



# Affluence LIC Fund

## Fund Report - May 2018

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## Fund Commentary

Both the Affluence LIC Fund and ASX200 Index went up in May, increasing by 1.2% and 1.1% respectively. Returns since inception for the Fund are 12.5% per annum, compared to the ASX 200 Index of 11.5% per annum. These returns have been delivered with approximately half of the volatility of the index.

In May the biggest contributor was Future Generation Limited (FGX) which increased by 5.1%. As regular readers would know, FGX has long been one of our largest positions (and is likely to continue to be). FGX is essentially a fund-of-funds, that invests with some of the best boutique Australian equity managers across different investment styles and strategies. What makes this even better, is that the underlying managers have agreed not to charge FGX any management fees. Instead, 1% of total assets is donated to charity to fulfill a dual investment/philanthropy purpose. For the past year or so it has traded at a 2-5%

discount to NTA, which we believed was cheap. Even now at around NTA, we don't believe there is a better quality LIC on the market. Other positive contributors this month included Djerriwarrh Investments (DJW) up 5.8%, MFF Capital Investments (MFF) up 3.8%, Amcil Investments (AMH) up 2.2% and Ryder Capital (RYD) up 3.3%.

At the end of May, the Fund held investments in 28 Listed Investment Companies representing 81% of the Fund, 18% 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 18% 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.

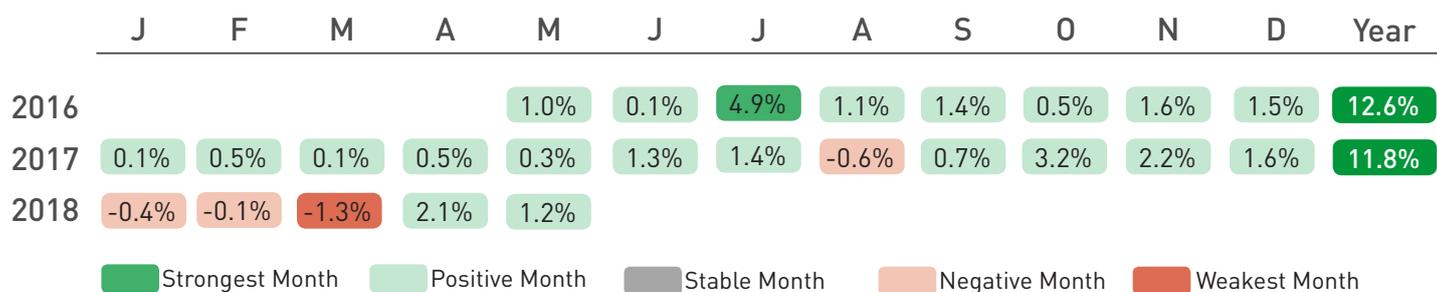
## Fund Performance

To 31 May 2018

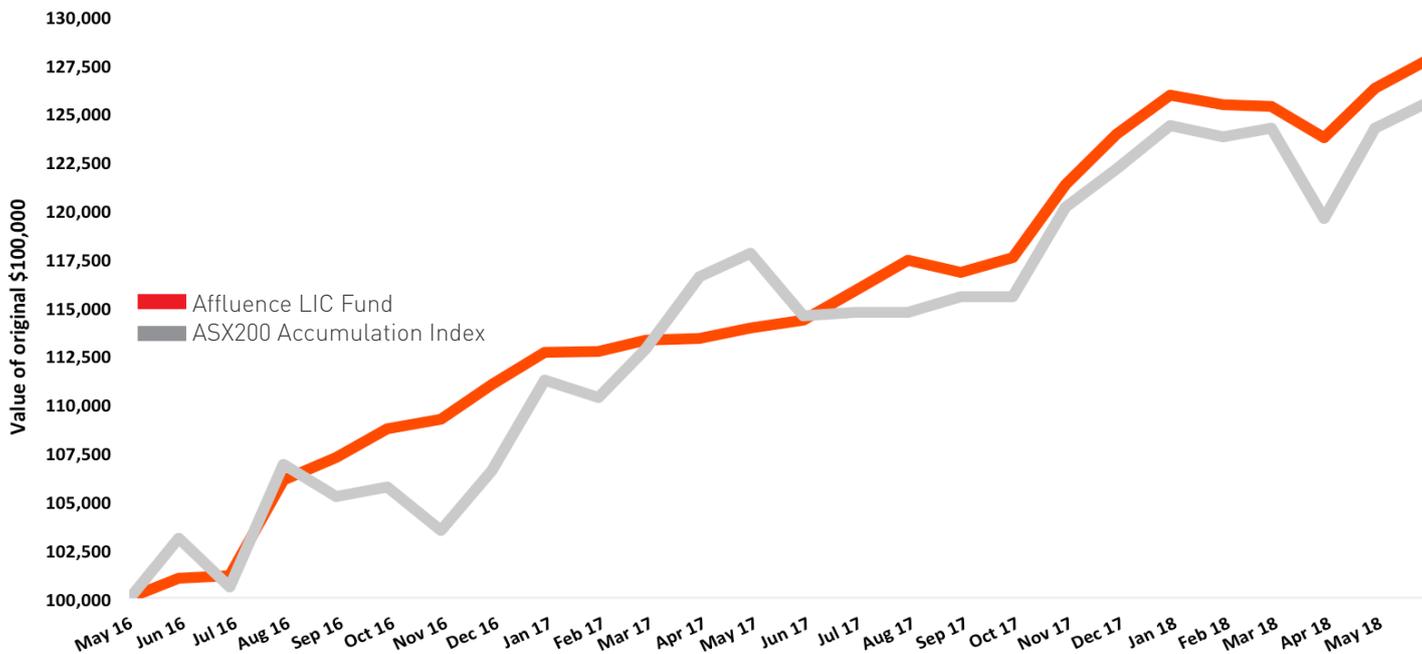
	1 Month	6 Months	1 Year	2 Years	Inception	Volatility
<b>Affluence LIC Fund</b>	1.2%	3.1%	11.8%	12.5%	12.5%	4.4%
<b>ASX200 Accumulation Index (AI)</b>	1.1%	2.8%	9.6%	10.4%	11.5%	8.6%
<b>Outperformance against ASX200AI</b>	0.1%	0.3%	2.2%	2.1%	1.0%	

