

Affluence Small Company Fund

Fund Report & Overview - November 2022

Fund Features

✓	Fund has outperformed ASX Small Ords
✓	Quarterly Distributions
✓	Performance Fee only
✓	Diversified access to smaller companies

Key Statistics

Investment Class	Small Companies
Minimum Investment	\$20,000
Suggested Timeframe	At least 5 years
Target Returns	ASX Small Ords Index
Annual Distributions	6.00 cpu
Distribution Yield	5.1% p.a.
Distribution Frequency	Quarterly
Applications	Monthly
Withdrawals	Monthly
Management Fees	Nil
Performance Fee	12.5% of positive performance
Entry/Exit Price	\$1.1815 / \$1.1733
Buy/Sell Spread	0.35% / 0.35%

Investment Objective

The Fund aims to outperform the ASX Small Ordinaries Index over rolling 5 year periods and to deliver these returns with less volatility than the index.

Investment Strategy

The Fund invests with managers who specialise in investing in ASX Small Companies, primarily through unlisted managed funds. In addition, the Fund may also invest directly into ASX Small Companies, ASX listed LICs and have exposure to some global equities.

Why Use The Fund?

Portfolio Use

The Fund is designed to be used as a smaller part of an investment portfolio for those investors seeking **Capital Growth** and **Income Distributions** with a longer investment timeframe, at least a **High** risk/return profile and needing access to capital **Monthly** or less often.

Access to Differentiated Strategy

The Fund provides access to a wide range of small companies that may compliment investors portfolios.

Performance Since Inception (April 2016)

Total Returns

9.4%
per annum

Distributions

6.8%
per annum

Fund Performance

To 30 November 2022	3 Months	1 Year	3 Years	5 Years	Inception
Distributions	1.4%	7.7%	9.2%	7.5%	6.8%
Change in Unit Price (Capitol Growth)	1.7%	(6.0%)	5.9%	1.1%	2.5%
Affluence Small Company Fund Total Returns	3.1%	1.7%	15.1%	8.7%	9.4%
ASX Small Ordinaries Index (Small Ords)	(0.8%)	(14.0%)	2.6%	4.4%	7.0%
Performance compared to Small Ords Index	3.9%	15.7%	12.5%	4.3%	2.3%

Fund Commentary

The Affluence Small Company Fund increased 4.7% in November, trailing the ASX Small Ordinaries Index which increased 4.9%. The Fund has returned 9.4% per annum since inception in April 2016, outperforming the ASX Small Ordinaries Index which has increased by 7.0% per annum.

After the strong November results, the Fund has fully recovered all its losses for the year. This means that investors in the Fund have not suffered any material losses in 2022.

The largest positive contributor was our holding in Kiland Limited (KIL) and the Samuel Terry Absolute Return Fund.

At the end of November the portfolio included eight unlisted funds (56% of the portfolio), eight LICs (15%) and eight ASX listed Small Companies (26%). The balance 3% was cash.

