



# Affluence Investment Fund

## Monthly Fund Report - September 2016

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## Fund Commentary

The Affluence Investment Fund increased by 0.6% in September, slightly ahead of the ASX 200 Accumulation Index and our inflation plus 5% target. Performance for the past 12 months was 11.8%, and annualised performance since inception 11.0%.

Of the Fund's 25 unlisted fund investments, 16 provided positive returns. The Affluence LIC Fund was the biggest positive contributor to performance, with other strong results from the Cromwell Direct Property Fund, the Microequities Deep Value Microcap Fund, and the Smallco Broadcap Fund. The largest detractors this month were the Totus Capital Alpha Fund and the Auscap Long Short Australian Equities Fund.

In September we made investments into two new funds, the KIS Capital Asia Long Short Fund and the Heathley Direct Medical Fund No. 1. We also made an additional investment into the Affluence LIC Fund. The KIS Capital Asia Long Short Fund has a wide investment mandate in terms of geographic region, assets traded and strategies

employed. The fund seeks to generate absolute returns of 10-15% per annum after all fees without noticeable correlation to any particular asset class or market. To date the fund has been biased towards Australia, and net exposure (long positions less short positions) have been very low. This has resulted in the fund having good returns, low volatility and a very low correlation with the ASX 200. The Heathley Direct Medical Fund No. 1 is a property fund that holds medical related assets (medical centres and private hospitals). We acquired a small position at NTA from an investor who wished to exit their investment. The fund pays quarterly distributions of 7.5-8.0%.

At the end of September, the Affluence Investment Fund held investments in 24 unlisted funds representing 60% of the total portfolio. The Affluence LIC Fund accounted for 19% of the total portfolio, and provided exposure to 23 LIC's. We held investments in 5 other listed entities which represented 5% of the total portfolio, with the remaining 16% held in cash.

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

If you would like to invest with us and get access to over 30 of Australia's best fund managers, we encourage you to utilise our online application facility. Just follow the link on our website. If you'd like to add to your existing investment, you can either complete the one-page form available on our website, or use the online facility. A reminder, the cut-off for this month's investment intake is October 25th.

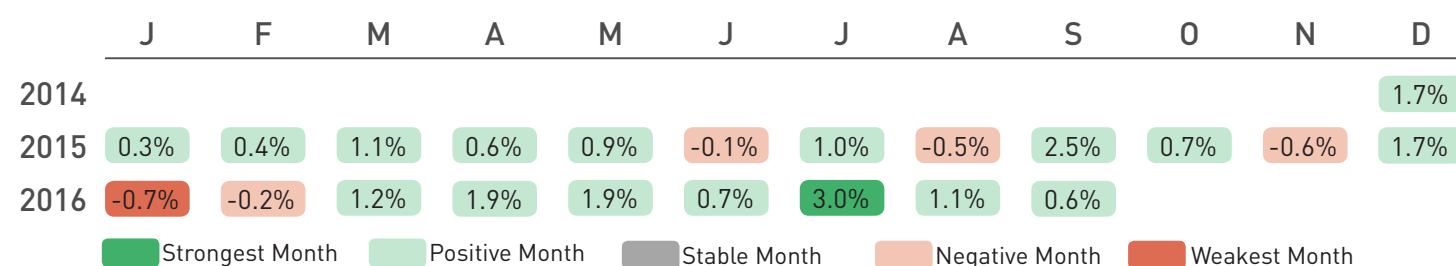
If you know anyone that may be interested in the Fund, feel free to let them know.

