



# Affluence LIC Fund

## Fund Report - September 2017

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## Fund Commentary

The Affluence LIC Fund increased by 0.7% in September. In comparison the ASX 200 Index was flat, and the ASX Listed Investment Company Index was up 0.1% for the month. Returns since inception for the Fund are 12.1% per annum, compared to the ASX 200 Index of 10.7% per annum.

We declared a distribution of 1.375 cents per unit for the September quarter, which will be paid on the 10th of October. This represents an annualised distribution of 5.5 cents per unit, which is a 5.0% cash yield on the current unit price.

At the end of September, the Fund held investments in 29 Listed Investment Companies representing 80% of the Fund, 19% in cash, and some LIC options which can provide potential upside if markets rally strongly from here. During the month we participated in the VGI Partners

Global LIC. The manager has only been accessible to high net worth and institutional investors until now, and they have a good performance history. Their structure is also unique, in that the management company effectively paid all the initial costs, so on day one the NTA was equal to the issue price.

Underlying portfolio movements were volatile during the month. Our market neutral LICs were well down (AEG and ALF both down around 5%), however some of the small cap managers rallied (8EC up over 10%, MA1 up 4%, WMI up 8.5%). While the overall ASX 200 continues to trade in a narrow band, we are starting to see a few more opportunities emerge in the sector.

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 20% of its portfolio in the Affluence LIC Fund.

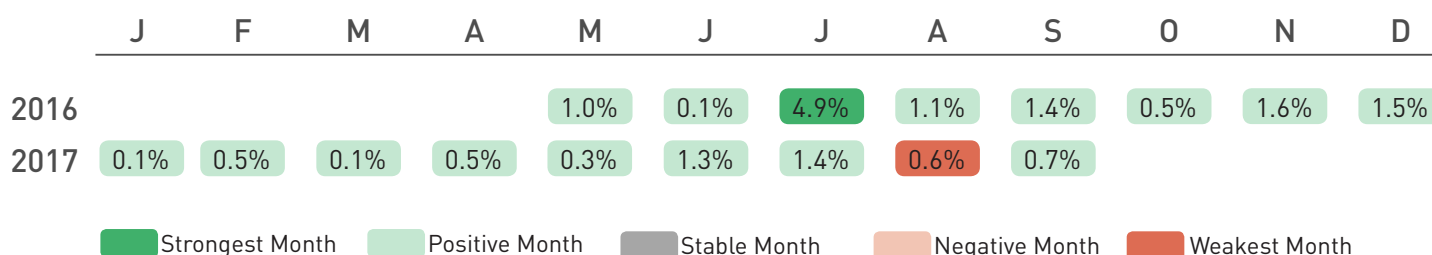
## Fund Performance

To 30 September 2017

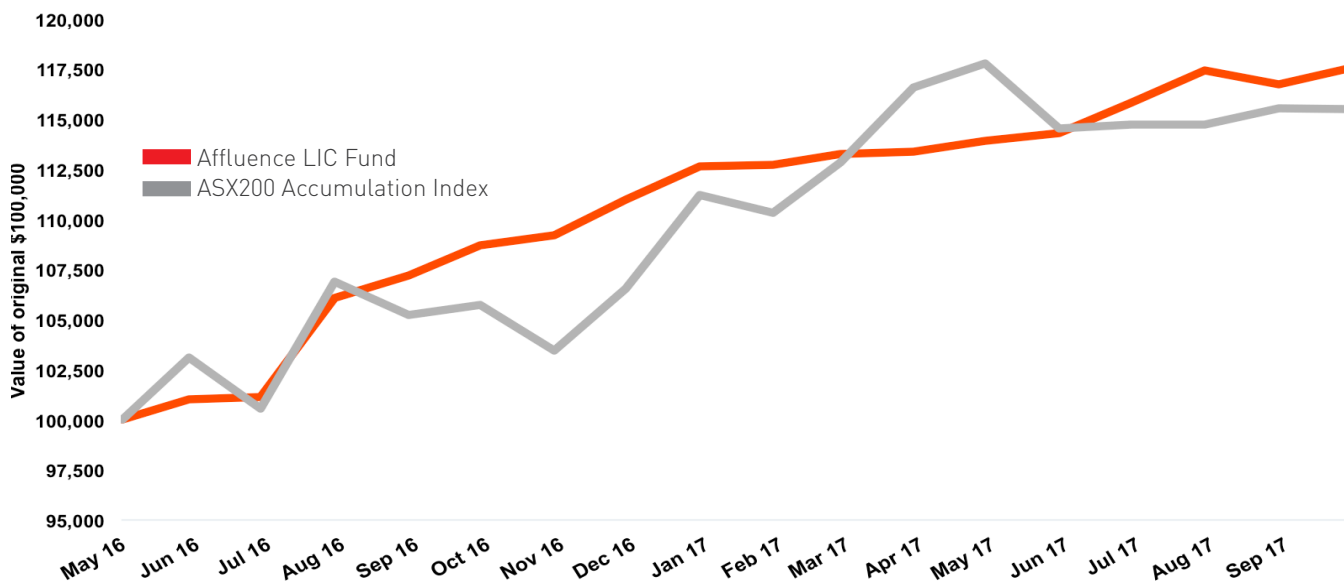
	1 Month	3 Months	6 Months	1 Year	Inception	Volatility
Affluence LIC Fund	0.7%	1.5%	3.7%	8.1%	12.1%	4.1%
ASX200 Accumulation Index (AI)	0.0%	0.7%	(0.9%)	9.2%	10.7%	8.8%
<b>Outperformance against ASX200AI</b>	<b>0.7%</b>	<b>0.8%</b>	<b>4.6%</b>	<b>(1.1%)</b>	<b>1.4%</b>	

