



Affluence Investment Fund

Fund Report - August 2021



Morningstar
Rating
5 Year



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Fund Commentary

The Affluence Investment Fund increased 1.2% in August, while the ASX 200 Index increased by 2.5%. Since commencing six years ago in December 2014, the Fund has returned 9.2% per annum, including 6.7% per annum monthly distributions to investors. This is above our benchmark of 6.9% per annum (inflation plus 5% per annum). In addition, the Fund has performed in line with the ASX 200 Index since inception, and these returns have been delivered with significantly lower volatility than the Index.

Our largest positive contributors included the QVG Opportunities Fund, the CI Brunswick Fund, and the EGP Concentrated Value Fund. The largest negative contributors were the Samuel Terry Absolute Return Fund, the Terra Capital Natural Resources Fund and our index hedge positions.

We introduced a new fund to the portfolio in August, the Arnott Opportunities Trust. The fund aims for strong absolute returns by constructing a portfolio of uncorrelated thematic ideas. It is managed by Kenny Arnott, who believes in asymmetric investing (essentially there is potential for a lot more upside than downside) who has managed the strategy since 1999 and has produced very impressive returns.

Australian and global markets continued to hit new all-time highs in August. As a general guide,

the higher markets go and more overvalued we believe them to be, the more conservatively we will position the portfolio, through either higher cash levels or hedging levels. If markets continue to rise, we will likely generate positive returns, just a little lower than they would have been. However, if a major correction does occur, we will be much better prepared for it.

At month end, 64% of the portfolio was invested in unlisted funds, 15% in the Affluence LIC Fund, 11% in listed investments, 2% in portfolio hedges and 8% in cash. If you would like to know more about the investment portfolio, including our top holdings and weightings, visit the Affluence Investment Fund page at <https://affluencefunds.com.au/aif/> or the Members area of our website. You must be registered as an Affluence Member to view the portfolio.

If you would like to invest with us and get access to a diverse range of Australia's fund managers, including over 20 unlisted funds as well as more than 20 LIC's and other listed entities, visit the fund page on our website. There, you can get information on the Fund, apply online or download the application pack. If you'd like to add to your existing investment in the Fund, you can either complete the one-page form available on our website or use the online facility.

The cut-off for applications this month is 24th September. Units will

be issued effective 1st October.

Fund Performance

To 31 August 2021	1 Month	1 Year	3 Years	5 Years	Inception	Volatility
Distributions	0.4%	6.8%	6.5%	6.6%	6.7%	
Change in Unit Price (Capital Growth)	0.8%	13.5%	2.3%	1.9%	2.5%	
Affluence Investment Fund Total Return	1.2%	20.3%	8.8%	8.5%	9.2%	5.9%
Benchmark - Inflation + 5%	0.6%	8.4%	6.9%	7.0%	6.9%	
Performance against Benchmark	0.6%	11.9%	1.9%	1.5%	2.3%	

