



Affluence LIC Fund

Fund Report - July 2017

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Fund Commentary

Our focus in July was deploying the additional cash from the Fund opening for investment, and as a result we carried more cash than we would normally. The Affluence LIC Fund had a strong month and returned 1.4% for July, compared to 0.0% for the ASX 200. Returns since inception increased to 13.7% per annum, compared to the index of 11.6% per annum. July concluded the 15th month since inception with no negative performance, and the Fund has delivered its returns with volatility of 4.1% versus the index of 9.4%.

At the end of July, the Fund held investments in 33 Listed Investment Companies representing 72% of the Fund, 28% in cash, and some LIC options which can provide potential upside if markets rally strongly from here. We are continuing to hold higher levels of cash as we have seen a sector wide tightening in discounts

to NTA for LICs. There appears to have been an increase in demand for LICs in July, especially for the larger companies, which has resulted in share price increases even though the market was fairly flat. This has left us with fewer attractive opportunities, so we may continue to carry higher levels of cash until we believe we can deploy it effectively.

We had a broad base of contributors during July. We had good gains on the two biggest LICs, AFIC and Argo, which both increased over 4% (we reduced our position in these towards the end of July). Other strong contributions were from Australian Leaders Fund (ALF), Platinum Asia (PAI), and WAM Microcap (WMI). We were also successful in profiting from recycling options into shares for WAM Leaders (WLE) and Future Generation Global (FGG). We continue to ensure we hold a good mixture of Alpha Generators and

Discount Capture positions, while also ensuring we are diversified by strategy, manager and geography.

The Fund is now closed again post the June capital raising, however if you qualify as a wholesale/ sophisticated investor and are interested in the Fund, please let us know and we will place you on the waiting list when we open it again in the future. Alternatively, you can gain access through our Affluence Investment Fund, which currently invests around 20% of its portfolio in the Affluence LIC Fund.

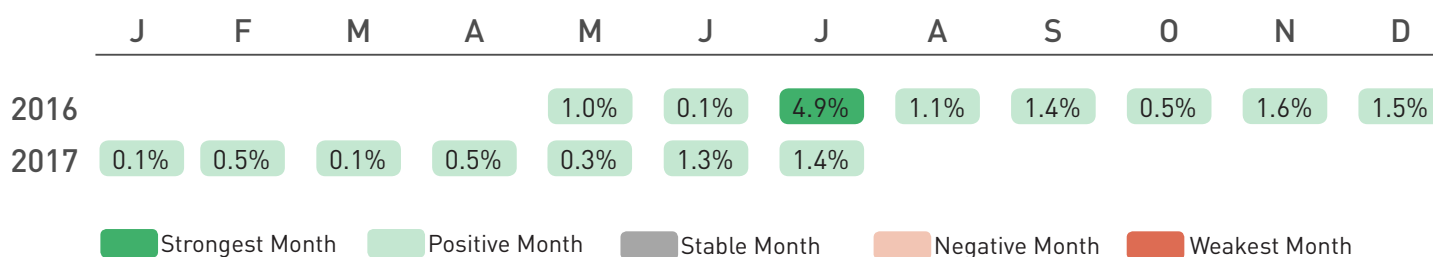
Fund Performance

To 31 July 2017

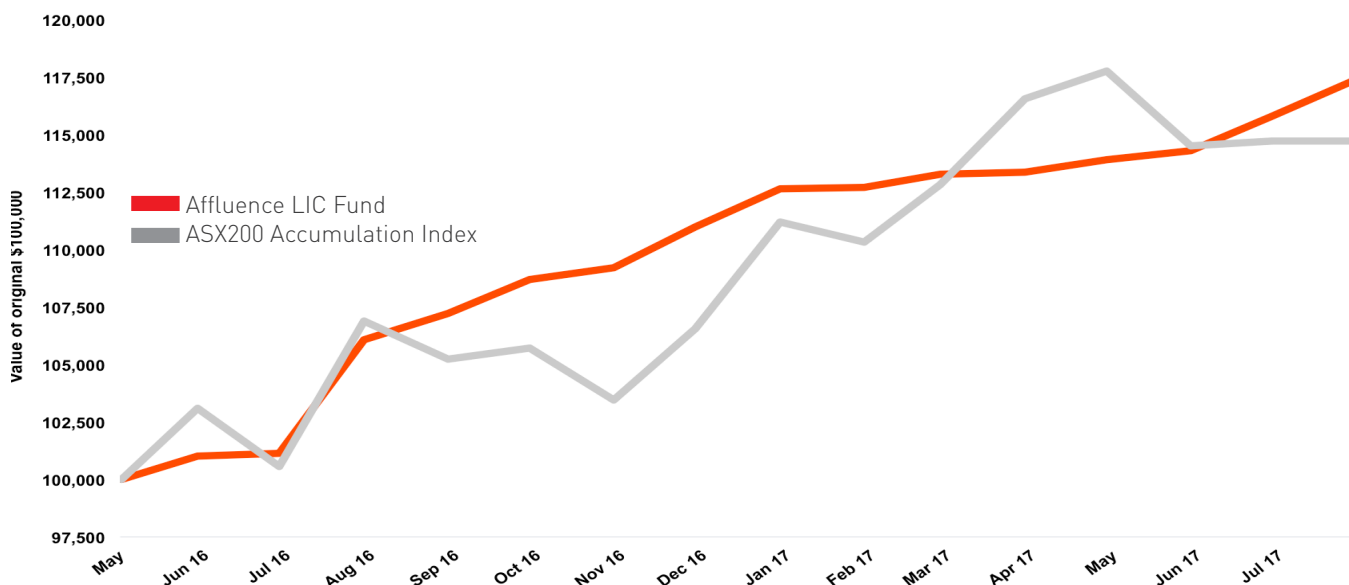
	1 Month	3 Months	6 Months	1 Year	Inception	Volatility
Affluence LIC Fund	1.4%	3.1%	4.2%	10.7%	13.7%	4.1%
ASX200 Accumulation Index (AI)	0.0%	(2.6%)	4.0%	7.3%	11.6%	9.4%
Outperformance against ASX200AI	1.4%	5.7%	0.2%	3.4%	2.1%	

