



Affluence Small Company Fund

Fund Report - April 2017



Fund Commentary

The Australian market increased in April, with the ASX 200 increasing by 1.0% for the month, and the ASX Small Ordinaries decreasing by 0.3% for the month. The Affluence Small Company Fund decreased by 2.0% in April, to result in the first 12 months since inception of 7.9%. This is below our benchmark (ASX Small Ordinaries) which returned 10% for the same period, however we note that many small cap funds have struggled over the past 12 months, and we believe there are better times ahead for the sector.

All of our unlisted funds recorded

decreases in April, with returns of -0.5% to -3.2%. During the month we redeemed our position in the Ausbil Microcap Fund, as the two portfolio managers both left to pursue other opportunities. We believe that outperformance comes from talented individuals more so than an investment process. We have identified a number of replacement investments which we will look to invest into in the coming month.

At the end of April, the Affluence Small Company Fund held investments in 4 unlisted funds representing 72% of the total

portfolio, 5 LICs accounting for 13% of the total portfolio, and the balance 15% cash.

If you'd like further details of the Affluence Small Company Fund portfolio at any time, just email us and we'll provide it to you.

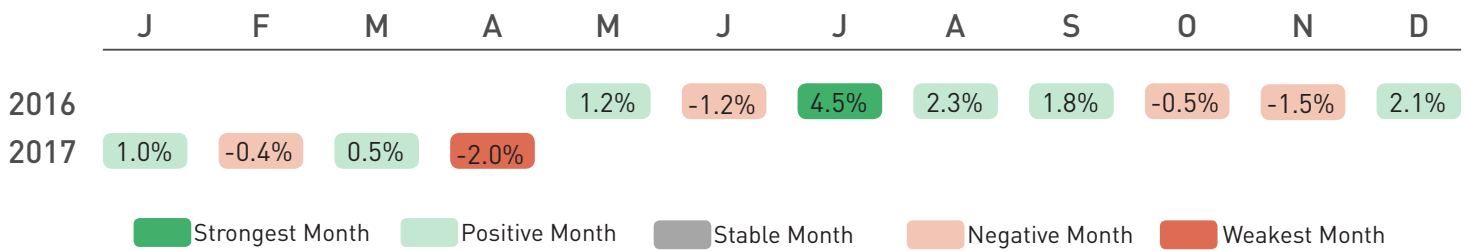
Fund Performance

To 30 April 2017

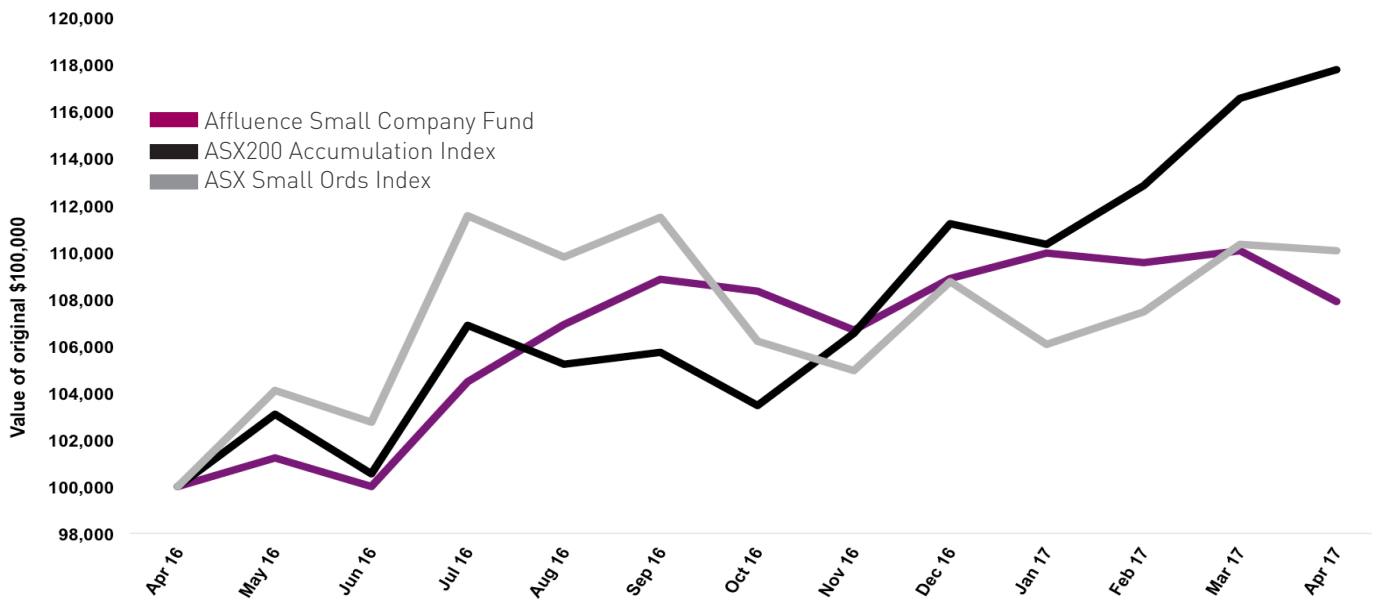
	1 Month	6 Months	1 Year	Inception	Volatility
Affluence Small Company Fund	(2.0%)	(0.4%)	7.9%	7.9%	6.5%
ASX Small Ordinaries Index	(0.2%)	3.6%	10.0%	10.0%	12.3%
Outperformance against ASX Small Ords Index	(1.8%)	(4.0%)	(2.2%)	(2.2%)	
