



Affluence LIC Fund

Fund Report - October 2021

Contents

02

Fund Commentary
Fund Performance
Return History

03

Return on \$100,000
Portfolio Summary
Top 5 Investments

04

Key Statistics
Fund Strategy
Contact Us

Fund Commentary

The Affluence LIC Fund increased by 1.5% in October, compared to the ASX200 Index which fell 0.1%. Since the Fund commenced over 5 years ago, returns have averaged 14.3% per annum, including quarterly distributions of 7.7% per annum. The Fund has outperformed the ASX200 Index over most time periods, with significantly lower volatility than the Index.

Our best performing LICs this month were Tribeca Global Natural Resources (TGF), 360 Capital Group (TGP) and NGE Capital (NGE). The largest negative contributors included our index hedges.

Australian and global markets continued to be volatile in October, as worries over rising inflation and increasing interest rates dominate. US equity markets boomed, with the S&P500 Index increasing 7% to new all time highs. Global returns for Australian investors were less impressive, as the Australian dollar increased almost 5% over the month to mute most of the gains. We continue to be wary of asset prices, especially US equity prices which continue to hit new highs regardless of how expensive they appear.

The overall discount to NTA for the Fund portfolio at the end of the month was approximately 13%, compared to the 14.2% discount at the end of September.

At the end of October, the Fund held investments in 29 LICs representing

77% of the Fund, 4% in portfolio hedges and 19% in cash.

If you would like to know more about the investment portfolio, including our top holdings and weightings, visit the Affluence LIC Fund page at <https://affluencefunds.com.au/alf/> or the Members area of our website. You must be registered as an Affluence Member to view the portfolio.

As a reminder to investors, the Fund registrar changed in October from Boardroom to Registry Direct. All of our investors should by now have received an email with an invitation to setup a Registry Direct account. If you have not received this email, please contact us.

The Fund is now closed to new investors. Only those investors with an existing Affluence investment are able to increase their investment in the Affluence LIC Fund. For existing Affluence investors applications are accepted monthly, and the minimum initial investment amount is \$20,000. The cut-off for applications is the last business day of the month, with units issued effective the first day of the following month. Click the "Invest Now" button on our website to apply online or to download application forms.

Fund Performance

| To 31 October 2021 | 1 Month | 1 Year | 3 Years | 5 Years | Inception | Volatility |
|---|-------------|--------------|--------------|--------------|--------------|-------------|
| Distributions | 0.0% | 9.1% | 9.1% | 8.2% | 7.7% | |
| Change in Unit Price (Capital Growth) | 1.5% | 23.2% | 8.4% | 5.6% | 6.6% | |
| Affluence LIC Fund Total Returns | 1.5% | 32.3% | 17.5% | 13.8% | 14.3% | 9.2% |
| ASX200 Accumulation Index (AI) | (0.1%) | 28.0% | 11.9% | 10.9% | 10.5% | 14.0% |
| Performance compared to ASX200AI | 1.6% | 4.3% | 5.6% | 2.9% | 3.8% | |

