



Affluence LIC Fund

Fund Report - June 2017

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Fund Commentary

We are very pleased with the response we had to opening the Affluence LIC Fund in June. Thank you to the new Affluence investors, and those existing Affluence investors who decided to invest in this Fund as well.

The ASX 200 Accumulation Index increased slightly by 0.2% in June. The Affluence LIC Fund had a strong month and returned 1.3% for June, resulting in an increase for FY17 of 14.5% versus 14.1% for the ASX 200. Even more pleasingly, June marked the 14th month since inception with no negative performance. Undoubtedly this positive run will come to an end, however the Fund has delivered its returns with volatility of 4.3% versus the index of 9.7%.

At the end of June, the Fund held investments in 27 Listed Investment Companies representing 95% of the Fund, 4% in cash, and 1% in LIC options which can provide potential

upside if markets rally strongly from here. We also held a small number of index put options which may contribute positively if markets fall substantially over the next few months.

The cash level was lower than normal at the end of June as we made some additional purchases on 30 June in preparation of receiving the new cash on 1 July. At the time of writing our cash level was above 20% as we allocate the new capital, however we expect by the end of July we will be back to a more normal cash holding range of 10-15%.

There were not really any stand out top performers in June, but rather many positions performing well. During the month we participated in the new WAM Microcap Fund IPO. They raised a total of \$154 million for this new LIC which was oversubscribed (we were scaled back on our order). We were pleased to participate in this IPO, as the

manager indicated this would be the only capital raising (there were no options issued either, which is unusual) so as to ensure this strategy would not be burdened with too much FUM. 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.

As at 30 June 2017 the Fund declared a distribution of 5.25 cents per unit for FY17. The Fund will pay quarterly distributions going forward. 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.

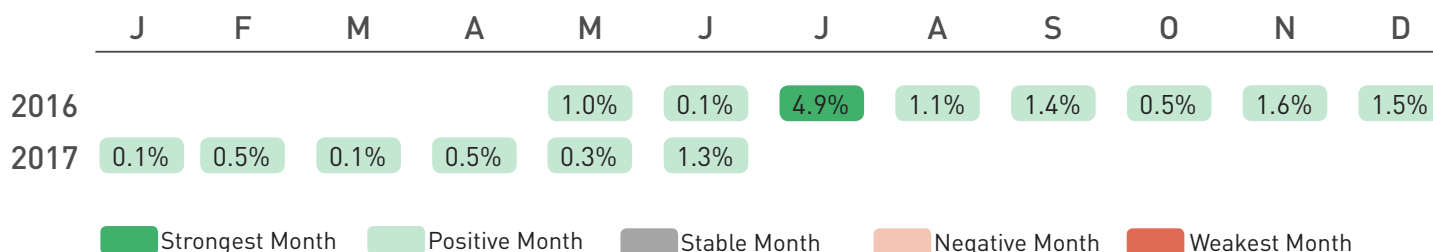
Fund Performance

To 30 June 2017

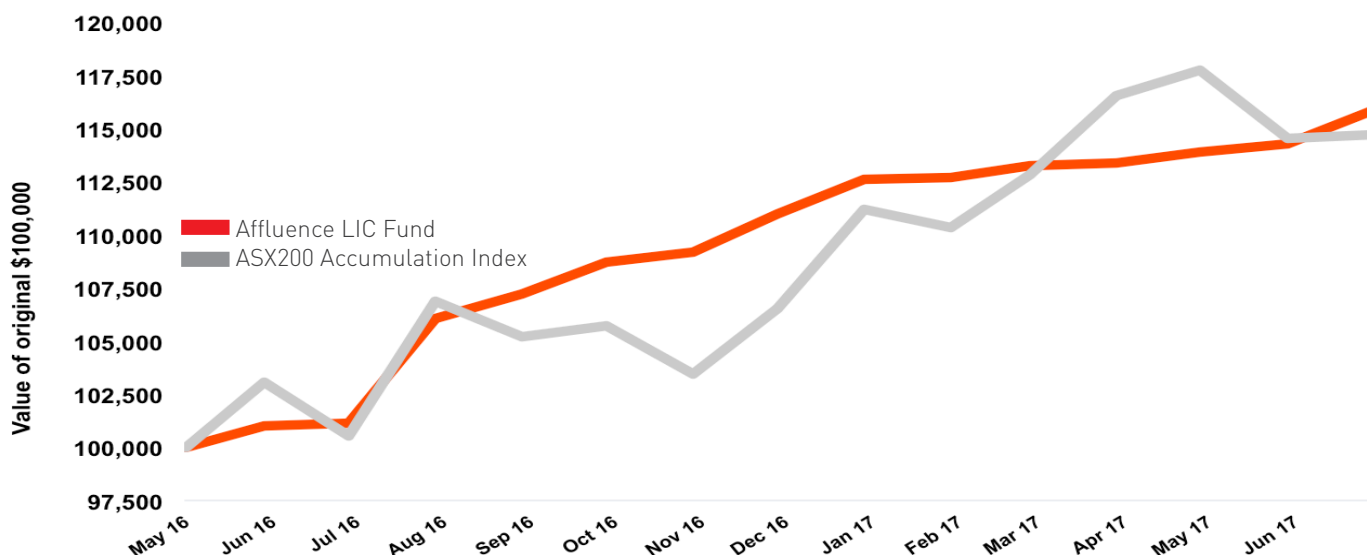
	1 Month	3 Months	6 Months	1 Year	Inception	Volatility
Affluence LIC Fund	1.3%	2.1%	2.8%	14.5%	13.4%	4.3%
ASX200 Accumulation Index (AI)	0.2%	(1.6%)	3.2%	14.1%	12.5%	9.7%
Outperformance against ASX200AI	1.1%	3.7%	(0.4%)	0.4%	0.9%	

