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YEAR
AFFLUENCE
ANNIVERSARY

Affluence Investment Fund

Fund Report - November 2019



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Fund Commentary

We are pleased to advise that the Affluence Investment Fund celebrated its 5th birthday at the end of November 2019. It was another strong month, with the Affluence Investment Fund increasing by 1.4%. Since commencing 5 years ago in December 2014, the Fund has returned 8.2% per annum. This has included 6.5% per annum monthly distributions to investors and an 1.7% per annum increase in the unit price of the Fund. Over that same period, the Fund has outperformed our benchmark of 6.9% per annum (inflation plus 5% per annum). What is equally pleasing, and has surpassed our own expectations, is the very low volatility these returns have been delivered with. For the 5 year period the Fund's volatility was just 3.5% per annum compared to 10.7% for the ASX 200 Index (a lower volatility number is preferable, as it means returns have been delivered more smoothly).

Our largest positive contributors included the Affluence LIC Fund (up 3.2%), the EGP Concentrated Value Fund (up 5.5%), the listed Australian Leaders Fund (up 8.4%), the Microequities Deep Value Fund (up 6.3%) our holding in Unibail Rodamco Westfield (up 4%). The largest detractors this month were the Sandon Capital Activist Fund, the Baker Steel Gold Fund and our Index Put Options.

The Australian and US equity markets hit record highs during November, as ultra-low interest rates continue to entice investors up the

risk curve. We continue to believe that our portfolio represents superior value compared to the market indexes', however we have started to become a little more cautious with our asset allocation. The recent strong performance in equity markets has been driven mostly by an expansion in valuation multiples, rather than any significant increase in earnings. Trees don't grow to the sky, and coupled with generally tough economic conditions and high levels of global debt, it's not unreasonable to expect that future returns are likely to be lower in investment markets than the recent past.

At month end, 63% of the portfolio was invested in unlisted funds, 16% in the Affluence LIC Fund, 13% in listed investments and 8% in cash. If you'd like further details of the investment portfolio, including our top holdings and weightings, visit the Affluence Investment Fund page at <https://affluencefunds.com.au/aif/> or the Members area of our website. You must be registered as an Affluence Member 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 30 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 24th December. Units will be issued effective 1st January.

Fund Performance

To 30 November 2019	1 Month	1 Year	3 Years	5 Years	Inception	Volatility
Distributions	0.5%	5.6%	6.3%	6.5%	6.5%	
Change in Unit Price (Capital Growth)	0.9%	4.3%	0.8%	1.7%	1.7%	
Affluence Investment Fund Total Return	1.4%	9.9%	7.1%	8.2%	8.2%	3.5%
Benchmark - Inflation + 5%	0.6%	6.9%	7.0%	6.9%	6.9%	
Performance against Benchmark	0.8%	3.0%	0.1%	1.3%	1.3%	

