



# Affluence LIC Fund

## Fund Report - November 2018

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## Fund Commentary

The Affluence LIC Fund decreased by 0.5% in November, with the ASX 200 Index decreasing by 2.2% for the month. It has been a turbulent three months, with the ASX 200 Index down 9.3%. While we are never happy with negative returns, we are pleased that the Fund has outperformed by 5.3% over this difficult period. Returns since inception for the Fund are 10.0% per annum, compared to the ASX 200 Index of 7.6% per annum. These returns have been delivered with approximately half of the volatility of the ASX200 index.

It was an up and down month, with the majority of the market decline occurring late in the month. Our biggest positive contributors were Blue Sky Alternatives Fund (BAF) up 11% in anticipation of Wilson Asset Management taking over the management of the vehicle, Hearts and Minds Investments (HM1) up 3.2% after its IPO during the month, and Tribeca Global Natural Resources (TGF) up 3.7%. Our biggest negative contributors included Bailador Technology Investments (BTI), Absolute Equity Performance (AEG), Future

Generations Limited (FGX) and Forager Australian Shares Fund (FOR).

As per our comments last month, we have no insight on where markets go from here (in the short term). Volatility certainly seems to be on the rise again after an extended period of being artificially low. We continue to be comfortable with our portfolio positioning, holding over 20% cash. The portfolio is well diversified between core investments (those managers who we believe can create alpha over the medium term) and discount capture investments (those LICs that we believe are trading at an attractive discount to NTA). We have also reduced our investment concentration, with all LICs having a position size of less than 5%.

At the end of November, the Fund held investments in 27 Listed Investment Companies representing 78% of the Fund and 22% in cash. We also hold some LIC and index call options, from which the Fund will benefit if markets rally strongly, and some index put options to help a little if markets fall further. We believe

the Fund remains well positioned to withstand most market conditions.

If you qualify as a wholesale or sophisticated investor and are interested in the Fund, contact us or visit the website to find out more. 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 November 2018

	1 Month	6 Months	1 Year	2 Years	Inception	Volatility
<b>Affluence LIC Fund</b>	(0.5%)	0.1%	3.2%	7.3%	10.0%	5.2%
<b>ASX200 Accumulation Index (AI)</b>	(2.2%)	(3.7%)	(1.0%)	6.5%	7.6%	9.3%
<b>Performance compared to ASX200AI</b>	<b>1.7%</b>	<b>3.8%</b>	<b>4.2%</b>	<b>0.8%</b>	<b>2.4%</b>	

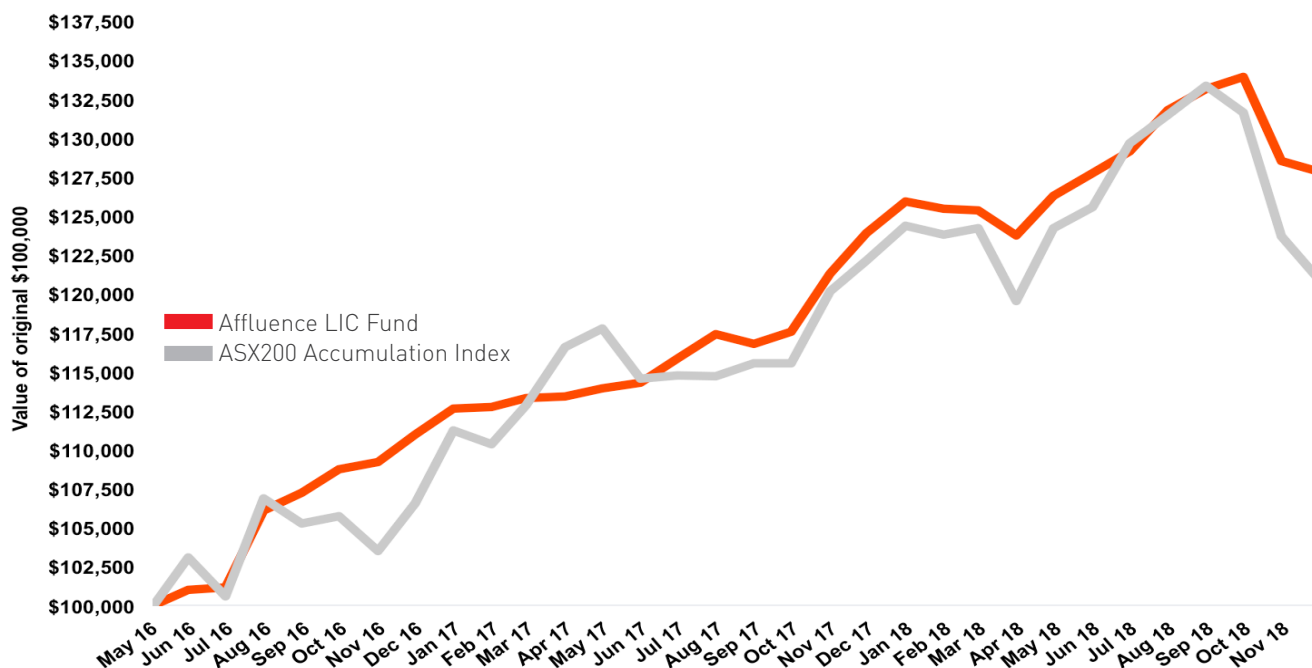
Total returns are net of fees and costs (excluding buy-sell spread) using the mid prices and assume the reinvestment of distributions. Returns of more than 1 year are annualised. Inception date is 3 May 2016.