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

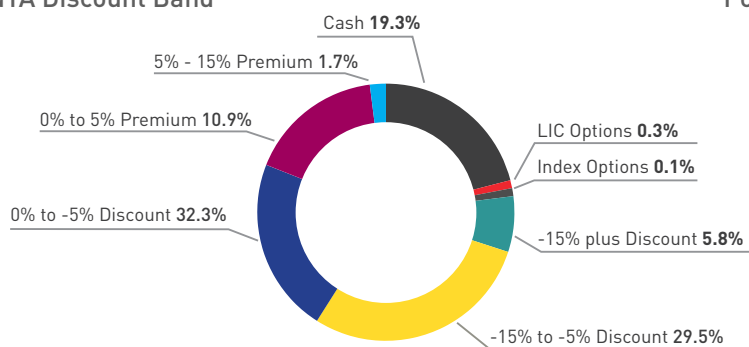


## Return on \$100,000 Investment

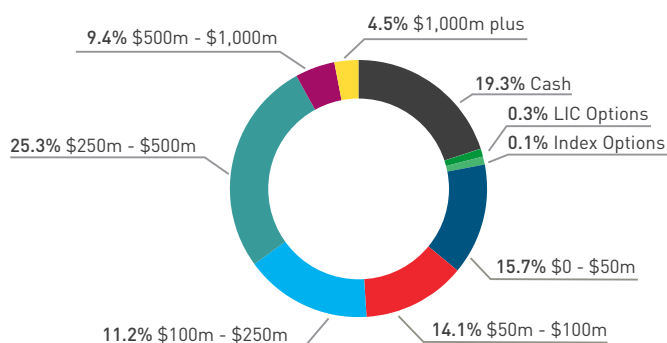


## Portfolio Summary

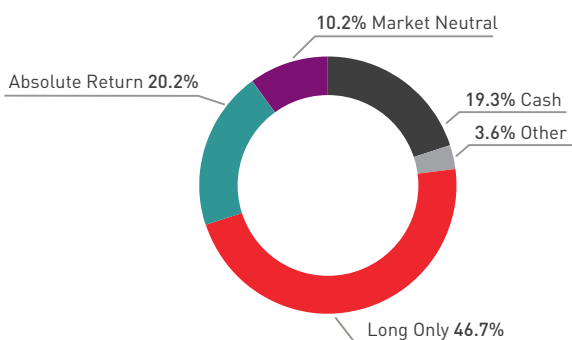
### NTA Discount Band



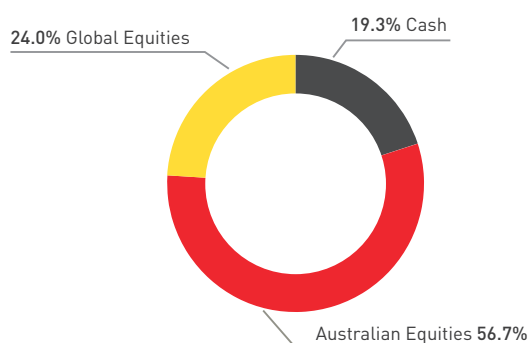
### Portfolio by Market Cap



### Equities Strategy



### Geographic Exposure



## Largest Investments

Future Generation Investment Company (FGX)

MFF Capital Investments (MFF)

Future Generation Global Fund (FGG)

VGI Partners Global Investments Fund (VG1)

Australian Leaders Fund (ALF)

**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>	\$1.0998
<b>Exit Price</b>	\$1.0976
<b>Annual Distributions</b>	5.50cpu
<b>Distribution Yield</b>	5.0% 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 do not hesitate to contact us:

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## Meet The Portfolio Managers



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