

Affluence LIC Fund

Monthly Fund Report - August 2016

Fund Commentary

After a very strong July, the ASX 200 Accumulation Index decreased by 1.6% in August. In comparison, the Affluence LIC Fund increased by 1.1%, with 15 of our 26 positions resulting in an increase.

The Fund experienced a large increase in net assets during the month as the Affluence Investment Fund invested into it for the first time. It now has a critical mass of assets that will allow it to exploit more opportunities.

Our best returns came from Sandon Capital Limited which benefitted from a decrease in the discount to NTA that it has been trading at. We also did well from participating in a placement of WAM Capital shares which were issued at a discount to its recent trading price, but a premium to its NTA. We reduced our position in this stock as it is trading at a 15% premium to NTA, and even though we have very high regard for the skills of the manager, there is only so high a premium a LIC usually trades at.

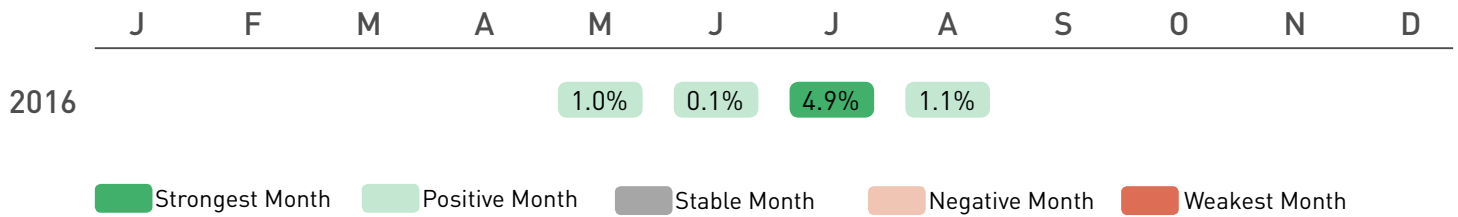
The worst result came from our holding in the Future Generation Investment shares and options. The stock is under pressure as the options expire during September, and there has been a lot of options exercised and the new shares then sold. We have taken the opportunity to increase our position in this company, as long term we believe it is one of the very best LIC's available.

Fund Performance

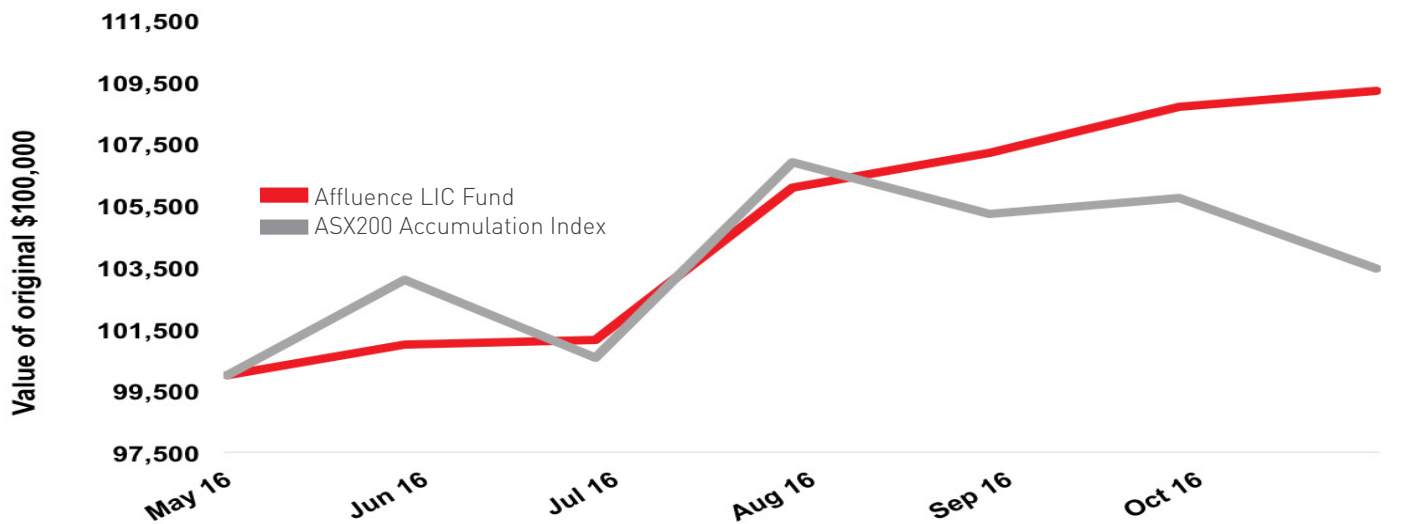
To 31 August 2016	1 Month	3 Months	Inception	Volatility
Affluence LIC Fund	1.1%	6.1%	7.2%	7.3%
ASX200 Accumulation Index (AI)	(1.6%)	2.1%	5.2%	14.2%
Outperformance against ASX200AI	2.6%	4.0%	2.0%	N/A

