



# Affluence Small Company Fund

## Fund Report - October 2017

### Fund Commentary

The Australian market was flying in October, with the ASX 200 Index up 4.0%, and the ASX Small Ordinaries Index up 6.0% for the month. The Affluence Small Company Fund failed to keep up, however still increased by 2.7%, with the Fund now returning 10.5% per annum since inception. The Fund has underperformed its benchmark (ASX Small Ordinaries) since inception, however it has delivered its returns with about half the volatility of the ASX Small Ordinaries.

Our managers produced mixed results this month. The standout was our newest investment, the Terra Capital Natural Resources Fund, which increased by 13.4% for the month. There was only one detractor, the Spheria Australian Microcap Fund which was down 1.6%. Our overall portfolio has a value bias and is more concentrated in microcaps. The standout performers

this month were the small/mid cap growth stocks. As such, our relative underperformance was not surprising. We are very happy with all of our managers, and look forward to adding to the portfolio in the future.

At the end of October, the Affluence Small Company Fund held investments in 6 unlisted funds (including the Affluence LIC Fund) representing 94% of the total portfolio, and the balance 6% cash.

We have identified a number of other outstanding small cap managers that we would like to add to the portfolio in the coming months. In order to make these additional investments, we are considering undertaking a small capital raising in the Fund early next year. If you are potentially interested in participating, please let us know so we can add you to our priority wait list.

If you'd like further details of the

Affluence Small Company Fund portfolio at any time, just email us and we'll provide it to you.

