



Affluence LIC Fund Fund Report - November 2016

Fund Commentary

November was a very strange period on the markets, with a sharp drop early in the month on the realisation Trump would be the new president, followed by a strong rally in large cap stocks on the change of mindset that this would actually be a good thing. The ASX 200 Accumulation Index ended the month up 3.0%. The Affluence LIC Fund increased by 1.6%, bringing up 7 months of positive performance. At the end of November the Fund held

investments in 21 Listed Investment Companies representing 78% of the Fund. The remaining 22% was cash.

The biggest positive contributors to this months performance were PM Capital Global Fund (PGF), MFF Global Fund (MFF), Sandon Capital (SNC) and some of our options exposure. We had minimal negative returns this month, with the biggest being Ellerston Asian Investments (EAI) and Future Generation Global (FGG).

During the month we made some new investments in convertible bonds issued by Australian Foundation Investment Company (AFIG), Acorn Capital Investments (ACQ), Henry Morgan Limited (HML) and Katana Capital Limited (KAT).

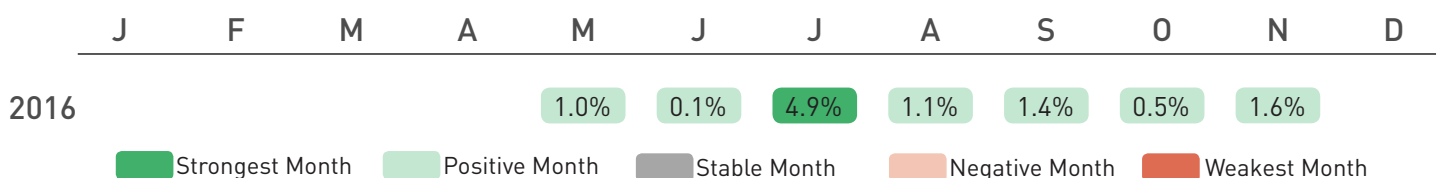
Currently the Fund is closed to new investors. If you are interested in investing, please let us know and we will place you on the waiting list if we open it in the future.

Fund Performance

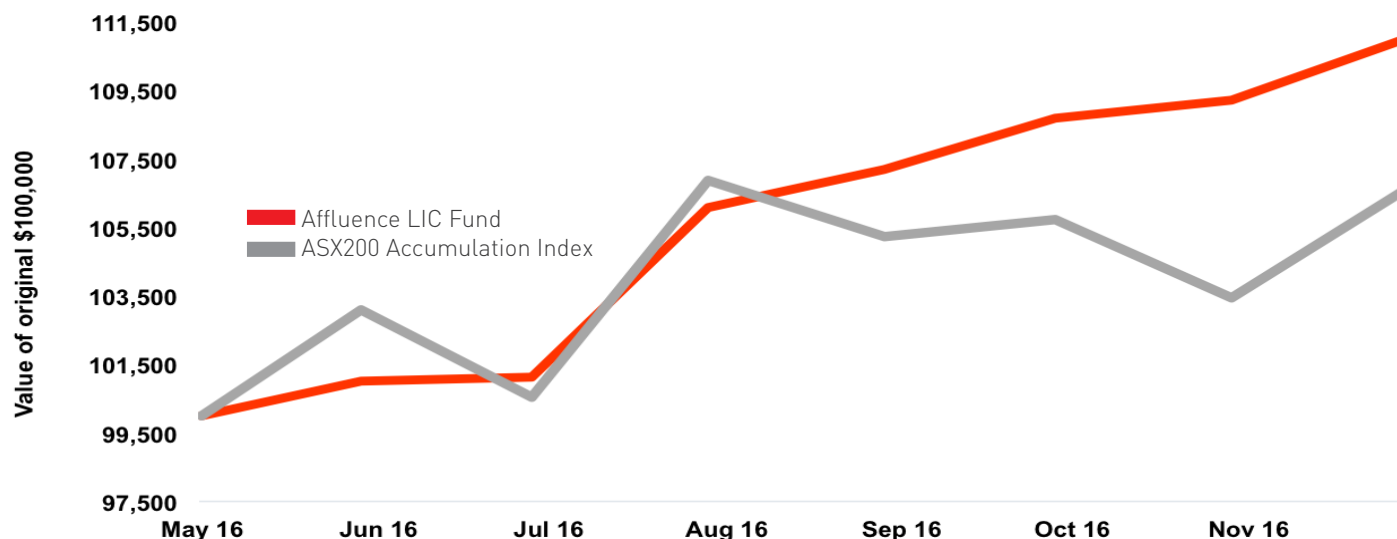
| To 30 November 2016 | 1 Month | 3 Months | 6 Months | Inception | Volatility |
|--|---------------|-------------|-------------|-------------|------------|
| Affluence LIC Fund | 1.6% | 3.5% | 9.9% | 11.0% | 5.5% |
| ASX200 Accumulation Index (AI) | 3.0% | 1.3% | 3.4% | 6.5% | 11.4% |
| Outperformance against ASX200AI | (1.4%) | 2.3% | 6.5% | 4.5% | N/A |