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

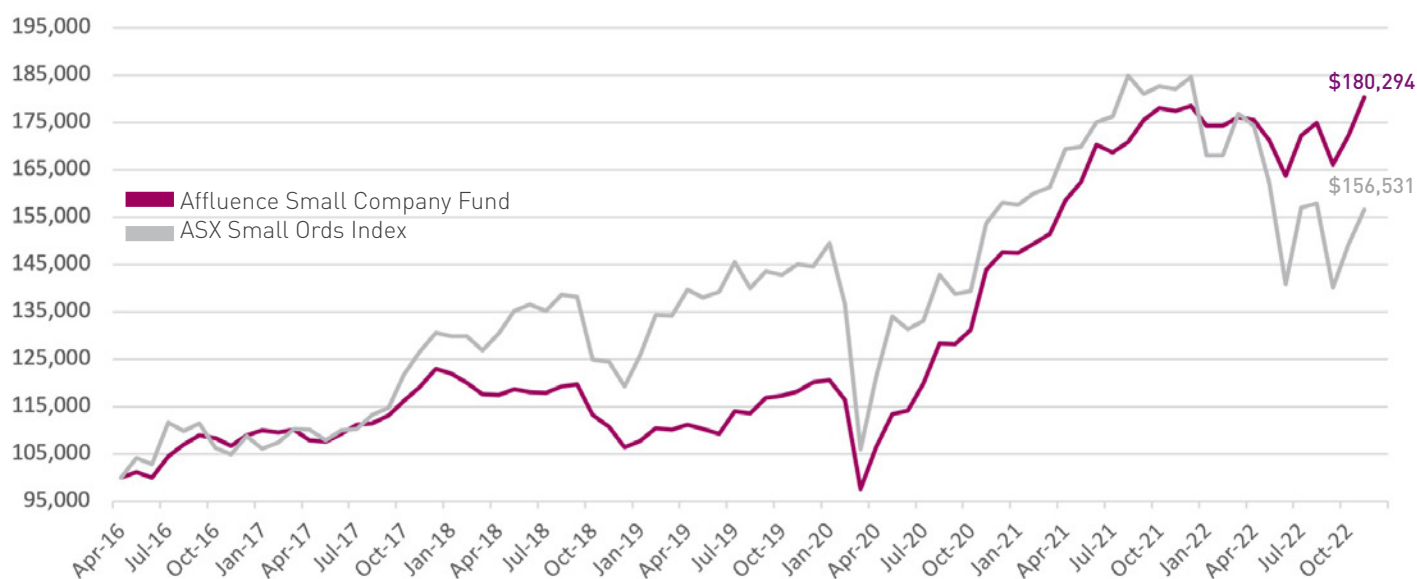
We have reopened the Affluence Small Company Fund to new investors who are Wholesale and Sophisticated Investors. Applications are accepted monthly, and the minimum initial investment amount is \$20,000. The cut-off for applications is the 23rd December with units issued effective 1st January. Click the "Invest Now" button on our website to apply online or download application forms.

Fund Monthly Return History

	J	F	M	A	M	J	J	A	S	O	N	D	Year
2016					1.2%	-1.2%	4.5%	2.3%	1.8%	-0.5%	-1.5%	2.1%	8.9%
2017	1.0%	-0.4%	0.5%	-2.0%	-0.3%	1.5%	1.9%	0.2%	1.5%	2.7%	2.5%	3.2%	12.9%
2018	-0.8%	-1.6%	-2.0%	-0.1%	1.1%	-0.5%	-0.2%	1.2%	0.3%	-5.3%	-2.3%	-3.9%	-13.5%
2019	1.3%	2.4%	-0.2%	1.0%	-0.9%	-0.8%	4.3%	-0.4%	2.9%	0.5%	0.8%	1.6%	12.9%
2020	0.4%	-3.5%	-16.2%	9.6%	6.5%	0.7%	5.0%	7.1%	-0.2%	2.4%	9.6%	2.6%	22.9%
2021	-0.1%	1.2%	1.5%	4.6%	2.4%	4.9%	-0.9%	1.4%	2.7%	1.5%	-0.4%	0.7%	21.0%
2022	-2.4%	0.0%	1.0%	-0.3%	-2.5%	-4.3%	5.2%	1.6%	-5.0%	3.7%	4.7%		1.0%

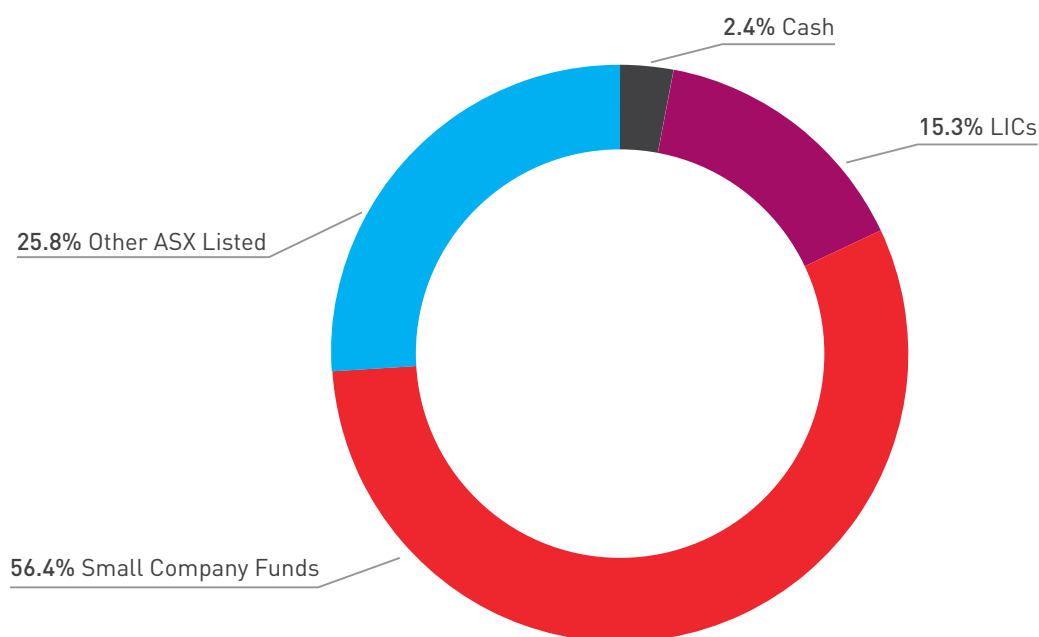
Strongest Month
Positive Month
Stable Month
Negative Month
Weakest Month

