



Affluence LIC Fund

Fund Report - April 2018

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Fund Commentary

After a sharp fall in March, the ASX 200 Index recovered in April, increasing by 3.9%, to give a three month return of 0.3%. The Affluence LIC Fund had a reasonable month and increased by 2.1%, to show a three month return of 0.7%. Returns since inception for the Fund are 12.4% per annum, compared to the ASX 200 Index of 11.4% per annum. These returns have been delivered with approximately half of the volatility of the index.

In April the major contributor was NGE Capital Limited (NGE), which increased by a massive 42%. NGE is a small LIC (market cap of \$24 mill) managed by Kentgrove Capital. They run a very concentrated portfolio, with the two major investments being Powerwrap (unlisted) and Mineral Deposits Limited (MDL). During the month the manager updated the

market twice for significant increases in the NTA, firstly from an increase in value of Powerwrap based on a recent capital raising, and secondly from an increase in MDL after a takeover offer had been received. The NTA increased from \$0.612 per share to \$0.749 per share in mid-April. NGE had been trading at a near 30% discount to NTA, which has since decreased to a circa 15% discount to NTA. Other positive contributors included Future Generation Global (FGG) up 4.9%, MFF Capital (MFF) up 6.7%, and Ozgrowth Limited (OZG) up 5.9%.

At the end of April, the Fund held investments in 28 Listed Investment Companies representing 84% of the Fund, 16% in cash, and some LIC call options (in case markets continue to rally) and ASX 200 Index put options (in case markets fall significantly).

The ASX 200 Index is now back above 6,000 again, so we are continuing to be cautious with our asset allocation. We are holding a relatively high level of market neutral strategies, as well as 16% cash. We believe the Fund is well positioned and diversified to withstand most market conditions, and we are constantly looking for attractive opportunities to deploy capital into.

If you qualify as a wholesale/ sophisticated investor and are interested in the Fund, contact us and we will let you know when the Fund is next open. Alternatively, you can gain access through our Affluence Investment Fund, which currently invests around 15% of its portfolio in the Affluence LIC Fund.

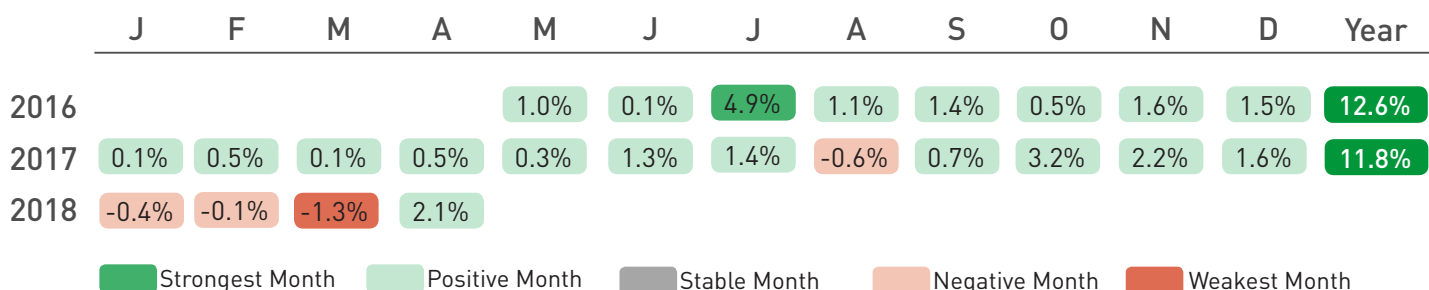
Fund Performance

To 30 April 2018

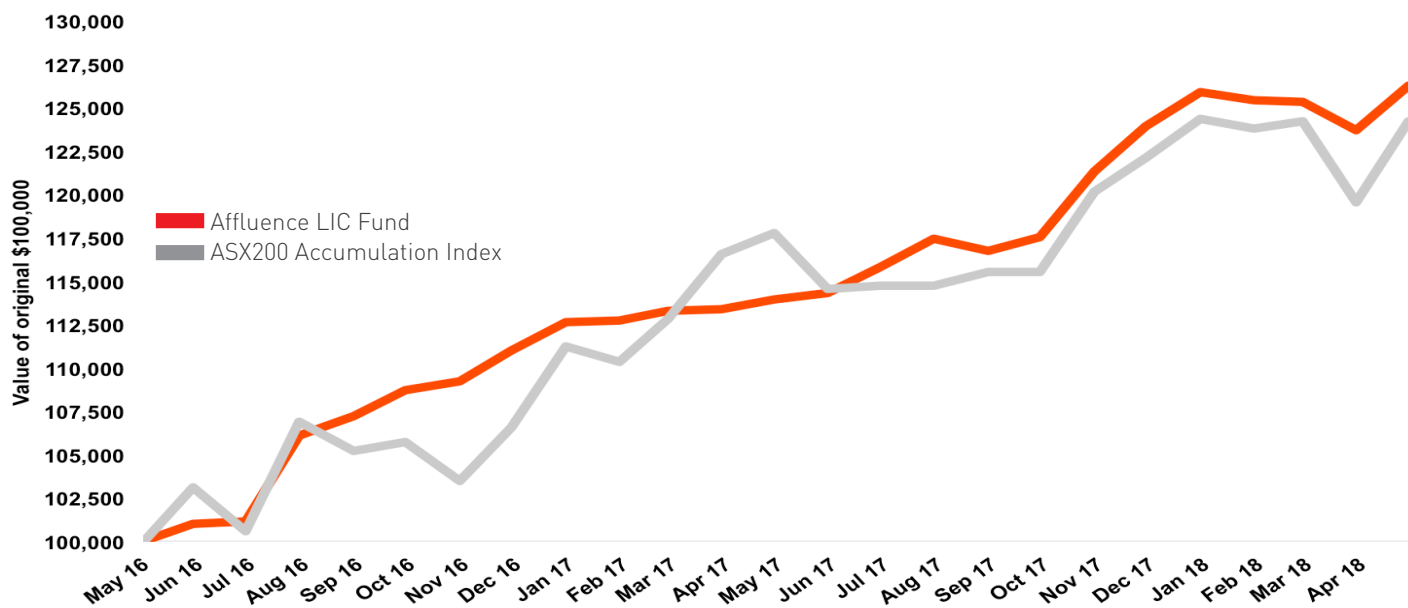
	1 Month	6 Months	1 Year	2 Years	Inception	Volatility
Affluence LIC Fund	2.1%	4.1%	10.9%	12.4%	12.4%	4.5%
ASX200 Accumulation Index (AI)	3.9%	3.4%	5.5%	11.4%	11.4%	8.8%
Outperformance against ASX200AI	(1.8%)	0.7%	5.4%	1.0%	1.0%	

