



Affluence LIC Fund

Fund Report - January 2019

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Fund Commentary

The Affluence LIC Fund increased by 2.1% in January, with the ASX 200 Index increasing by 3.9% for the month. The Australian market generally followed global equity markets as they recovered from their December lows. Returns since inception for the Fund are 9.7% per annum, compared to the ASX 200 Index of 8.6% per annum. These returns have been delivered with approximately half of the volatility of the ASX200 index.

The Fund's biggest positive contributors were the Antipodes Global Investment Company (APL) up 8.5%, NGE Capital (NGE) up 16.4%, and Hearts & Minds Investments (HM1) up 8.5%. There were no significant detractors, with our biggest negative contributors being WAM Active (WAA) down 2.4%, Tribeca Global Fund (TGF) down 2.4% and our index put options decreased as the market recovered. While overall our LIC holdings generally lagged the major share indices (this is normal), it has resulted in the overall discounts to NTA increasing for our portfolio.

Our cash holding at the end of January was 11.8%, well down from the 23.9% we held at the end of September 2018 before the market corrected. We are seeing far more opportunities presently, through a combination of better value in the underlying portfolios (those shares that are owned by the individual LICs) and more attractive discounts to NTA. The portfolio is well diversified between core investments (those managers who we believe can beat the market over the medium term) and discount capture investments (those LICs that we believe are trading at an attractive discount to NTA).

At the end of January, the Fund held investments in 31 LICs representing 88% of the Fund and 12% in cash. We also held some call and put options. We believe the Fund remains well positioned to withstand most market conditions.

If you qualify as a wholesale or sophisticated investor and are interested in the Fund, contact us or visit the website to find out more. 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 January 2019

	1 Month	6 Months	1 Year	2 Years	Inception	Volatility
Affluence LIC Fund	2.1%	(2.2%)	2.7%	6.9%	9.7%	5.2%
ASX200 Accumulation Index (AI)	3.9%	(4.6%)	1.4%	6.6%	8.6%	9.2%
Performance compared to ASX200AI	(1.8%)	2.4%	1.3%	0.3%	1.1%	

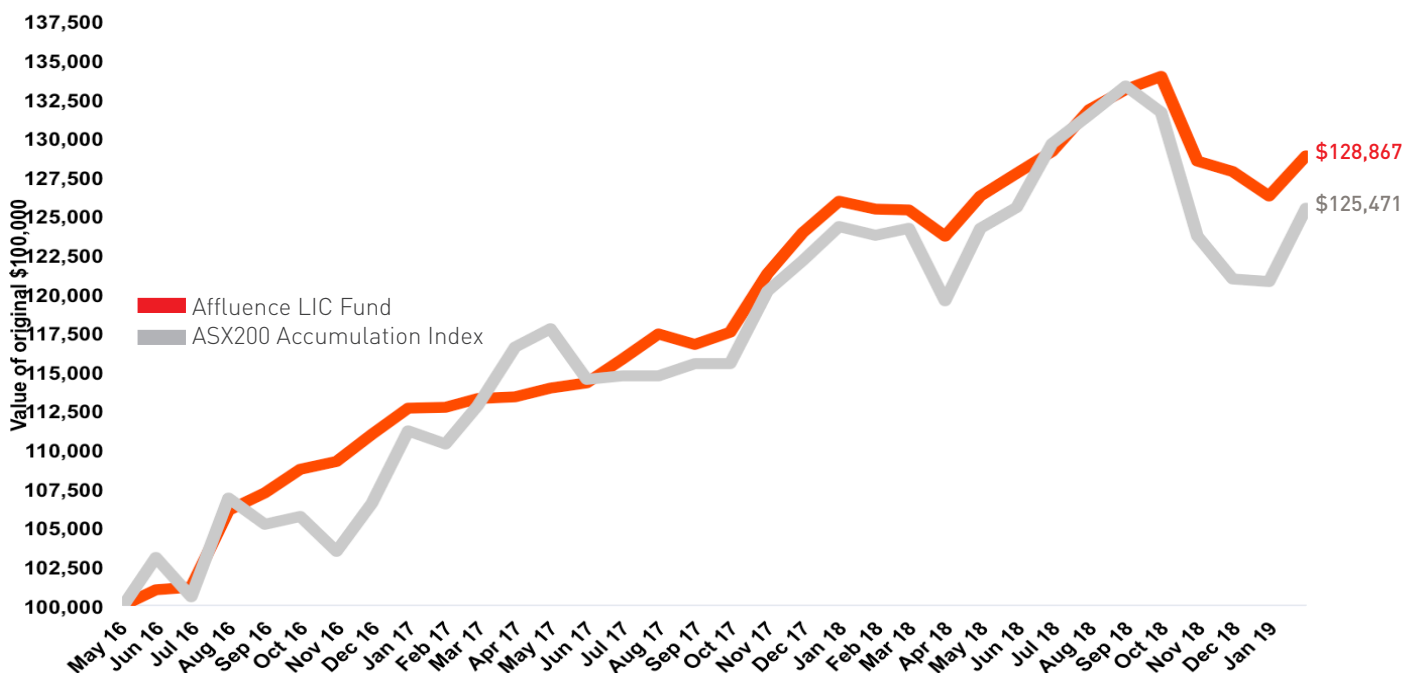
Total returns are net of fees and costs (excluding buy-sell spread) using the mid prices and assume the reinvestment of distributions. Returns of more than 1 year are annualised. Inception date is 3 May 2016.

