



Celebrating 3
years of consistent
outperformance.

Affluence Investment Fund

Fund Report - November 2017

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Fund Commentary

The Australian share market continues to perform well, with the ASX 200 increasing by 1.6% in November. The Affluence Investment Fund also had another strong month, increasing by 1.6%.

This month the Affluence Investment Fund celebrated its three-year performance track record. Since commencing in December 2014, the Fund has returned 10.4% per annum. This has included 6.9% per annum monthly distributions to investors and a 3.5% per annum increase in the unit price of the Fund. Over that same period, the Fund has outperformed both our benchmark of 6.8% per annum (inflation plus 5%) and the ASX 200 (including dividends) of 8.7% per annum.

Most importantly, we've been able to deliver these results with remarkable consistency. A big contributor to this has been the combination of different assets, investment styles and investment strategies within the portfolio. As markets continue to rise, we continue to focus on achieving solid returns, while remaining as resilient as possible. We believe that the Fund continues to be well positioned for a wide range of market conditions.

Key positive contributors during the month were in resources, property and global stocks. These included Terra Capital (+10%), various listed

property investments (+7%), Future Generations Global (+7%), Totus Capital (+5%), and Ellerston GEMS (+5%). Resources have had a stellar run in the past few months, and we wouldn't be surprised to see a bit of profit-taking and a slowdown in the next short while.

Negative performers amongst the portfolio were minimal, with a small number of funds down around 2%, all of which have been strong performers in previous periods.

We added one new investment to the Fund this month, the ASX listed WAM Leaders Fund. The listed options for this LIC recently expired and it's trading at a small discount to net asset value. We expect a re-rating to occur over the next few months as the highly regarded WAM team continue their good work.

We also topped up positions in a number of existing Fund holdings. These included the Affluence LIC Fund, Sandon Capital Activist Fund, KIS Asia Long Short Fund, Ellerston GEMS and Perpetual Pure Credit Alpha Fund.

At month end, 59% of the portfolio was invested in unlisted funds, 17% in the Affluence LIC Fund, 10% in listed investments and 14% in cash. If you'd like further details of the investment portfolio, including our top holdings and weightings, visit the Affluence Investment Fund page or

Members Area on our website. You must be registered as an Affluence Member to view the portfolio.

With the first three years performance under our belt, we are very proud of what we have achieved. But this is only the beginning. We plan on managing the Fund for a lot longer yet and continue to focus on delivering consistent, compounding long-term returns. A significant portion of the Fund is owned by ourselves, families and friends, so we can assure you that we are very aligned with Fund investors.

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 22nd December. Units will be issued effective 1st January.

Fund Performance

| To 30 November 2017 | 1 Month | 6 Months | 1 Year | 2 Years | 3 Years | Inception | Volatility |
|---|-------------|-------------|--------------|--------------|--------------|--------------|-------------|
| Income Distributions | 0.4% | 4.4% | 7.1% | 6.5% | 6.9% | 6.9% | |
| Capital Growth | 1.2% | 2.8% | 4.2% | 4.9% | 3.5% | 3.5% | |
| Total Return | 1.6% | 7.2% | 11.4% | 11.4% | 10.4% | 10.4% | 3.1% |
| Benchmark - Inflation + 5% | 0.6% | 3.7% | 7.1% | 6.8% | 6.8% | 6.8% | |
| Outperformance against Benchmark | 1.0% | 3.5% | 4.3% | 4.6% | 3.6% | 3.6% | |

