



The Affluence LIC Fund celebrates its 5 year performance history of 13.2% per annum.

Affluence LIC Fund

Fund Report - April 2021

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Fund Commentary

The Affluence LIC Fund increased by 2.3% in April, trailing the ASX200 Index which increased 3.5%. We are pleased to report that the Affluence LIC Fund achieved its 5 year track record this month, with very strong returns since inception. Since the Fund commenced in 2016, returns have averaged 13.2% per annum, including quarterly distributions of 7.3% per annum. The Fund has outperformed the ASX200 Index over most periods, with significantly lower volatility than the Index.

Our best performing LICs this month were our holdings in the CD Private Equity series (CD1, CD2, CD3), Tribeca Global Natural Resources (TGF), and NGE Capital (NGE). The only significant negative contributor was our index hedge positions.

There continued to be evidence of a changing in the guard of market leaders in April. Prices for the speculative and high growth stocks that dominated 2020 continued to drift back, while more value orientated cyclical and resource stocks powered ahead. This is positive for our portfolio as we hold a much greater proportion of the later. The world continues to push into uncharted territory, as central banks and governments continue to stimulate economies on an unprecedented basis. Earnings forecasts for companies continue to increase, and market and consumer confidence levels are at record levels. There is now an almost universal

belief that the global economy is going to grow strongly for the next couple of years, with the main argument whether this leads to significant inflation or not. All of this comes at a time when most global equity markets are at or near all time record highs, so it is unclear how much of this recovery is already priced into markets. As always, we are not positioning our portfolio for any one particular scenario, but rather to ensure it is prepared for all scenarios. We continue to position the portfolio more conservatively in the short term, through either higher cash levels or hedging levels. If markets continue to rise, we will likely generate positive returns, just a little lower than they would have been. However, if a major correction does occur, we will be much better prepared for it.

The overall discount to NTA for the Fund portfolio at the end of the month was approximately 16%, similar to the 16.3% discount at the end of March. At the end of April, the Fund held investments in 20 LICs representing 85% of the Fund, 5% in portfolio hedges and 10% in cash.

If you would like to know more about the investment portfolio, including our top holdings and weightings, visit the Affluence LIC Fund page at <https://affluencefunds.com.au/alf/> or the Members area of our website. You must be registered as an Affluence Member to view the portfolio.

The Fund is open to all investors, however we plan to close the Fund to new investors on 30 June 2021. From July 2021, only those investors with an existing Affluence investment will be able to increase their investment in the Affluence LIC Fund.

Applications are accepted monthly, and the minimum initial investment amount is \$20,000. The cut-off for applications is the last business day of the month, with units issued effective the first day of the following month. Click the "Invest Now" button on our website to apply online or to download application forms.

Fund Performance

| To 30 April 2021 | 1 Month | 1 Year | 3 Years | 5 Years | Inception | Volatility |
|---|---------------|--------------|--------------|--------------|--------------|-------------|
| Distributions | 0.0% | 13.3% | 8.8% | 7.3% | 7.3% | |
| Change in Unit Price (Capital Growth) | 2.3% | 24.7% | 5.0% | 5.9% | 5.9% | |
| Affluence LIC Fund Total Returns | 2.3% | 38.0% | 13.8% | 13.2% | 13.2% | 9.5% |
| ASX200 Accumulation Index (AI) | 3.5% | 30.8% | 9.5% | 10.3% | 10.3% | 14.6% |
| Performance compared to ASX200AI | (1.2%) | 7.2% | 4.3% | 2.9% | 2.9% | |