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

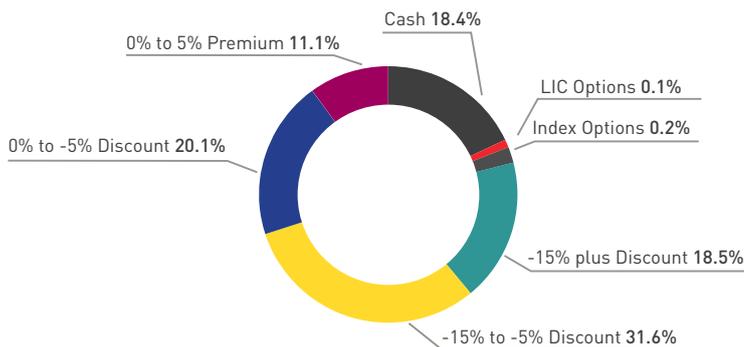


## Return on \$100,000 Investment

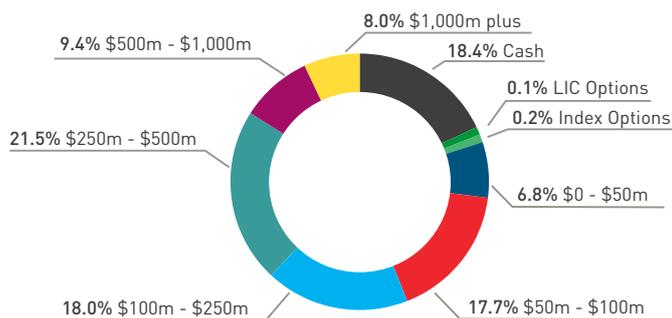


## Portfolio Summary

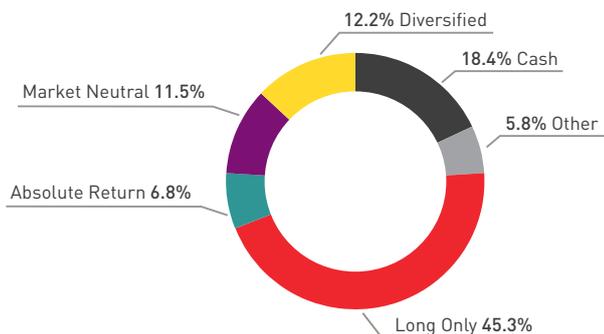
### NTA Discount Band



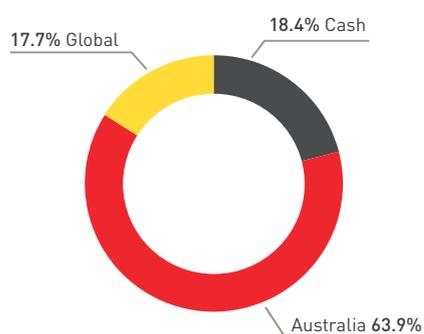
### Portfolio by Market Cap



### 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
<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

<b>Investment Class</b>	Listed Investment Companies
<b>Minimum Investment</b>	\$20,000
<b>Suggested Timeframe</b>	At least 5 years
<b>Benchmark Returns</b>	ASX200 Accumulation Index
<b>Entry Price</b>	\$1.1670
<b>Exit Price</b>	\$1.1647
<b>Annual Distributions</b>	5.50cpu
<b>Distribution Yield</b>	4.7% p.a.
<b>Distribution Frequency</b>	Quarterly
<b>Applications</b>	Please Contact Us
<b>Withdrawals</b>	Monthly
<b>Management Fees</b>	Nil
<b>Performance Fee</b>	12.5% of positive performance
<b>Buy/Sell Spread</b>	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:

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

**Email:** [invest@affluencefunds.com.au](mailto:invest@affluencefunds.com.au)

## Meet The Portfolio Managers



### Daryl Wilson

**CEO/Portfolio Manager**

Years in the Industry: 18

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### Greg Lander

**Portfolio Manager**

Years in the Industry: 12

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