



Affluence LIC Fund

Fund Report - September 2018

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Fund Commentary

The ASX200 decreased by 1.3% in September, with the Affluence LIC Fund pleasingly increasing by 0.6%. Returns since inception for the Fund are 12.8% per annum, compared to the ASX 200 Index of 12.0% per annum. These returns have been delivered with approximately half of the volatility of the index.

In September the biggest contributors for the Fund were Bailador Technology Investments (BTI) up 8.4%, Thorney Opportunities Limited (TOP) up 7.9%, and Forager Australian Shares Fund (FOR) up 4.4% after we participated in a capital raising at a discount to its recent trading price. We continued to hold in excess of 20% cash during the month, which was helpful given the market decrease. We would be happy to reduce our cash levels if we saw more LICs trading at compelling discounts, however in the most part discounts/premiums are around their long term averages. There has been a rush of capital raisings recently by a number of LICs, as they take advantage of the reasonably benign

trading conditions to increase their market capitalisations. We have, and will continue to participate in the ones that we believe are priced attractively, as they can offer excellent risk adjusted returns. There are also new LIC IPOs coming to market including a long/short resource strategy by Tribeca and a market neutral strategy by Firetrail. Both of these offerings could be described as alternative strategies, which is a welcome addition to the LIC market and further increases the diversification achievable through LICs.

At the end of September, the Fund held investments in 24 Listed Investment Companies representing 76% of the Fund, 24% in cash, and some LIC call options (in case markets continue to rally) and ASX 200 Index put options (in case markets fall significantly). We believe the Fund is well positioned and diversified to withstand most market conditions, and we are constantly looking for attractive opportunities to deploy capital into.

If you qualify as a wholesale/sophisticated investor and are interested in the Fund, contact us and we will let you know when the Fund is next open. 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 September 2018

	1 Month	6 Months	1 Year	2 Years	Inception	Volatility
Affluence LIC Fund	0.6%	8.3%	13.9%	11.0%	12.8%	4.1%
ASX200 Accumulation Index (AI)	(1.3%)	10.1%	14.0%	11.6%	12.0%	8.2%
Performance compared to ASX200AI	1.9%	(1.8%)	(0.1%)	(0.6%)	0.8%	

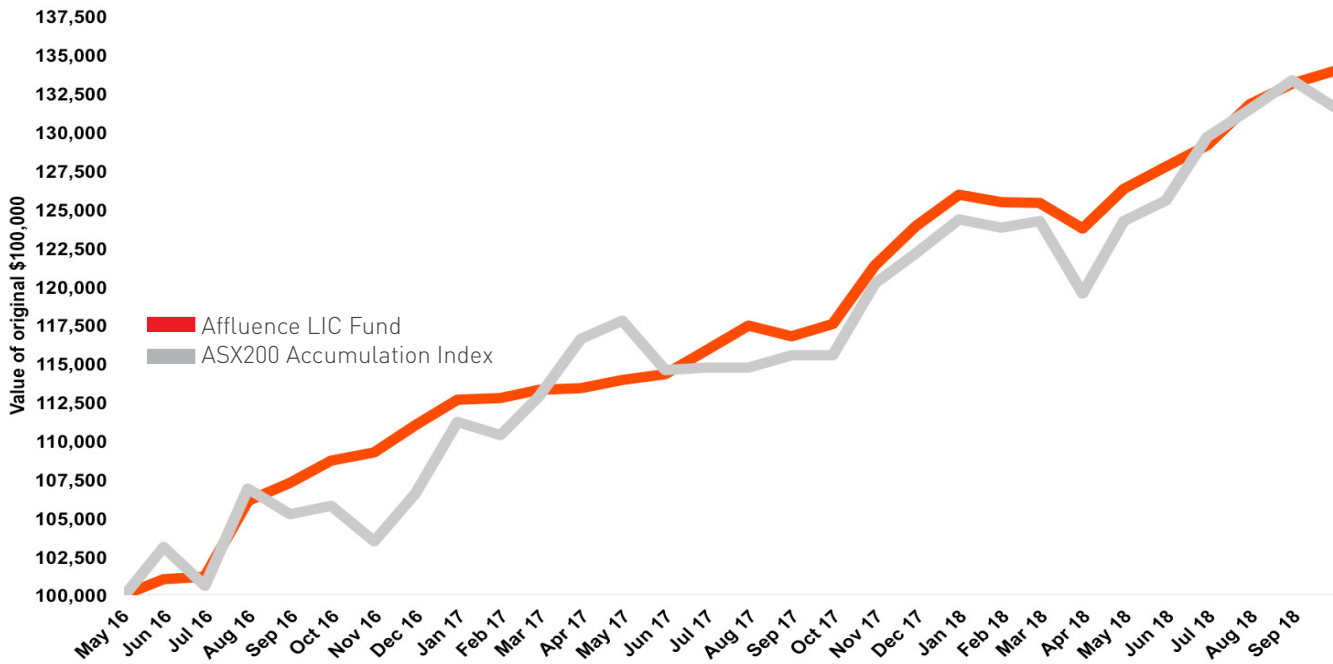
Total returns are net of fees and costs (excluding buy-sell spread) using the mid prices and assume the reinvestment of distributions. Returns of more than 1 year are annualised. Inception date is 3 May 2016.