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 3 May 2016.

Fund Monthly Return History

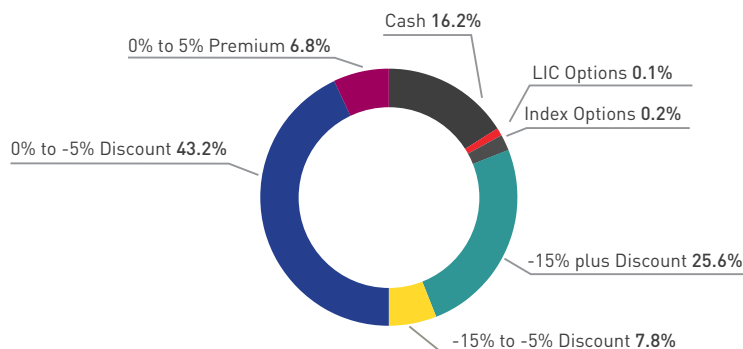


Return on \$100,000 Investment

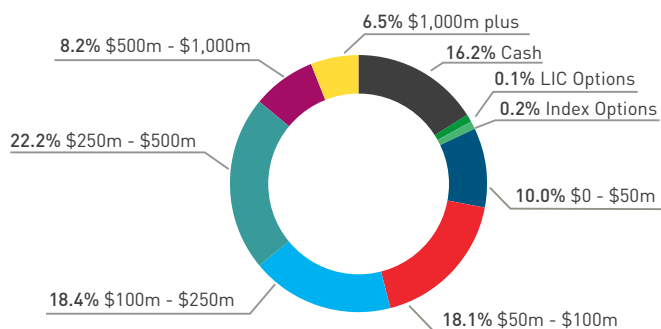


Portfolio Summary

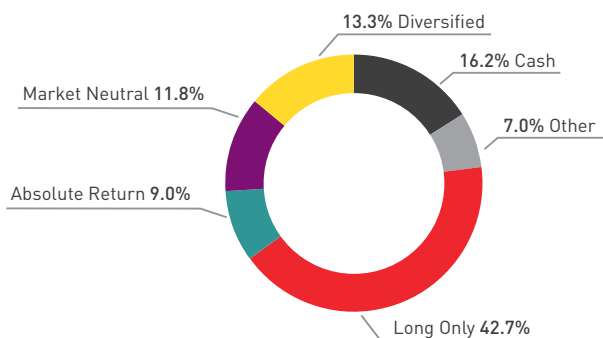
NTA Discount Band



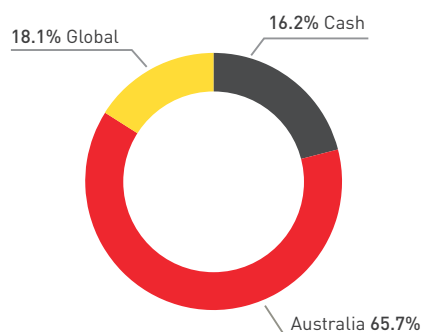
Portfolio by Market Cap



Equities Strategy



Geographic Exposure



Largest Investments

Future Generation Investment Company (FGX)

WAM Leaders Fund (WLE)

Century Australia Investments (CYA)

AMCIL Limited (AMH)

Future Generation Global Fund (FGG)

Want to know more about Listed Investment Companies (LICs)?

Download our free guide to LICs by clicking [here](#).

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 LICs, 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	Listed Investment Companies
Minimum Investment	\$20,000
Suggested Timeframe	At least 5 years
Benchmark Returns	ASX200 Accumulation Index
Entry Price	\$1.1537
Exit Price	\$1.1514
Annual Distributions	5.50cpu
Distribution Yield	4.8% p.a.
Distribution Frequency	Quarterly
Applications	Please Contact Us
Withdrawals	Monthly
Management Fees	Nil
Performance Fee	12.5% of positive performance
Buy/Sell Spread	0.10%/0.10%

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 ASX Listed Investment Companies as selected by Affluence. We aim to outperform the ASX200 Accumulation Index over rolling 3 year periods and 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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Meet The Portfolio Managers



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