



# Affluence Investment Fund

## Fund Report - July 2021



**Morningstar**  
Rating  
5 Year



### Contents

**02**

Fund Commentary  
Fund Performance

**03**

Return History  
Return on \$100,000  
Worst Months Analysis

**04**

Asset Allocation Summary  
Portfolio Summary  
Top 10 Investments

**05**

Key Statistics  
Fund Strategy  
Contact Us

1.] The Morningstar Rating™ is an assessment of a fund's past performance – based on both return and risk – which shows how similar investments compare with their competitors. A high rating alone is insufficient basis for an investment decision. © 2020 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. Any general advice or 'class service' have been prepared by Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or Morningstar Research Ltd, subsidiaries of Morningstar, Inc, without reference to your objectives, financial situation or needs. Refer to our Financial Services Guide (FSG) for more information at [www.morningstar.com.au/s/fsg.pdf](http://www.morningstar.com.au/s/fsg.pdf). You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Our publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a professional financial adviser.

## Fund Commentary

The Affluence Investment Fund increased 0.2% in July, while the ASX 200 Index increased by 1.1%. Since commencing six years ago in December 2014, the Fund has returned 9.1% 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.

We have increased the Fund's monthly distribution based on an amount of 5.85 cents per unit. This is an annualised distribution of 5.0% based on the current unit price.

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

Australian and global markets continued to hit new all-time highs in July. 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, 62% of the portfolio was invested in unlisted funds, 16% in the Affluence LIC Fund, 11% in listed investments, 2% in portfolio hedges and 9% 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 25th August. Units will be issued effective 1st September.**

## Fund Performance

To 31 July 2021	1 Month	1 Year	3 Years	5 Years	Inception	Volatility
Distributions	0.4%	6.9%	6.6%	6.6%	6.7%	
Change in Unit Price (Capital Growth)	(0.2%)	14.7%	2.1%	1.9%	2.4%	
<b>Affluence Investment Fund Total Return</b>	<b>0.2%</b>	<b>21.6%</b>	<b>8.7%</b>	<b>8.5%</b>	<b>9.1%</b>	<b>5.9%</b>
Benchmark - Inflation + 5%	0.6%	8.8%	6.9%	7.0%	6.9%	
<b>Performance against Benchmark</b>	<b>(0.4%)</b>	<b>12.8%</b>	<b>1.8%</b>	<b>1.5%</b>	<b>2.2%</b>	

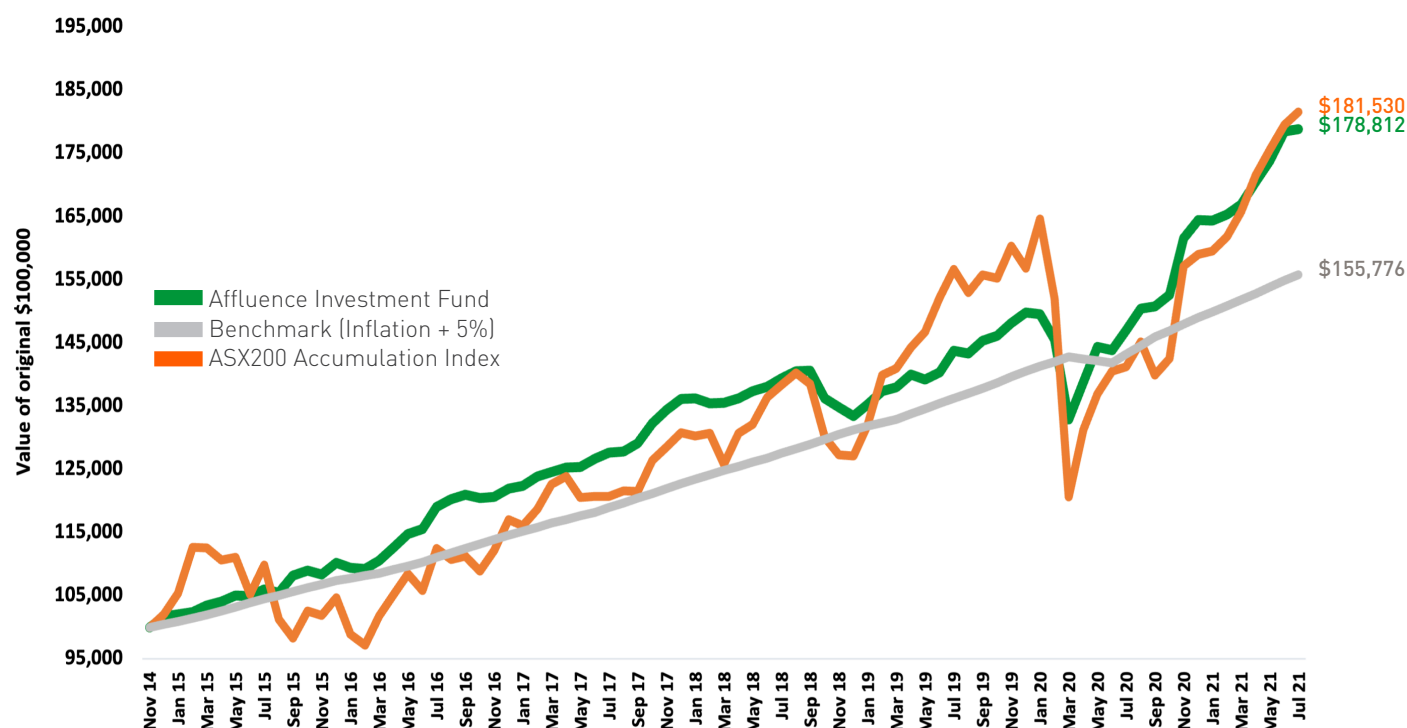
Total returns are net of fees and costs (excluding buy-sell spread) using the mid prices and assume the reinvestment of distributions. Returns for periods of more than 1 year are annualised. Past performance is not indicative of future performance. Inception date is 28 November 2014. The Fund aims to 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%						