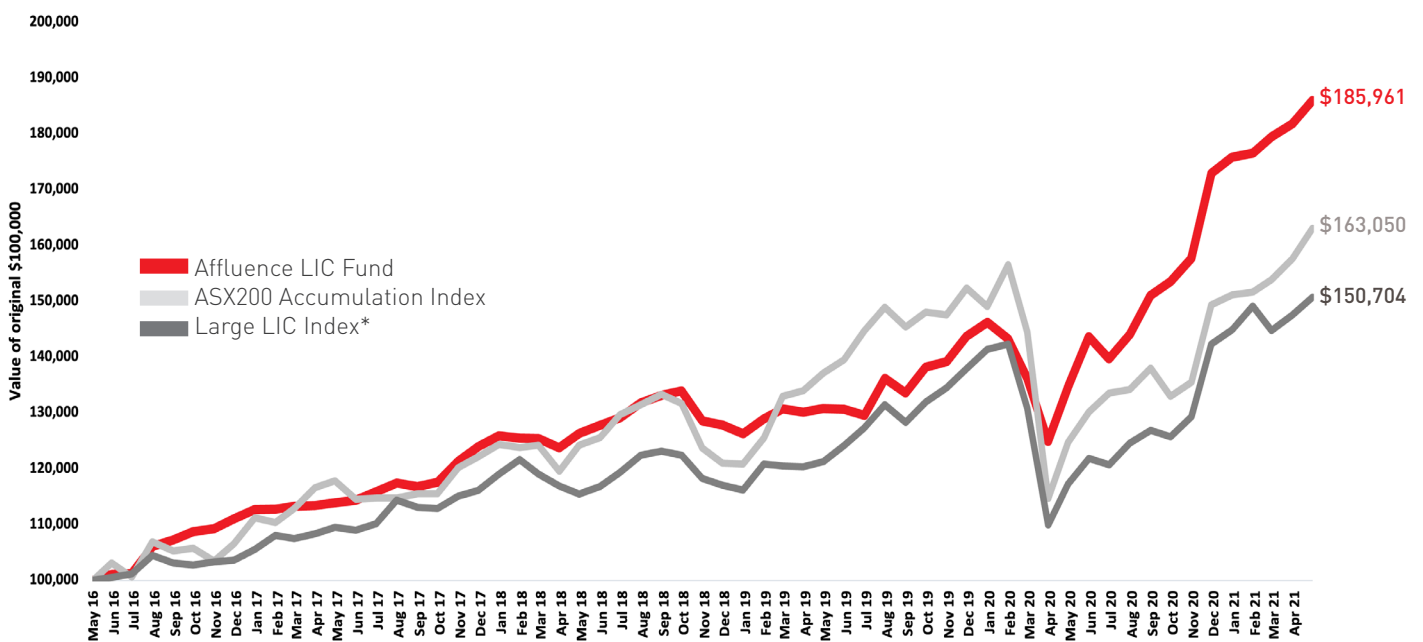
Total returns are net of fees and costs (excluding buy-sell spread) using the mid prices and assume the reinvestment of distributions. Returns of more than 1 year are annualised. Inception date is 3 May 2016. Past performance is not indicative of future performance.

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% | 1.4% | -0.5% | 0.5% | -0.1% | -0.8% | 5.1% | -1.9% | 3.4% | 0.8% | 3.2% | 1.7% | 15.8% |
| 2020 | -2.0% | -5.0% | -8.3% | 7.9% | 6.6% | -2.7% | 3.2% | 4.8% | 1.7% | 2.7% | 9.7% | 1.7% | 20.2% |
| 2021 | 0.4% | 1.7% | 1.3% | 2.3% | | | | | | | | | |

