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Affluence LIC Fund Fund Report - May 2017

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Fund Commentary

The ASX 200 Accumulation Index decreased by 2.8% in May, with a particular decline in bank stocks. Against this decline, we are happy to report that the Affluence LIC Fund continued its winning run with no negative months since inception. The Fund returned 0.3% for May, resulting in a 1 year return of 13.2% versus 11.1% for the ASX 200.

At the end of May, the Fund held investments in 23 Listed Investment Companies representing 79% of the Fund, 20% in cash, and 1% in LIC options which can provide potential upside if markets rally strongly from here. We also held a small number of index put options which may contribute positively if markets fall substantially over the next few months.

Not surprisingly, our best performers this month were our LICs which hold global equities. These included Future Generation Global

Investments (FGG), MFF Capital Investments (MFF), and Ellerston Asian Investments (EAI). Our market neutral LICs, Australian Equity Performance Fund (AEG) and Australian Leaders Fund (ALF) also contributed to the positive result. We topped up quite a few positions in May, and added a couple of new positions. One of these was Bailador Technology Investments (BTI) which is a private equity investor in unlisted technology companies, and was trading at an attractive discount to NTA. We believe we have a good mix of Alpha Generators (those managers who we believe can outperform the relative market benchmarks) and Discount Capture (trading the discount to NTA for a profit). We continue to increase our weighting towards long short and market neutral strategies, to ensure the portfolio is well positioned for various market conditions.

On 1 June, we issued an Information Memorandum for the Fund. For a limited period to 30 June 2017, we will accept new applications from Wholesale and Sophisticated investors. After that time, new investors will only be able to invest in the Fund for limited periods of time. Existing Investors can add to their investment or withdraw from the Fund monthly. If you do not qualify as a Wholesale or Sophisticated investor, you can gain access through our Affluence Investment Fund, which currently invests around 20% of its portfolio in the Affluence LIC Fund.

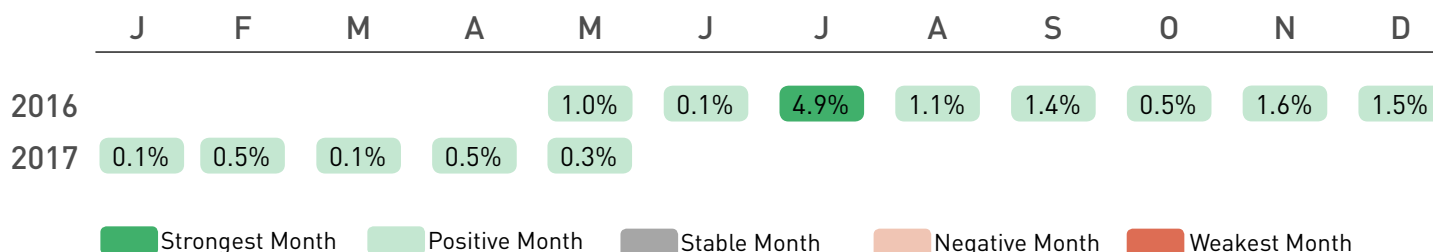
Fund Performance

To 31 May 2017

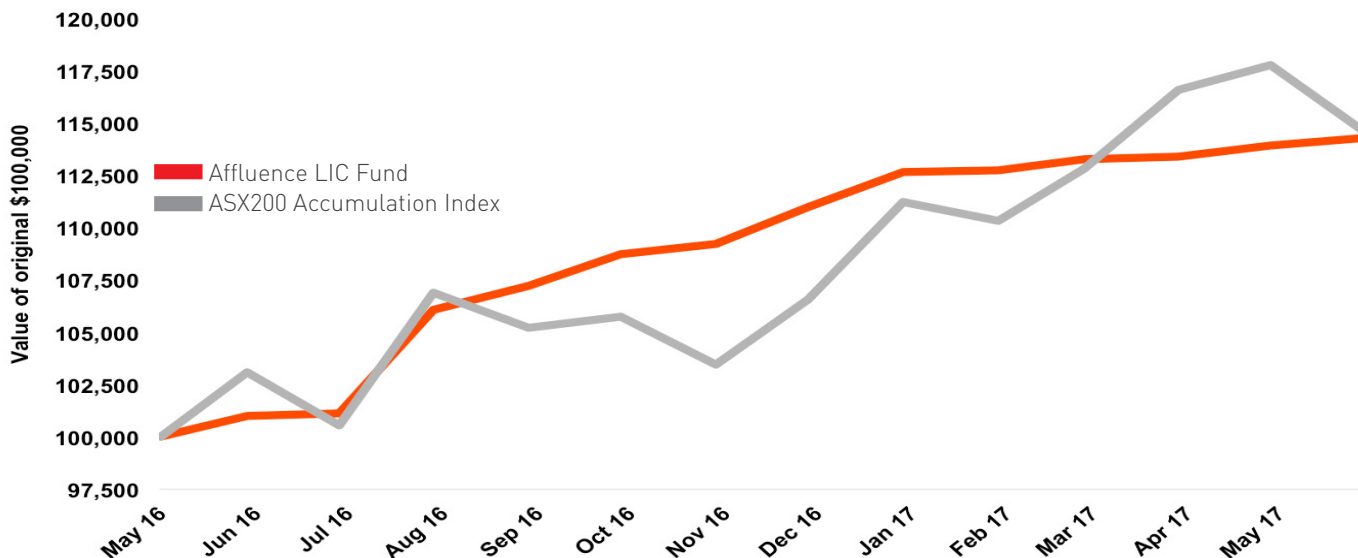
	1 Month	3 Months	6 Months	1 Year	Inception	Volatility
Affluence LIC Fund	0.3%	0.9%	3.0%	13.2%	13.1%	4.4%
ASX200 Accumulation Index (AI)	(2.8%)	1.5%	7.5%	11.1%	13.3%	10.0%
Outperformance against ASX200AI	3.1%	(0.6%)	(4.5%)	2.1%	(0.2%)	

