



# Affluence LIC Fund

## Fund Report - March 2018

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## Fund Commentary

After a volatile month for both global and local markets the ASX 200 Index fell 3.8% in March and the ASX Listed Investment Company Index was down 2.1% for the month. The Affluence LIC Fund fared comparatively well over this period, decreasing by 1.3%. Returns since inception for the Fund are 11.7% per annum, compared to the ASX 200 Index of 9.8% per annum. These returns have been delivered with approximately half of the volatility of the index.

In March the positive contributors included Australian Leaders Fund (ALF) up 4.5%, Bailador Technology Investments (BTI) up 3.7%, and a short term trade in Contrarian Value Fund (CVF) up 5.7%. The major detractors were Thorney Opportunities (TOP), Monash

Absolute Investment Company (MA1) and MFF Capital Investments (MFF). The Fund also benefitted from a high cash holding of over 20% for most of the month, helping to cushion the market fall. Our core positions in the two Future Generation vehicles (FGX and FGG) which make up 13% of the Fund were also stable for the month.

At the end of March, the Fund held investments in 26 Listed Investment Companies representing 79% of the Fund, 21% in cash, and some LIC call options (in case markets rally) and ASX 200 Index put options (in case markets fall significantly). We have been running above 20% cash for the past couple of months, partly due to limited compelling opportunities, and partly due to our sense of increasing risk in the market. In general, share

price discounts to NTA are around average to slightly expensive, and overall asset prices are above fair value. 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.

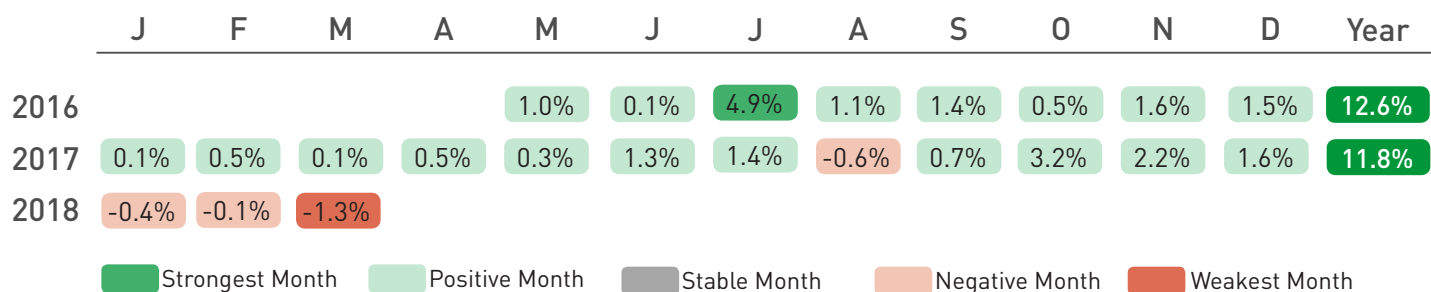
## Fund Performance

To 31 March 2018

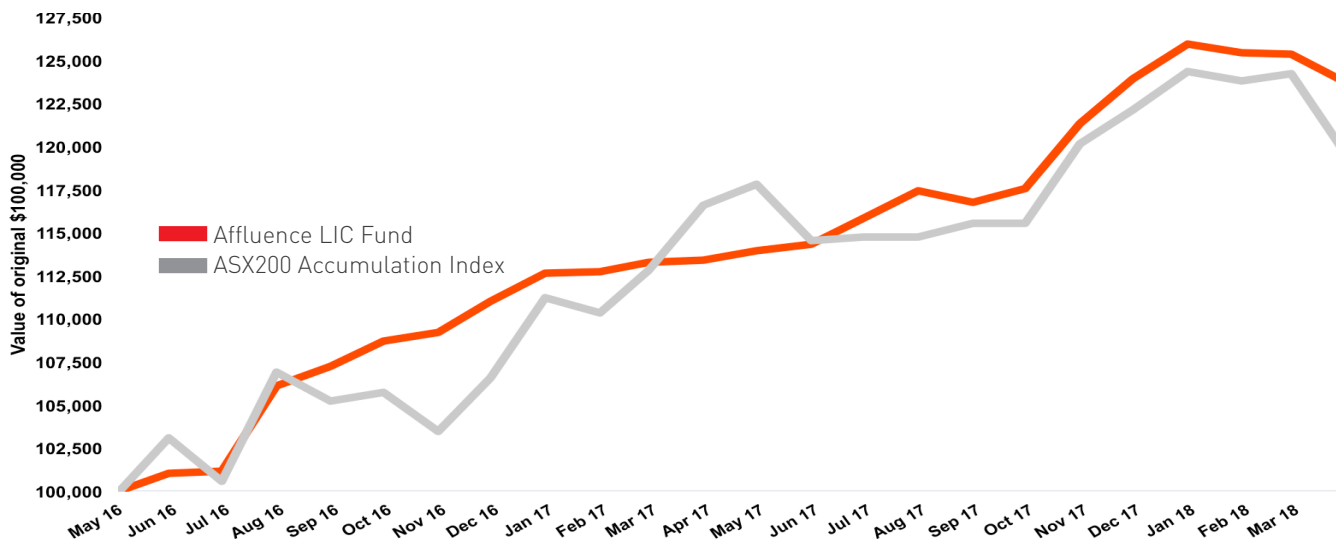
	1 Month	3 Months	6 Months	1 Year	Inception	Volatility
Affluence LIC Fund	(1.3%)	(1.7%)	5.2%	9.1%	11.7%	4.5%
ASX200 Accumulation Index (AI)	(3.8%)	(3.9%)	3.5%	2.5%	9.8%	8.7%
<b>Outperformance against ASX200AI</b>	<b>2.5%</b>	<b>2.2%</b>	<b>1.7%</b>	<b>6.6%</b>	<b>1.9%</b>	