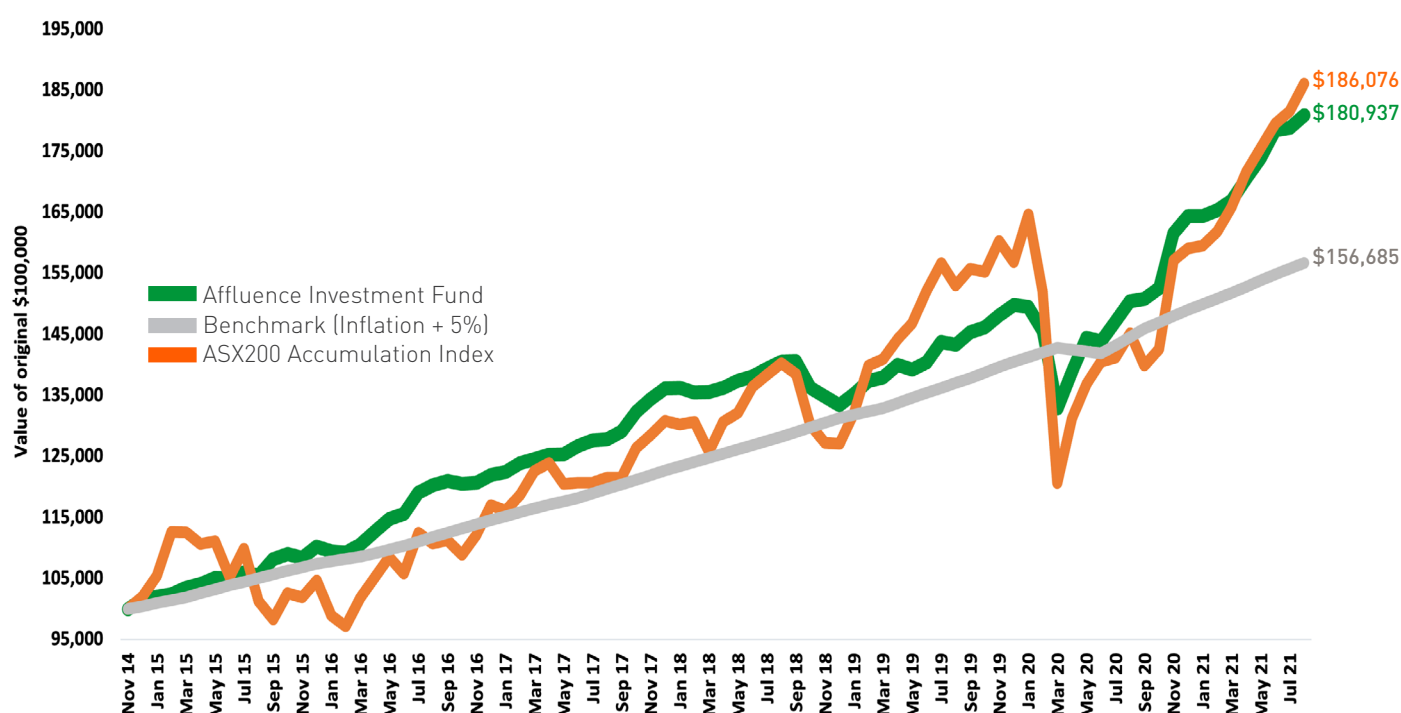
Total returns are net of fees and costs (excluding buy-sell spread) using the mid prices and assume the reinvestment of distributions. Returns for periods of more than 1 year are annualised. Past performance is not indicative of future performance. Inception date is 28 November 2014. The Fund aims to pay distributions of approximately 5% pa paid monthly. Distributions are not guaranteed and may be paid above or below this amount.

Fund Monthly Return History

	J	F	M	A	M	J	J	A	S	O	N	D	Year
2014												1.7%	N/A
2015	0.3%	0.4%	1.1%	0.6%	0.9%	-0.1%	1.0%	-0.5%	2.5%	0.7%	-0.6%	1.7%	8.4%
2016	-0.7%	-0.2%	1.2%	1.9%	1.9%	0.7%	3.0%	1.1%	0.6%	-0.4%	0.2%	1.1%	10.7%
2017	0.3%	1.2%	0.6%	0.5%	0.1%	1.1%	0.7%	0.1%	1.1%	2.5%	1.6%	1.3%	11.6%
2018	0.1%	-0.6%	0.0%	0.5%	0.8%	0.5%	0.9%	0.8%	0.1%	-3.1%	-1.0%	-1.0%	-2.0%
2019	1.4%	1.6%	0.4%	1.5%	-0.6%	0.8%	2.4%	-0.3%	1.4%	0.5%	1.4%	1.1%	12.3%
2020	-0.2%	-2.7%	-8.7%	4.4%	4.1%	-0.4%	2.2%	2.3%	0.3%	1.2%	5.9%	1.8%	9.8%
2021	0.0%	0.6%	0.9%	2.2%	1.9%	2.7%	0.2%	1.2%					10.0%