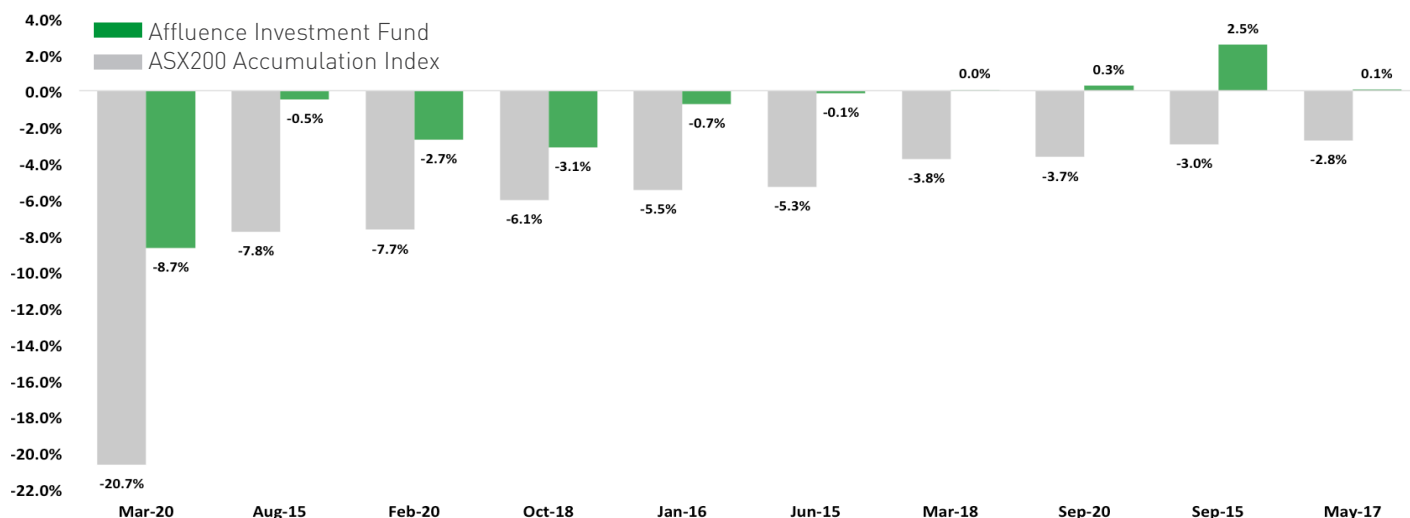
■ Strongest Month   
 ■ Positive Month   
 ■ Stable Month   
 ■ Negative Month   
 ■ Weakest Month