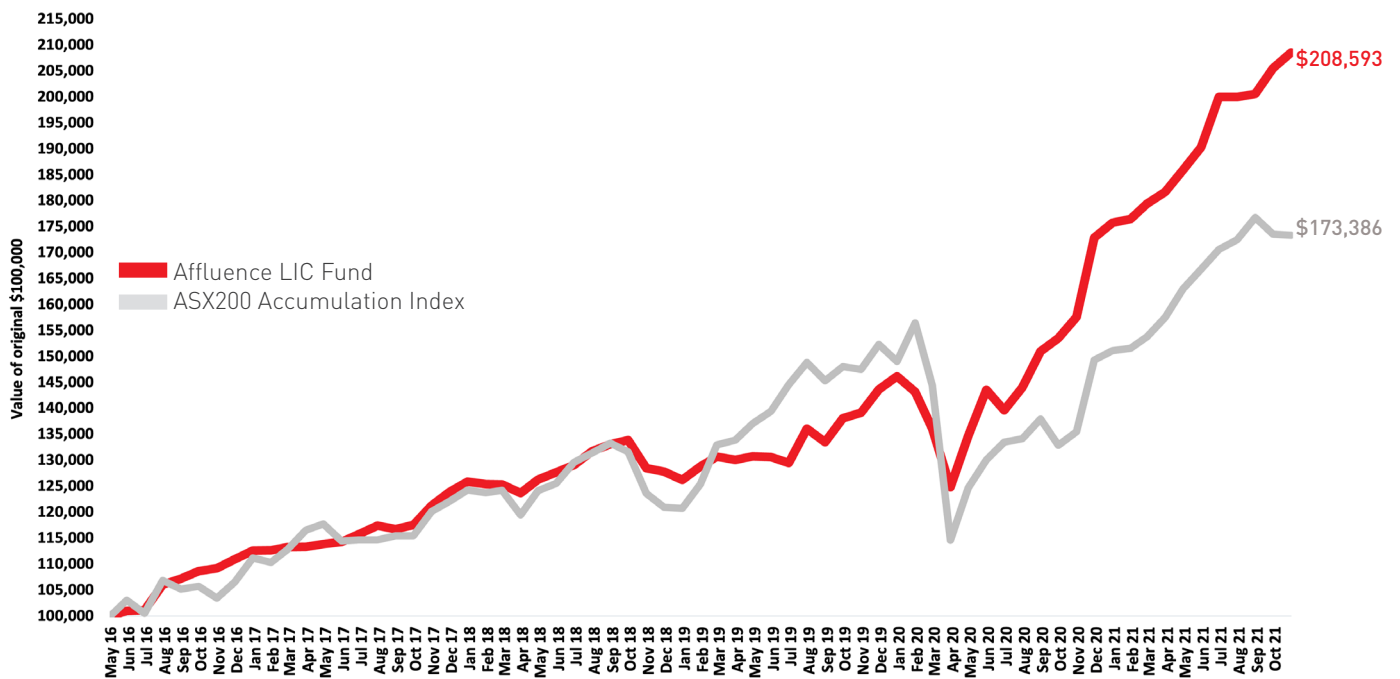
Total returns are net of fees and costs (excluding buy-sell spread) using the mid prices and assume the reinvestment of distributions. Returns of more than 1 year are annualised. Inception date is 3 May 2016. Past performance is not indicative of future performance.

Fund Monthly Return History

| | J | F | M | A | M | J | J | A | S | O | N | D | Year |
|------|-------|-------|-------|------|-------|-------|------|-------|------|-------|-------|-------|-------|
| 2016 | | | | | 1.0% | 0.1% | 4.9% | 1.1% | 1.4% | 0.5% | 1.6% | 1.5% | 12.6% |
| 2017 | 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% |
| 2018 | -0.4% | -0.1% | -1.3% | 2.1% | 1.2% | 1.1% | 2.1% | 1.0% | 0.6% | -4.0% | -0.5% | -1.2% | 0.3% |
| 2019 | 2.1% | 1.4% | -0.5% | 0.5% | -0.1% | -0.8% | 5.1% | -1.9% | 3.4% | 0.8% | 3.2% | 1.7% | 15.8% |
| 2020 | -2.0% | -5.0% | -8.3% | 7.9% | 6.6% | -2.7% | 3.2% | 4.8% | 1.7% | 2.7% | 9.7% | 1.7% | 20.2% |
| 2021 | 0.4% | 1.7% | 1.3% | 2.3% | 2.4% | 5.1% | 0.0% | 0.3% | 2.4% | 1.5% | | | 18.7% |

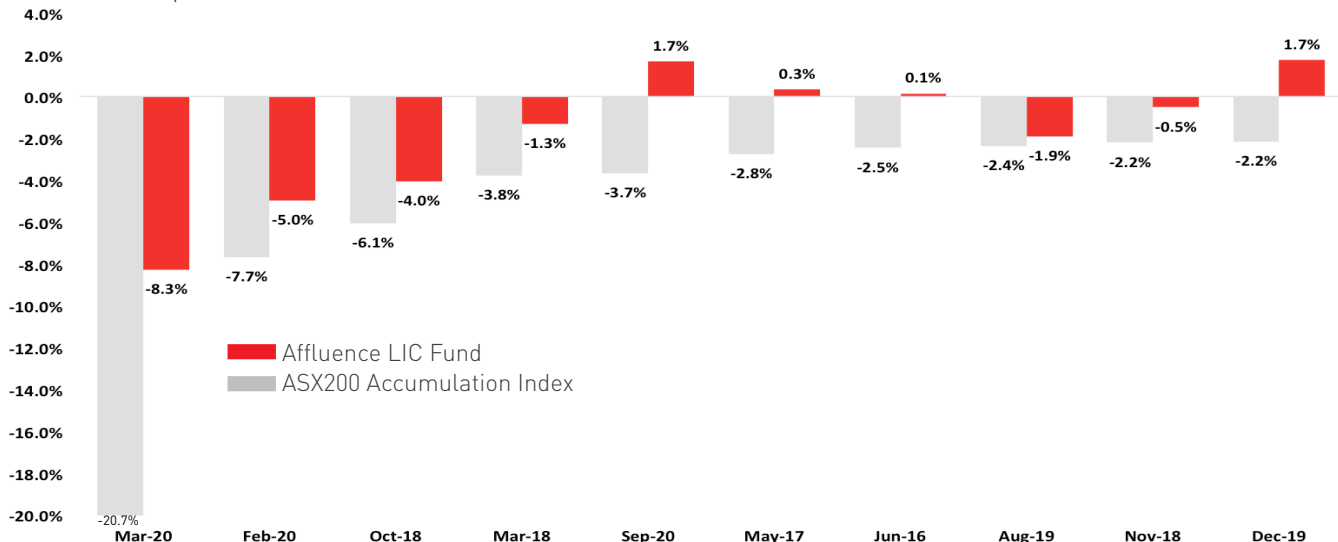
■ Strongest Month
 ■ Positive Month
 ■ Stable Month
 ■ Negative Month
 ■ Weakest Month

