

## Monthly Fund Report - April 2016

### Fund Commentary

The Affluence Investment Fund returned 1.9% in April. We witnessed a move to a more positive frame of mind as the month progressed and toward the end of April, the ASX was approaching the upper limits of its recent valuation range. Since commencement in late 2014, the Fund has delivered 8.8% per annum total returns, beating both our target and the Australian stock market over that period.

April, like March, was a month where the vast majority of our investments delivered positive returns. Our best returns were from our small resources investments as the S&P/ASX200 Resources Accumulation Index surged 15.4%, the largest monthly gain on record. While short-term it seems to have run a little too hard, we are getting ever more comfortable that resources have bottomed.

There was very little to be disappointed about this month in the portfolio. Our worst performers were our long/short and market neutral funds which were roughly

flat for the month. We hold these types of investments to cushion the blow when the market has a bad month, so we are very comfortable with them not contributing too much when stock markets rise strongly, as they did in April. Our property investments continued to tick along and deliver a decent yield.

We spent a number of days traveling interstate this month and met over a dozen fund managers, a number of whom impressed us greatly. There's more work to do, but we expect to make 3-4 further investments in coming months as a result of that follow-up work. During the month we also approved our first investment into a fixed interest fund. While we immediately rule out almost all bond funds, this one's different. It has consistently been delivering around a 7%pa return from a portfolio of various types of loans.

At the end of April, the Affluence Fund held investments in 17 unlisted funds, which represented 62% of the total portfolio. It also held 22 investments in listed investment

companies and securities, representing 16% of the portfolio. The balance of 22% was held in cash. We expect to reduce that cash holding by around 5% over the next month and have another 2-3 investments in advanced stages of due diligence. In addition, we plan to take a stake in the WAM Leaders Fund, the latest LIC to be listed by Wilson Asset Management. It's the only newly listed LIC we've ever considered investing in.

If you'd like further details of the Affluence Fund portfolio at any time, just email us and we'll provide it to you.

The response to our new online investor application facility has been better than we expected. If you would like to invest with us or add to an existing holding, we encourage you to utilise this facility. A reminder, the cut-off for monthly investments is the 25th. If you know anyone else that may be interested in the Fund, feel free to let them know.

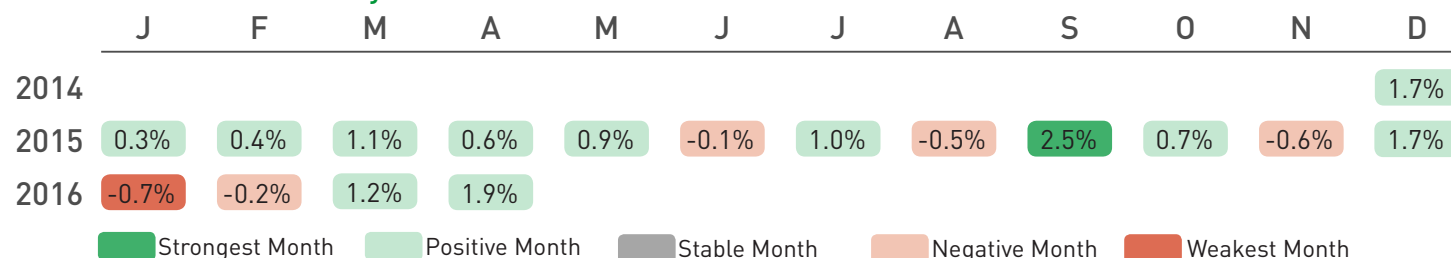
### Fund Performance

To 30 April 2016

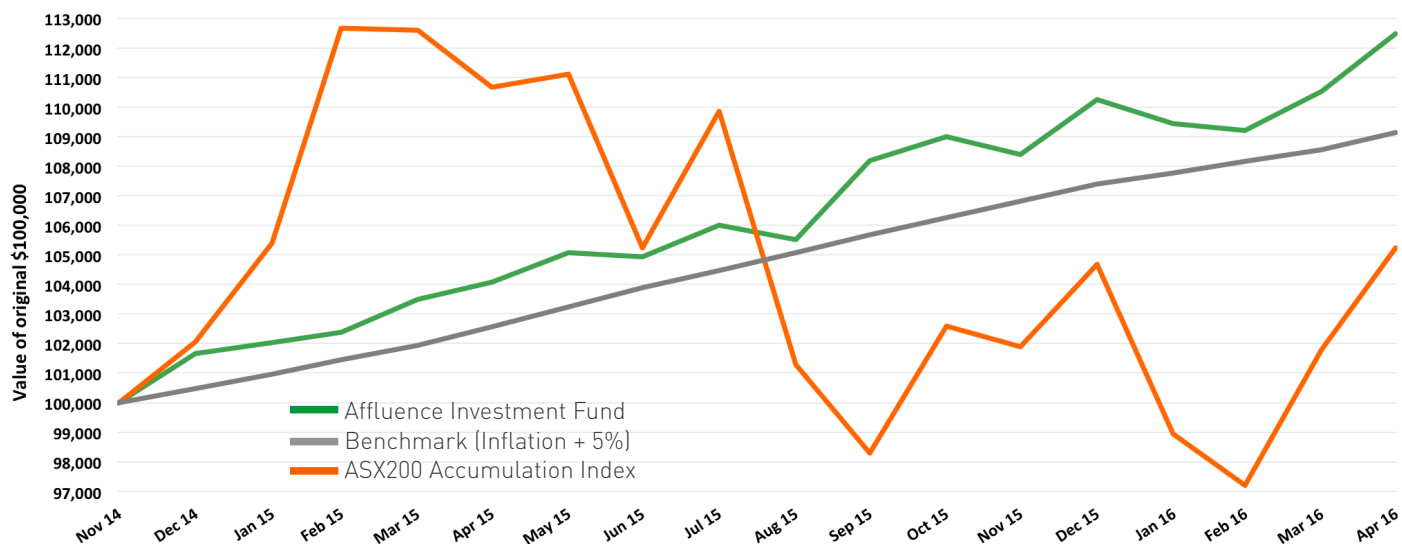
	1 Month	3 Months	6 Months	1 Year	Inception	Volatility
Affluence Investment Fund	1.9%	2.9%	3.4%	8.2%	8.8%	3.3%
Benchmark - Inflation + 5%	0.5%	1.3%	2.7%	6.4%	6.4%	N/A
<b>Outperformance against Benchmark</b>	<b>1.4%</b>	<b>1.6%</b>	<b>0.7%</b>	<b>1.8%</b>	<b>2.4%</b>	<b>N/A</b>
ASX200 Accumulation Index (AI)	3.4%	6.4%	2.6%	{4.9%}	3.7%	14.3%
<b>Outperformance against ASX200AI</b>	<b>{1.4%}</b>	<b>{3.5%}</b>	<b>0.8%</b>	<b>13.1%</b>	<b>5.1%</b>	<b>N/A</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 one year are annualised. Inception date is 28 November 2014.

