



# Affluence LIC Fund

## Fund Report - August 2017

### Contents

02

Fund Commentary  
Fund Performance  
Return History

03

Return on \$100,000  
Portfolio Summary  
Top 5 Investments

04

Key Statistics  
Fund Strategy  
Contact Us

## Fund Commentary

As the old saying goes, all good things must come to an end. Our run of positive months in the Affluence LIC Fund has come to an end at 15, with the Fund down 0.6% for August. In comparison the ASX 200 Index was up 0.7% for the month. It felt like there was an excess of sellers compared to buyers, which was reflected in the ASX Listed Investment Company Index being down over 1% for August. Returns since inception are 12.3% per annum, compared to the ASX 200 Index of 11.4% per annum.

At the end of August, the Fund held investments in 32 Listed Investment Companies representing 78% of the Fund, 22% in cash, and some LIC options which can provide potential upside if markets rally strongly from here. We are continuing to hold higher levels of cash as the general market continues to trade in a tight range, and there continues to be

a sluggish feel to the general LIC sector. There are currently three large LIC IPO's underway, which in aggregate could raise over \$2 billion. This is likely at least part of the reason for the increased selling. We are ready to deploy our cash when we see compelling opportunities.

There was no major detractor to performance in August, but rather small losses across the board. Our three market neutral funds lost ground (Australian Leaders Fund, Australian Equity Performance Limited, and Watermark Global Leaders Fund), however we view these as an integral part of the portfolio, as when an inevitable market correction occurs we expect these to perform well in those conditions. Our top performers were WAM Microcap (WMI) up 3.4%, and Thorney Opportunities Limited (TOP) up 2.9%.

The Fund is currently closed to new investors, however if you qualify as a wholesale/sophisticated investor and are interested in the Fund, please let us know and we will place you on the waiting list when we open it again in the future. Alternatively, you can gain access through our Affluence Investment Fund, which currently invests around 17% of its portfolio in the Affluence LIC Fund.

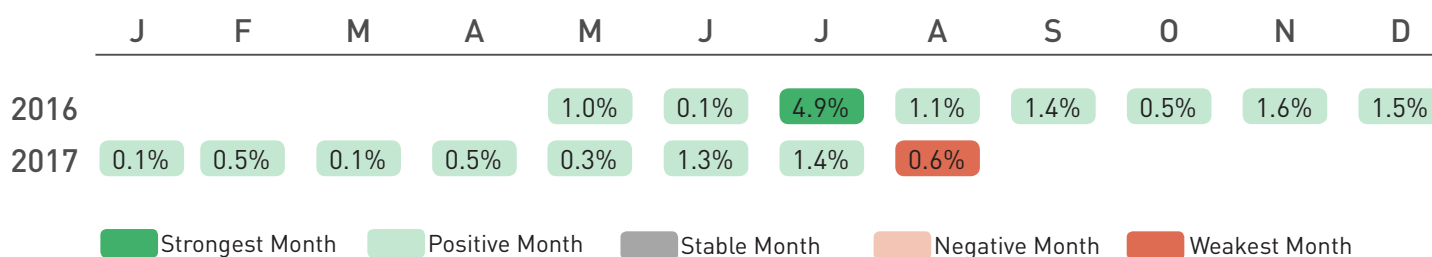
## Fund Performance

To 31 August 2017

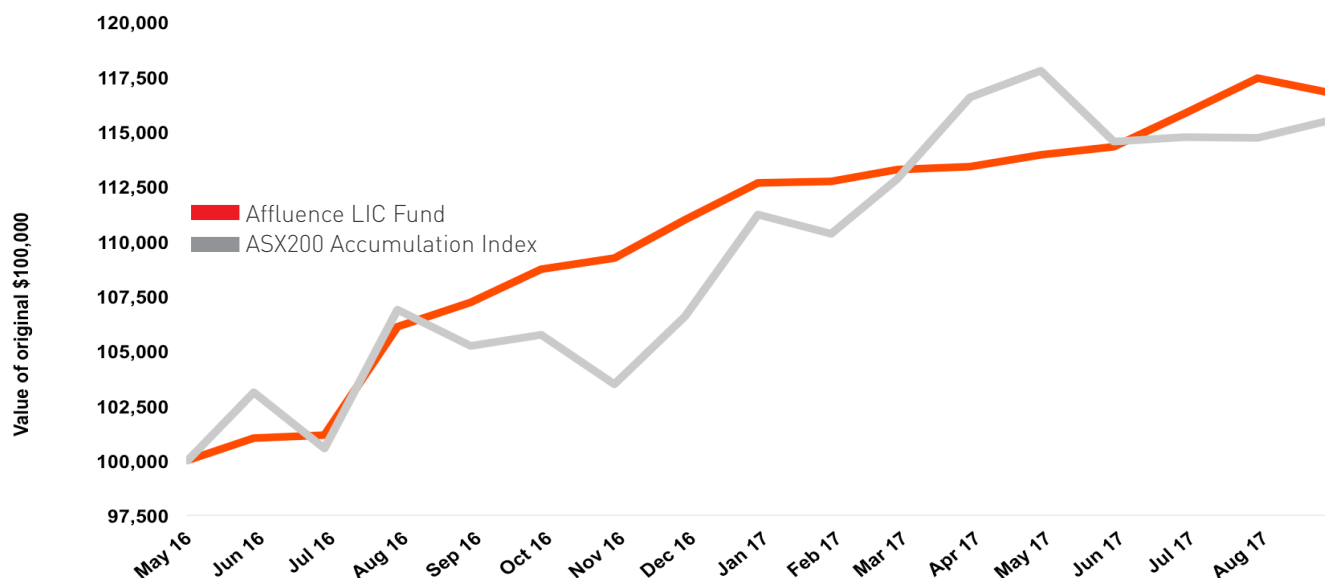
	1 Month	3 Months	6 Months	1 Year	Inception	Volatility
Affluence LIC Fund	(0.6%)	2.2%	3.1%	8.9%	12.3%	4.2%
ASX200 Accumulation Index (AI)	0.7%	0.9%	2.4%	9.8%	11.4%	9.0%
<b>Outperformance against ASX200AI</b>	<b>(1.3%)</b>	<b>1.3%</b>	<b>0.7%</b>	<b>(0.9%)</b>	<b>0.9%</b>	