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

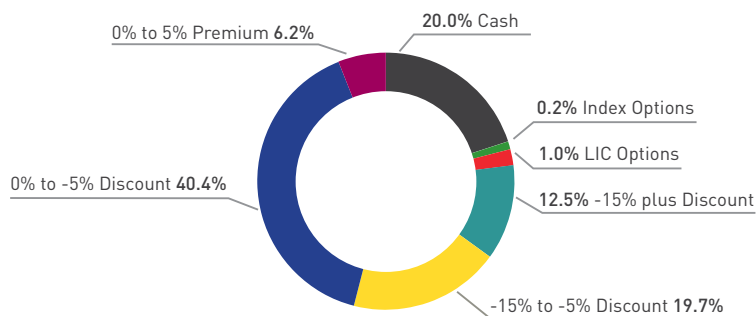


Return on \$100,000 Investment

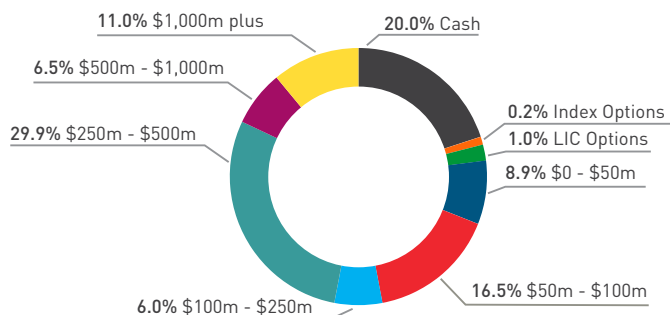


Portfolio Summary

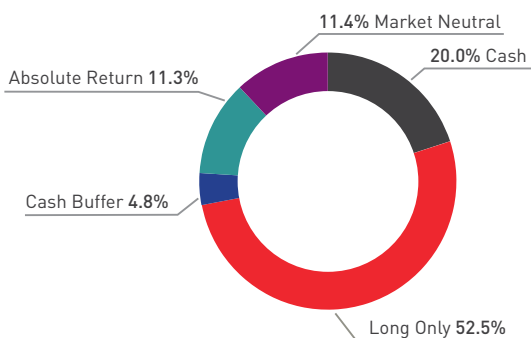
NTA Discount Band



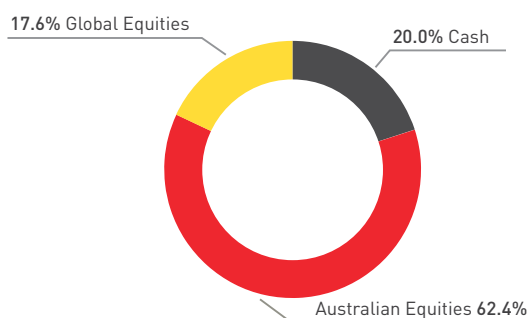
Portfolio by Market Cap



Equities Strategy



Geographic Exposure



Largest Investments

Future Generations Investment Fund (FGX)

MFF Capital Investments (MFF)

Absolute Equity Performance (AEG)

Australian Foundation Investment Company (AFI)

Plato Income Maximiser (PL8)

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 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	Listed Investment Companies
Minimum Investment	\$20,000
Suggested Timeframe	At least 5 years
Benchmark Returns	ASX200 Accumulation Index
Entry Price	\$1.1345
Exit Price	\$1.1322
Applications	By Offer
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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