

Affluence LIC Fund

Fund Report - December 2016

Fund Commentary

Australian and global markets continued to climb in December, with the ASX 200 increasing by 4.4% for the month, and 11.8% for the calendar year. This was a strong finish to the year, after the index delivered 2.6% and 5.6% for the two previous years. The Affluence LIC Fund increased by 1.5% in December, to bring total performance since inception 8 months ago to 12.6%. At the end of December the Fund held investments in 20 Listed Investment companies representing 79% of the

Fund, with the remaining 21% held as cash.

We are currently carrying more cash than normal due to the Australian and global markets running so fast. We would not be surprised if prices continue to increase on the back of positive sentiment and momentum, however we are concerned about the overall valuation level of the markets, and believe it is prudent to hold more cash for future potential opportunities,

The biggest positive contributors to this months performance were MFF Capital Investments (MFF), WAM Leaders (WLE), Ellerston Asian Investments (EAI) and Templeton Global Growth (TGG).

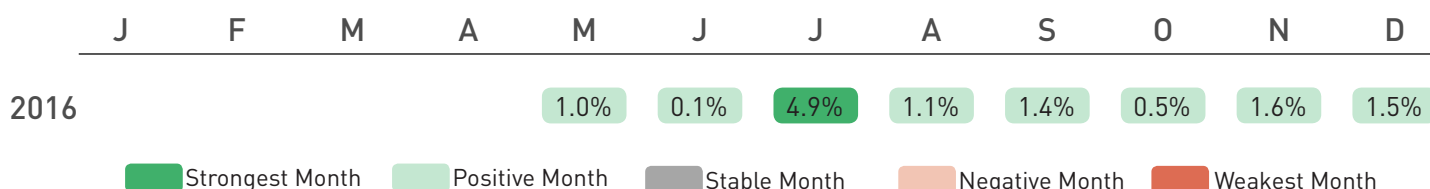
Currently this fund is closed for investment, however if you are interested in investing in this fund, please let us know and we will place you on the waiting list if we open it in the future.

Fund Performance

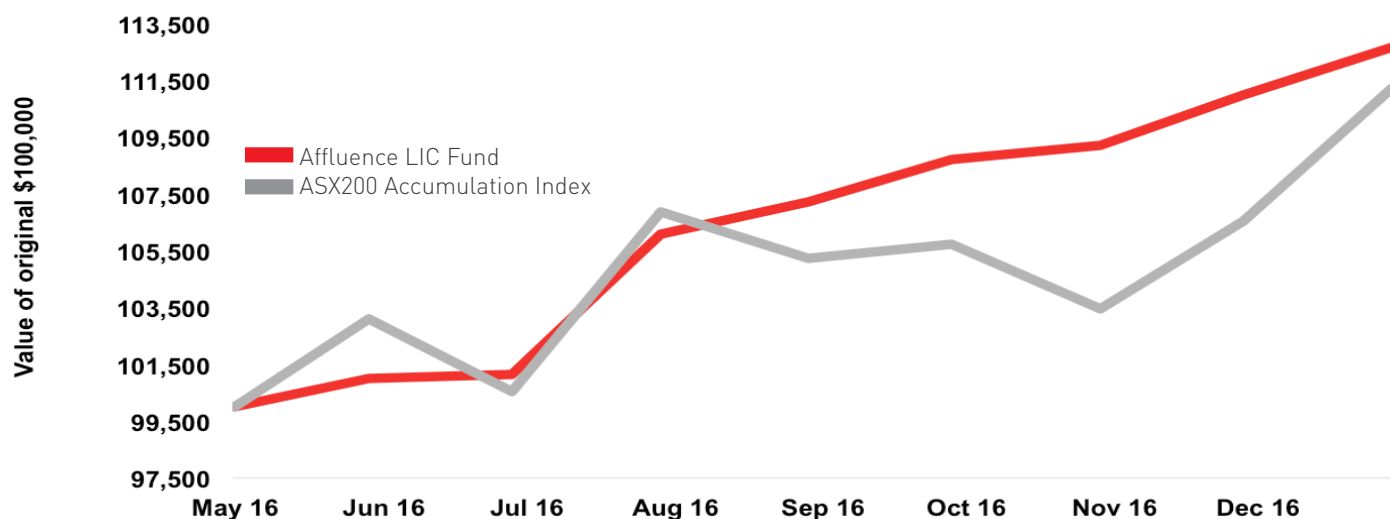
To 31 December 2016	1 Month	3 Months	6 Months	Inception	Volatility
Affluence LIC Fund	1.5%	3.6%	11.4%	12.6%	5.0%
ASX200 Accumulation Index (AI)	4.4%	5.2%	10.6%	11.2%	11.3%
Outperformance against ASX200AI	(2.9%)	(1.6%)	0.8%	1.4%	