Return on \$100,000 Investment



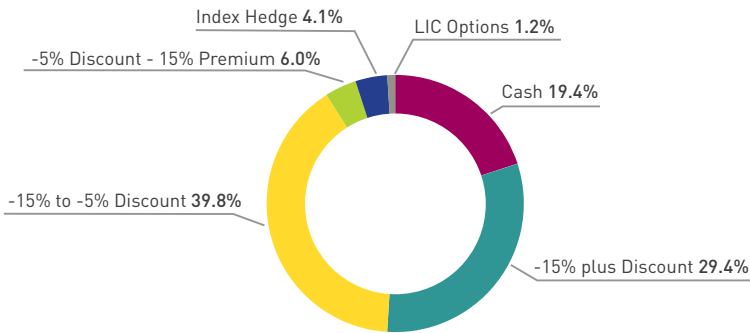
Fund Performance in ASX 200 Worst Months

The below shows the 10 largest monthly falls in the ASX200 Accumulation Index since the Fund commenced, and the performance of the Affluence LIC Fund for that month. The Fund has outperformed the Index in all 10 of the worst months, and delivered positive returns in 4 of them.

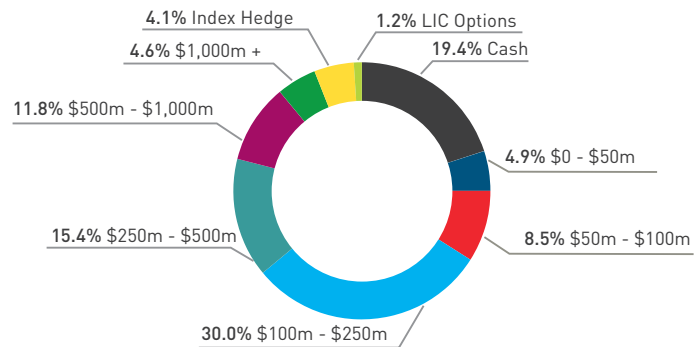


Portfolio Summary

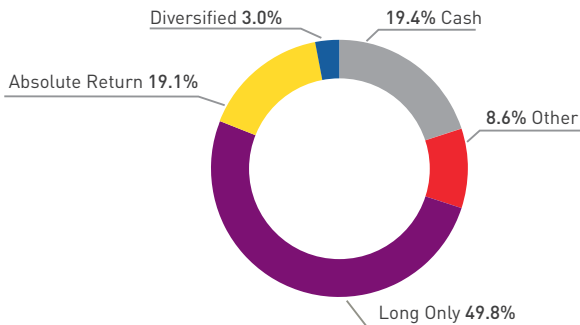
NTA Discount Band



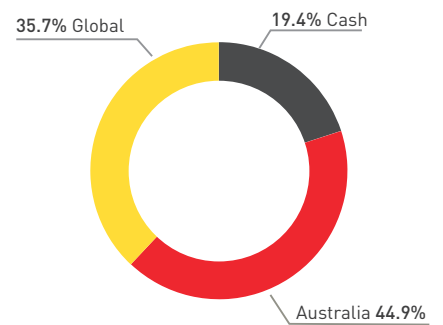
Portfolio by Market Cap



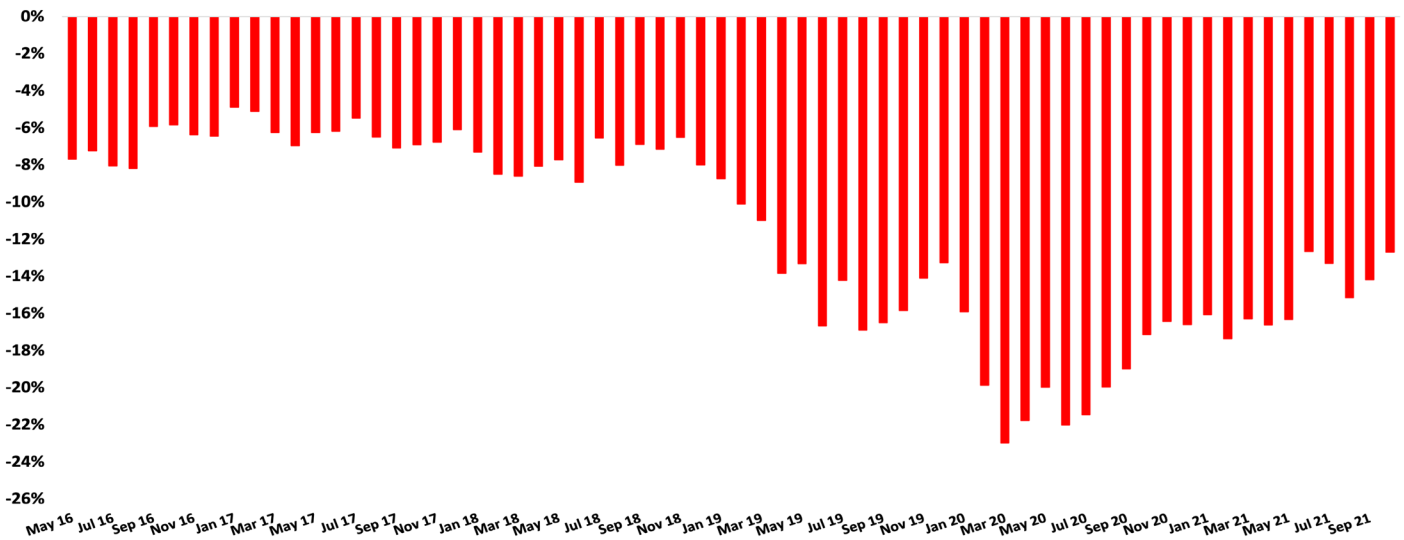
Equities Strategy



Geographic Exposure



Affluence LIC Fund Portfolio - Discount to NTA History



Five Largest Investments

- Thorney Opportunities Limited (TOP)

- Platinum Capital (PMC)

- Templeton Global Growth Fund (TGG)

- NGE Capital (NGE)

- Tribeca Natural Resources Limited (TGF)

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 LICs, 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 |
| Fund Value | \$18.5m |
| Entry Price | \$1.4255 |
| Exit Price | \$1.4227 |
| Annual Distributions | 7.00cpu |
| Distribution Yield | 4.9% p.a. |
| Distribution Frequency | Quarterly |
| Applications | Monthly |
| Withdrawals | Monthly |
| Management Fees | Nil |
| Performance Fee | 12.5% of positive performance |
| Buy/Sell Spread | 0.10%/0.10% |

Meet The Portfolio Managers



Daryl Wilson

CEO/Portfolio Manager

Years in the Industry: 20

Email: 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

Phone: +61 409 645 893

Investment Strategy

