



Affluence Small Company Fund

Fund Report - September 2021

Fund Commentary

The Affluence Small Company Fund increased by 2.7% in September, outperforming the ASX Small Ordinaries Index which decreased by 2.1%. The Fund has now returned 10.9% per annum since inception in April 2016, compared to the ASX Small Ordinaries Index which has increased by 11.6% per annum.

The strongest performing investments in September included the Fund's holding in the CD Private Equity Series (CD1, CD2 and CD3) and in AWN Holdings (AWN).

At the end of September the portfolio included six unlisted funds (42% of the portfolio), five LICs (15%) and seven ASX listed Small Companies (15%). The balance 28% was cash and hedges.

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 changed the Fund registrar in October from Boardroom to Registry Direct. All of our investors should by now have received an email with an invitation to setup a Registry Direct account. If you have not received this email, please contact us.

The Affluence Small Company Fund is only open to existing Affluence investors who are also Wholesale and Sophisticated Investors. The cut-off for this month's applications is 25th October. Units will be issued effective 1st November. If you are interested in the Fund, contact us or visit the website to find out more.

Fund Performance

To 30 September 2021

| | 1 Month | 1 Year | 3 Years | 5 Years | Inception | Volatility |
|---|-------------|-------------|-------------|---------------|---------------|------------|
| Affluence Small Company Fund Total Returns | 2.7% | 37.0% | 13.6% | 10.0% | 10.9% | 12.0% |
| ASX Small Ordinaries Index (Small Ords) | (2.1%) | 30.4% | 9.4% | 10.2% | 11.6% | 17.3% |
| Performance compared to Small Ords Index | 4.8% | 6.6% | 4.2% | (0.2%) | (0.7%) | |

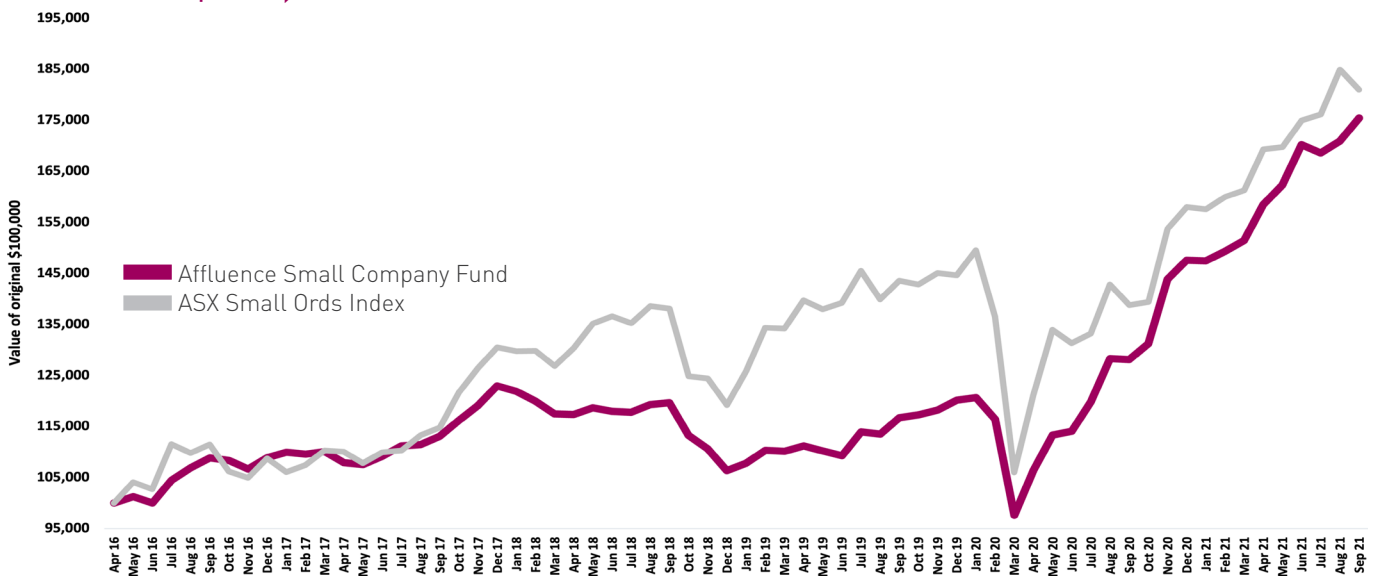
Total returns are net of fees and costs (excluding buy-sell spread) using the mid prices and assume the reinvestment of distributions. Returns of more than 1 year are annualised. Inception date is 21 April 2016. Past performance is not indicative of future performance.

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% | | | | 18.9% |

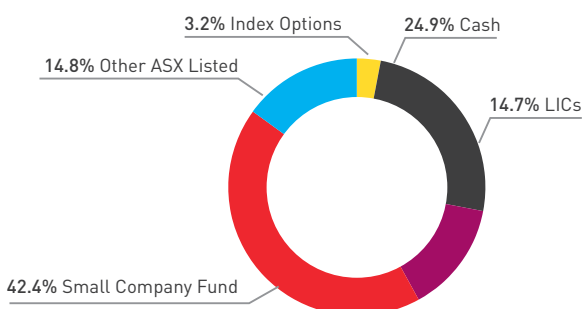
■ Strongest Month
 ■ Positive Month
 ■ Stable Month
 ■ Negative Month
 ■ Weakest Month

Return on \$100,000 Investment



Portfolio Summary

Underlying Investment Type



Five Largest Investments

- Samuel Terry Absolute Return Fund
- Phoenix Opportunities Fund
- Terra Capital Natural Resources Fund
- Kangaroo Island Plantation Timbers (KPT)
- QVG Opportunities 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 | ASX Small Companies |
| Minimum Investment | \$20,000 |
| Suggested Timeframe | At least 5 years |
| Benchmark Returns | ASX Small Ords Accumulation Index |
| Entry Price | \$1.2438 |
| Exit Price | \$1.2352 |
| Distributions | Quarterly, target 5% p.a. |
| 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



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