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

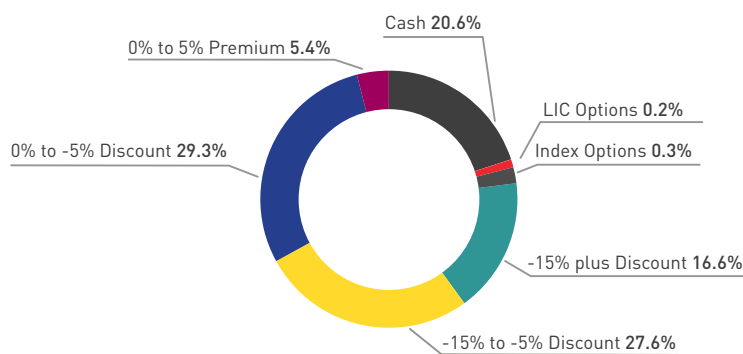


## Return on \$100,000 Investment

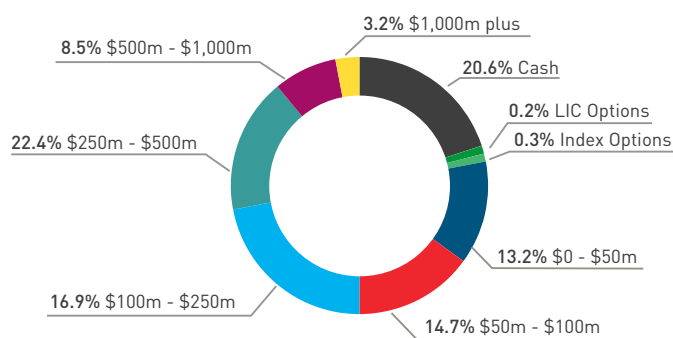


## Portfolio Summary

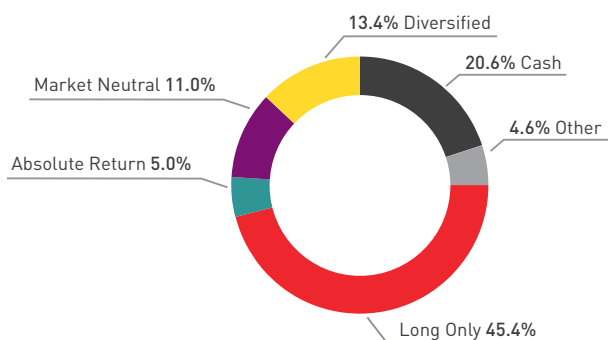
### NTA Discount Band



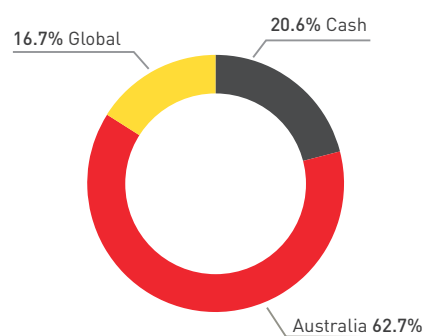
### Portfolio by Market Cap



### Equities Strategy



### Geographic Exposure



## Largest Investments

Future Generation Investment Company (FGX)

WAM Leaders Fund (WLE)

Century Australia Investments (CYA)

Future Generation Global Fund (FGG)

Australian Leaders Fund (ALF)

**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
<b>Follow The Herd:</b> Traditional managers are too scared to fail, so they don't succeed. Most don't outperform the index.	<b>Actively Pursue Out-performance:</b> From our fee structure alignment to our investment methodology, our strategy targets positive returns and low volatility.
<b>Restricted Product Selection:</b> Commonly places clients into their own managed funds or choose from a restricted list of 'approved' funds.	<b>Best Of Breed:</b> We will seek the best LICs, and combine them in a way which cushions against market corrections.
<b>Traditional Asset Classes:</b> Manage large amounts in traditional asset classes (e.g. ASX200 equities), which minimises chances of excess performance.	<b>Unique Strategies:</b> We prefer managers who operate in specialised markets with less funds under management and a competitive advantage.
<b>High, Fixed Fees:</b> Take fees regardless of performance.	<b>No Fixed Fees:</b> Our fees are 100% performance based.

## Key Statistics

<b>Investment Class</b>	Listed Investment Companies
<b>Minimum Investment</b>	\$20,000
<b>Suggested Timeframe</b>	At least 5 years
<b>Benchmark Returns</b>	ASX200 Accumulation Index
<b>Entry Price</b>	\$1.1301
<b>Exit Price</b>	\$1.1278
<b>Annual Distributions</b>	5.50cpu
<b>Distribution Yield</b>	4.9% p.a.
<b>Distribution Frequency</b>	Quarterly
<b>Applications</b>	Please Contact Us
<b>Withdrawals</b>	Monthly
<b>Management Fees</b>	Nil
<b>Performance Fee</b>	12.5% of positive performance
<b>Buy/Sell Spread</b>	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](mailto:invest@affluencefunds.com.au)

## Meet The Portfolio Managers



### Daryl Wilson

**CEO/Portfolio Manager**

Years in the Industry: 18

Email: [daryl.wilson@affluencefunds.com.au](mailto: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](mailto:greg.lander@affluencefunds.com.au)

Phone: +61 409 645 893

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