



Affluence Small Company Fund

Fund Report - September 2018

Fund Commentary

The ASX Small Ordinaries Index decreased by 0.4% in September, with the ASX200 Index decreasing by 1.3%. The Affluence Small Company Fund recorded a small increase of 0.3%, with the Fund now returning 7.7% per annum since inception in April 2016. The Fund has underperformed its benchmark (ASX Small Ordinaries) since inception, however it has delivered its returns with less volatility of the ASX Small Ordinaries.

Our best performing funds this month was the Phoenix Opportunities Fund (up 1.9%) and the Wentworth Williamson Fund (up 1.4%). The biggest detractor was the Terra Capital Natural Resources Fund which decreased 2%.

At the end of September, 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.

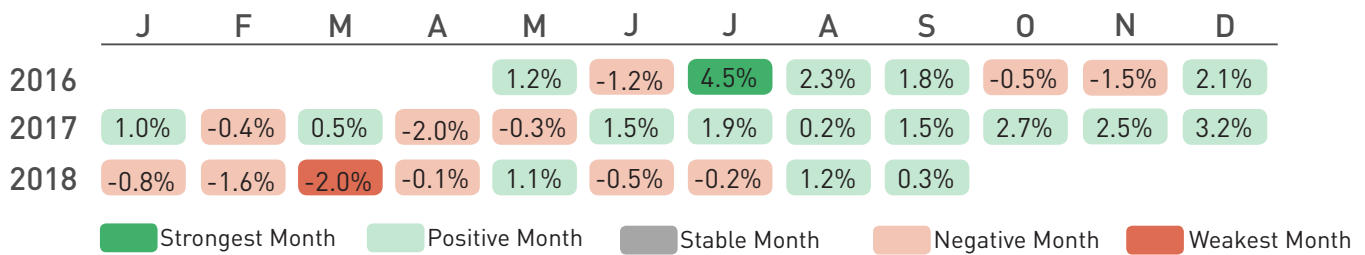
Fund Performance

To 30 September 2018

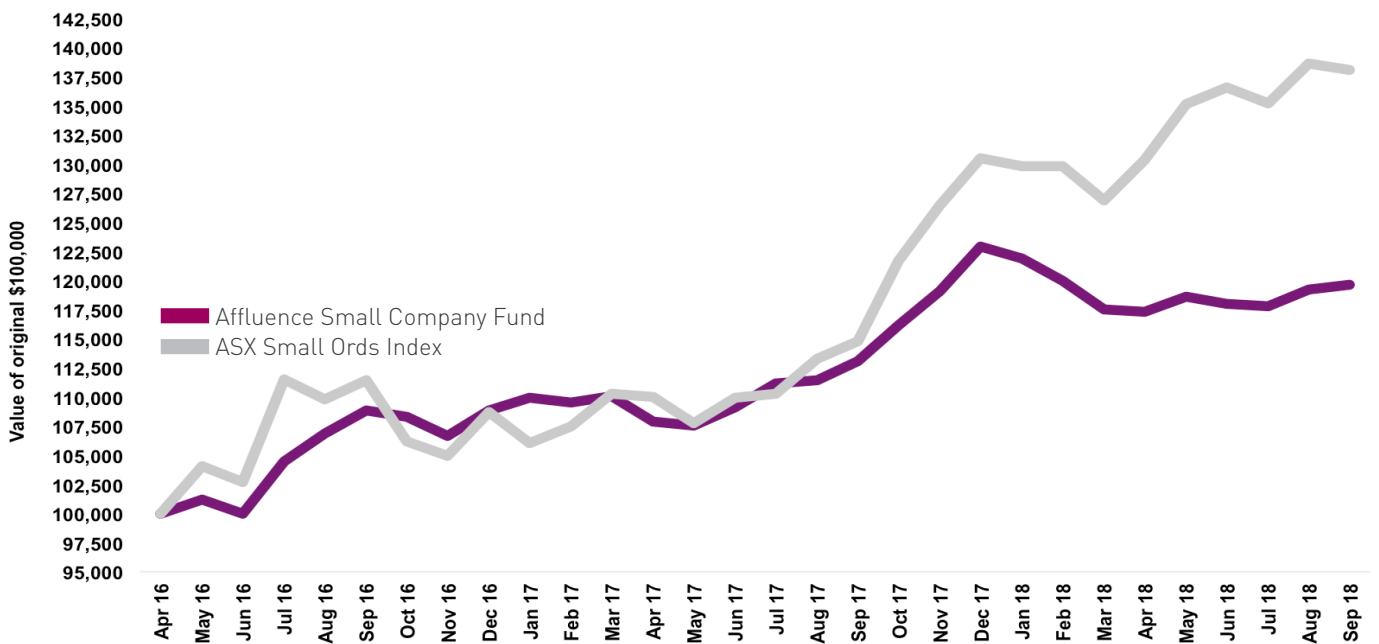
| | 1 Month | 6 Months | 1 Year | 2 Years | Inception | Volatility |
|--|-------------|---------------|----------------|---------------|---------------|------------|
| Affluence Small Company Fund | 0.3% | 1.8% | 5.8% | 4.8% | 7.7% | 5.7% |
| ASX Small Ordinaries Index | (0.4%) | 8.9% | 20.3% | 11.3% | 14.3% | 9.8% |
| Outperformance against ASX Small Ords Index | 0.7% | (7.1%) | (14.5%) | (6.5%) | (6.6%) | |

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

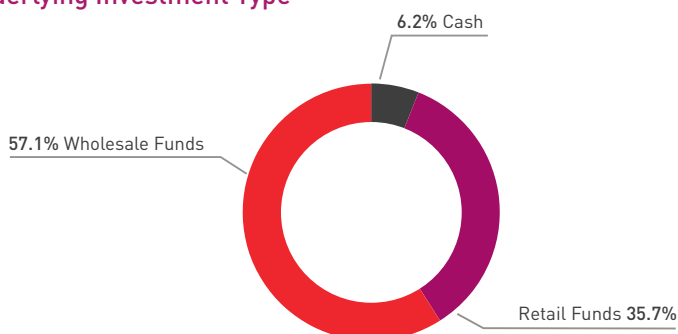


Return on \$100,000 Investment



Portfolio Summary

Underlying Investment Type



Top 5 Largest Investments

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

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 fund managers, 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 | Small Company Equities |
| Minimum Investment | \$20,000 |
| Suggested Timeframe | At least 5 years |
| Benchmark Returns | ASX Small Ords Accumulation Index |
| Entry Price | \$1.0741 |
| Exit Price | \$1.0666 |
| 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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The information in this report has been prepared by Affluence Funds Management Limited ABN 68 604 406 297 AFS licence no. 475940 (Affluence) as general information only. This report contains information in relation to an offer Affluence intends to make to subscribe for units in the Affluence Small Company Fund (ASF). ASF is not yet open for investment. An information memorandum (IM) for ASF is intended to be issued by Affluence during 2017 or 2018. The IM will contain 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 investment return or repayment of capital. Offers to invest in ASF will only be available to persons who qualify as Eligible Investors. Affluence will not issue units in ASF to a person unless it is satisfied the person is an Eligible Investor. The information in this report does not purport to be complete and does not take into account your investment objectives, financial situation or needs. Prospective investors in ASF should consider those matters and read the IM offering units in ASF when it becomes available before making an investment decision. The information in this report 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 making a decision to invest in ASF.