



# Affluence Small Company Fund Fund Report - September 2019

## Fund Commentary

The Affluence Small Company Fund increased 2.9% in September, compared to the ASX Small Ordinaries Index which increased 2.6%. The Fund has returned 4.6% 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 lower volatility than the ASX Small Ordinaries.

Our best performing funds this month were the Microequities Deep Value Fund (up 4.6%), and the Spheria Australian Microcap Fund (up 3.7%). Pleasingly there were no negative contributors this month.

At the end of September, the Affluence Small Company Fund held investments in 7 unlisted

funds (including the Affluence LIC Fund) representing 96% of the total portfolio, and the balance 4% cash.

The Affluence Small Company Fund is now open to Wholesale and Sophisticated Investors. We held off opening the Affluence Small Company Fund for quite some time. We wanted to wait until we felt conditions were appropriate. It feels like now is the right time. Not only do we see pockets of extraordinary value in some areas, but we are confident that all the managers we have or plan to invest with, have the potential to outperform substantially over the long term.

If you qualify as a wholesale or sophisticated investor and are interested in the Fund, contact us or visit the website to find out more. The

cut-off for this month's applications is 25th October. Units will be issued effective 1st November.

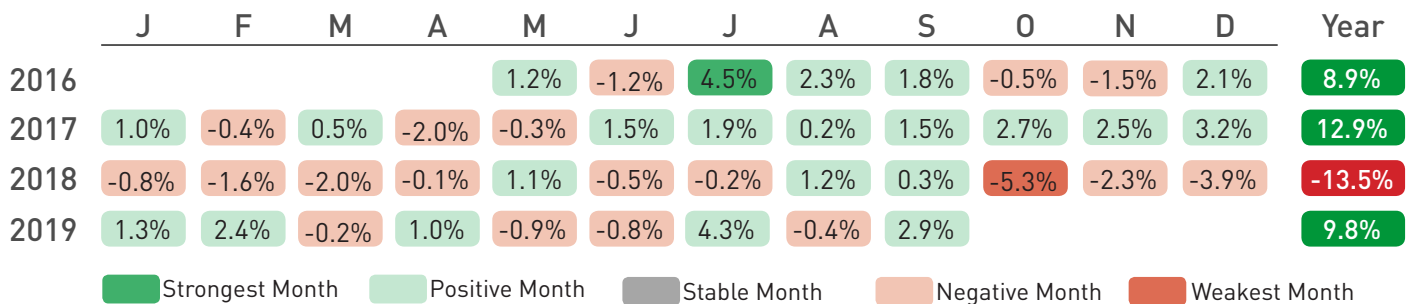
## Fund Performance

To 30 September 2019

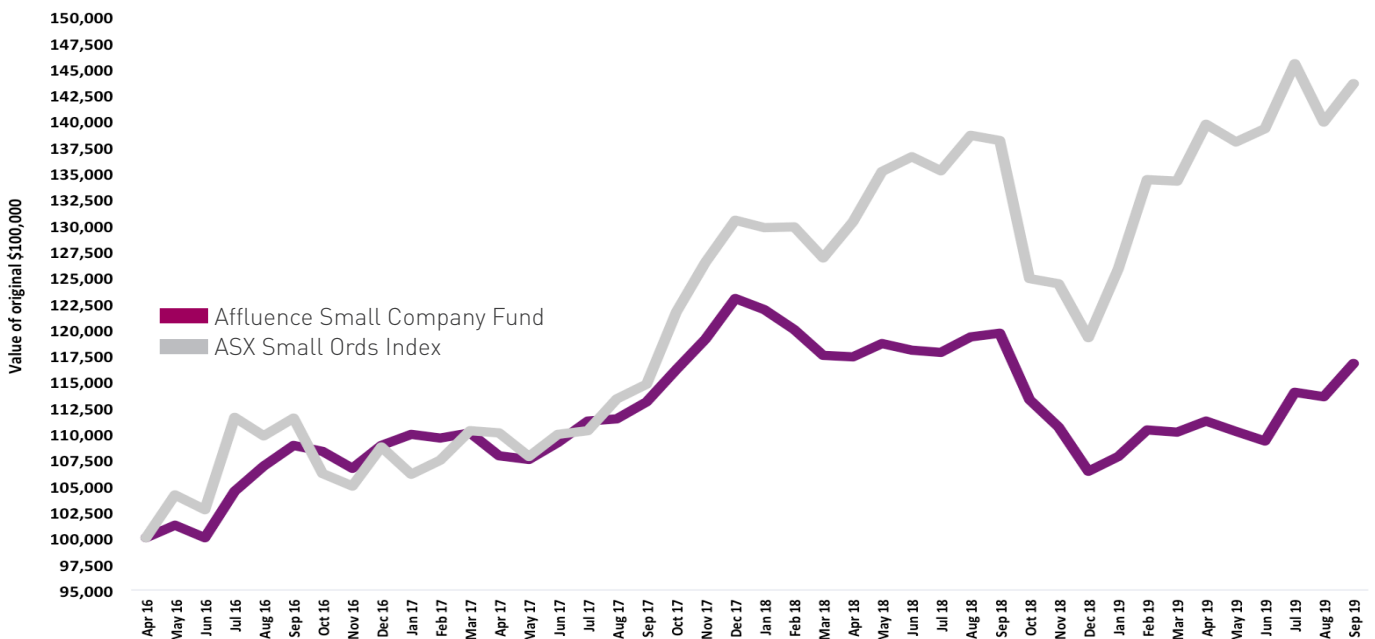
	1 Month	1 Year	2 Years	3 Years	Inception	Volatility
Affluence Small Company Fund	2.9%	(2.4%)	1.6%	2.4%	4.6%	7.0%
ASX Small Ordinaries Index	2.6%	3.9%	11.8%	8.8%	11.2%	11.9%
<b>Outperformance against ASX Small Ords Index</b>	<b>0.3%</b>	<b>(6.3%)</b>	<b>(10.2%)</b>	<b>(6.4%)</b>	<b>(6.6%)</b>	

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

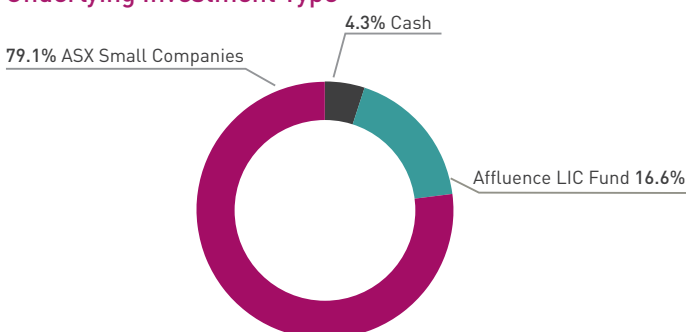


## Return on \$100,000 Investment



## Portfolio Summary

### Underlying Investment Type



## Top 5 Largest Investments

- Phoenix Opportunities Fund
- Affluence LIC Fund
- Deep Value Microcap Fund
- Wentworth Williamson 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	ASX Small Companies
Minimum Investment	\$20,000
Suggested Timeframe	At least 5 years
Benchmark Returns	ASX Small Ords Accumulation Index
Entry Price	\$0.9818
Exit Price	\$0.9749
Distributions	Quarterly
Applications	Monthly
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 5 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



### Daryl Wilson

**CEO/Portfolio Manager**

Years in the Industry: 20

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### Greg Lander

**Portfolio Manager**

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