



# Affluence LIC Fund

## Fund Report - November 2017

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## Fund Commentary

The Affluence LIC Fund had another strong month, increasing by 2.2% in November. The overall market continues to perform well, with the ASX 200 Index up 1.6%, and the ASX Listed Investment Company Index up 1.3% for the month. Returns since inception for the Fund are 14.5% per annum, compared to the ASX 200 Index of 13.4% per annum.

At the end of November, the Fund held investments in 28 Listed Investment Companies representing 83% of the Fund and 17% in cash. We also held some LIC call options (from which the Fund will benefit if markets continue to rally) and ASX 200 Index put options (which will assist if markets fall significantly).

During the month we converted our options to shares in WAM Leaders (WLE) and Australian Equity Performance Fund (AEG). Both these

options expired before the end of November. We have often seen in the months following the options expiring, LICs trade at narrower discounts as the threat of NTA dilution is no longer present. This may occur for these two positions.

Our best performers for the month were international LICs where options had expired in the past 3 to 6 months. These included Future Generation Global (up 7.6%), MFF Capital (up 7.2%), and Platinum Asia (up 8.8%). Other strong performers were Acorn Capital, Monash Absolute Investment Company, and Ellerston Asia.

If you qualify as a wholesale/sophisticated investor and are interested in the Fund, we're reopening to new investors for the month of December only. Alternatively, you can gain access

through our Affluence Investment Fund, which currently invests around 18% of its portfolio in the Affluence LIC Fund.

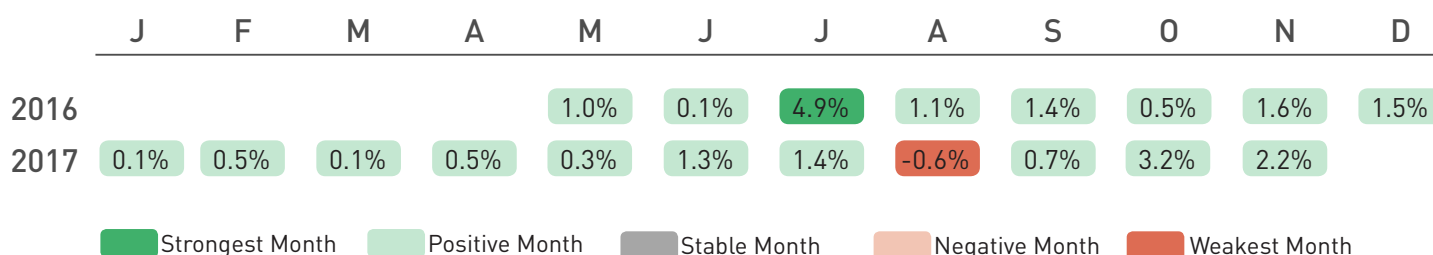
## Fund Performance

To 30 November 2017

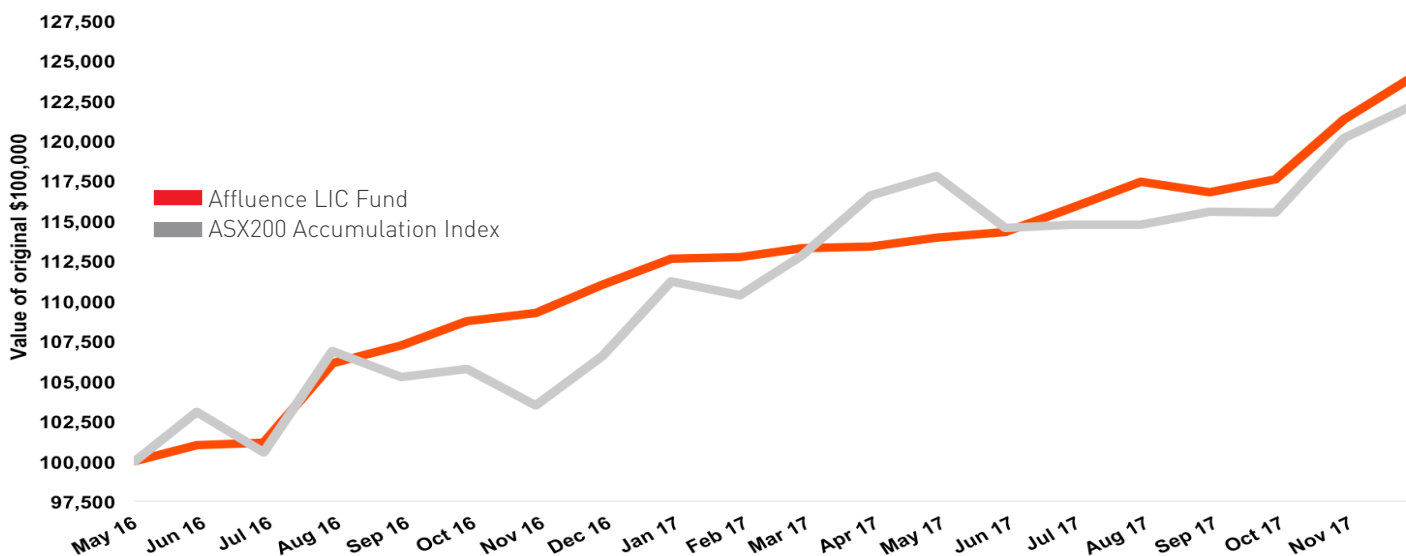
|  | 1 Month     | 3 Months    | 6 Months    | 1 Year        | Inception   | Volatility |
|--|-------------|-------------|-------------|---------------|-------------|------------|
| <b>Affluence LIC Fund</b>              | 2.2%        | 6.1%        | 8.4%        | 11.6%         | 14.5%       | 4.3%       |
| <b>ASX200 Accumulation Index (AI)</b>  | 1.6%        | 5.7%        | 6.6%        | 14.6%         | 13.4%       | 8.7%       |
| <b>Outperformance against ASX200AI</b> | <b>0.6%</b> | <b>0.4%</b> | <b>1.8%</b> | <b>(3.0%)</b> | <b>1.1%</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

