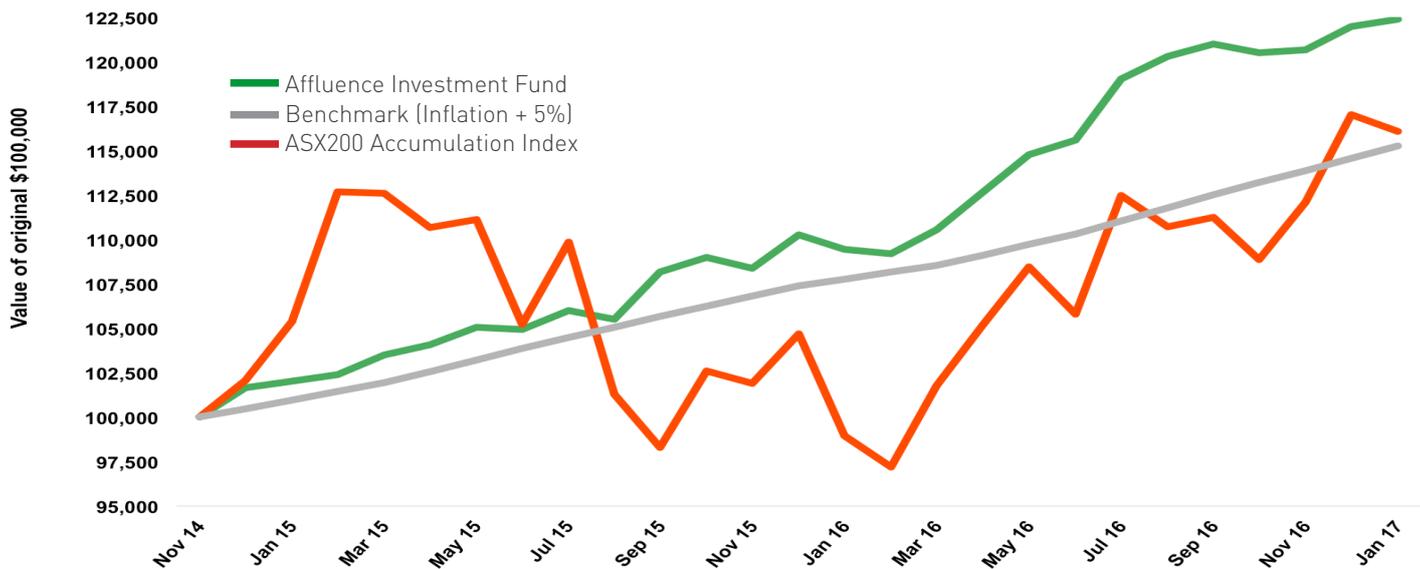
	1 Month	6 Months	1 Year	2 Years	Inception	Volatility
Income Distributions	0.4%	2.5%	5.8%	7.1%	6.6%	
Capital Growth	(0.1)%	0.3%	6.0%	2.4%	3.2%	
Total Return	0.3%	2.8%	11.8%	9.5%	9.8%	3.3%
Benchmark - Inflation + 5%	0.6%	3.8%	6.9%	6.8%	6.8%	
Outperformance against Benchmark	(0.3%)	(1.0%)	4.9%	2.7%	3.0%	

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 28 November 2014. The Fund aims to pay distributions of approximately 5% pa paid monthly. At times distributions may be paid above or below this. The Fund currently distributes 5.25 cents per annum, which is 4.9% on the current unit price.

Fund Monthly Return History

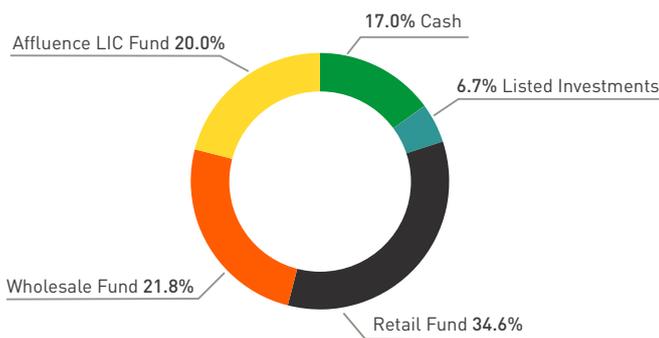


Return on \$100,000 Investment

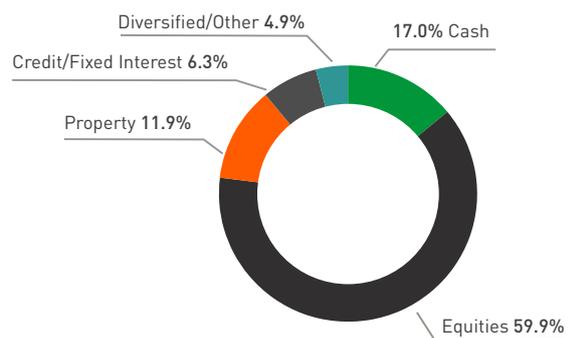


Portfolio Summary

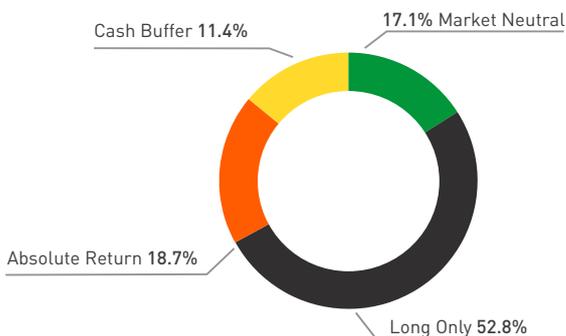
Underlying Investment Types



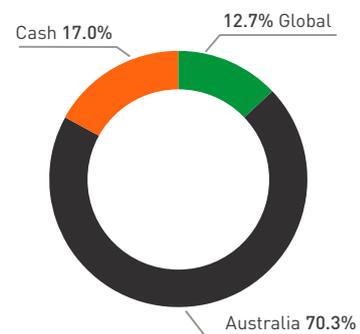
Asset Class



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	Auscap Long Short Australian Equities Fund
Wentworth Williamson Fund	LHC Capital Australia High Conviction 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	Diversified
Minimum Investment	\$20,000
Suggested Timeframe	At least 5 years
Benchmark Returns	Inflation + 5%
Fund Value	\$3.9m
Entry Price	\$1.0715
Exit Price	\$1.0640
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

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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