

Affluence Investment Fund



Fund Report & Overview - November 2021

invest@affluencefunds.com.au
affluencefunds.com.au
1300 233 583

Level 5, 320 Adelaide St, Brisbane QLD 4000

Fund Features

- ✓ Top Quartile Investment Performance
- ✓ Monthly Distributions
- ✓ 0% Management Fee. Performance Fee only.
- ✓ Exceptionally Diversified Portfolio



Key Statistics

Investment Class	Multi-Asset
Minimum Investment	\$20,000
Suggested Timeframe	At least 3 years
Benchmark Returns	Inflation + 5%
Fund Value	\$29.0m
Entry Price	\$1.1874
Exit Price	\$1.1814
Annual Distributions	5.85 cpu
Distribution Yield	4.9% 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 Objective

The Fund targets a minimum return of inflation plus 5% per annum (after all fees and costs) over rolling three year periods.

Investment Strategy

The Fund provides a diversified investment portfolio by investing with the best investment managers as selected by Affluence. The Fund invests across all asset classes, and provides access to over 20 different investment managers.

Why Use The Fund?

Core Holding

Under a core and satellite strategy, the Fund would be suitable for inclusion as a core real return holding.

Access to Differentiated Strategies

The Fund provides access to a large number of differentiated investment strategies, through boutique investment managers that can be hard to access for individual investors.

Access to Closed and Wholesale Funds

A significant number of funds in the portfolio are either only available to wholesale investors, or are now closed to new investors.

Performance Since Inception (December 2014)

Total Returns

9.1%
per annum

Distributions

6.6%
per annum

Platform Availability:

HUB24

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) and the Target Market Determination (TMD) for 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.

Fund Performance

To 30 November 2021	1 Month	1 Year	3 Years	5 Years	Inception
Distributions	0.4%	6.4%	6.6%	6.7%	6.6%
Change in Unit Price (Capital Growth)	(0.4%)	7.8%	4.4%	2.2%	2.5%
Affluence Investment Fund Total Return	0.0%	14.2%	11.0%	8.9%	9.1%
Benchmark - Inflation + 5%	0.6%	8.0%	7.0%	7.0%	6.9%
Performance against Benchmark	(0.6%)	6.2%	4.0%	1.9%	2.2%

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 Commentary

The Affluence Investment Fund was flat in November, while the ASX 200 Index fell 0.5%. Since commencing six years ago in December 2014, the Fund has returned 9.1% per annum, including 6.6% 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 outperformed the ASX 200 Index since inception, and these returns have been delivered with significantly lower volatility than the Index.

Our largest positive contributors included our holding in Kiland Limited (previously called Kangaroo Island Plantation), the Arnett Opportunities Fund and the Terra Capital Natural Resources Fund. The largest negative contributors included the EGP Concentrated Value Fund, the Wentworth Williamson Equity Fund and the Affluence LIC Fund.

We added a new fund at the start of November, the Phoenix Global Opportunities Fund. This new fund is run by the same team who

manage the Phoenix Opportunities Fund, which has been part of the Affluence Investment Fund since day 1 and has been one of our very best investments. The Global Opportunities Fund strategy is to uncover global companies that trade at large discounts to a readily ascertainable and observable net asset values. Given that the original Phoenix Opportunities Fund has been hard closed for a number of years, we are excited to be able to increase our investment with this management team.

At month end, 63% of the portfolio was invested in unlisted funds, 15% 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.

As a reminder to investors, the Fund registrar changed 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 cut-off for applications this month is 24th December. Units will be issued effective 1st January.