## Fund Monthly Return History

	J	F	M	A	M	J	J	A	S	O	N	D	Year
<b>2016</b>					1.0%	0.1%	4.9%	1.1%	1.4%	0.5%	1.6%	1.5%	12.6%
<b>2017</b>	0.1%	0.5%	0.1%	0.5%	0.3%	1.3%	1.4%	-0.6%	0.7%	3.2%	2.2%	1.6%	11.8%
<b>2018</b>	-0.4%	-0.1%	-1.3%	2.1%	1.2%	1.1%	2.1%	1.0%	0.6%	-4.0%	-0.5%		

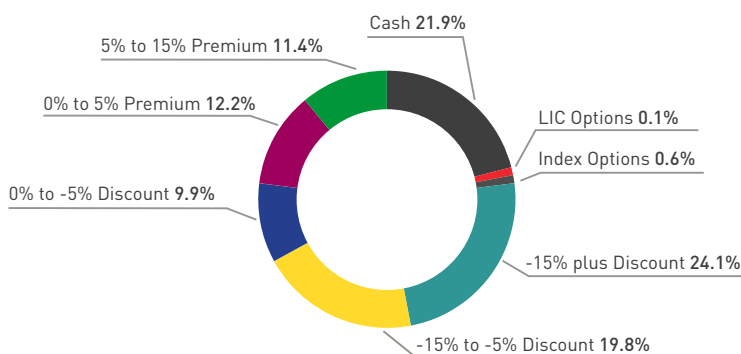
■ Strongest Month   
 ■ Positive Month   
 ■ Stable Month   
 ■ Negative Month   
 ■ Weakest Month

## Return on \$100,000 Investment

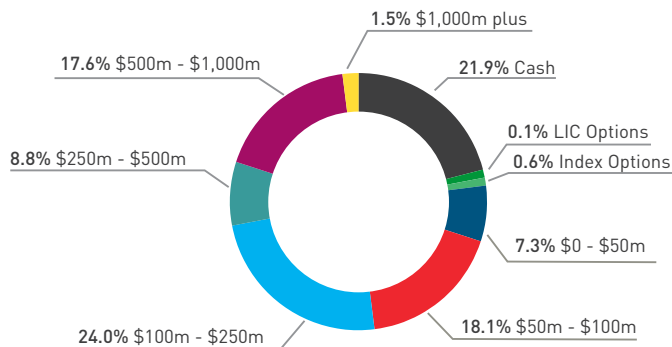


## Portfolio Summary

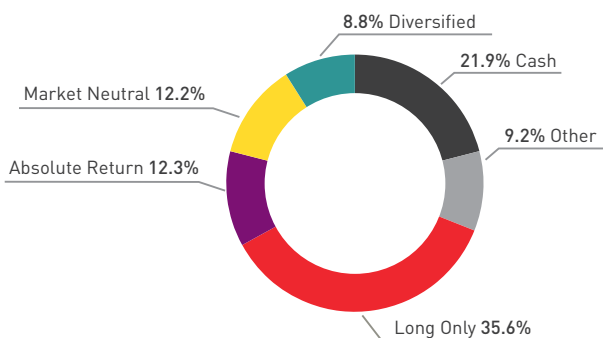
### NTA Discount Band



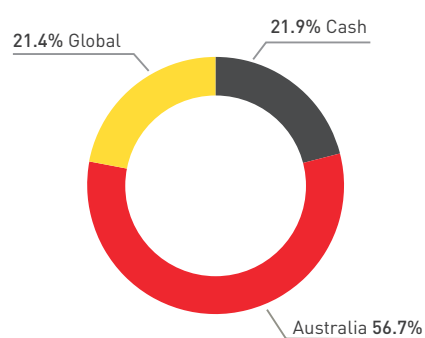
### Portfolio by Market Cap



### Equities Strategy



### Geographic Exposure



## Largest Investments

Antipodes Global Investment Company (APL)

Future Generation Investment Company (FGX)

Blue Sky Alternatives Access Fund (BAF)

Future Generation Global Fund (FGG)

Global Value Fund (GVF)

**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>	\$1.1121
<b>Exit Price</b>	\$1.1099
<b>Annual Distributions</b>	5.70cpu
<b>Distribution Yield</b>	5.1% 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 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: 19

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### Greg Lander

**Portfolio Manager**

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