ASX200 Accumulation Index	1.0%	13.8%	17.8%	17.8%	9.6%
Outperformance against ASX200 Accumulation Index	(3.0%)	(14.2%)	(9.9%)	(9.9%)	

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 21 April 2016.

Fund Monthly Return History

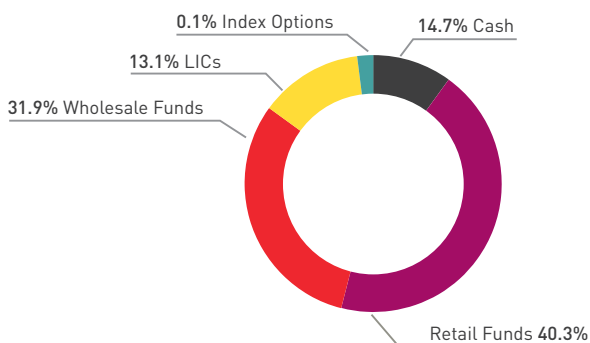


Return on \$100,000 Investment



Portfolio Summary

Underlying Investment Type



Top 5 Largest Investments

- Phoenix Opportunities Fund
- Microequities Deep Value Microcap Fund
- Paragon Fund
- Wentworth Williamson Fund
- 8IP Emerging Companies Fund

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	Small & Micro Cap Equities
Minimum Investment	\$20,000
Suggested Timeframe	At least 5 years
Benchmark Returns	ASX Small Ords Accumulation Index
Entry Price	\$1.0249
Exit Price	\$1.0177
Applications	Monthly
Withdrawals	Monthly
Management Fees	Nil
Performance Fee	12.5% of positive performance
Buy/Sell Spread	0.35%/0.35%

Investment Strategy

We believe that exposure to Small and Microcap Australian Equities through quality investments across different managers, investment strategies and structures can provide higher risk adjusted returns from this asset class.

The Fund provides access to a diversified investment portfolio of Small and Microcap Australian equities unlisted funds and LIC's as selected by Affluence. We aim to outperform both the ASX Small Ordinaries Accumulation Index and the ASX 200 Accumulation Index over rolling 3 year periods and to deliver these returns with lower volatility.

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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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.