



# Affluence Small Company Fund

## Fund Report - June 2019

### Fund Commentary

The ASX Small Ordinaries Index increased by 0.9% in June. The Affluence Small Company Fund decreased 0.8%, with the Fund now returning 2.8% per annum since inception in April 2016. The Fund has underperformed its benchmark (ASX Small Ordinaries) since inception, however it has delivered its returns with lower volatility than the ASX Small Ordinaries.

Our best performing funds this month were the Wentworth Williamson Fund (up 3.6%) and the Phoenix Opportunities Fund (up 0.7%). The biggest detractor was the Microequities Deep Value Fund.

At the end of June, the Affluence Small Company Fund held investments in 7 unlisted funds (including the Affluence LIC Fund)

representing 96% of the total portfolio, and the balance 4% cash.

The Affluence Small Company Fund is now open to Wholesale and Sophisticated Investors. We held off opening the Affluence Small Company Fund for quite some time. We wanted to wait until we felt conditions were appropriate. It feels like now is the right time. Not only do we see pockets of extraordinary value in some areas, but we are confident that all the managers we have or plan to invest with, have the potential to outperform substantially over the long term.

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. The cut-off for this month's applications

is 25th July. Units will be issued effective 1st August.

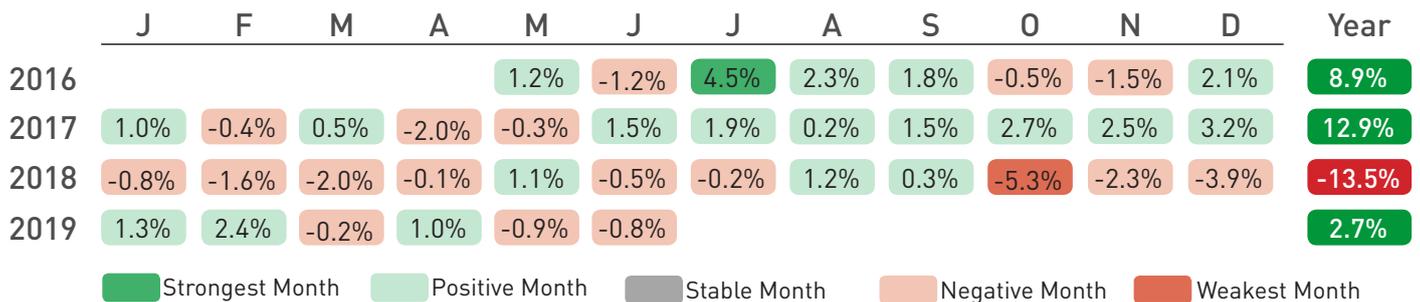
## Fund Performance

To 30 June 2019

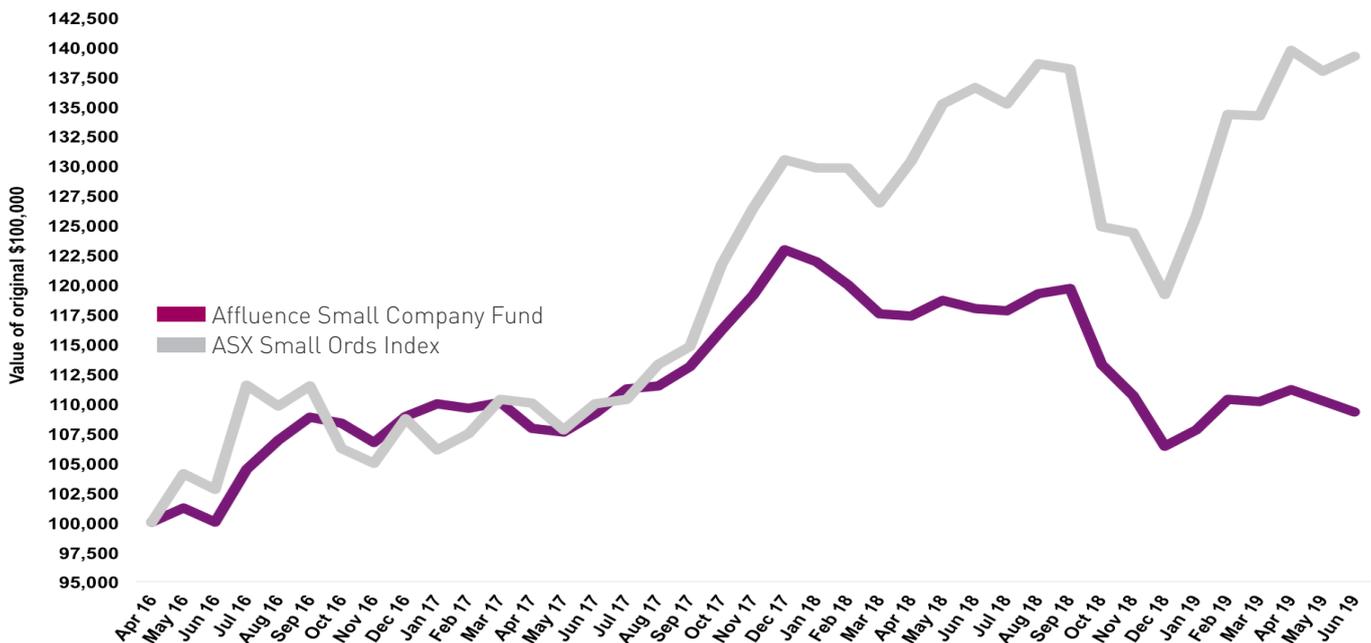
	1 Month	1 Year	2 Years	3 Years	Inception	Volatility
Affluence Small Company Fund	(0.8%)	(7.4%)	0.1%	3.0%	2.8%	6.8%
ASX Small Ordinaries Index	0.9%	1.9%	12.5%	10.7%	11.0%	11.9%
<b>Outperformance against ASX Small Ords Index</b>	<b>(1.7%)</b>	<b>(9.3%)</b>	<b>(12.4%)</b>	<b>(7.7%)</b>	<b>(8.2%)</b>	

