



Affluence LIC Fund

Fund Report - August 2021

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Fund Commentary

The Affluence LIC Fund increased by 0.3% in August, compared to the ASX200 Index which increased 2.5%. Since the Fund commenced over 5 years ago, returns have averaged 13.9% per annum, including quarterly distributions of 7.6% per annum. The Fund has outperformed the ASX200 Index over most time periods, with significantly lower volatility than the Index.

Our best performing LICs this month were Sandon Capital (SNC), CD Private Equity Series (CD1, CD2, CD3), and Spheria Emerging Companies (SEC). The largest negative contributors included Tribeca Global Natural Resources (TGF), WAM Alternatives (WMA) and our index hedge positions.

During the month we participated in the WAM Leaders (WLE) capital raising, which we would classify as one of the event driven strategies we employ. WLE undertook a capital raising at \$1.44 per share, which was a premium to the underlying NTA, but a discount to the previous trading price. This was possible because WLE was trading at a reasonable premium to NTA before the capital raising announcement. By participating in these type of events, the Fund can derive relatively lower risk returns in short time periods.

In Australia August is the major company reporting period when ASX listed companies release their results. We look forward to receiving all the final LIC NTA's for

the end of August, as this is often a period where active managers can outperform the market, especially for those investing in small caps.

The overall discount to NTA for the Fund portfolio at the end of the month was approximately 13.2%, relatively unchanged from the 13.3% discount at the end of July.

At the end of August, the Fund held investments in 26 LICs representing 80% of the Fund, 5% in portfolio hedges and 15% 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 now closed to new investors. Only those investors with an existing Affluence investment are able to increase their investment in the Affluence LIC Fund. For existing Affluence investors 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 31 August 2021	1 Month	1 Year	3 Years	5 Years	Inception	Volatility
Distributions	0.0%	9.1%	8.9%	7.9%	7.6%	
Change in Unit Price (Capital Growth)	0.3%	23.7%	5.8%	5.5%	6.3%	
Affluence LIC Fund Total Returns	0.3%	32.8%	14.7%	13.4%	13.9%	9.4%
ASX200 Accumulation Index (AI)	2.5%	28.1%	9.9%	10.9%	11.3%	14.2%
Performance compared to ASX200AI	(2.2%)	4.7%	4.8%	2.5%	2.6%	

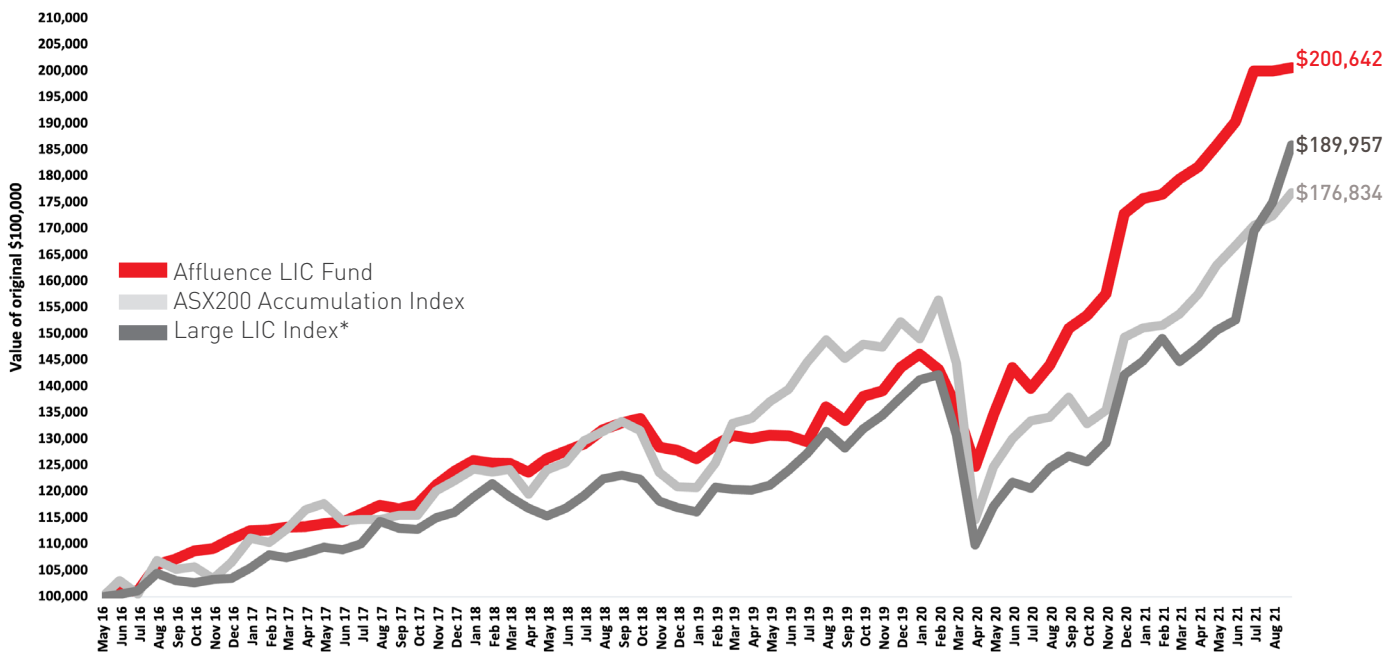
Total returns are net of fees and costs (excluding buy-sell spread) using the mid prices and assume the reinvestment of distributions. Returns of more than 1 year are annualised. Inception date is 3 May 2016. Past performance is not indicative of future performance.