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

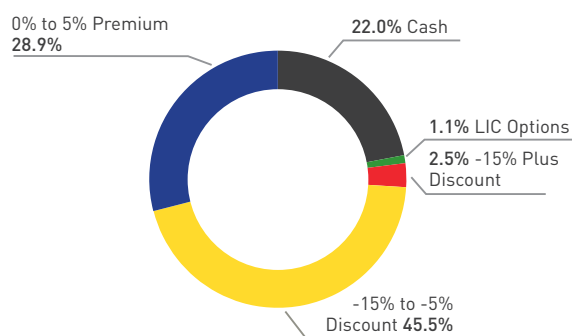


Return on \$100,000 Investment

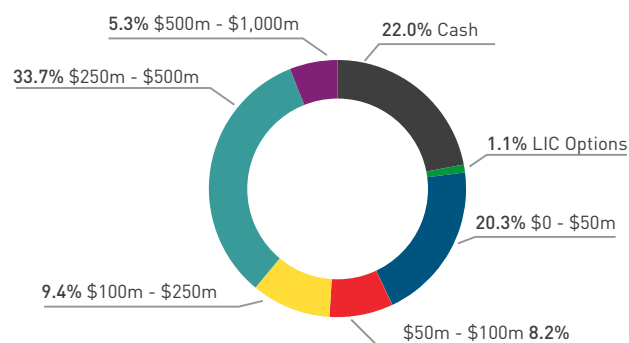


Portfolio Summary

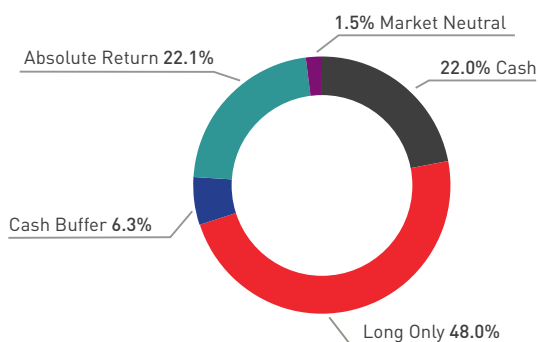
NTA Discount Band



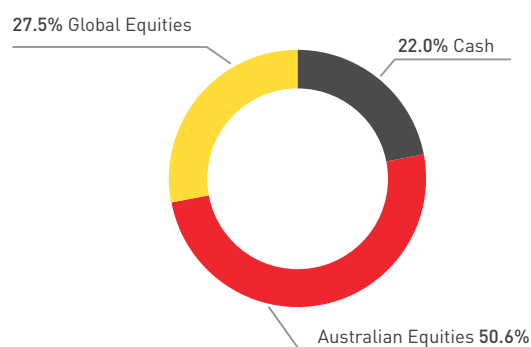
Portfolio by Market Cap



Equities Strategy



Geographic Exposure



Largest Investments

| |
|---|
| Future Generation Investment Company Limited (FGX) |
| Future Generation Global Investment Company Limited (FGG) |
| WAM Leaders (WLE) |
| MFF Global Fund (MFF) |
| AFIC Convertible Bonds (AFIC) |

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 | \$1.1017 |
| Exit Price | \$1.0995 |
| 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.