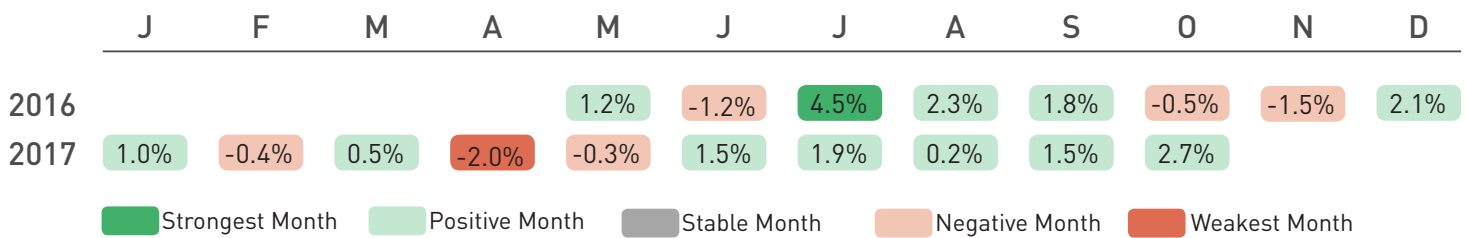
## Fund Performance

To 30 September 2017

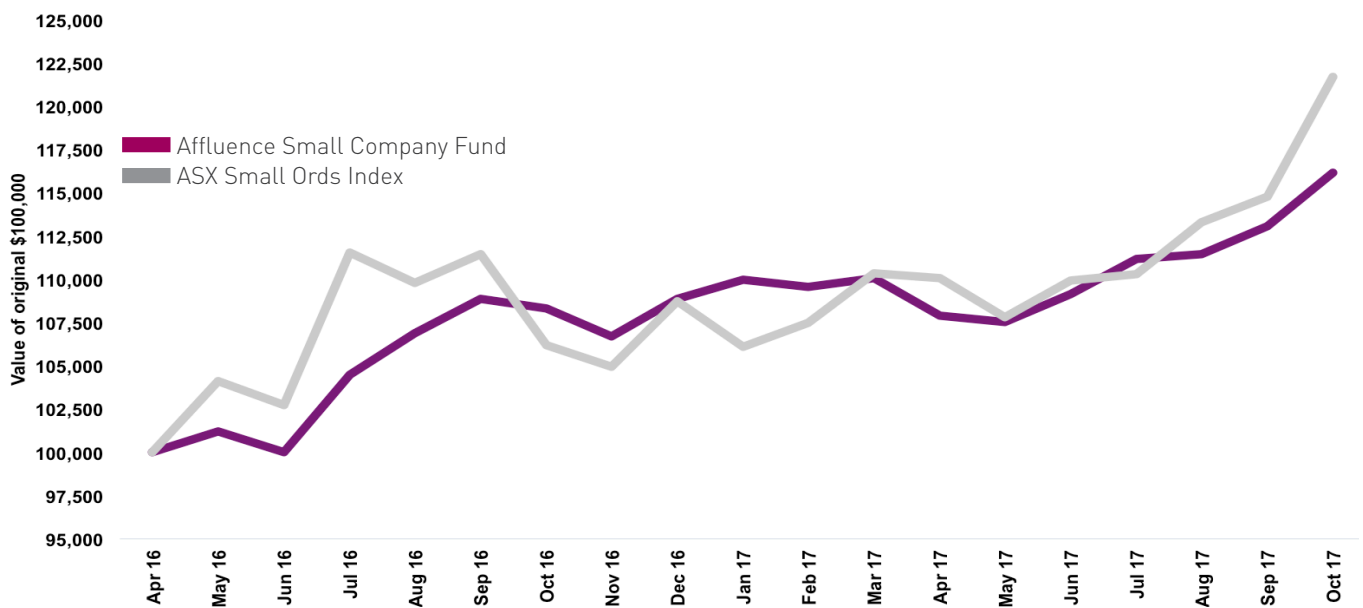
	1 Month	6 Months	1 Year	Inception	Volatility
Affluence Small Company Fund	2.7%	7.7%	7.2%	10.5%	5.7%
ASX Small Ordinaries Index	6.0%	10.6%	14.6%	14.0%	11.2%
<b>Outperformance against ASX Small Ords Index</b>	<b>(3.3%)</b>	<b>(2.9%)</b>	<b>(7.4%)</b>	<b>(3.5%)</b>	

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 21 April 2016.

## Fund Monthly Return History

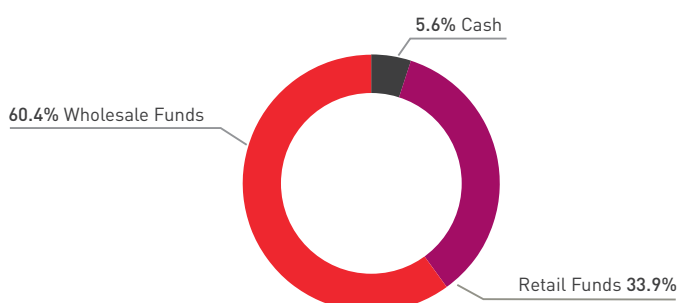


## Return on \$100,000 Investment



## Portfolio Summary

### Underlying Investment Type



## Top 5 Largest Investments

- Phoenix Opportunities Fund
- Affluence LIC Fund
- Microequities Deep Value Microcap Fund
- Terra Capital Natural Resources Fund
- Spheria Australian Microcap Fund

## 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	Small Company Equities
Minimum Investment	\$20,000
Suggested Timeframe	At least 5 years
Benchmark Returns	ASX Small Ords Accumulation Index
Entry Price	\$1.0889
Exit Price	\$1.0813
Applications	Please Contact Us
Withdrawals	Monthly
Management Fees	Nil
Performance Fee	12.5% of positive performance
Buy/Sell Spread	0.35%/0.35%

## Investment Strategy

We believe that exposure to Small Company stocks through quality investments across different managers, investment strategies and structures can provide higher risk adjusted returns from this asset class.

The Fund provides access to a diversified portfolio of Small Company Equities unlisted funds and LIC's as selected by Affluence. We aim to outperform the ASX Small Ordinaries Accumulation Index over rolling 3 year periods and to deliver these returns with lower volatility.

## 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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