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

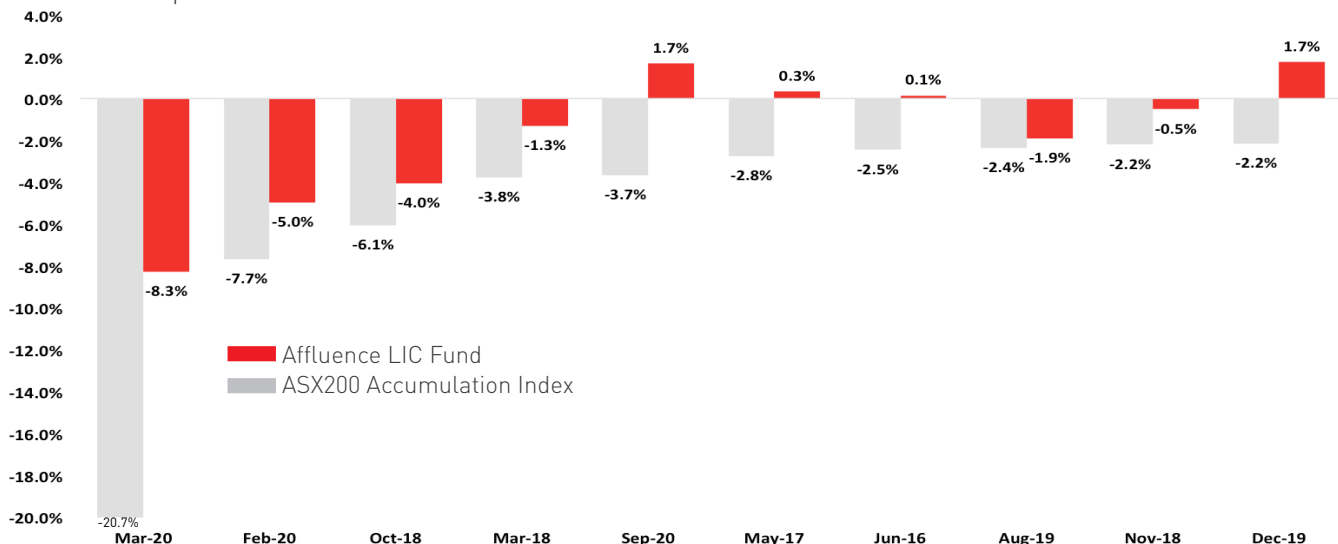
Return on \$100,000 Investment



* The Large LIC Index is calculated from the equal weighted returns of the three largest LICs (AFIC, ARG and MLT).

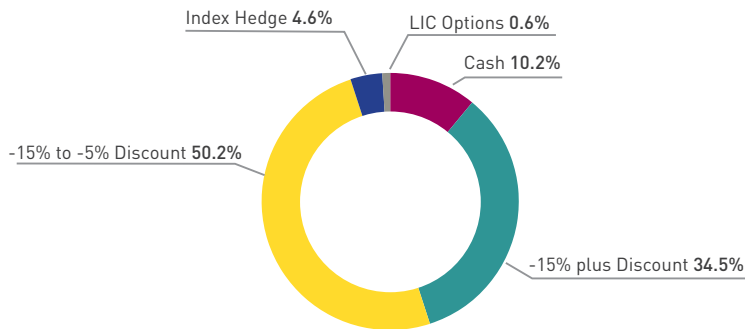
Fund Performance in ASX 200 Worst Months

The below shows the 10 largest monthly falls in the ASX200 Accumulation Index since the Fund commenced, and the performance of the Affluence LIC 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.

