



# Affluence LIC Fund Monthly Fund Report - October 2016

## Fund Commentary

It was a tough month for shares, with the ASX 200 Accumulation Index ending down -2.1% in October. The Affluence LIC Fund went against the trend and increased by 0.5%. October also marked the 6 month anniversary for this Fund, with total returns of 9.2% compared to 3.5% for the index. At the end of October the Fund held investments in 21 Listed Investment Companies representing 75% of the Fund, with the remaining 25% held as cash.

Our best performers for the month were Future Generation Investment

Company (FGX), Platinum Capital (PMC) and NAOS Absolute Opportunities Company (NAC). Our worst detractor was WAM Leaders and their options (WLE and WLEO).

With the Fund brining up its 6 month return milestone, we are pleased with the absolute and relative performance, and that our strategy (over a short period) is working. We aim to generate our outperformance through three strategies; invest with managers who can outperform the market (alpha generators), purchase LIC's when their discount to NTA is

above average and sell when their discount/premium is above average (discount capture), and participate in corporate activity (options, IPO's, capital raisings). All three of these strategies have contributed to our returns, and we anticipate that this will continue to be the case moving forward.

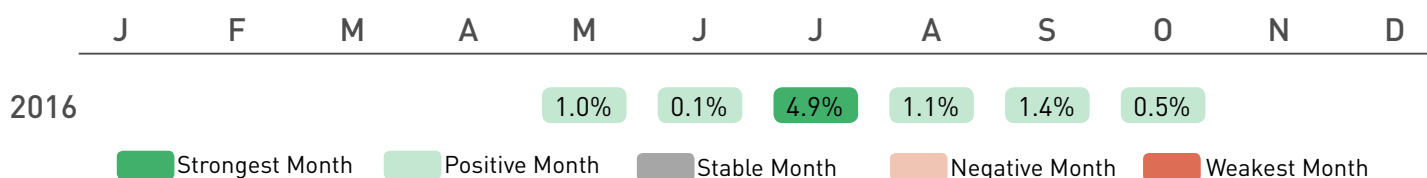
Currently this fund is closed for investment, however if you are interested in investing in this fund, please let us know and we will place you on the waiting list if we open it in the future.

## Fund Performance

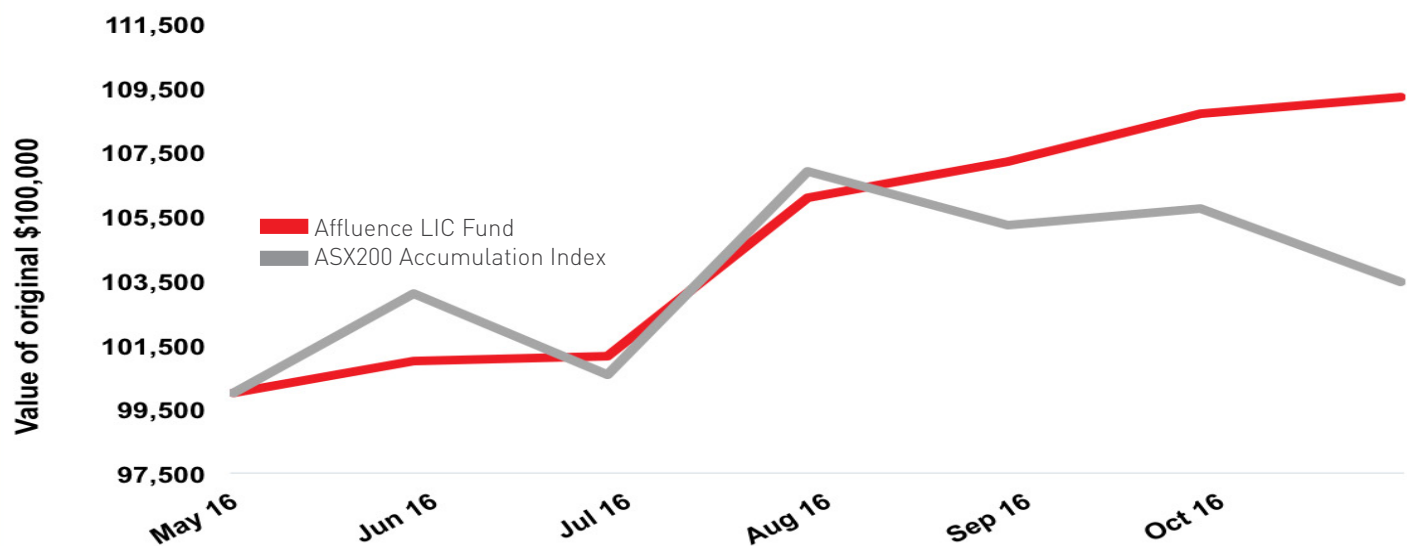
To 31 October 2016	1 Month	3 Months	6 Months	Inception	Volatility
Affluence LIC Fund	0.5%	2.9%	9.2%	9.2%	6.0%
ASX200 Accumulation Index (AI)	(2.1%)	(3.2%)	3.5%	3.5%	12.0%
<b>Outperformance against ASX200AI</b>	<b>2.6%</b>	<b>6.1%</b>	<b>5.7%</b>	<b>5.7%</b>	<b>N/A</b>

