

Affluence LIC Fund

Fund Report - June 2018

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Fund Commentary

The ASX200 was a global standout in June, finishing the financial year up 3.3% and returning a very healthy 13% for FY18. The Affluence LIC Fund had a solid month and increased by 1.1%, and delivered a strong 12 month return of 11.5%. Returns since inception for the Fund are 12.5% per annum, compared to the ASX 200 Index of 12.7% per annum. These returns have been delivered with approximately half of the volatility of the index.

In June the biggest contributors for the Fund was Absolute Equity Performance Fund (AEG) up 6.4%, Amcil Investments (AMH) up 4.4%, Contrarian Value Fund (CVF) up 8.3%, and Future Generation Global (FGG) up 3.4%. We are currently optimistic about the potential value in the portfolio, as the overall LIC market has lagged the greater Australian share market over the past few months. This leads to an overall larger discount to NTA for the sector (however varies greatly by individual LIC). The current softness in the

LIC market is likely because of the recent significant capital raisings (L1 Capital \$1.3 billion, WAM Global \$500 million, BKI Investments \$150 million). We saw this same pattern last year, where post raisings there is less buying support for the sector. However we expect this to recover reasonably quickly.

We declared a 4.25 cents per unit distribution for June 2018. The Fund had realised significant profits on a number of holdings throughout the year, and we are therefore required to distribute these capital gains. This brings the full financial year distributions to 8.375 cents. For FY19 we will increase the annual distribution from 5.5 cents per unit to 5.7 cents per unit. The first distribution for the new year will be payable as at 30 September 2018 and will be 1.425 cents per unit.

At the end of June, the Fund held investments in 27 Listed Investment Companies representing 85% of the Fund, 15% 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.

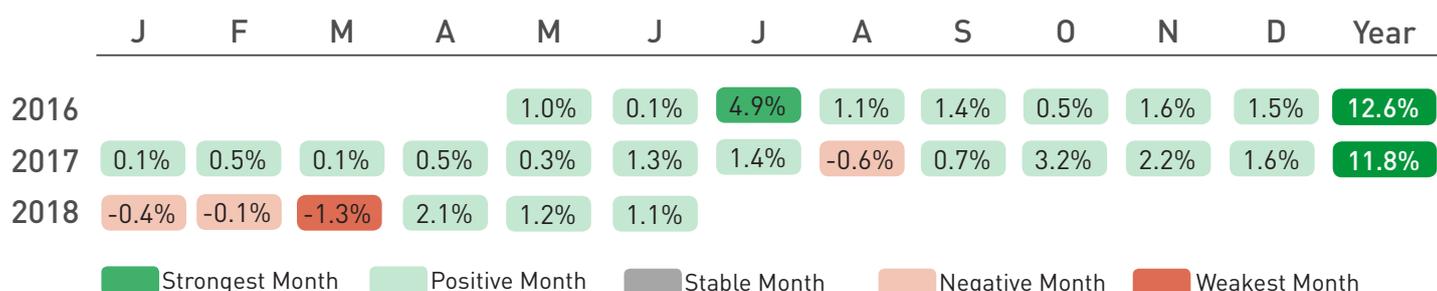
Fund Performance

To 30 June 2018

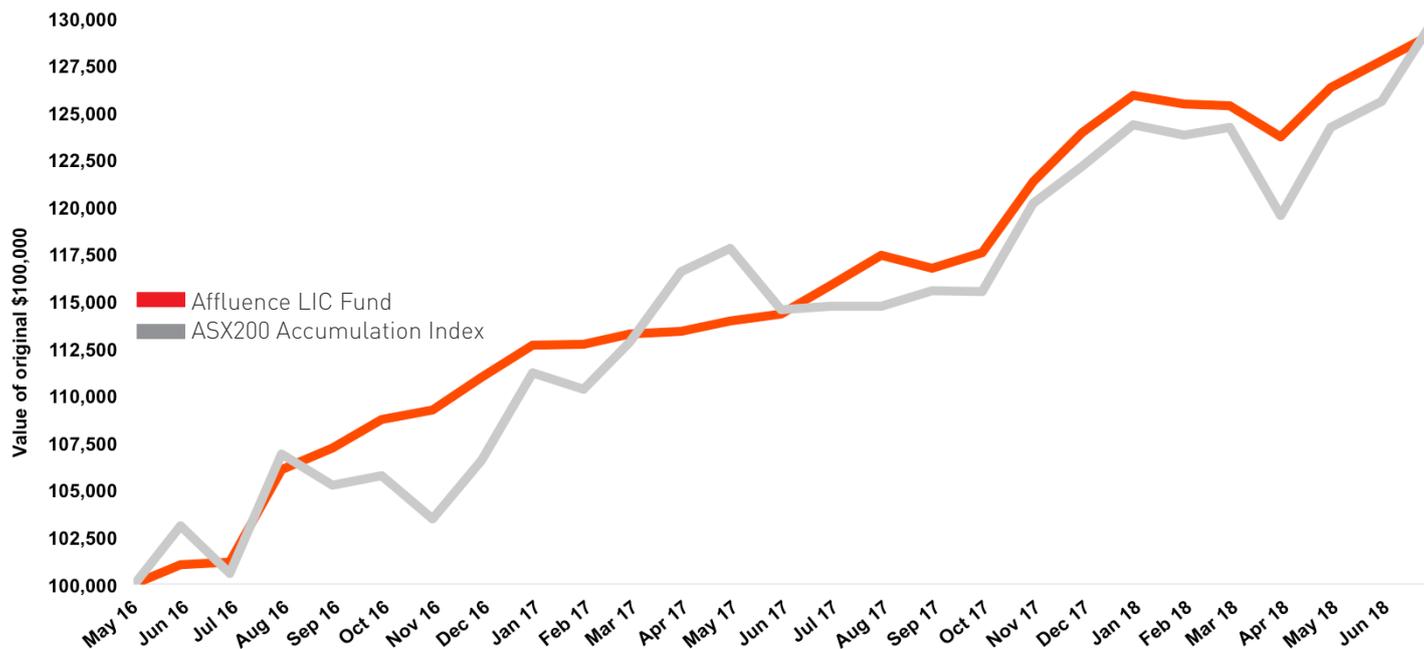
	1 Month	6 Months	1 Year	2 Years	Inception	Volatility
Affluence LIC Fund	1.1%	2.5%	11.5%	13.0%	12.5%	4.3%
ASX200 Accumulation Index (AI)	3.3%	4.3%	13.0%	13.6%	12.7%	8.6%
Outperformance against ASX200AI	(2.2%)	(1.8%)	(1.5%)	(0.6%)	(0.2%)	