Fund Monthly Return History

	J	F	M	A	M	J	J	A	S	O	N	D	Year
2016					1.0%	0.1%	4.9%	1.1%	1.4%	0.5%	1.6%	1.5%	12.6%
2017	0.1%	0.5%	0.1%	0.5%	0.3%	1.3%	1.4%	-0.6%	0.7%	3.2%	2.2%	1.6%	11.8%
2018	-0.4%	-0.1%	-1.3%	2.1%	1.2%	1.1%	2.1%	1.0%	0.6%	-4.0%	-0.5%	-1.2%	0.3%
2019	2.1%												

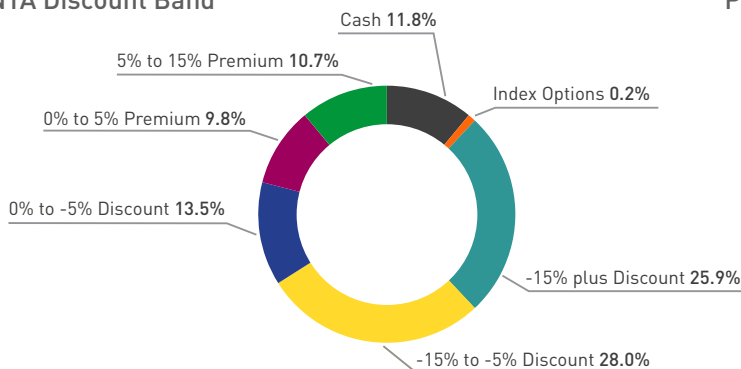
Strongest Month
 Positive Month
 Stable Month
 Negative Month
 Weakest Month

Return on \$100,000 Investment

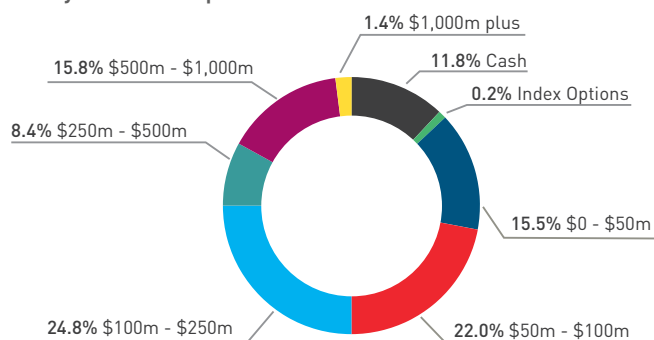


Portfolio Summary

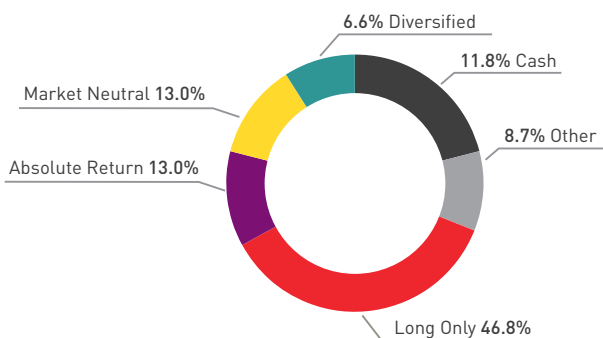
NTA Discount Band



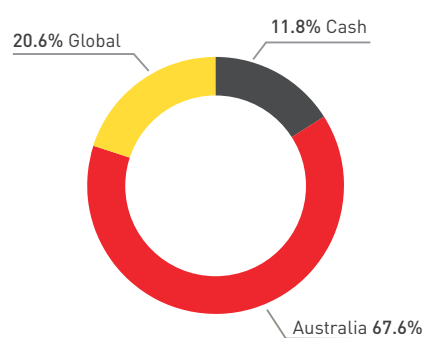
Portfolio by Market Cap



Equities Strategy



Geographic Exposure



Largest Investments

Antipodes Global Investment Company (APL)

Blue Sky Alternatives Access Fund (BAF)

Future Generation Investment Company (FGX)

Absolute Equity Performance Fund (AEG)

Global Value Fund (GVF)

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	\$1.1065
Exit Price	\$1.1043
Annual Distributions	5.70cpu
Distribution Yield	5.2% p.a.
Distribution Frequency	Quarterly
Applications	Monthly
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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