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INVESTORS!

Affluence Investment Fund

Fund Report - June 2017

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Fund Commentary

The ASX200 increased by 0.2% in June to finish a weak quarter for the financial year for domestic equity markets. The Affluence Investment Fund had a strong June, increasing by 1.1%. Since commencing in December 2014, the Fund has returned 9.6% per annum. Over that period the Fund has outperformed both our benchmark of 6.8% per annum (inflation plus 5%) and the ASX 200 (including dividends) of 7.6% per annum. Just as pleasingly, these returns have been delivered with very low volatility of only 3.1% per annum, compared to the ASX 200 of 12.3% per annum.

The strongest investments for the Fund during June were the Cromwell Riverpark Trust (up 11.9%), the Microequities Deep Value Microcap Fund (up 4.2%), and the Harvest Lane Absolute Return Fund (up 4.1%). It was pleasing to see that these top performers were diversified by asset class and strategy, being office property, long microcap equities, and market neutral event equities. Negative contributors were the Bronte Capital Amalthea Fund, Baker Steel Gold Fund, and the India Avenue Equity Fund.

During the month we exited our position in the listed Brookfield Prime Property Fund (BPA) after Brookfield completed the buyout of minority unit holders. This was a fantastic investment for the Fund, which benefited from purchasing the units at a discount to NTA, as well as a substantial increase in the underlying NTA. We have partially replaced this property exposure with a new investment in the APN Regional Property Fund. This Fund is listed on the National Stock Exchange and holds two A grade office buildings in Newcastle. We purchased the units at a more than 11% discount to NTA. The manager has indicated that they will consider a liquidity event in June 2018. Until then we expect to receive around a 9% income yield on our purchase price.

Looking forward, valuations for most assets remain relatively high. We believe the portfolio is well positioned for both rises and falls in asset and equity markets, and we continue to focus our efforts on making the Fund's portfolio as resilient as possible.

At month end, 60% of the Fund was invested in unlisted investments, 20% in the Affluence LIC Fund, 5% in other listed investments, and 15% in cash. If you'd like further details of the investment portfolio, including our top holdings and weightings, register on our website as an Affluence Member and follow the link to the Members Area to view the portfolio.

If you would like to invest with us and get access to a diverse range of Australia's best fund managers, including over 25 unlisted funds as well as more than 20 LIC's and other listed entities, visit the fund page on our website at <https://affluencefunds.com.au/aif/> to find out more. There, you can get information on the Fund, apply online or download the application pack. If you'd like to add to your existing investment in the Fund, you can either complete the one-page form available on our website, or use the online facility.

The cut-off for this month's applications is 25th July. Units will be issued effective 1 August.

Fund Performance

To 30 June 2017	1 Month	6 Months	1 Year	2 Years	Inception	Volatility
Income Distributions	2.1%	4.2%	7.0%	5.3%	7.1%	
Capital Growth	(1.0%)	(0.3%)	2.6%	4.6%	2.5%	
Total Return	1.1%	3.9%	9.6%	9.9%	9.6%	3.1%
Benchmark - Inflation + 5%	0.6%	3.5%	7.4%	6.8%	6.8%	
Outperformance against Benchmark	0.5%	0.4%	2.2%	3.1%	2.8%	

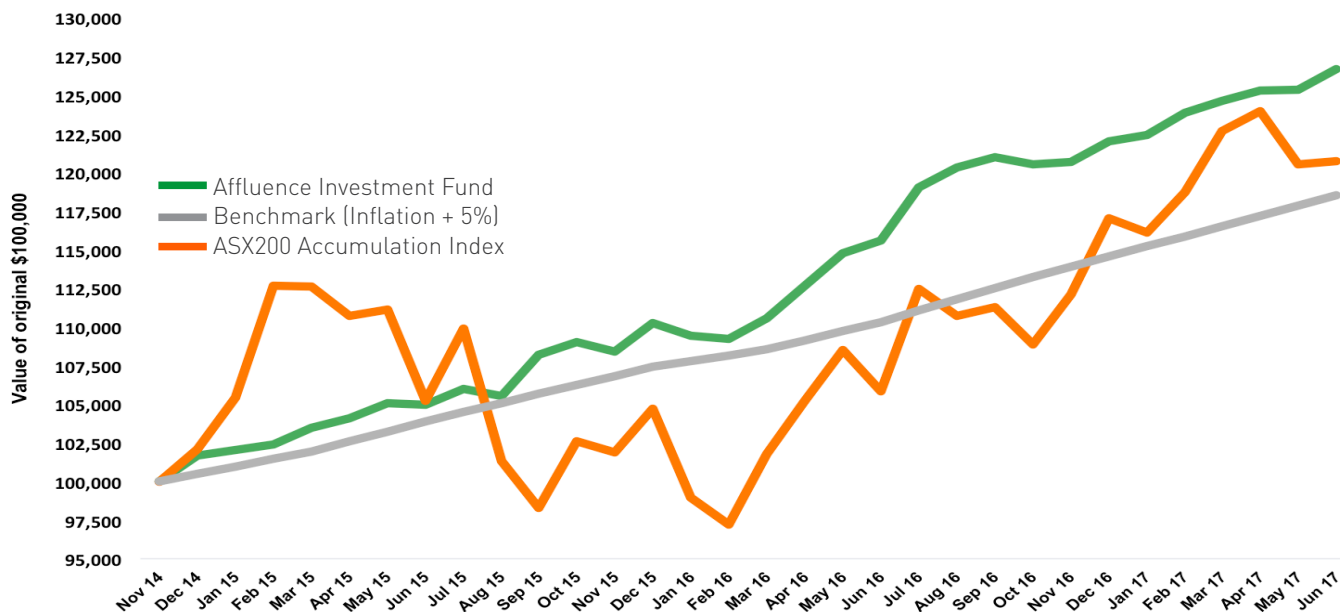
Total returns are net of fees and costs (excluding buy-sell spread) using the mid prices and assume the reinvestment of distributions. Returns of more than 1 year are annualised. Past performance is not indicative of future performance. Inception date is 28 November 2014. The Fund aims to pay distributions of approximately 5% pa paid monthly. Distributions are not guaranteed and may be paid above or below this amount.