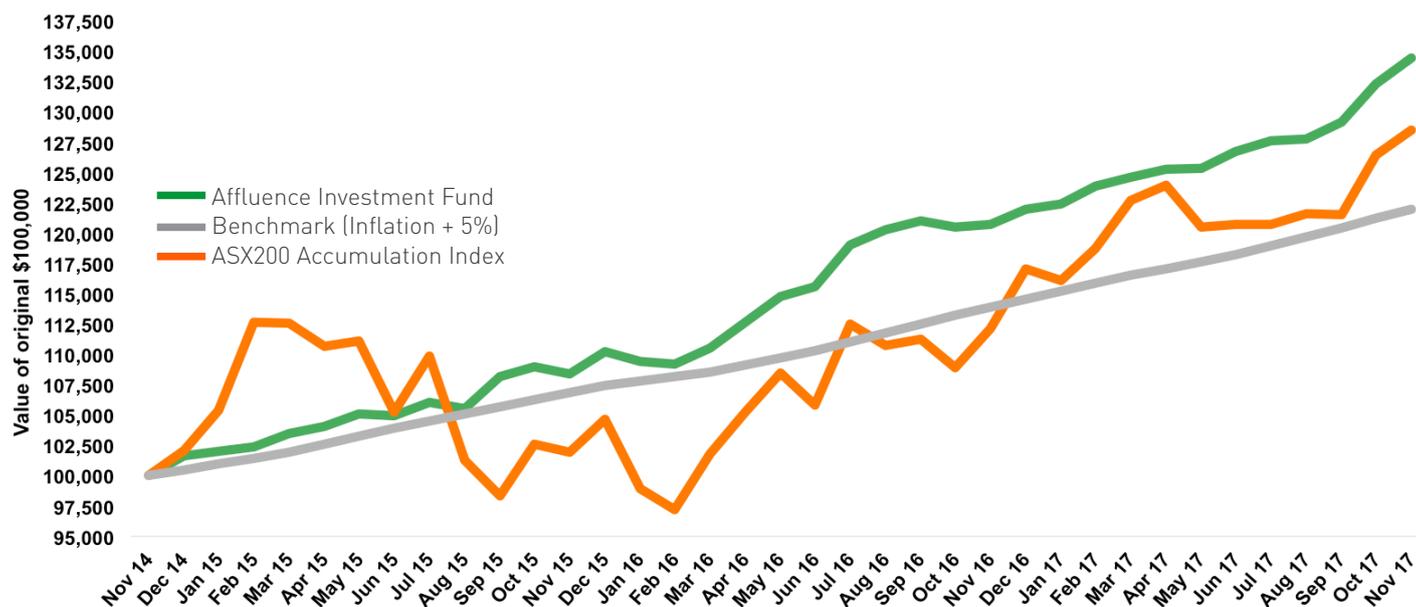
Total returns are net of fees and costs (excluding buy-sell spread) using the mid prices and assume the reinvestment of distributions. Returns for periods of more than 1 year are annualised. Past performance is not indicative of future performance. Inception date is 28 November 2014. The Fund aims to 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% | 0.1% | 1.1% | 2.5% | 1.6% | | |

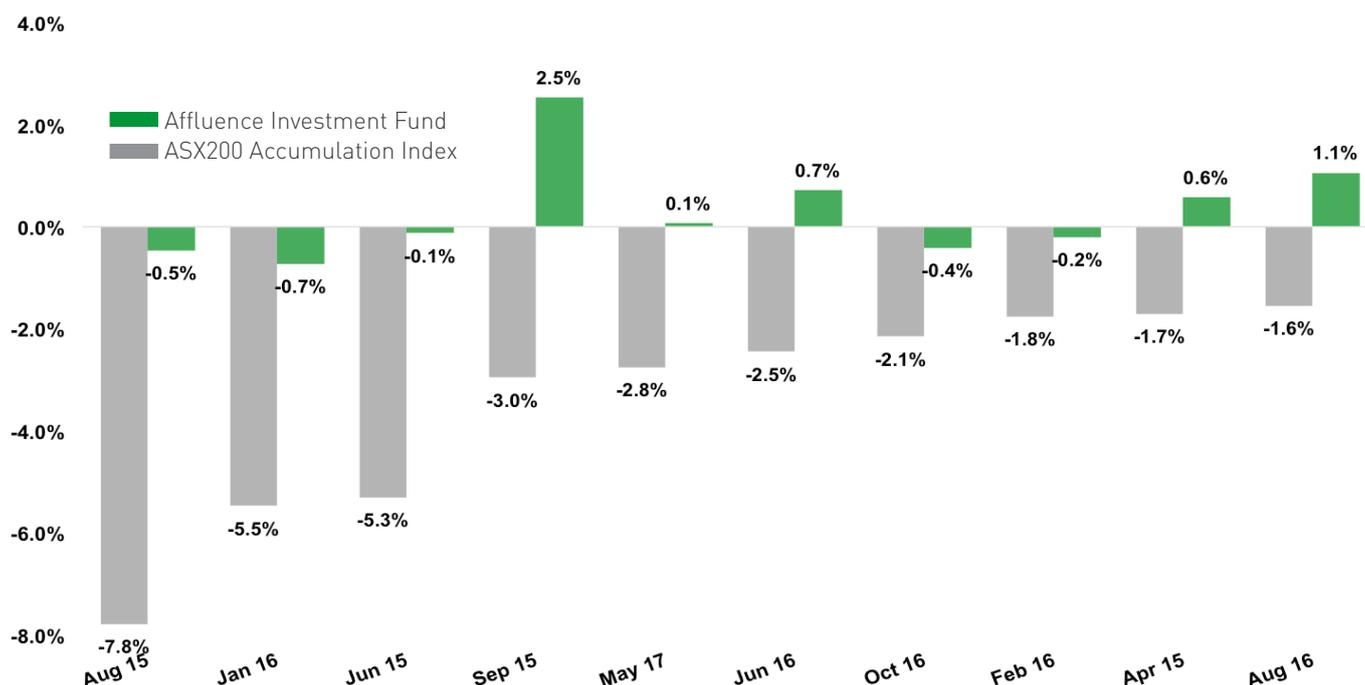
■ Strongest Month
 ■ Positive Month
 ■ Stable Month
 ■ Negative Month
 ■ Weakest Month

Return on \$100,000 Investment



Fund Performance vs ASX 200 - Worst Months

The below shows the 10 largest monthly falls in the ASX200 Accumulation Index since the Fund commenced, and the performance of the Affluence Investment Fund for that month. The Fund has outperformed the Index in all 10 of the worst months, and delivered positive returns in 5 of them.