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%	2.4%	5.1%	0.0%	0.3%					14.1%

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

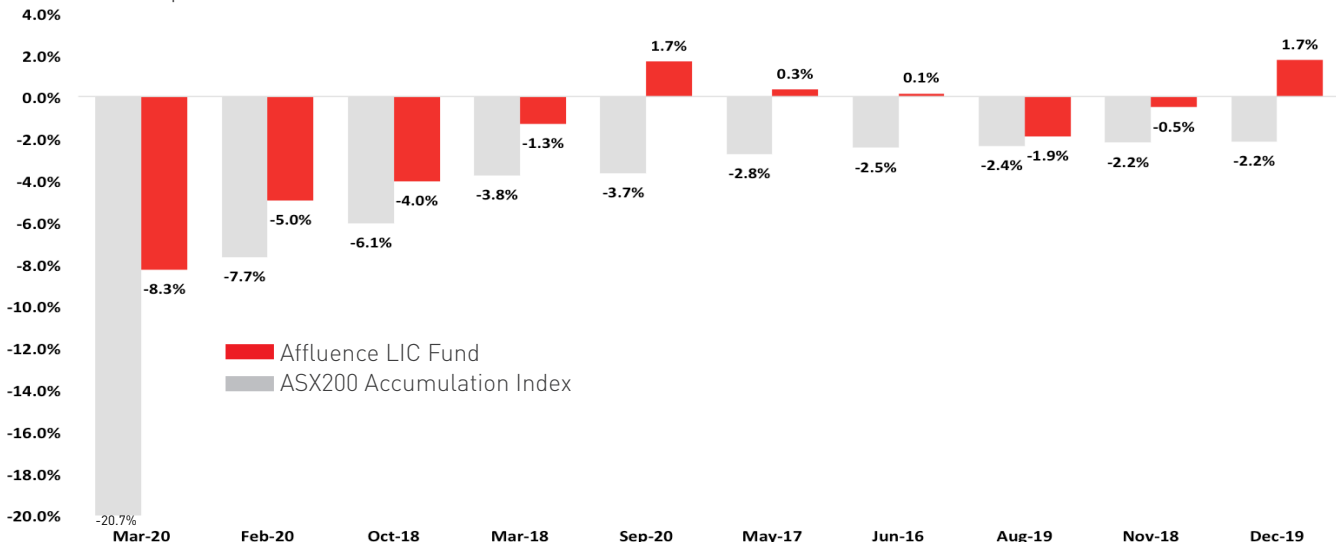
Return on \$100,000 Investment



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

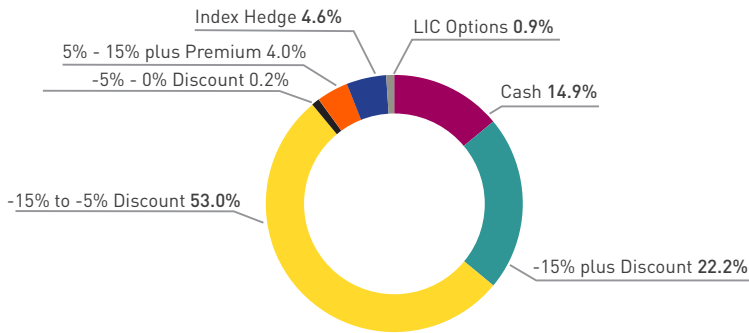
Fund Performance in ASX 200 Worst Months

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.