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

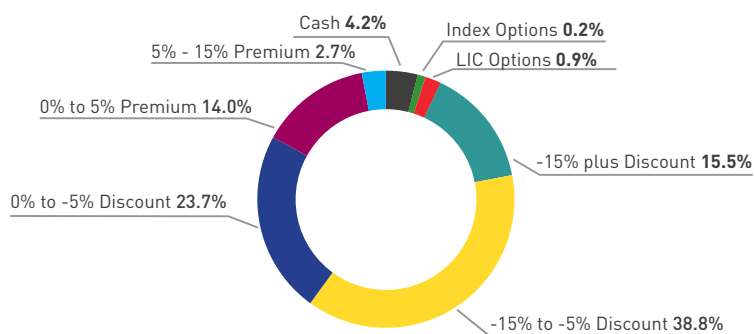


Return on \$100,000 Investment

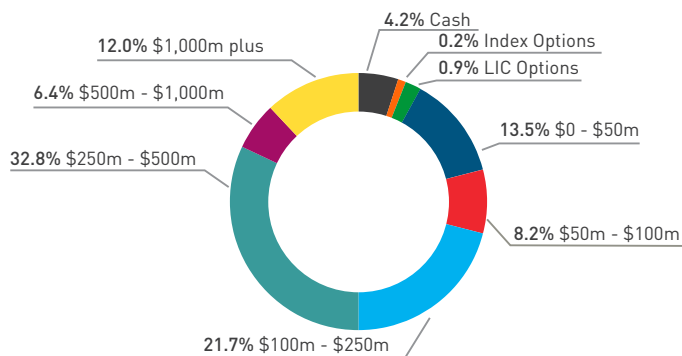


Portfolio Summary

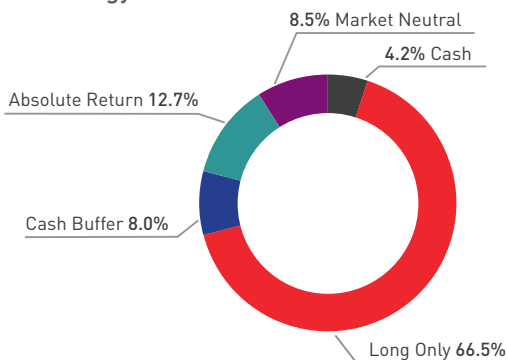
NTA Discount Band



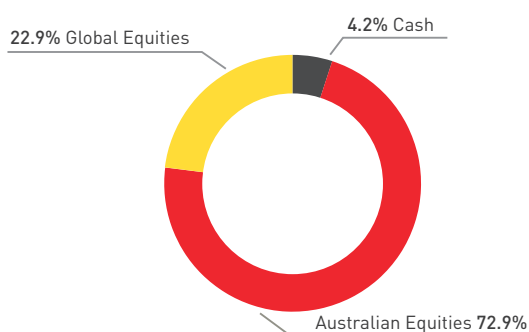
Portfolio by Market Cap



Equities Strategy



Geographic Exposure



Largest Investments

- ____ Australian Foundation Investment Company (AFI)
- ____ Future Generation Investment Company (FGX)
- ____ MFF Capital Investments (MFF)
- ____ Future Generation Global Company (FGG)
- ____ WAM Microcap (WMI)

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	\$1.0971
Exit Price	\$1.0949
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:

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Meet The Portfolio Managers



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