



# Affluence LIC Fund Fund Report - January 2017

## Fund Commentary

The ASX 200 Accumulation Index decreased by 0.8% in January, but it was split between large resource companies performing very well, and financial and industrial stocks weighing on the index. It was a quiet start to 2017 for the Affluence LIC Fund, increasing by 0.1% to conclude 9 months since inception with no negative results. At the end of January the Fund held investments in 21 Listed Investment Companies representing 83% of the Fund, almost 17% in cash, and under 1% in index put options to provide limited

protection from elevated market prices.

Our biggest contributors to this month were AFIC Notes (AFIG), Australian Equity Performance Fund Limited (AEG), and Katana Capital (KAT). AEG is a new position we have recently added to the portfolio. It is managed by Bennelong Long Short Equity who have a long history in this strategy and their long term performance is exceptional. However, they had a very tough 2016 and we took the opportunity to

purchase this LIC at well below the IPO price just over a year ago. We also believe that this is an opportune time to be adding to our market neutral and long short allocations when long only strategies appear reasonably elevated.

Currently this fund is closed for investment, however if you are interested in investing in this fund, please let us know and we will place you on the waiting list if we open it in the future.

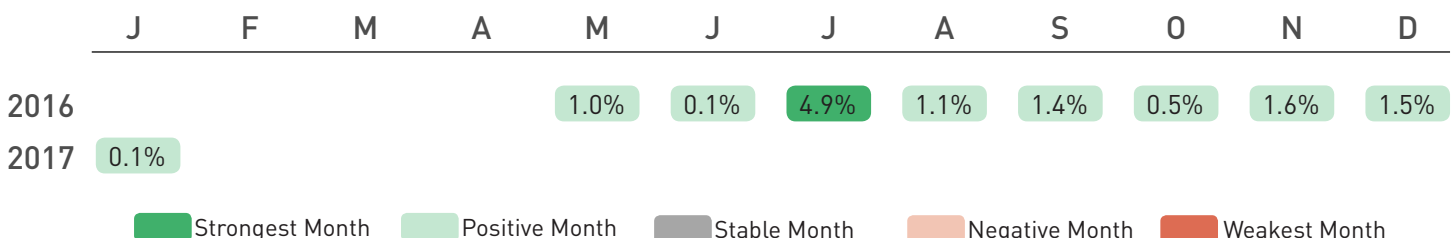
## Fund Performance

To 31 January 2017

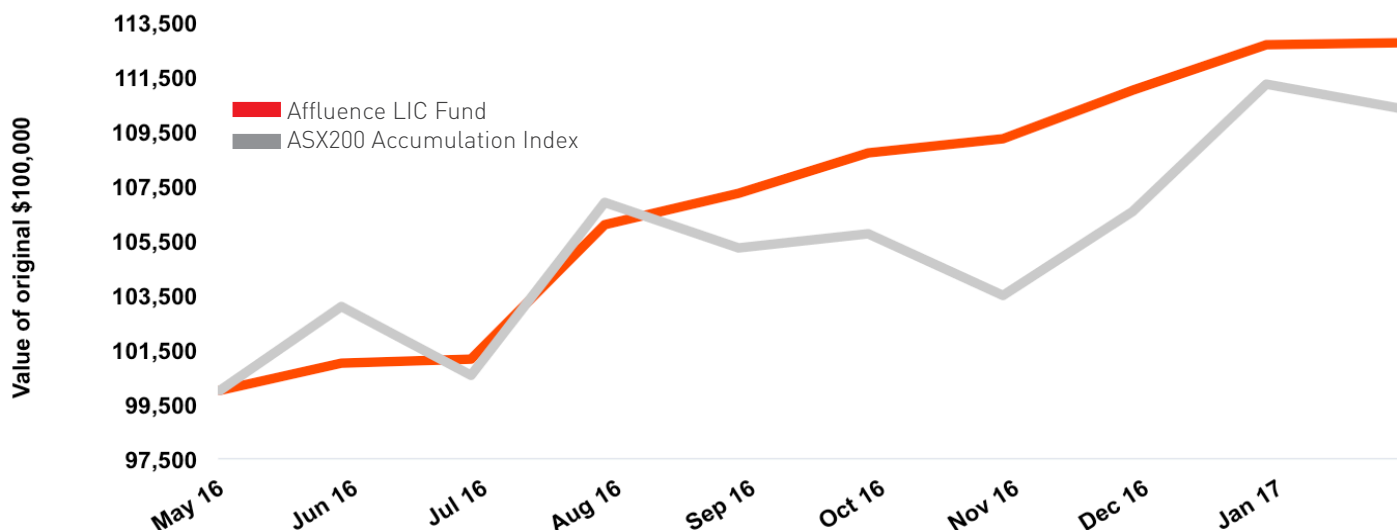
	1 Month	3 Months	6 Months	Inception	Volatility
Affluence LIC Fund	0.1%	3.2%	6.3%	12.7%	5.0%
ASX200 Accumulation Index (AI)	(0.8%)	6.6%	3.2%	10.3%	10.9%
<b>Outperformance against ASX200AI</b>	<b>0.9%</b>	<b>(3.4%)</b>	<b>3.1%</b>	<b>2.4%</b>	