## Fund Performance

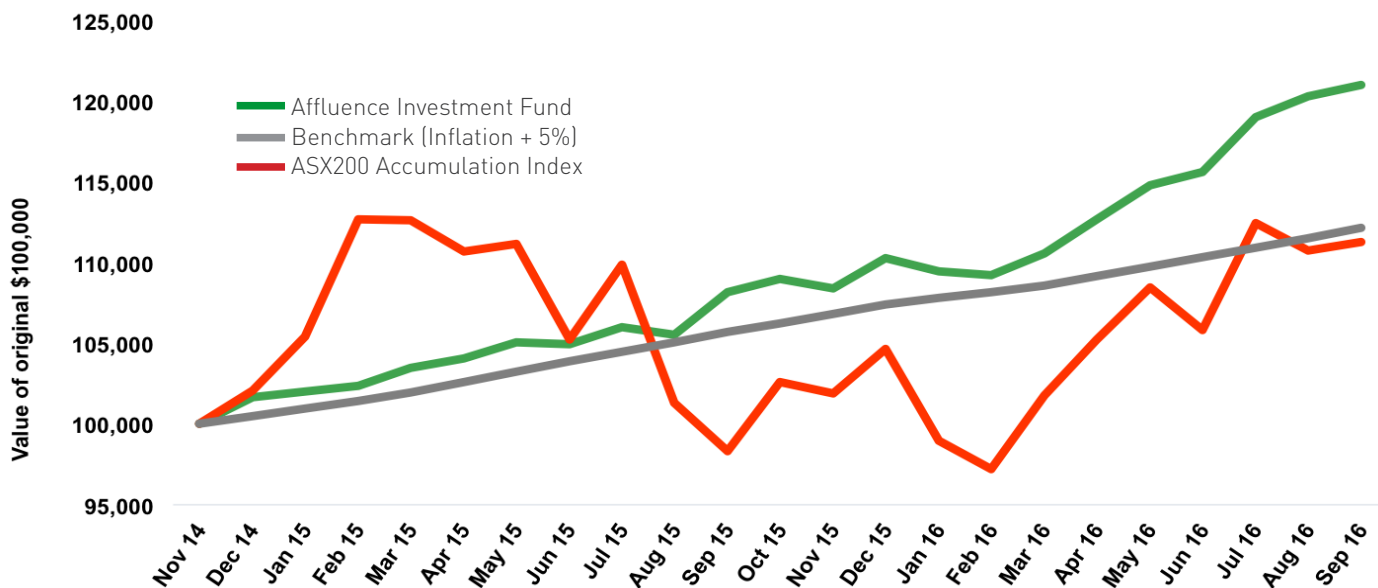
To 30 September 2016	1 Month	3 Months	6 Months	1 Year	Inception	Volatility
Affluence Investment Fund	0.6%	4.7%	9.5%	11.8%	11.0%	3.4%
Benchmark - Inflation + 5%	0.5%	1.6%	3.3%	6.1%	6.4%	N/A
<b>Outperformance against Benchmark</b>	<b>0.1%</b>	<b>3.1%</b>	<b>6.2%</b>	<b>5.7%</b>	<b>4.6%</b>	<b>N/A</b>
ASX200 Accumulation Index (AI)	0.5%	5.1%	9.3%	13.2%	6.0%	13.7%
<b>Outperformance against ASX200AI</b>	<b>0.1%</b>	<b>(0.4%)</b>	<b>0.2%</b>	<b>(1.4%)</b>	<b>5.0%</b>	<b>N/A</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 one year are annualised. Inception date is 28 November 2014.

## Fund Monthly Return History

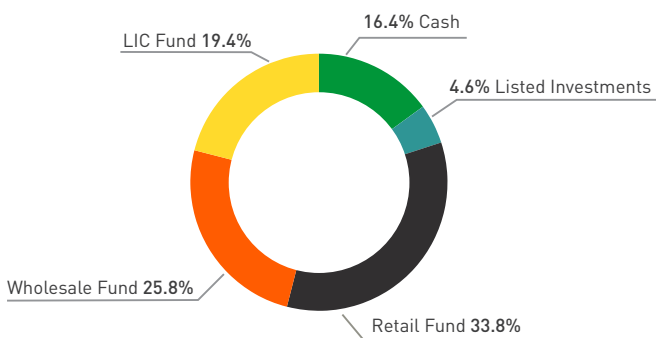


## Return on \$100,000 Investment

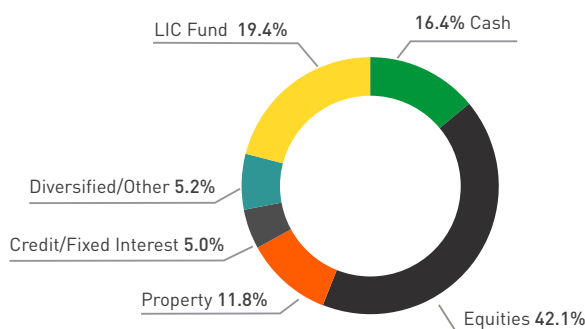


## Portfolio Summary

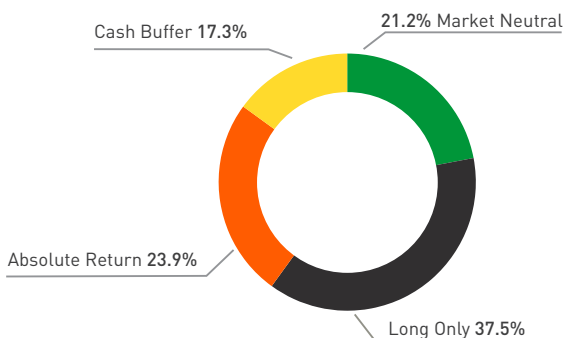
### Underlying Investment Types



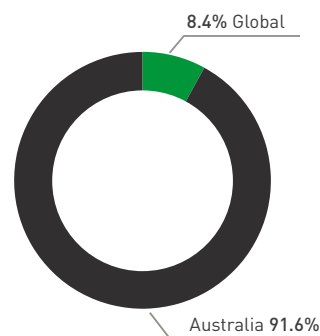
### Asset Class



### Equities Strategies



### Geographic Exposure



## Top 10 Largest Investments

Cash	LHC Capital Australia High Conviction Fund
Affluence LIC Fund	KIS Asia Long Short Fund
Cromwell Direct Property Fund	Auscap Long Short Australian Equities Fund
Phoenix Opportunities Fund	Alexander Credit Opportunities Fund
Wentworth Williamson Fund	Lanyon Australian Value 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	Diversified
Minimum Investment	\$20,000
Suggested Timeframe	At least 5 years
Benchmark Returns	Inflation + 5%
Entry Price	\$1.0767
Exit Price	\$1.0691
Annual Distributions	5.25 cpu
Distribution Yield	4.9% 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.

## The Investment Team



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## Contact Us

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