Asset Allocation Summary

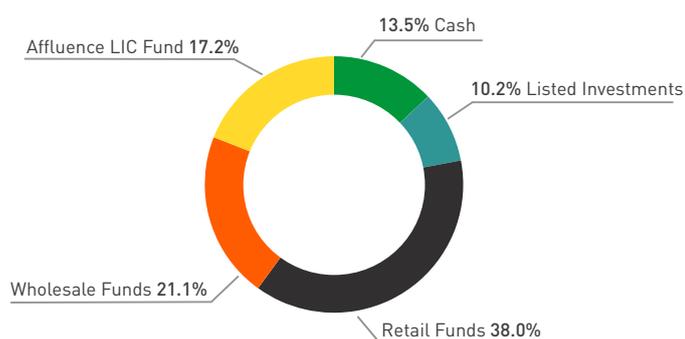
| Asset Class* | Number of Funds/ Investments | Percentage of Portfolio |
|--|---------------------------------|-------------------------|
| Cash | | 13.5% |
| Credit/Fixed Interest | 4 | 5.7% |
| Equities - Affluence LIC Fund | 28** | 17.2% |
| Equities - Long Only/Cash Buffer | 15 | 31.7% |
| Equities - Absolute Return/Diversified | 7 | 11.2% |
| Equities - Market Neutral | 6 | 9.1% |
| Property | 5 | 8.3% |
| Resources/Commodities | 4 | 3.3% |
| Total | | 100.0% |

* Asset Class is based on Affluence's classification of the underlying Fund/Investment assets.

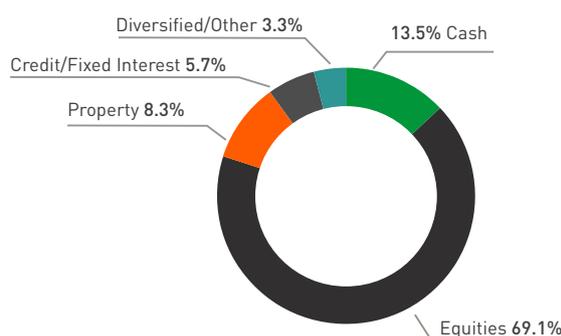
** Number of Funds/Investments for the Affluence LIC Fund represents the number of LICs in the portfolio.

Portfolio Summary

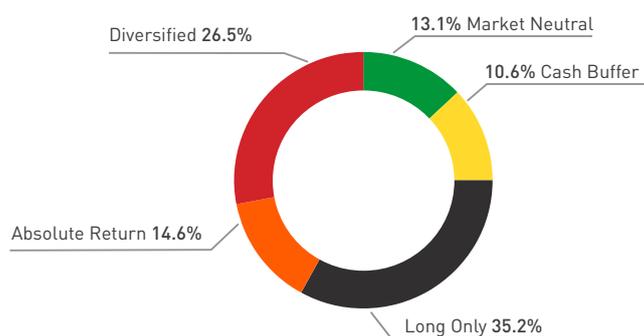
Underlying Investment Types



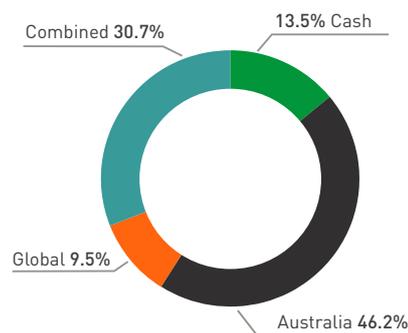
Asset Class



Equities Strategies



Geographic Exposure



Top 10 Largest Investments

| | |
|---------------------------------|--|
| Affluence LIC Fund | Antipodes Global Fund |
| Phoenix Opportunities Fund | Packer & Co Investigator Trust |
| Cooper Investors Brunswick Fund | KIS Asia Long Short Fund |
| Cromwell Direct Property Fund | IML Concentrated Australian Share Fund |
| Wentworth Williamson Fund | WAM Leaders Fund |

What Makes This Fund Different

| Traditional Fund Managers | vs. 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 | \$9.5m |
| Entry Price | \$1.1103 |
| Exit Price | \$1.1025 |
| Annual Distributions | 5.40 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% |

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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