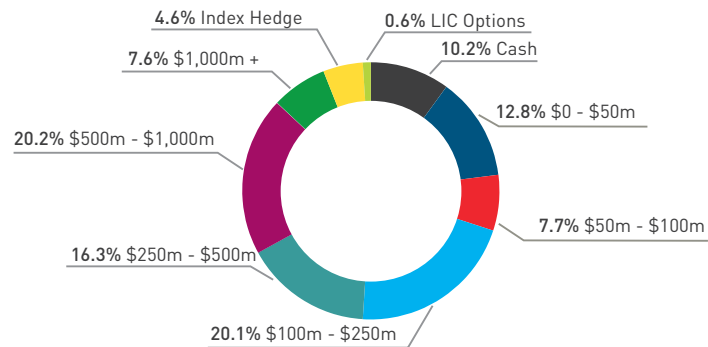


Portfolio Summary

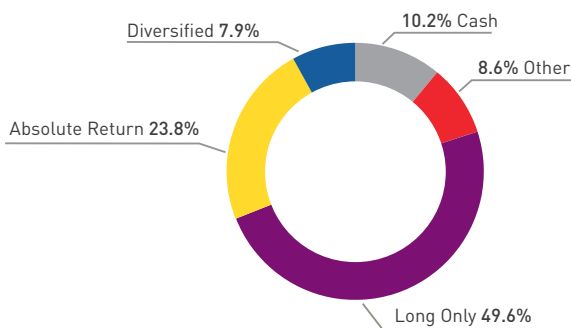
NTA Discount Band



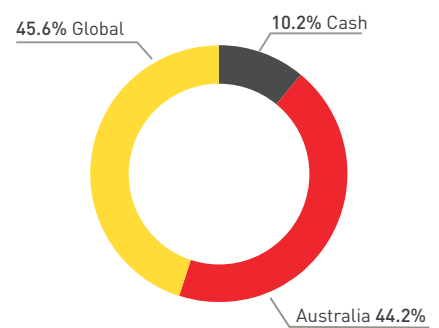
Portfolio by Market Cap



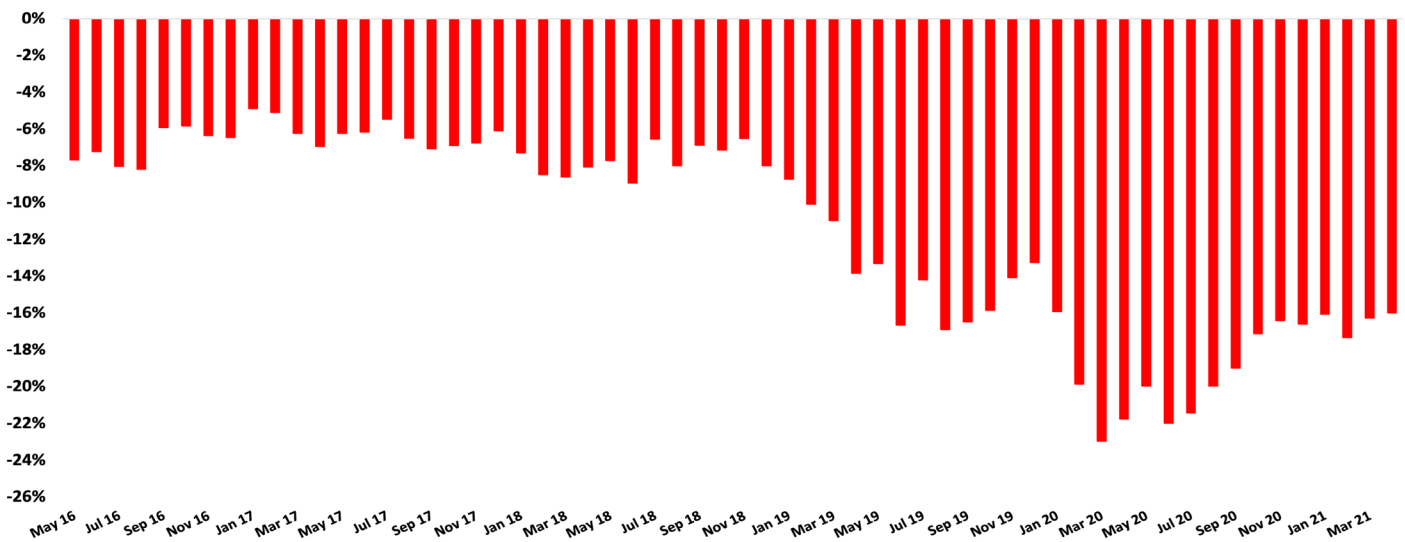
Equities Strategy



Geographic Exposure



Affluence LIC Fund Portfolio - Discount to NTA History



Five Largest Investments

L1 Long Short Fund (LSF)

Platinum Capital (PMC)

Djerriwarrh Investments (DJW)

NGE Capital Limited (NGE)

Tribeca Natural Resources (TGF)

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 |
| Fund Value | \$13.6m |
| Entry Price | \$1.3354 |
| Exit Price | \$1.3327 |
| Annual Distributions | 5.70cpu |
| Distribution Yield | 4.3% 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% |

Meet The Portfolio Managers



Daryl Wilson

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Greg Lander

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Investment Strategy

The Fund provides access to a diversified investment portfolio of ASX Listed Investment Companies as selected by Affluence. We aim to outperform the ASX 200 Accumulation Index over rolling 3 year periods and to deliver these returns with less volatility than the Index.

The Fund aims to invest in LICs that meet one or more of the following criteria; Alpha Generators – LICs that can outperform the market, Discount Capture – LICs trading at an attractive discounts to NTA, or Event Driven – special situations such as IPOs, capital raisings and other corporate activities.

Contact Us

If you have an questions, please contact us:

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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 LIC 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 Product Disclosure Statement (PDS) offering units in the Fund before making an investment decision. The PDS 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 PDS 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.