



Monday, 24 December 2018

Australian Stock Exchange Limited,
Level 4, North Tower, Rialto
525 Collins Street
Melbourne 3000

STOCK EXCHANGE ANNOUNCEMENT

A Letter to Shareholders about AENEA

Dear Shareholders,

Authorised Investment Fund Ltd (ASX:AIY) is pleased to receive the attached letter from AENEA. AENEA is one of AIY's investee company.

We believe all the shareholders of AIY would be pleased to learn about AENEA's latest business development.

On Behalf of the Board

Cathy Lin

Company Secretary

- Ends -

Authorised Contact

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A Letter to Shareholders - 24 December 2018



AENEA COSMETICS SOAR HIGH IN US \$287+ BILLION MARKET, SIGNING PARTNERSHIP WITH WALDORF ASTORIA DUBAI PALM JUMEIRAH AND WALDORF ASTORIA DUBAI INTERNATIONAL FINANCIAL CENTRE, UAE

Aenea Cosmetics: AENEA (AUST) PTY LTD, the first luxury high tech skin care range to launch globally based on the science of Epigenetics, following the successful launch of Harrods London and Bergdorf Goodman New York, has entered into a partnership, launching in the beginning of 2019, with the Waldorf Astoria Dubai Palm Jumeirah and the Waldorf Astoria Dubai International Financial Centre, to be their only professional and retail skin care provider for their luxury spas.

The spa market in the Middle East and Africa was valued at AED 11 billion in 2016 (US 3 billion).

Gross revenue projections for treatments alone are expected to hit in excess of AED 3million and with products sales following suit.

The UAE spa industry was estimated to be valued at AED 1.7 billion (USD 460 million) in 2017 and is expected to top AED 1.85 billion (USD 500 million) by 2020.

Collier's also revealed the Dubai hotel spa market continues to experience increasing demand with a 9% increase in the number of wellness treatments sold daily in H1 2016 in comparison to H1 2015.

Rabia Yasmeen, research analyst of Euromonitor International revealed that UAE hotels report 60% of the total spa visitors are residents who are not otherwise staying on the property.

Hotels are now leasing more spaces for Spa related services as demand increases. Heath focused tourists usually spend more than 130% as compared to regular travelers as they seek more wellness experiences.

The Global Wellness Institute (GWI) has previously identified the Middle East and North Africa Spa market as the fastest growing in the world.

The global epigenetics market is expected to reach USD 16.31 billion by 2022, according to a new report by Grand View Research, Inc.

Data released by the Global Wellness Institute (GWI) in April 2017 at the Arabian Travel Market (ATM) in Dubai, on recent growth, and unfolding trends, for the Middle East/North Africa (MENA) wellness tourism and spa markets suggests, that despite security concerns for countries like Egypt, Israel, Jordan, Morocco & Tunisia, MENA's wellness tourism revenues grew 6% annually from 2013-2015 (from \$7.3 billion to \$8.3 billion), exactly on pace with global growth rates.

MENA's spa market grew even faster: annual revenues jumped from \$1.7 billion to \$2.1 billion, or 10% annual growth – five times faster than the average global growth rate of 2%.

The research reveals that MENA is a very unique wellness tourism market: for instance, globally, only 33% of wellness travel revenues come from inbound tourists, but in MENA, the inbound spend accounts for 68% of the market.

And the UAE remains the regional powerhouse, with a wellness tourism market now nearly two times bigger (\$2.7 billion) than its closest competitor, Morocco (\$1.5 billion) – and a spa market roughly three times larger (\$742 million) than #2 market, Saudi Arabia (\$255 million.)

Wellness sectors are positioned to grow as an increasing share of the global economy, propelled by demographic and consumer trends, as well as an evolving collective consciousness toward global wellbeing.

A growing global middle class will continue to expand the consumer base for spa and wellness industries both globally and in the Middle East and Africa specifically.