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 21 April 2016.

## Fund Monthly Return History

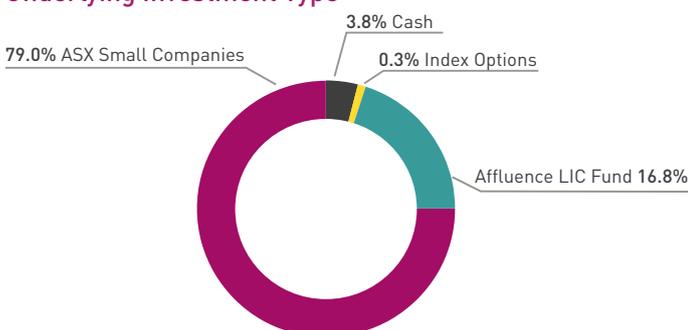


## Return on \$100,000 Investment



## Portfolio Summary

### Underlying Investment Type



## Top 5 Largest Investments

Phoenix Opportunities Fund

Affluence LIC Fund

Wentworth Williamson Fund

Spheria Australian Microcap Fund

Deep Value Microcap Fund

## 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 fund managers, 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

Investment Class	ASX Small Companies
Minimum Investment	\$20,000
Suggested Timeframe	At least 5 years
Benchmark Returns	ASX Small Ords Accumulation Index
Entry Price	\$0.9307
Exit Price	\$0.9242
Distributions	Quarterly
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 Company stocks 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 portfolio of Small Company Equities unlisted funds and LIC's as selected by Affluence. We aim to outperform the ASX Small Ordinaries Accumulation Index over rolling 5 year periods and to deliver these returns with lower volatility.

## Contact Us

If you have any questions, please do not hesitate to 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: 19

Email: [daryl.wilson@affluencefunds.com.au](mailto:daryl.wilson@affluencefunds.com.au)

Phone: +61 402 046 883



### Greg Lander

**Portfolio Manager**

Years in the Industry: 12

Email: [greg.lander@affluencefunds.com.au](mailto:greg.lander@affluencefunds.com.au)

Phone: +61 409 645 893

This information has been prepared by Affluence Funds Management Limited ABN 68 604 406 297 AFS licence no. 475940 (Affluence) as general information only in relation to the Affluence Small Company Fund (Fund). It does not purport to be complete and it does not take into account your investment objectives, financial situation or needs. Prospective investors should consider those matters and read the Information Memorandum (IM) offering units in the Fund before making an investment decision. The IM contains important notices and disclaimers, important information about the offer, as well as investment risks. Any forecast or projected information, including financial, is not guaranteed and there is no guarantee of any distribution, investment return or repayment of capital. This information and the information in the IM is not a recommendation by Affluence or any of its officers, employees, agents or advisers and potential investors are encouraged to obtain independent expert advice before any investment decision. The offer to invest in the Fund is only available to persons who qualify as wholesale clients (as defined in section 761G(7) of the Corporations Act) or sophisticated investors (as defined in section 761GA of the Corporations Act) (collectively, Eligible Investors). Affluence will not issue units in the Fund to a person unless it is satisfied the person is an Eligible Investor.