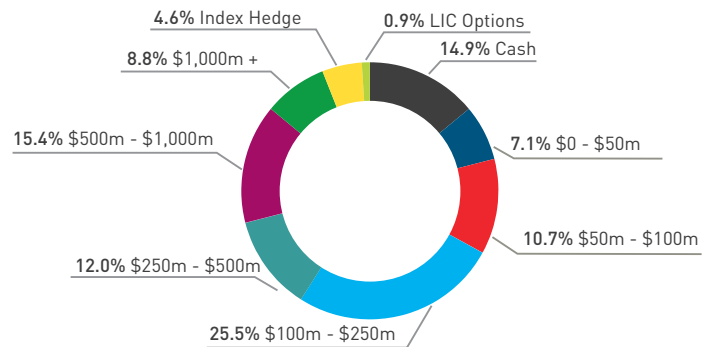


Portfolio Summary

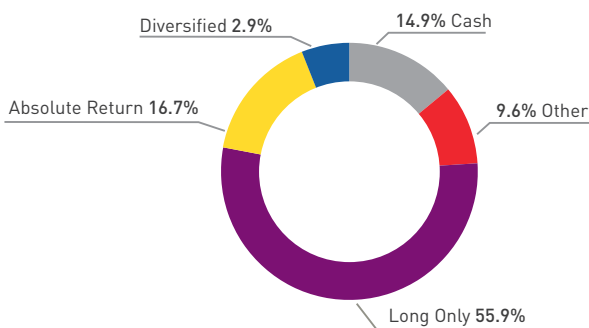
NTA Discount Band



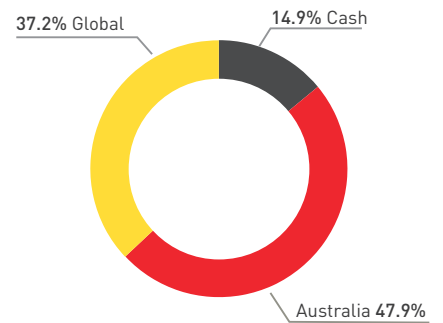
Portfolio by Market Cap



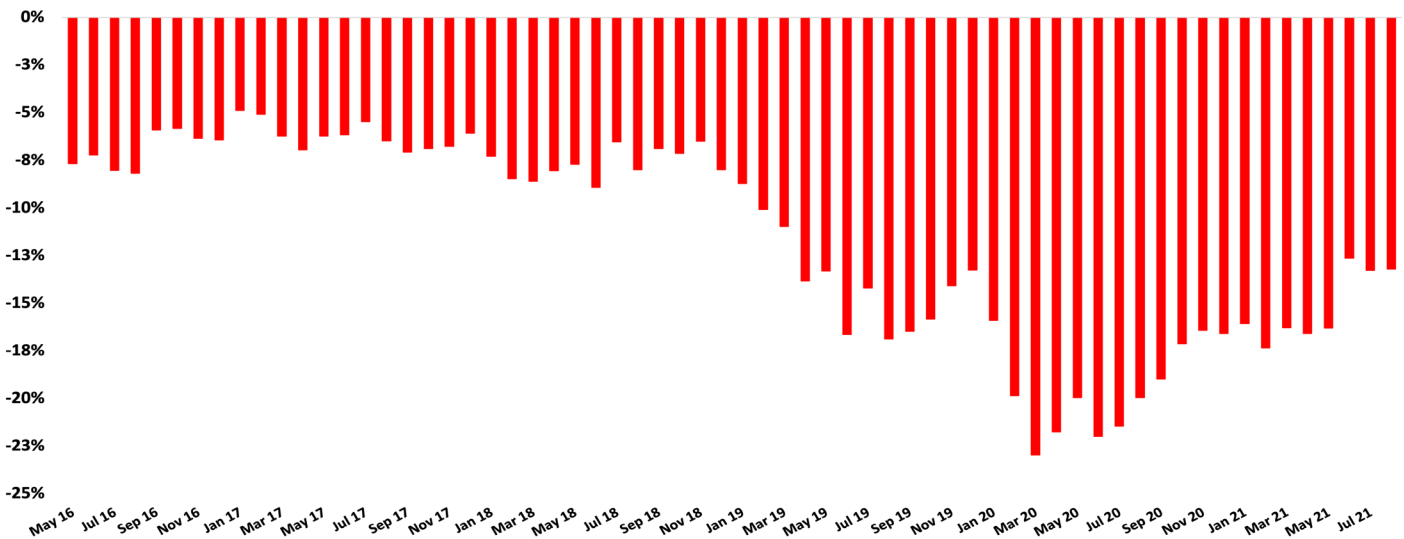
Equities Strategy



Geographic Exposure



Affluence LIC Fund Portfolio - Discount to NTA History



Five Largest Investments

Djerriwarrh Investments (DJW)

Platinum Capital (PMC)

L1 Long Short Fund (LSF)

WAM Alternative Assets (WMA)

NGE Capital (NGE)

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	\$17.5m
Entry Price	\$1.3883
Exit Price	\$1.3855
Annual Distributions	5.70cpu
Distribution Yield	4.1% 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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Portfolio Manager

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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

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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.