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%				

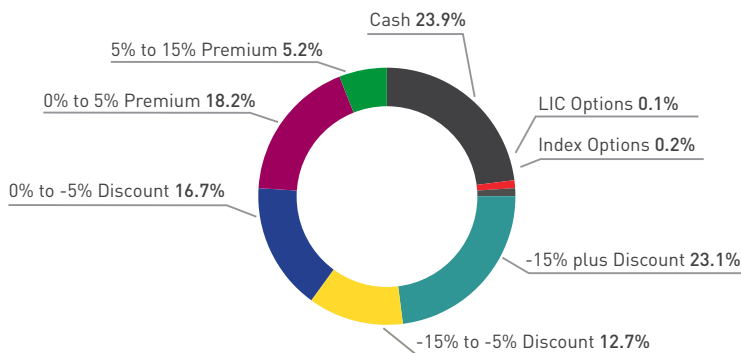
■ Strongest Month
 ■ Positive Month
 ■ Stable Month
 ■ Negative Month
 ■ Weakest Month

Return on \$100,000 Investment

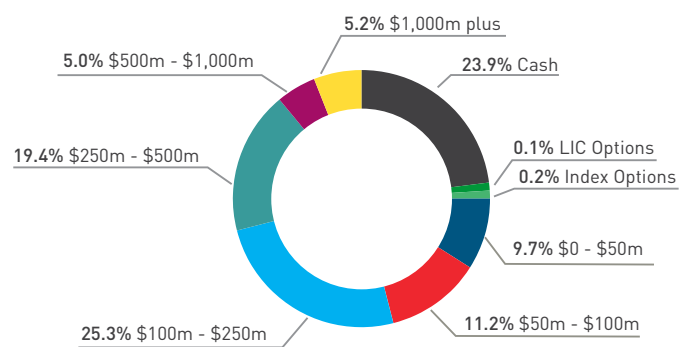


Portfolio Summary

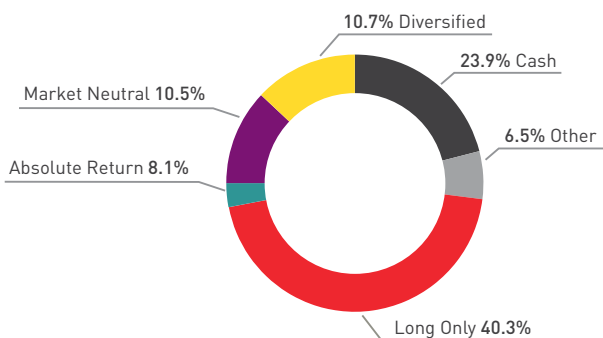
NTA Discount Band



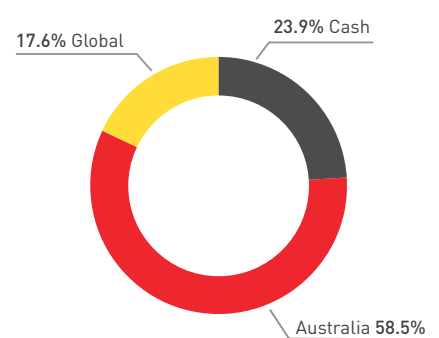
Portfolio by Market Cap



Equities Strategy



Geographic Exposure



Largest Investments

Future Generation Investment Company (FGX)

Century Australia Investments (CYA)

WAM Leaders Fund (WLE)

Future Generation Global Fund (FGG)

Absolute Equity Performance Fund (AEG)

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
Entry Price	\$1.1650
Exit Price	\$1.1627
Annual Distributions	5.70cpu
Distribution Yield	4.9% p.a.
Distribution Frequency	Quarterly
Applications	Please Contact Us
Withdrawals	Monthly
Management Fees	Nil
Performance Fee	12.5% of positive performance
Buy/Sell Spread	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:

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Meet The Portfolio Managers



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