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

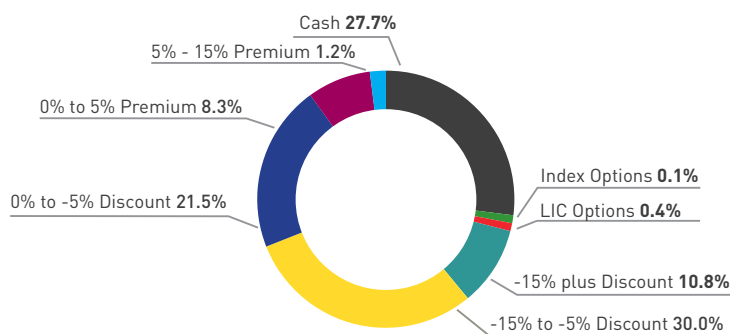


Return on \$100,000 Investment

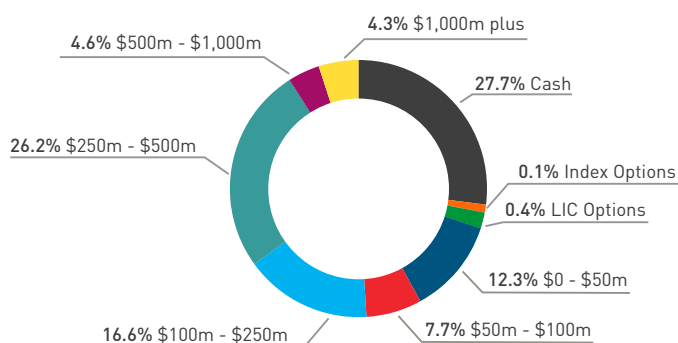


Portfolio Summary

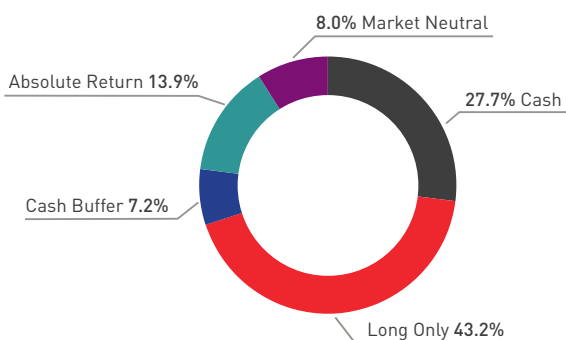
NTA Discount Band



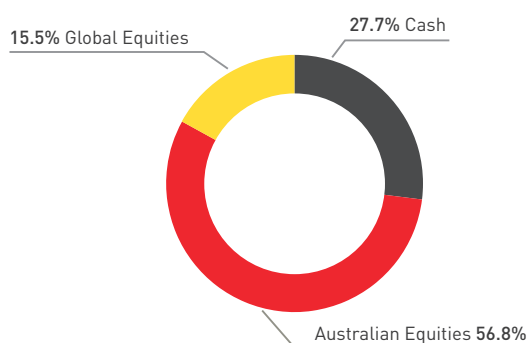
Portfolio by Market Cap



Equities Strategy



Geographic Exposure



Largest Investments

Future Generation Investment Company (FGX)

Wealth Defender Equities Limited (WDE)

MFF Capital Investments (MFF)

Australian Leaders Fund (ALF)

Perpetual Equity Investment Company (PIC)

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	\$1.1123
Exit Price	\$1.1101
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 do not hesitate to contact us:

Phone: 1300 AFFLUENCE (1300 233 583)

Email: invest@affluencefunds.com.au

Meet The Portfolio Managers



Daryl Wilson

CEO/Portfolio Manager

Years in the Industry: 18

Email: daryl.wilson@affluencefunds.com.au

Phone: +61 402 046 883



Greg Lander

Portfolio Manager

Years in the Industry: 12

Email: greg.lander@affluencefunds.com.au

Phone: +61 409 645 893

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