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

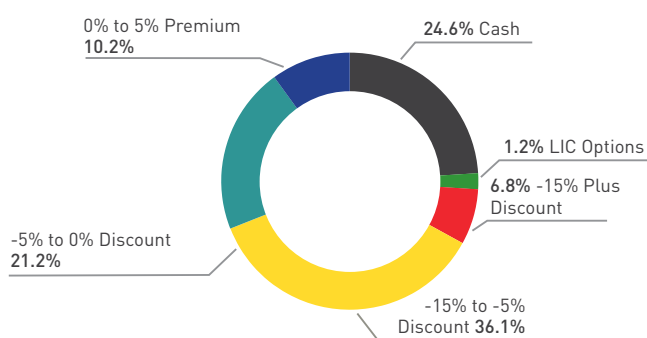


## Return on \$100,000 Investment

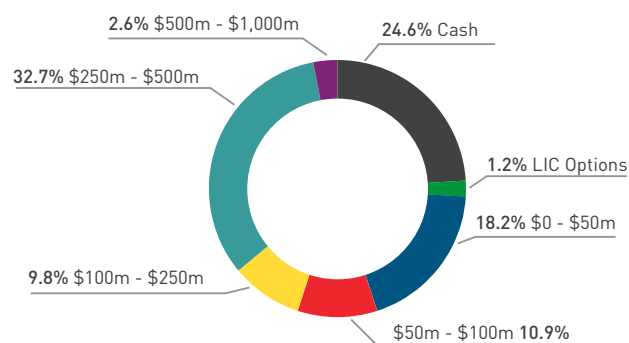


## Portfolio Summary

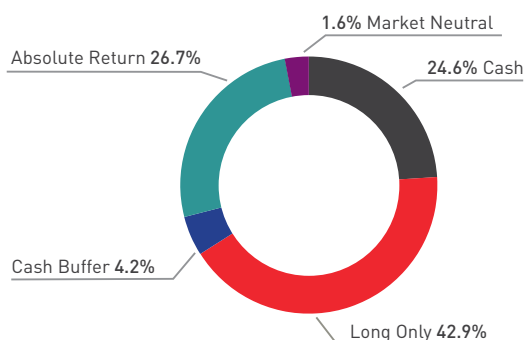
### NTA Discount Band



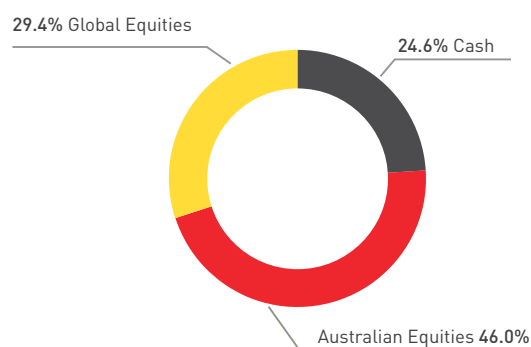
### Portfolio by Market Cap



### Equities Strategy



### Geographic Exposure



## Top 5 Largest Investments

Future Generation Investment Company Limited (FGX)

Future Generation Global Investment Company Limited (FGG)

Ellerston Asian Investments Limited (EAI)

Perpetual Equity Investment Company Limited (PIC)

8IP Emerging COmpanies Limited (8EC)

**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 fund managers, 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

Investment Class	LICs
Minimum Investment	\$20,000
Suggested Timeframe	At least 5 years
Benchmark Returns	ASX200 Accumulation Index
Entry Price	\$1.0841
Exit Price	\$1.0819
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)

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## 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 the LICs 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



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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.