Return on \$100,000 Investment



Portfolio Summary

Underlying Investment Type



Five Largest Investments

Samuel Terry Absolute Return Fund

Kiland Limited (KIL)

Phoenix Opportunities Fund

Centennial Level 18 Fund

Phoenix Global Opportunities Fund

Is the Fund right for you?	Does it suit your portfolio?	Why invest with Affluence?
<p>The Affluence Small Company Fund aims to invest primarily with boutique investment managers that specialise in ASX Small Companies (defined as those outside of the ASX100 Index). We believe there is more opportunity for smaller companies to be able to grow their earnings. As they grow, price/earning multiples can also increase. We also believe that it is easier for talented specialist investment managers to find mispriced opportunities in this sector.</p> <p>However, ASX Small Companies can also be more volatile and fall more in severe market downturns.</p>	<p>The Fund is designed to be used as a smaller part of an investment portfolio for those investors seeking Capital Growth and Income Distributions with a longer investment timeframe, at least a High risk/return profile and needing access to capital Monthly or less often.</p> <p>The Fund has outperformed its benchmark (ASX Small Ordinaries Index) with lower volatility since inception.</p> <p>As will all investments, the Fund is subject to risks. The value of an investment will go up and down over time, the Fund's returns will vary, future returns may differ from past returns, and returns are not guaranteed. This means that there is always the chance that you could lose money on an investment in the Fund.</p>	<p>We pride ourselves on the quality of our products and alignment with investors.</p> <p>We were the first investors in each of our funds. A significant proportion of our own and extended families wealth is invested in Affluence funds.</p> <p>We charge no fixed management fee for any of our funds. Instead, we charge a performance fee of 12.5% of positive returns. This encourages us to focus on generating strong returns, while managing risk and limiting losses. If our investors do well, we will do well.</p> <p>We believe managing less money than average provides us with significant advantages. So we don't aim to be the biggest manager. We do aim to be one of the best. We are proud of our performance record to date.</p>

Portfolio Managers



Daryl Wilson

CEO/Portfolio Manager

Email: daryl.wilson@affluencefunds.com.au

Phone: +61 402 046 883

Office: 1300 233 583



Greg Lander

Portfolio Manager

Email: greg.lander@affluencefunds.com.au

Phone: +61 409 645 893

Office: 1300 233 583

The Affluence Small Company Fund is available to Wholesale and Sophisticated Investors. If you have any questions about Affluence, the Fund or our investment team, please get in touch.

invest@affluencefunds.com.au
affluencefunds.com.au
 1300 233 583

Level 22, 127 Creek Street, Brisbane QLD 4000

1. 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 Small Company 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 Information Memorandum (IM) offering units in the Fund before making an investment decision. The IM 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 IM 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. The offer to invest in the Fund is only available to persons who qualify as wholesale clients (as defined in section 761G(7) of the Corporations Act) or sophisticated investors (as defined in section 761GA of the Corporations Act) (collectively, Eligible Investors). Affluence will not issue units in the Fund to a person unless it is satisfied the person is an Eligible Investor.
2. Performance data for the Fund is expressed net of fees and costs (excluding the buy-sell spread). Performance calculations assume the reinvestment of distributions. Returns for periods of more than 1 year are annualised. Past performance is not indicative of future performance. The inception date of the Fund is 1 April 2016.
3. The Fund aims to pay distributions of approximately 5% pa paid quarterly. Distributions are not guaranteed and may be paid above or below this amount.