



Affluence LIC Fund

Fund Report - July 2018

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Fund Commentary

The ASX200 started the new financial year strongly, increasing by 1.4% in July. The Affluence LIC Fund had an even better month, and increased by a pleasing 2.1%. Returns since inception for the Fund are 13.1% per annum, compared to the ASX 200 Index of 12.9% per annum. These returns have been delivered with approximately half of the volatility of the index.

In July the biggest contributors for the Fund was the Bailador Technology Investments (BTI) up 13.5%, WAM Leaders (WLE) up 4.8%, Monash Absolute Investment Company (MA1) up 9.1%, and Ozgrowth Limited (OZG) up 10.0%. Pleasingly there were also very few detractors this month. This was a solid result, given we averaged around 20% cash for the month, as well as 12% market neutral LICs which typically do not perform well in rising markets.

There are two reasons we are holding high levels of cash and market neutral strategies. The first is the

general valuations of equity markets. The ASX200 is around 10 year highs at 6300 points, and the US S&P500 is not far off its all-time January 2018 highs. The combination of high earnings and lofty multiples is enough to make us quite cautious. This does not mean equities will fall anytime soon. However, we are prepared to accept lower returns if markets keep going up, in return for having the buffer of additional cash if markets do correct. The second reason for higher cash levels is lower discounts in the sector. Overall, discounts to NTA are reasonable but not spectacular. As can be seen from this month's top contributors, there were some strong results during the month which were mostly a reduction in discounts rather than an increase in NTA. We are well positioned to take advantage of any opportunities that we find.

At the end of July, the Fund held investments in 24 Listed Investment Companies representing 79% of the Fund, 21% in cash, and some

LIC call options (in case markets continue to rally) and ASX 200 Index put options (in case markets fall significantly). 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.