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.

Fund Monthly Return History

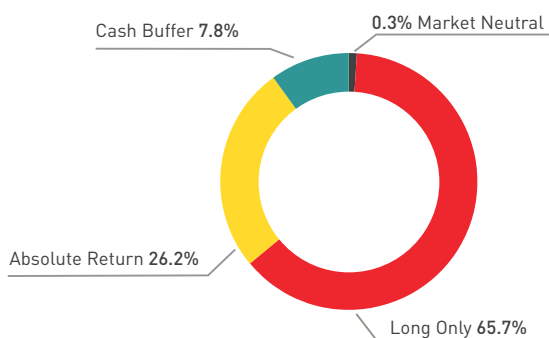


Return on \$100,000 Investment

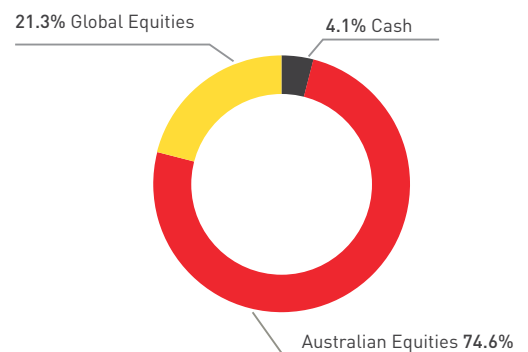


Portfolio Summary

Equities Strategies



Asset Class



Top 5 Largest Investments

- Future Generation Investment Company Limited (FGX)
- Glennon Small Companies Limited (GC1)
- Wealth Defender Equities Limited (WDE)
- Future Generation Global Investment Company Limited (FGG)
- Ellerston Asian Investments Limited (EAI)

Want to know more about Listed Investment Companies (LICs)?

Download our free guide to LICs by clicking the icon:

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	LICs
Minimum Investment	\$20,000
Suggested Timeframe	At least 5 years
Benchmark Returns	ASX200 Accumulation Index
Entry Price	\$1.0643
Exit Price	\$1.0622
Applications	Monthly
Withdrawals	Monthly
Management Fees	Nil
Performance Fee	12.5% of positive performance
Buy/Sell Spread	0.10%/0.10%

Contact Us

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

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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 LICs as selected by Affluence. We aim to outperform the ASX200 Accumulation Index over rolling 3 year periods and to deliver these returns with less volatility than the stock market.

The Investment Team



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Affluence Funds Management Limited ABN 68 604 406 297 ("AFM") has prepared this report and is the trustee, and the issuer of units in, the Affluence Investment Fund. The Fund is not currently open for investment but is expected to be during 2017. The information in this report has been prepared without considering your objectives, financial situation or needs. Therefore, in deciding whether to acquire or continue to hold an investment in the Fund, you should consider the PDS and assess, with or without your financial or taxation adviser, whether the product fits your objectives, financial situation or needs.