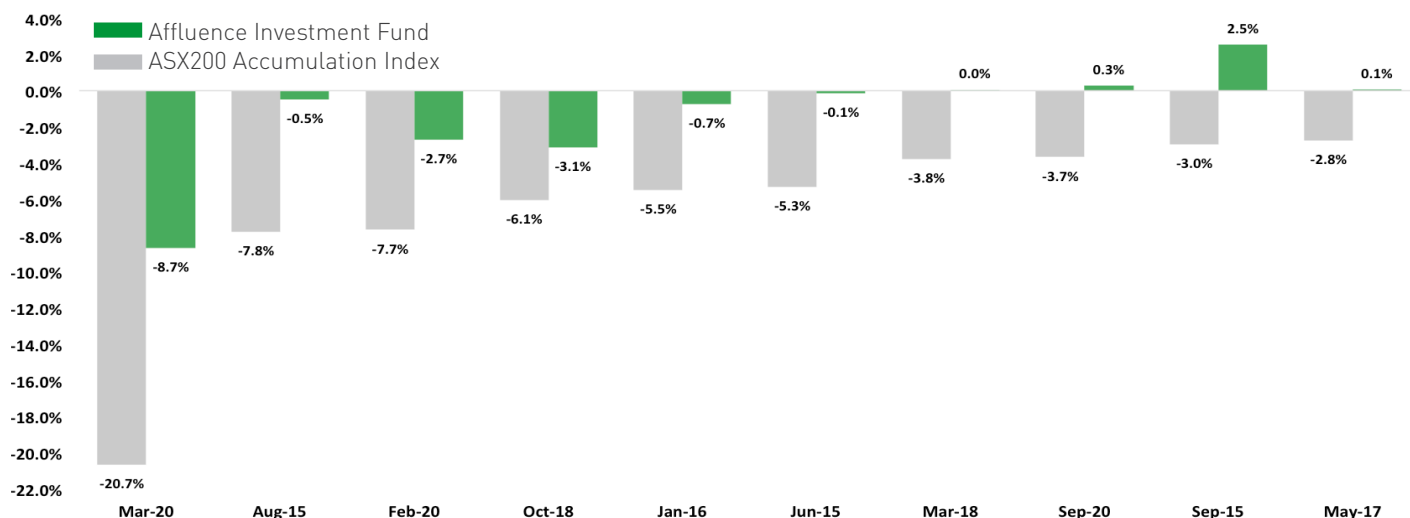
■ Strongest Month
 ■ Positive Month
 ■ Stable Month
 ■ Negative Month
 ■ Weakest Month