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 1 year are annualised. Inception date is 3 May 2016.

## Fund Monthly Return History

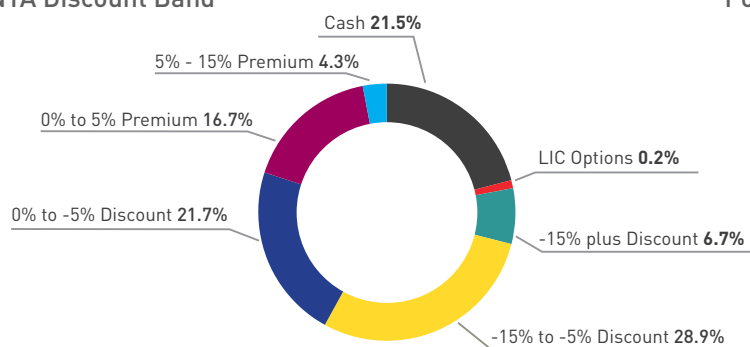


## Return on \$100,000 Investment

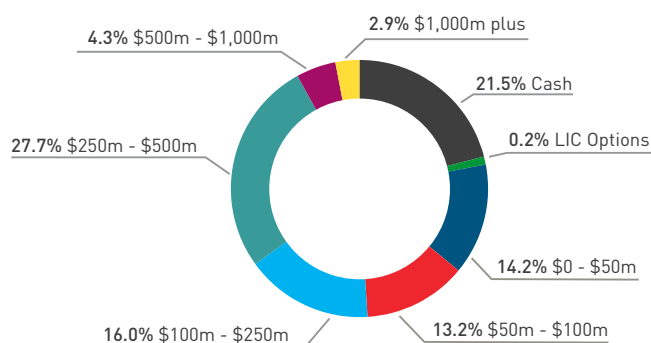


## Portfolio Summary

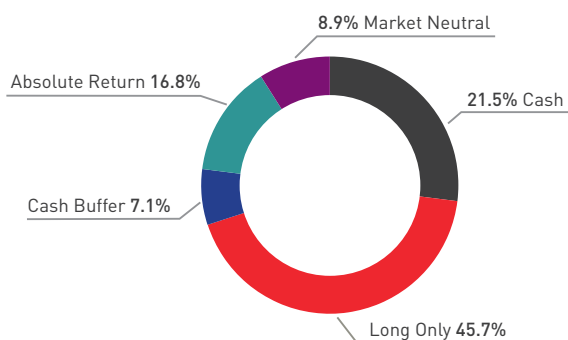
### NTA Discount Band



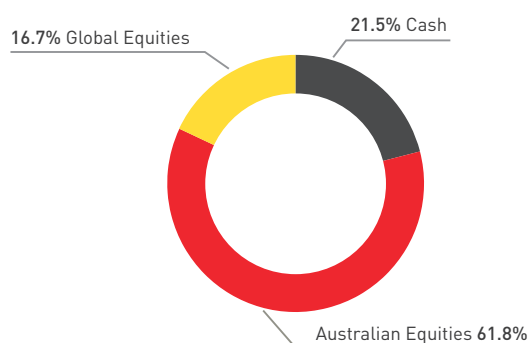
### Portfolio by Market Cap



### Equities Strategy



### Geographic Exposure



## Largest Investments

Future Generation Investment Company (FGX)

Perpetual Equity Investment Company (PIC)

Wealth Defender Equities Limited (WDE)

Century Australia Investments Limited (CYA)

MFF Capital Investments (MFF)

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
<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 LICs, 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	Listed Investment Companies
Minimum Investment	\$20,000
Suggested Timeframe	At least 5 years
Benchmark Returns	ASX200 Accumulation Index
Entry Price	\$1.1060
Exit Price	\$1.1038
Annual Distributions	5.50cpu
Distribution Yield	5.0% 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:

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

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## Meet The Portfolio Managers



### Daryl Wilson

Founder, CEO & Portfolio Manager

Years in the Industry: 18

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### Greg Lander

Portfolio Manager

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