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

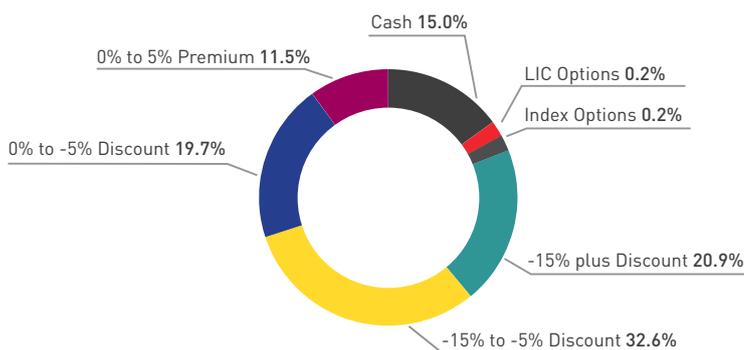


Return on \$100,000 Investment

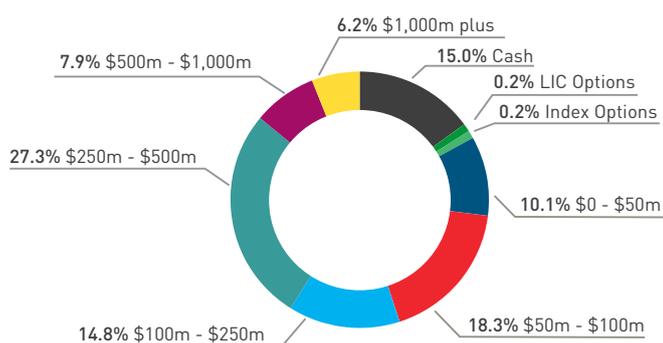


Portfolio Summary

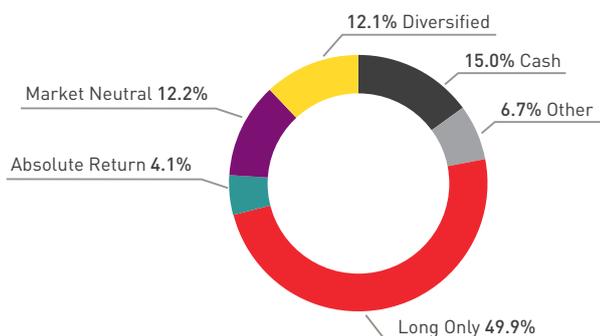
NTA Discount Band



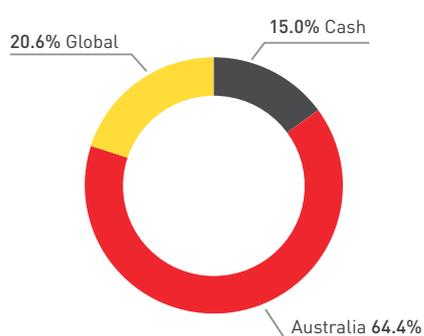
Portfolio by Market Cap



Equities Strategy



Geographic Exposure



Largest Investments

Future Generation Investment Company (FGX)

WAM Leaders Fund (WLE)

Century Australia Investments (CYA)

AMCIL Limited (AMH)

Future Generation Global Fund (FGG)

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	\$1.1370
Exit Price	\$1.1347
Annual Distributions	5.70cpu
Distribution Yield	5.0% 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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