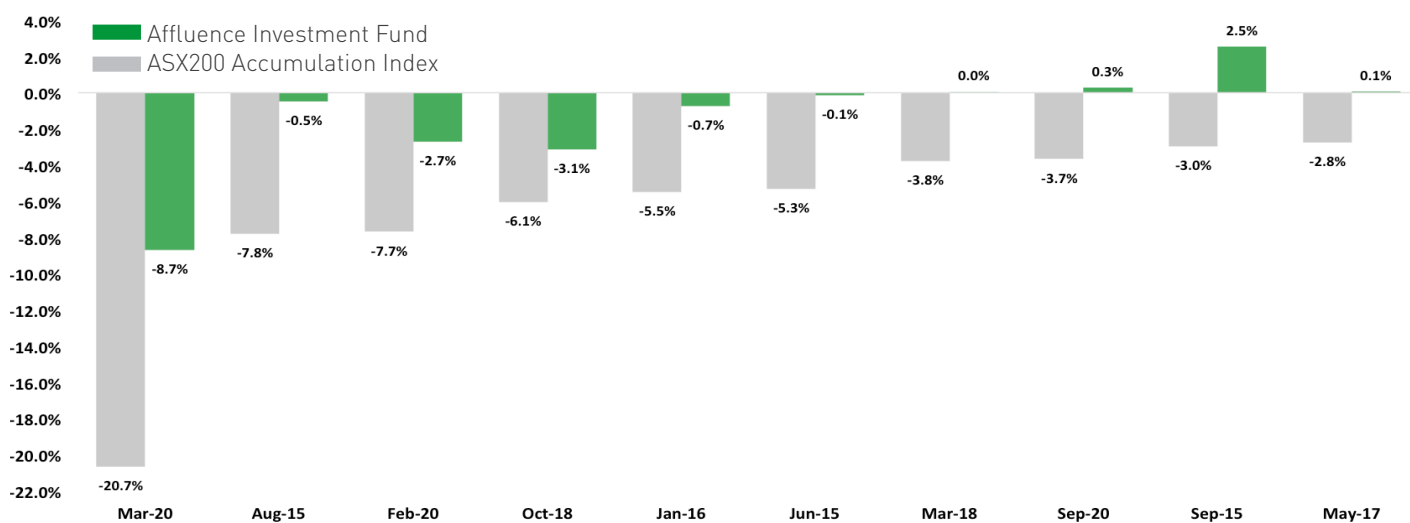
Fund Monthly Return History

	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%	1.2%	0.8%	0.0%		12.2%

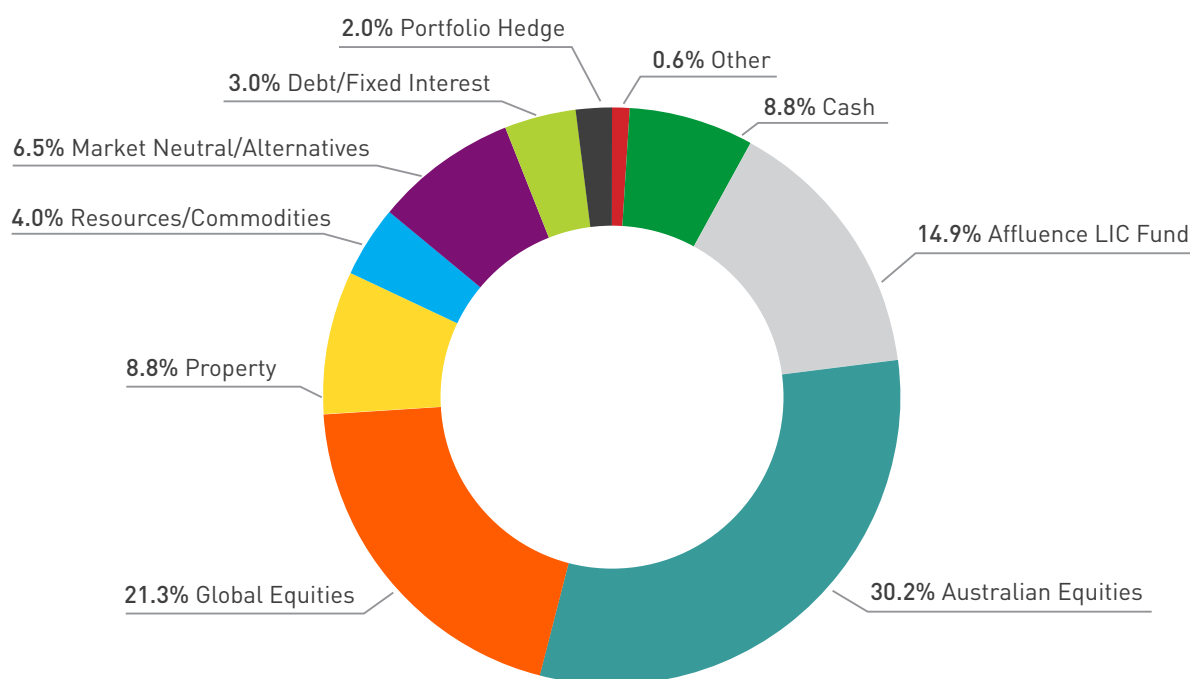
■ Strongest Month
 ■ Positive Month
 ■ Stable Month
 ■ Negative Month
 ■ Weakest Month

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.



Portfolio Summary



Investments are categorised based on their dominant underlying asset class/strategy (e.g. some Australian equity funds may include some global holdings. Australian Equities and Global Equities comprise both long only and long/short strategies).

Ten Largest Investments

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

Portfolio Managers



Daryl Wilson

CEO/Portfolio Manager

Email: daryl.wilson@affluencefunds.com.au

Phone: +61 402 046 883

Office: 1300 233 583



Greg Lander

Portfolio Manager

Email: greg.lander@affluencefunds.com.au

Phone: +61 409 645 893

Office: 1300 233 583

About the Fund

We created the Affluence Investment Fund as an investment vehicle that we ourselves want to have the vast majority of our wealth in for a very long time. Our invitation to investors is to join us.

The Fund is a multi asset class investment created to invest differently. It is managed with the mindset of a family office or endowment fund, in that it seeks to achieve above average returns while taking below average levels of risk, over the medium and longer term.

The Fund pays monthly distributions as we understand that income is very important for many investors.

How does the Fund fit into a portfolio?

This product is designed to be used as a **Core** or **Satellite** Component of an investment portfolio for those investors seeking **Capital Growth and Income Distributions** with a **Medium** or longer investment timeframe, at least a **Medium** risk/return profile and needing access to capital **Monthly** or less often.

The Fund has achieved its returns with lower volatility than the Australian share market, and has historically outperformed when markets fall significantly.

All investments carry risk and different strategies may carry different levels of risk.

As with all investments, the Fund is subject to risks. The value of your investment will go up and down over time, the Fund's returns will vary, future returns may differ from past returns, and returns are not guaranteed. This means that there is always the chance that you could lose money on your investment.

Why invest with Affluence?

At Affluence, we pride ourselves on the quality of our products and our alignment with investors. We are the first investors into all of our funds, and have a significant proportion of our own and extended families wealth invested in the funds. There are no fixed management fees for any of our funds. Instead we charge a performance fee of 12.5% of positive performance, with a high water mark. This focuses us on generating strong returns and limiting potential losses.

We don't aim to be the biggest managers, however we do aim to be one of the best, and we are proud of our performance track record to date.

The Affluence Investment Fund is available to all Australian and New Zealand resident investors. If you have any questions about Affluence, the Fund or our investment team, please get in touch.

invest@affluencefunds.com.au

1300 233 583

affluencefunds.com.au

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. 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.