### Fund Return History

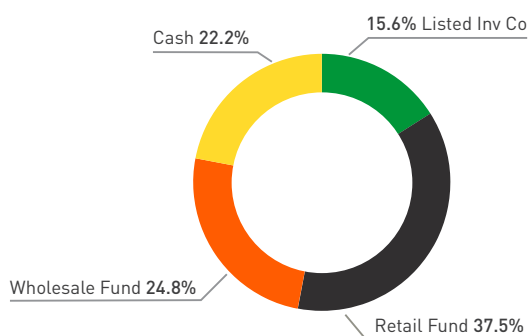


## Return on \$100,000 Investment

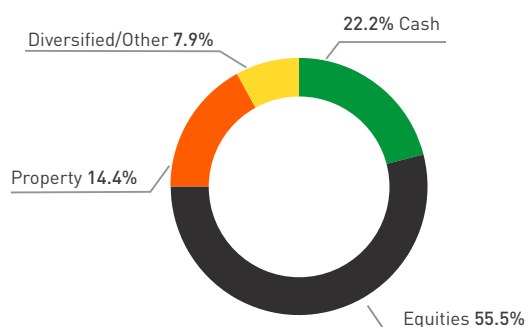


## Portfolio Summary

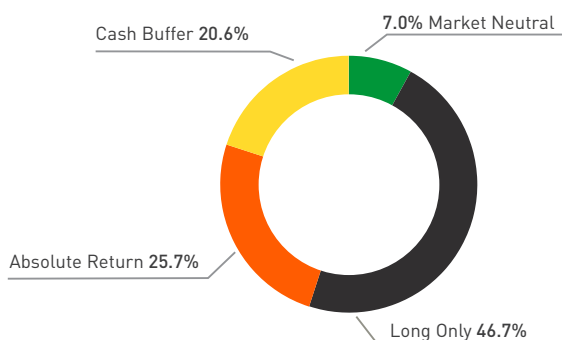
### Underlying Investment Types



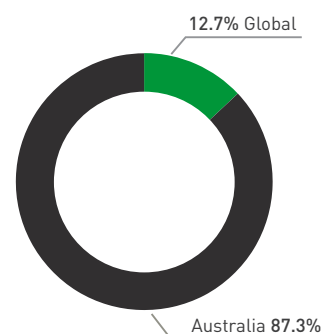
### Asset Class



### Equities Strategies



### Geographic Exposure



## Top 10 Largest Investments

Cash	Sandon Capital Activist Fund
Cromwell Direct Property Fund	Microequities Deep Value Microcap Fund
LHC Capital Australia High Conviction Fund	Baker Steel Gold Fund
Cromwell Phoenix Opportunities Fund	Ophir High Conviction Fund
Wentworth Williamson Fund	Insync Global Titans 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	Diversified
Minimum Investment	\$20,000
Suggested Timeframe	At least 5 years
Benchmark Returns	Inflation + 5%
Entry Price	\$1.0274
Exit Price	\$1.0202
Annual Distributions	5.1 cpu
Distribution Yield	5.0% p.a.
Distribution Frequency	Monthly
Applications	Monthly
Withdrawals	Monthly
Management Fees	Nil
Performance Fee	12.5% of positive performance
Buy/Sell Spread	0.35%/0.35%

## Contact Us

If you have any questions, please do not hesitate to contact us:

**Phone:** 1300 AFFLUENCE (1300 233 583)

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## Investment Strategy

We believe that exposure to quality investments across multiple asset classes, managers, geographies and strategies should be an essential part of any well diversified portfolio.

The Fund provides access to a diversified investment portfolio of the best fund managers as selected by Affluence. We aim to provide a distribution yield of approximately 5% pa paid monthly and a total annualised return of at least inflation plus 5% over rolling 3 year periods. We aim to deliver these returns with less volatility than the stock market.

## The Investment Team



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