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

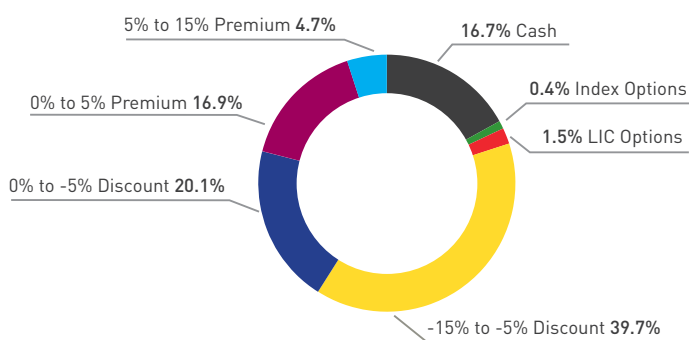


## Return on \$100,000 Investment

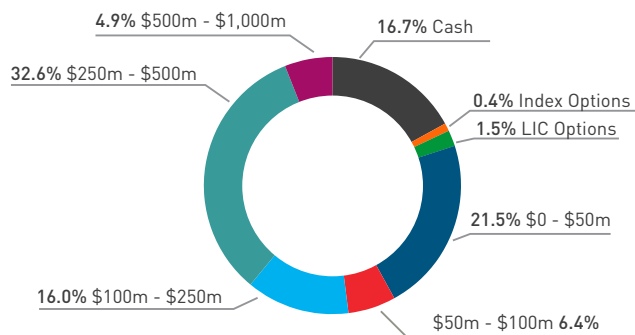


## Portfolio Summary

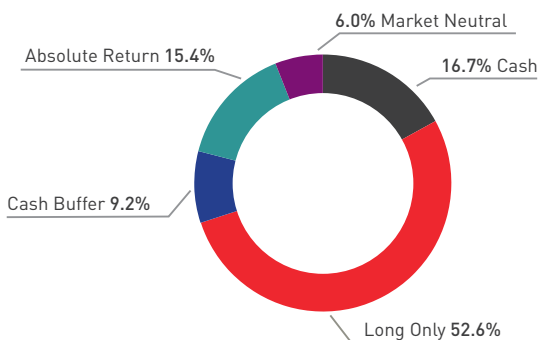
### NTA Discount Band



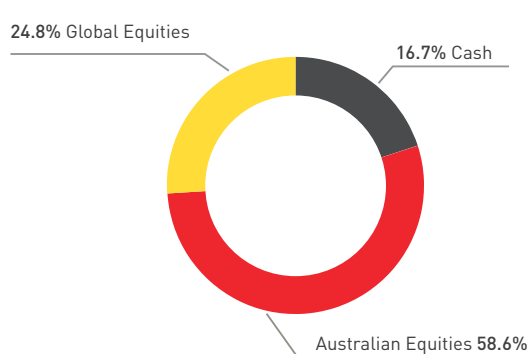
### Portfolio by Market Cap



### Equities Strategy



### Geographic Exposure



## Largest Investments

Cash
AFIC Convertible Bonds (AFIC)
Future Generation Investment Company Limited (FGX)
Future Generation Global Investment Company Limited (FGG)
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 fund managers, 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	\$1.1189
Exit Price	\$1.1167
Applications	Monthly
Withdrawals	Monthly
Management Fees	Nil
Performance Fee	12.5% of positive performance
Buy/Sell Spread	0.10%/0.10%

## Contact Us

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

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

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## 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.

## The Investment Team



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Affluence Funds Management Limited ABN 68 604 406 297 ("AFM") has prepared this report and is the trustee, and the issuer of units in, the Affluence Investment Fund. The Fund is not currently open for investment but is expected to be during 2017. The information in this report has been prepared without considering your objectives, financial situation or needs. Therefore, in deciding whether to acquire or continue to hold an investment in the Fund, you should consider the PDS and assess, with or without your financial or taxation adviser, whether the product fits your objectives, financial situation or needs.