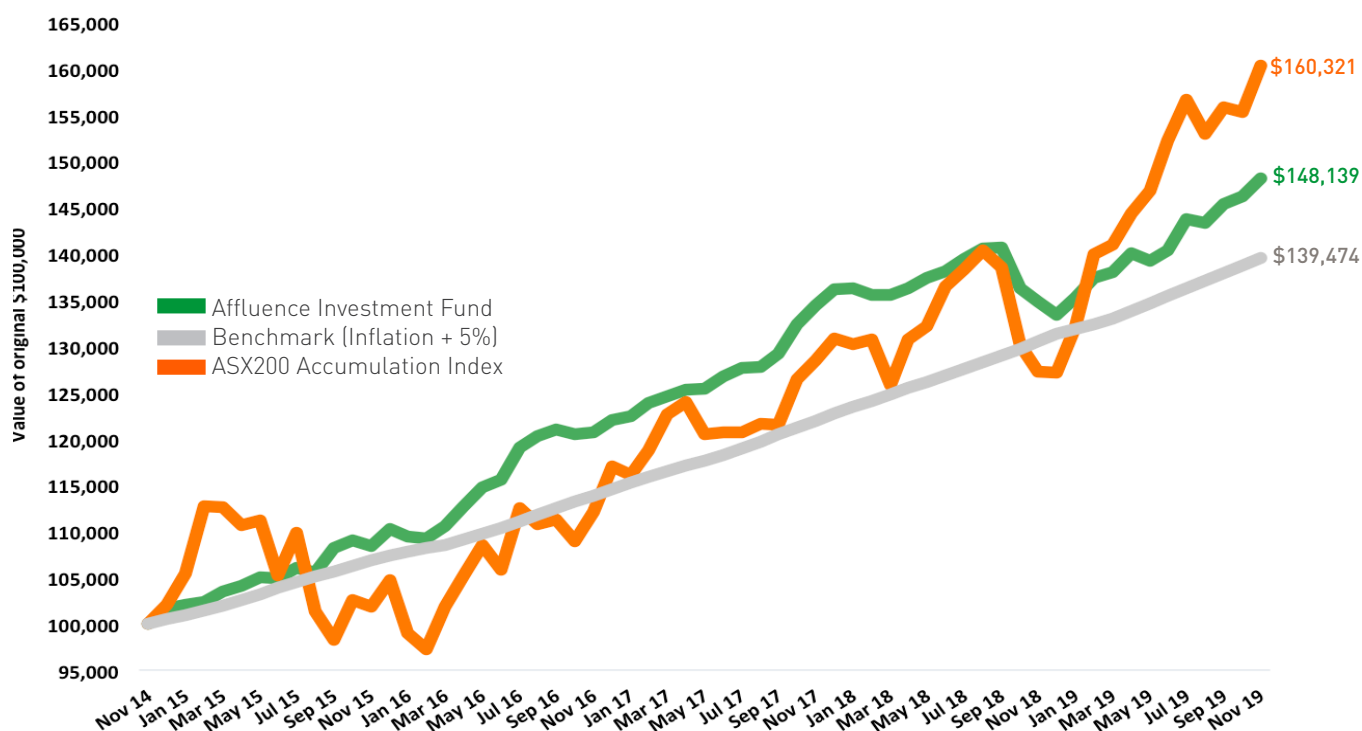
Total returns are net of fees and costs (excluding buy-sell spread) using the mid prices and assume the reinvestment of distributions. Returns for periods of more than 1 year are annualised. Past performance is not indicative of future performance. Inception date is 28 November 2014. The Fund aims to 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%	0.7%	0.1%	1.1%	2.5%	1.6%	1.3%	11.6%
2018	0.1%	-0.6%	0.0%	0.5%	0.8%	0.5%	0.9%	0.8%	0.1%	-3.1%	-1.0%	-1.0%	-2.0%
2019	1.4%	1.6%	0.4%	1.5%	-0.6%	0.8%	2.4%	-0.3%	1.4%	0.5%	1.4%		11.0%

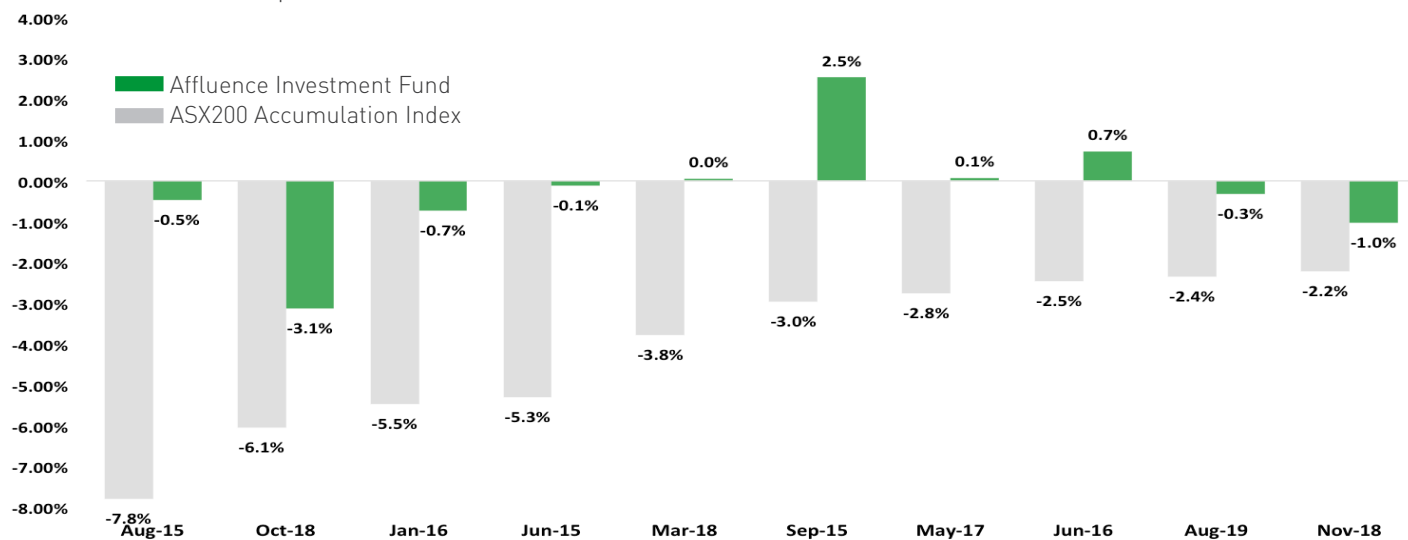
■ Strongest Month
 ■ Positive Month
 ■ Stable Month
 ■ Negative Month
 ■ Weakest Month

