



Affluence LIC Fund

Fund Report - August 2018

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Fund Commentary

The ASX200 increased by 1.4% in August, with the Affluence LIC Fund increasing by 1.0%. Returns since inception for the Fund are 13.0% per annum, compared to the ASX 200 Index of 13.1% per annum. These returns have been delivered with approximately half of the volatility of the index.

In August the biggest contributors for the Fund were NAOS Small Cap Opportunities (NSC) up 13.6%, Absolute Equity Performance Fund (AEG) up 4.2%, WAM Leaders Limited (WLE) up 3.7%, and MFF Capital Investments (MFF) up 7.9%. We continued to average circa 20% cash during the month, partly reflecting our nervousness around current equity valuations and also limited compelling discount capture opportunities. Its pure coincidence that the return since inception of the Fund is the same as the ASX200, as we have got there in a completely different way. We are quite pleased to have kept up with the market since inception, as it has been a very strong period of performance for

the ASX200, with lower volatility (far better than average). In constructing the portfolio we focus on trying to make it resilient to a range of market conditions, especially to reduce the severity of market falls. There is a cost to this resilience, and that is to sacrifice some of the upside during strong market periods such as recently. We are quite prepared to make this sacrifice, as we believe the key to generating attractive compound returns is to reduce capital losses during the tough periods.

At the end of August, the Fund held investments in 26 Listed Investment Companies representing 80% of the Fund, 20% in cash, and some LIC call options (in case markets continue to rally) and ASX 200 Index put options (in case markets fall significantly). We believe the Fund is well positioned and diversified to withstand most market conditions, and we are constantly looking for attractive opportunities to deploy capital into.

If you qualify as a wholesale/sophisticated investor and are interested in the Fund, contact us and we will let you know when the Fund is next open. Alternatively, you can gain access through our Affluence Investment Fund, which currently invests around 15% of its portfolio in the Affluence LIC Fund.

Fund Performance

To 31 August 2018

	1 Month	6 Months	1 Year	2 Years	Inception	Volatility
Affluence LIC Fund	1.0%	6.2%	14.0%	11.4%	13.0%	4.2%
ASX200 Accumulation Index (AI)	1.4%	7.3%	15.4%	12.6%	13.1%	8.2%
Outperformance against ASX200AI	(0.4%)	(1.1%)	(1.4%)	(1.2%)	(0.1%)	

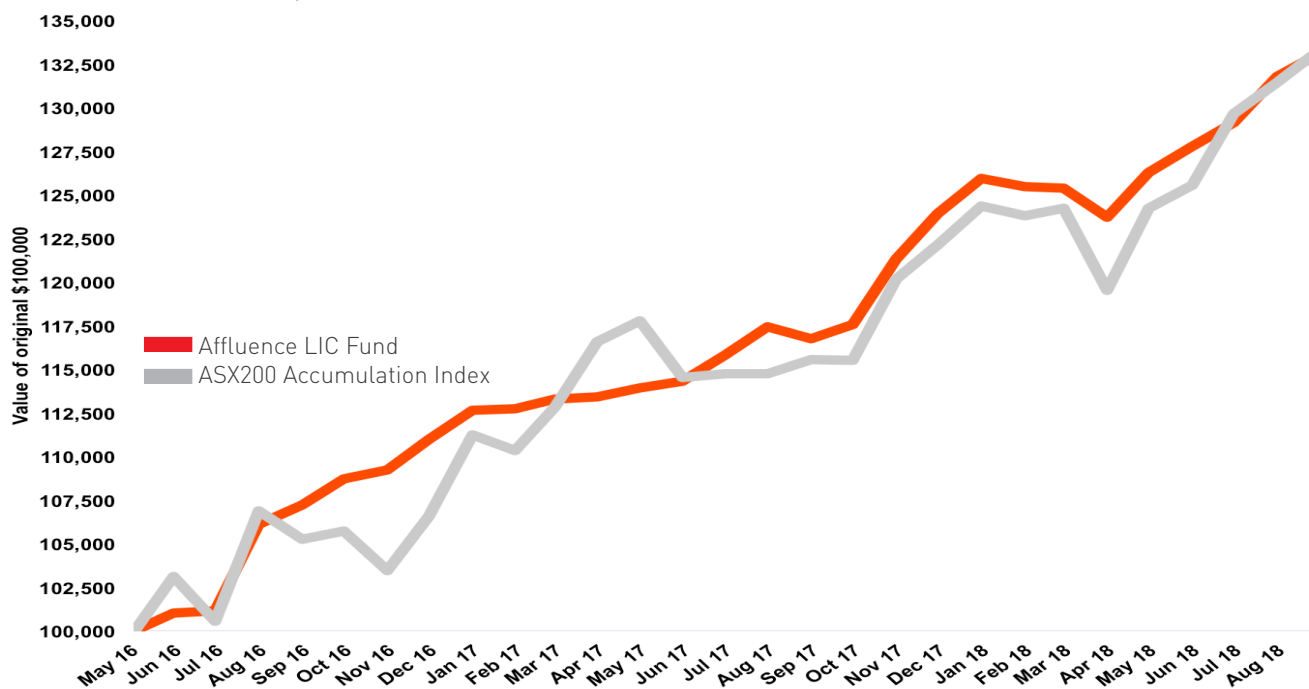
Total returns are net of fees and costs (excluding buy-sell spread) using the mid prices and assume the reinvestment of distributions. Returns of more than 1 year are annualised. Inception date is 3 May 2016.