Fund Monthly Return History

	J	F	M	A	M	J	J	A	S	O	N	D	Year
2014												1.7%	N/A
2015	0.3%	0.4%	1.1%	0.6%	0.9%	-0.1%	1.0%	-0.5%	2.5%	0.7%	-0.6%	1.7%	8.4%
2016	-0.7%	-0.2%	1.2%	1.9%	1.9%	0.7%	3.0%	1.1%	0.6%	-0.4%	0.2%	1.1%	10.7%
2017	0.3%	1.2%	0.6%	0.5%	0.1%	1.1%							

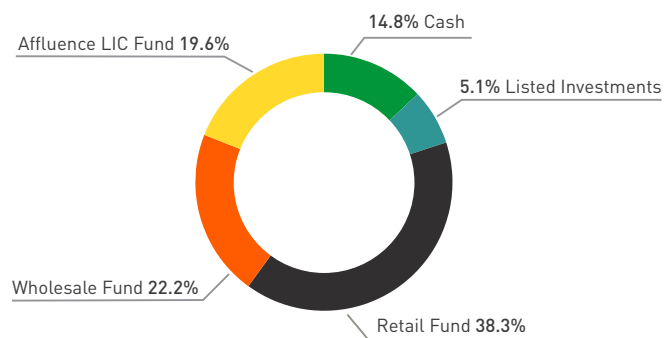
■ Strongest Month
 ■ Positive Month
 ■ Stable Month
 ■ Negative Month
 ■ Weakest Month

Return on \$100,000 Investment

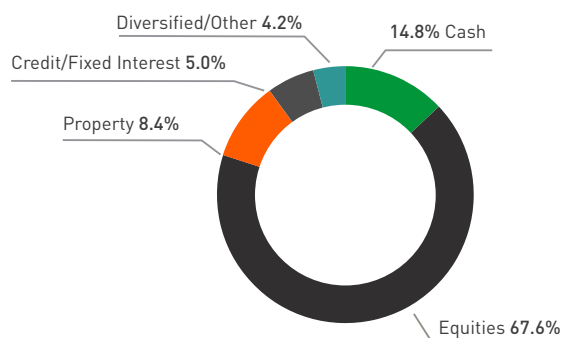


Portfolio Summary

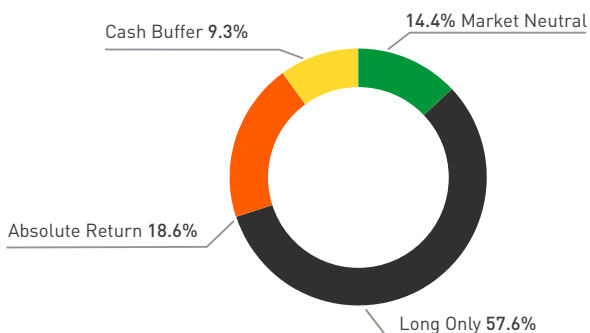
Underlying Investment Types



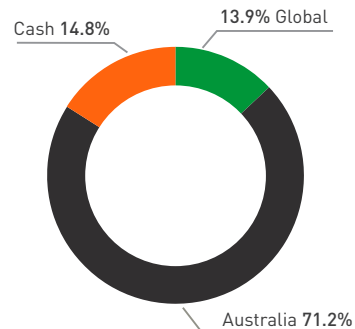
Asset Class



Equities Strategies



Geographic Exposure



Top 10 Largest Investments

Cash	Alexander Credit Opportunities Fund
Affluence LIC Fund	Packer & Co Investigator Trust
Phoenix Opportunities Fund	Microequities Deep Value Microcap Fund
Cromwell Direct Property Fund	Bronte Capital Amalthea Fund
Wentworth Williamson Fund	Ophir High Conviction 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	Diversified
Minimum Investment	\$20,000
Suggested Timeframe	At least 3 years
Benchmark Returns	Inflation + 5%
Fund Value	\$6.2m
Entry Price	\$1.0686
Exit Price	\$1.0612
Annual Distributions	5.40 cpu
Distribution Yield	5.1% p.a.
Distribution Frequency	Monthly
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 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 the best fund managers as selected by Affluence. We aim to provide a distribution yield of approximately 5% pa paid monthly and a total annualised return of at least inflation plus 5% over rolling 3 year periods. We aim 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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