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

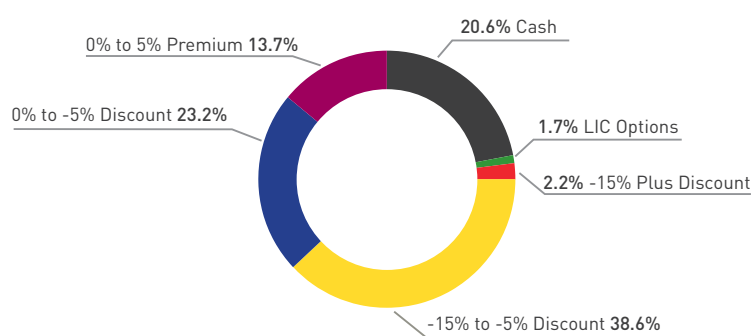


Return on \$100,000 Investment

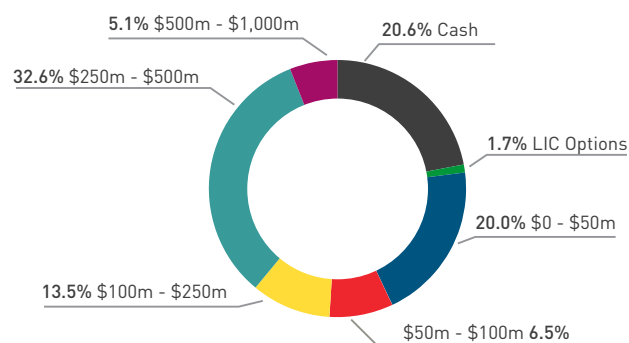


Portfolio Summary

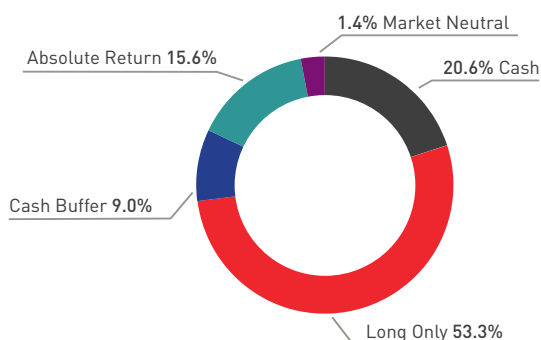
NTA Discount Band



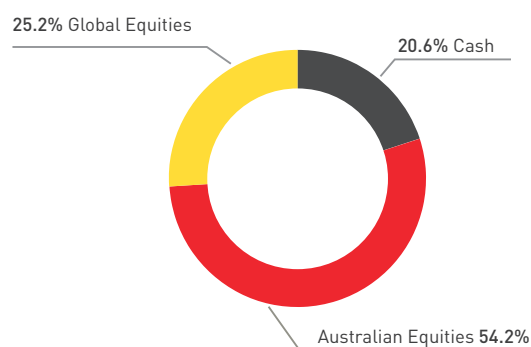
Portfolio by Market Cap



Equities Strategy



Geographic Exposure



Largest Investments

Future Generation Investment Company Limited (FGX)

AFIC Convertible Bonds (AFIC)

Future Generation Global Investment Company Limited (FGG)

MFF Global Fund (MFF)

Templeton Global Growth Fund (TGG)

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 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	Listed Investment Companies
Minimum Investment	\$20,000
Suggested Timeframe	At least 5 years
Benchmark Returns	ASX200 Accumulation Index
Entry Price	\$1.1181
Exit Price	\$1.1159
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:

Phone: 1300 AFFLUENCE (1300 233 583)

Email: invest@affluencefunds.com.au

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.

The Investment Team



Daryl Wilson

CEO / Portfolio Manager
daryl.wilson@affluencefunds.com.au
 0402 046 883



Greg Lander

Portfolio Manager
greg.lander@affluencefunds.com.au
 0409 645 893



Kane Doyle

Investment Associate
kane.doyle@affluencefunds.com.au
 0422 013 860

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.