## Return on \$100,000 Investment



## Fund Performance vs ASX 200 - Worst Months

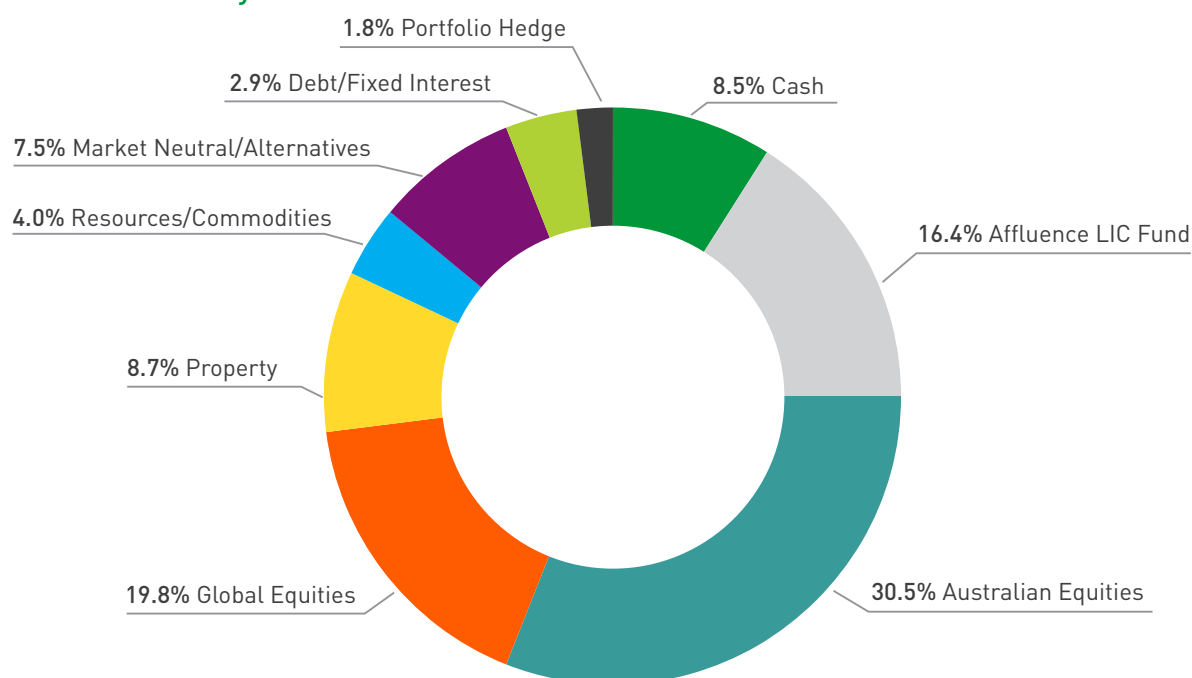
The below shows the 10 largest monthly falls in the ASX200 Accumulation Index since the Fund commenced, and the performance of the Affluence Investment Fund for that month. The Fund has outperformed the Index in all 10 of the worst months, and delivered positive returns in 3 of them.



## Asset Allocation Summary

Asset Class	Number of Funds/ Investments	Current	Normal Range
Affluence LIC Fund	28 LICs	16.4%	10-20%
Australian Equities	12	30.5%	20-50%
Global Equities	10	19.8%	5-30%
Property	8	8.7%	5-30%
Resources/Commodities	2	4.0%	0-10%
Market Neutral/Alternatives	4	7.5%	5-20%
Debt/Fixed Interest	1	2.9%	2.5-20%
Other	N/A	0.0%	0-35%
Portfolio Hedge	N/A	1.8%	
Cash	N/A	8.5%	5-20%
<b>Total</b>		<b>100.0%</b>	

## 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	Bronte Capital Amalthea Fund
Phoenix Opportunities Fund	Samuel Terry Absolute Return Fund
CI Brunswick Fund	EGP Concentrated Value Fund
Packer & Co Investigator Trust	Terra Capital Natural Resources Fund
Wentworth Williamson Fund	Merricks Partners Fund

## What Makes This Fund Different

Traditional Fund Managers	vs.	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 3 years
Benchmark Returns	Inflation + 5%
Fund Value	\$25.1m
Entry Price	\$1.1701
Exit Price	\$1.1642
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:

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

**Email:** [invest@affluencefunds.com.au](mailto:invest@affluencefunds.com.au)

## Meet The Portfolio Managers



### Daryl Wilson

CEO/Portfolio Manager

Years in the Industry: 20

Email: [daryl.wilson@affluencefunds.com.au](mailto:daryl.wilson@affluencefunds.com.au)

Phone: +61 402 046 883



### Greg Lander

Portfolio Manager

Years in the Industry: 12

Email: [greg.lander@affluencefunds.com.au](mailto:greg.lander@affluencefunds.com.au)

Phone: +61 409 645 893

## Platform Availability:

HUB24 (IDPS)

Netwealth (IDPS)

Powerwrap

Mason Stevens

One Answer (NZ Advisers)

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 Investment 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 Product Disclosure Statement (PDS) offering units in the Fund before making an investment decision. The PDS 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 PDS 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.