Return on \$100,000 Investment



Fund Performance vs ASX 200 - Worst Months

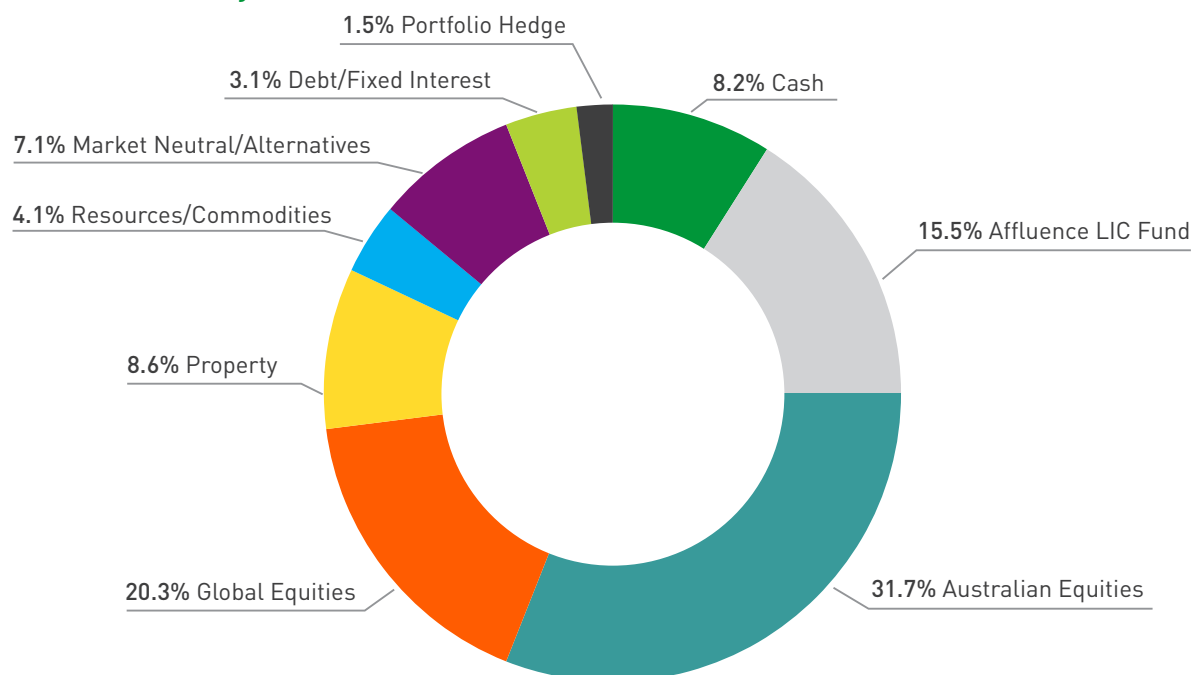
The below shows the 10 largest monthly falls in the ASX200 Accumulation Index since the Fund commenced, and the performance of the Affluence Investment Fund for that month. The Fund has outperformed the Index in all 10 of the worst months, and delivered positive returns in 3 of them.



Asset Allocation Summary

Asset Class	Number of Funds/ Investments	Current	Normal Range
Affluence LIC Fund	26 LICs	15.5%	10-20%
Australian Equities	12	31.7%	20-50%
Global Equities	10	20.3%	5-30%
Property	8	8.6%	5-30%
Resources/Commodities	2	4.1%	0-10%
Market Neutral/Alternatives	4	7.1%	5-20%
Debt/Fixed Interest	1	3.1%	2.5-20%
Other	N/A	0.0%	0-35%
Portfolio Hedge	N/A	1.5%	
Cash	N/A	8.2%	5-20%
Total		100.0%	

Portfolio Summary



1. The Funds are categorised based on their dominant underlying asset class/strategy (e.g. some Australian equity funds may include some global holdings).
2. Australian Equities and Global Equities comprise both long only and long/short strategies.
3. Normal Range refers to the expected lower and upper range for each asset class during normal market conditions. We may vary these ranges at any time.
4. More detailed information on the Affluence LIC Fund, including asset allocation, can be found in the fund report available on the Affluence website.

Ten Largest Investments

Affluence LIC Fund	Wentworth Williamson Fund
Phoenix Opportunities Fund	Bronte Capital Amalthea Fund
CI Brunswick Fund	Merricks Partners Fund
EGP Concentrated Value Fund	Terra Capital Natural Resources Fund
Packer & Co Investigator Trust	Ellerston Global Equity Managers Fund

What Makes This Fund Different

Traditional Fund Managers	vs.	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	Diversified
Minimum Investment	\$20,000
Suggested Timeframe	At least 3 years
Benchmark Returns	Inflation + 5%
Fund Value	\$26.0m
Entry Price	\$1.1792
Exit Price	\$1.1733
Annual Distributions	5.85 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	0.25%/0.25%

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.

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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Portfolio Manager

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Platform Availability:

HUB24 (IDPS)	Netwealth (IDPS)	Powerwrap	Mason Stevens	One Answer (NZ Advisers)
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