Return on \$100,000 Investment



Fund Performance vs ASX 200 - Worst Months

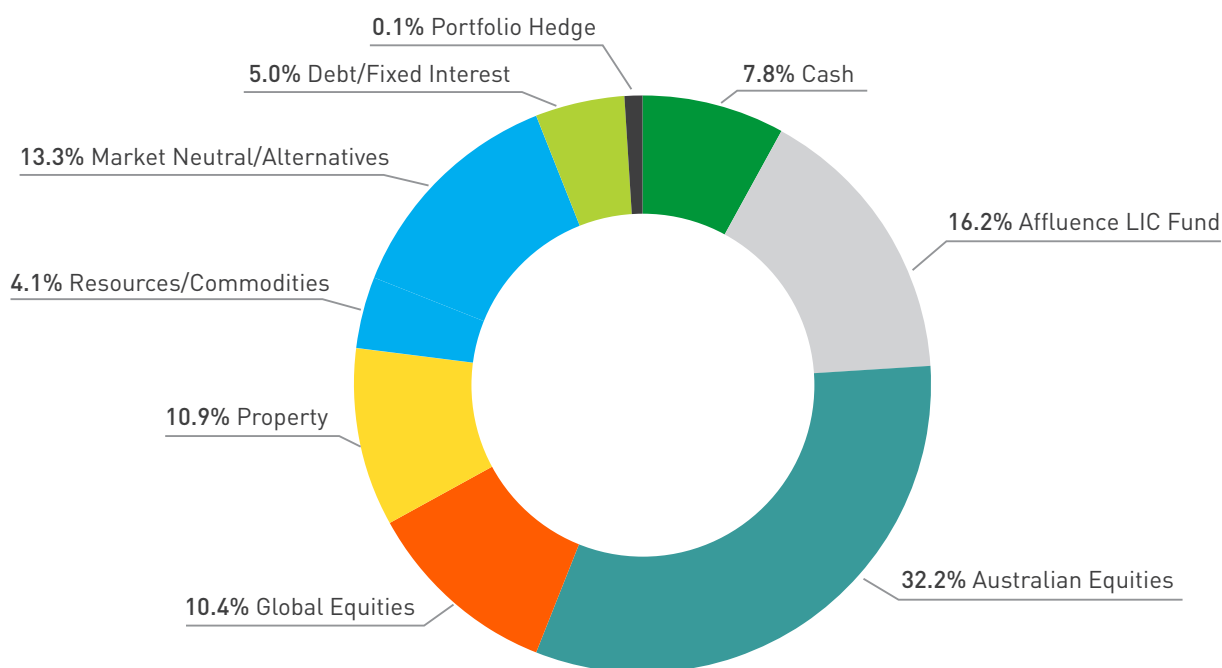
The below shows the 10 largest monthly falls in the ASX200 Accumulation Index since the Fund commenced, and the performance of the Affluence Investment Fund for that month. The Fund has outperformed the Index in all 10 of the worst months, and delivered positive returns in 4 of them.



Asset Allocation Summary

Asset Class	Number of Funds/ Investments	Current	Normal Range
Affluence LIC Fund	28 LICs	16.2%	10-20%
Australian Equities	16	32.2%	20-50%
Global Equities	6	10.4%	5-30%
Property	6	10.9%	5-30%
Resources/Commodities	3	4.1%	0-10%
Market Neutral/Alternatives	9	13.3%	5-20%
Debt/Fixed Interest	5	5.0%	5-20%
Other	N/A	0.0%	0-35%
Portfolio Hedge	N/A	0.1%	
Cash	N/A	7.8%	5-20%
Total		100.0%	

Portfolio Summary



1. The Funds are categorised based on their dominant underlying asset class/strategy (e.g. some Australian equity funds may include some global holdings).
2. Australian Equities and Global Equities comprise both long only and long/short strategies.
3. Normal Range refers to the expected lower and upper range for each asset class during normal market conditions. We may vary these ranges at any time.
4. More detailed information on the Affluence LIC Fund, including asset allocation, can be found in the fund report available on the Affluence website.

Ten Largest Investments

Affluence LIC Fund	Packer & Co Investigator Trust
Phoenix Opportunities Fund	Unibail-Rodamco Westfield
Wentworth Williamson Fund	Cromwell Direct Property Fund
EGP Concentrated Value Fund	Deep Value Microcap Fund
L1 UK Residential Property Fund III	Harvest Lane Absolute Return Fund

What Makes This Fund Different

Traditional Fund Managers	vs.	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	\$18.5m
Entry Price	\$1.0887
Exit Price	\$1.0833
Annual Distributions	5.52 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	0.25%/0.25%

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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Meet The Portfolio Managers



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Platform Availability:

HUB24 (IDPS)

Netwealth (IDPS)

Powerwrap

Mason Stevens

One Answer (NZ Advisers)

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