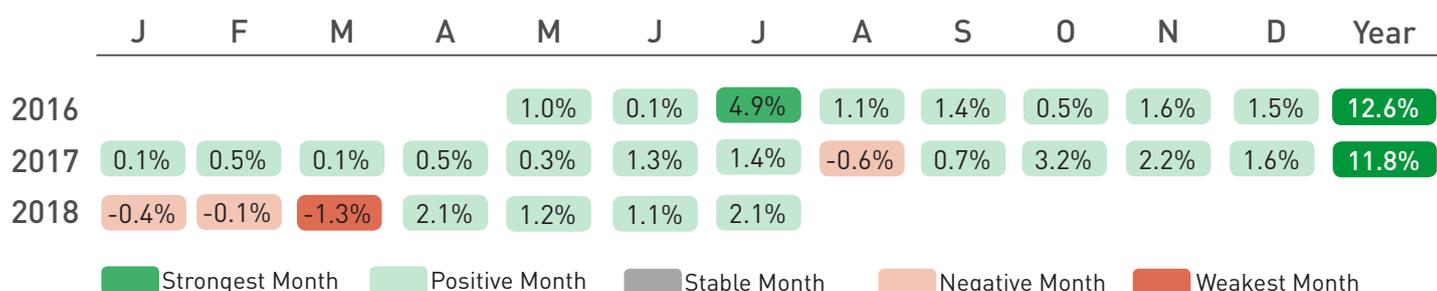
Fund Performance

To 31 July 2018

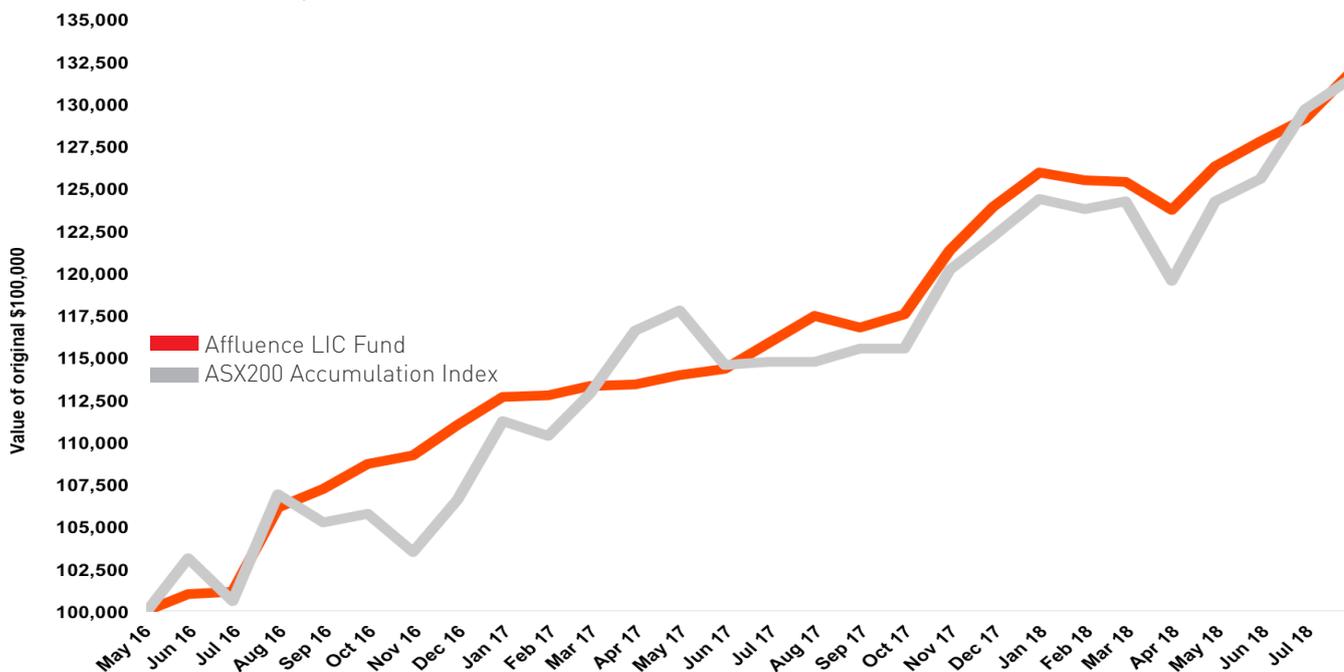
	1 Month	6 Months	1 Year	2 Years	Inception	Volatility
Affluence LIC Fund	2.1%	5.1%	12.2%	11.5%	13.1%	4.3%
ASX200 Accumulation Index (AI)	1.4%	6.2%	14.6%	10.9%	12.9%	8.4%
Outperformance against ASX200AI	0.7%	{1.1%}	{2.4%}	0.6%	0.2%	

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

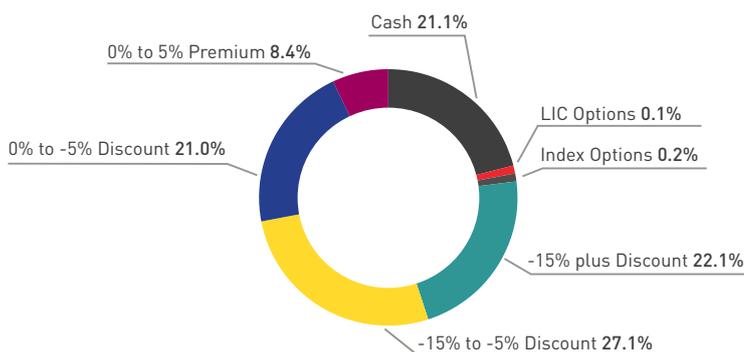


Return on \$100,000 Investment

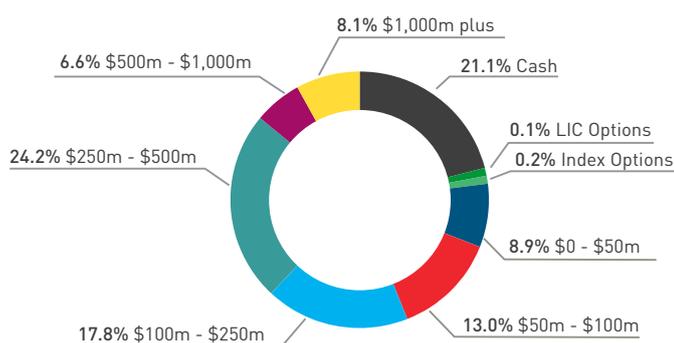


Portfolio Summary

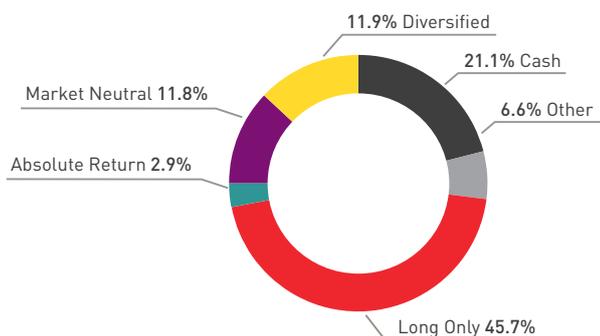
NTA Discount Band



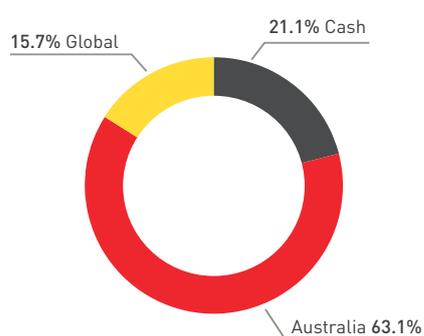
Portfolio by Market Cap



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	\$1.1606
Exit Price	\$1.1583
Annual Distributions	5.70cpu
Distribution Yield	4.9% 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 contact us:

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Meet The Portfolio Managers



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