The Fund provides access to a diversified investment portfolio of ASX Listed Investment Companies as selected by Affluence. We aim to outperform the ASX 200 Accumulation Index over rolling 3 year periods and to deliver these returns with less volatility than the Index.

The Fund aims to invest in LICs that meet one or more of the following criteria; Alpha Generators – LICs that can outperform the market, Discount Capture – LICs trading at an attractive discounts to NTA, or Event Driven – special situations such as IPOs, capital raisings and other corporate activities.

Contact Us

If you have an questions, please contact us:

Phone: 1300 233 583

Email: invest@affluencefunds.com.au

Address: Level 5, 320 Adelaide St, Brisbane QLD 4000

This information has been prepared by Affluence Funds Management Limited ABN 68 604 406 297 AFS licence no. 475940 (Affluence) as general information only in relation to the Affluence LIC Fund (Fund). It does not purport to be complete and it does not take into account your investment objectives, financial situation or needs. Prospective investors should consider those matters and read the Product Disclosure Statement (PDS) offering units in the Fund before making an investment decision. The PDS contains important notices and disclaimers, important information about the offer, as well as investment risks. Any forecast or projected information, including financial, is not guaranteed and there is no guarantee of any distribution, investment return or repayment of capital. This information and the information in the PDS is not a recommendation by Affluence or any of its officers, employees, agents or advisers and potential investors are encouraged to obtain independent expert advice before any investment decision.