Fund Monthly Return History

	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%					

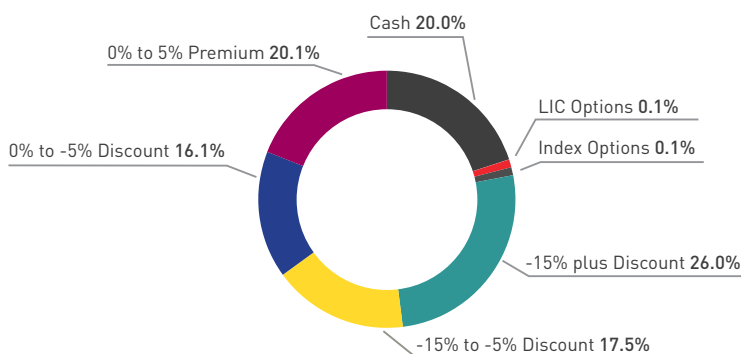
■ Strongest Month
 ■ Positive Month
 ■ Stable Month
 ■ Negative Month
 ■ Weakest Month

Return on \$100,000 Investment

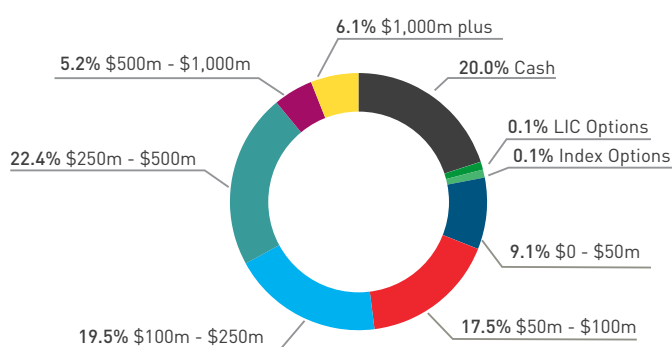


Portfolio Summary

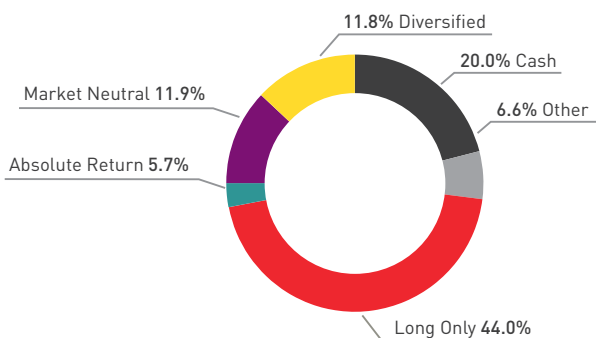
NTA Discount Band



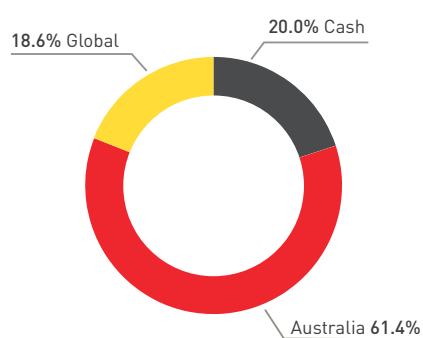
Portfolio by Market Cap



Equities Strategy



Geographic Exposure



Largest Investments

Future Generation Investment Company (FGX)

Century Australia Investments (CYA)

WAM Leaders Fund (WLE)

Future Generation Global Fund (FGG)

Absolute Equity Performance Fund (AEG)

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
Entry Price	\$1.1722
Exit Price	\$1.1699
Annual Distributions	5.70cpu
Distribution Yield	4.9% p.a.
Distribution Frequency	Quarterly
Applications	Please Contact Us
Withdrawals	Monthly
Management Fees	Nil
Performance Fee	12.5% of positive performance
Buy/Sell Spread	0.10%/0.10%

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 ASX Listed Investment Companies 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.

Contact Us

If you have any questions, please contact us:

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Meet The Portfolio Managers



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