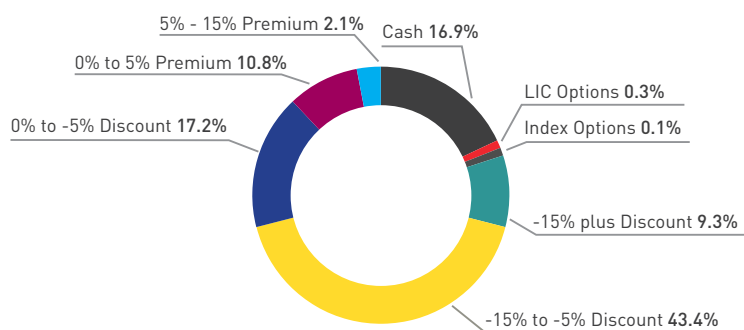


## Return on \$100,000 Investment

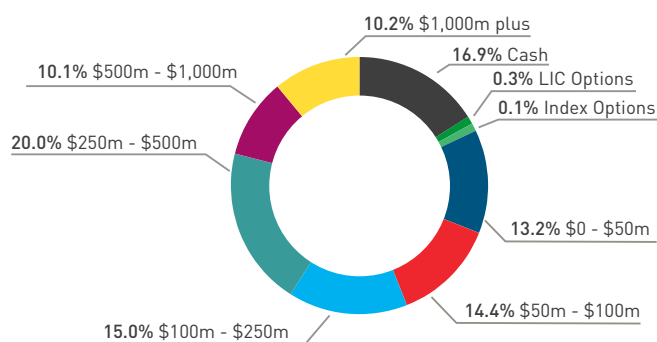


## Portfolio Summary

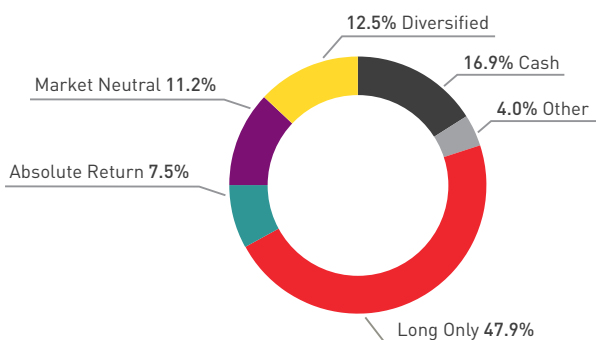
### NTA Discount Band



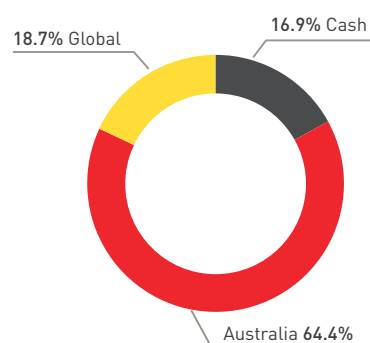
### Portfolio by Market Cap



### Equities Strategy



### Geographic Exposure



## Largest Investments

Future Generation Investment Company (FGX)

WAM Leaders Fund (WLE)

Australian Foundation Investment Company (AFI)

Future Generation Global Fund (FGG)

MFF Capital Investments (MFF)

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>            | \$1.1592                      |
| <b>Exit Price</b>             | \$1.1569                      |
| <b>Annual Distributions</b>   | 5.50cpu                       |
| <b>Distribution Yield</b>     | 4.7% 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:

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## Meet The Portfolio Managers



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