Economic growth is rapidly enlarging the global middle class, which is projected to grow from the current 2 billion to almost 5 billion in 2030.

This increase will be concentrated in emerging economies with large populations in Asia (e.g., China, India, Indonesia), as well as in Latin America, Africa, and the Middle East.

As their incomes rise above the basic needs level, middle class consumers have discretionary funds to spend on goods and services that improve their lives, including spa and wellness.

The rise of the global middle class will continue to drive the growth of the spa and wellness economy, as will an increasing consumer interest in all things related to maintaining and improving health.

Global Wellness Sector Growth Projections, 2015-2020:

	Projected Market Size (US\$ Billions)		Projected Average Annual Growth Rate
	2015	2020	2015-2020
Spa Facilities	\$77.6	\$103.9	6.0%
Thermal Springs	\$51.0	\$64.6	4.8%
Wellness Tourism	\$563.2	\$808.0	7.5%
Workplace Wellness	\$43.3	\$55.1	5.0%
Wellness Lifestyle Real Estate	\$118.6	\$152.8	5.2%

The state of the Middle East-North Africa spa economy is very strong. Positioned at the centre of a dynamic and growing global wellness economy, spas grew in numbers, revenues, and employment from 2013 to 2015.

Globally, the activities of the spa industry and its related sectors have a ripple effect in the economy that magnifies their total impact. By adding the direct, indirect, and induced impacts, we estimate that, in 2015, the \$98.6 billion global spa economy generated \$287.8 billion in total economic impact, as well as 5.5 million jobs around the world.

Middle East-North Africa spa revenues grew nearly five times faster than the global average from 2013 to 2015: 10% annually versus the 2.3% seen globally. In addition, the United Arab Emirates has become a spa powerhouse, ranking as one of the top twenty spa markets in 2015. The number of people employed by Middle East-North Africa spa

facilities has grown from 57,308 in 2013 to 63,982 in 2015, a rate of 6% annually, and the projected need for employees at spa facilities in the region in 2020 will be 88,222, or an increase of 37% over five years.

Middle East-North Africa Spa Industry Snapshot

Number of Spas: 4,465 (7% CAGR from 2013-2015)

Spa Revenues: \$2.1 billion (10% CAGR from 2013-2015)

Spa Employment: 63,982 (6% CAGR from 2013-2015)

Top Ten Spa Industry Markets in Middle East-North Africa, 2015

	Number of Spas	Spa Revenues (US\$ millions)	Spa Employment
United Arab Emirates	687	\$741.9	20,606
Saudi Arabia	352	\$254.8	6,352
Morocco	1,785	\$244.3	13,701
Israel	375	\$221.6	5,144
Kuwait	101	\$100.7	2,269
Bahrain	65	\$94.4	1,849
Qatar	71	\$89.1	1,906
Oman	62	\$85.1	1,362
Tunisia	196	\$76.0	2,700
Egypt	362	\$67.5	3,061

The AIY investment in Aenea Cosmetics is fundamental to the overall strategy that AIY has recently embarked on.

On 5th October 2018, following recent discussions with Mr Damien Zannetou, Aenea Cosmetics Managing Director, the Board of Authorised Investment Fund LTD (AIY) resolved to exercise its option to increase its equity in the holding company Aenea (Aust) PTY LTD by 10% to 30% as set out in the agreement between parties.

Quote: Mr. Damien Zannetou, Director Aenea Aust PTY LTD

Mr. Zannetou says ‘the partnerships with the Waldorf Astoria Dubai Palm Jumeirah and the Waldorf Astoria Dubai International Financial Centre as the first locations, signifies the start of an incredibly exciting time for the brand and its growth strategy in the next 3 years.

To be associated alongside the Best Luxury Spa Hotel Middle East 2018, as also the winner of the Global Wealth and Finance Awards for Best Luxury Skin Care Product 2018 shows two incredible forces coming together in what is the fastest growing spa market in the world, the Middle East.

I look forward to not only working with Waldorf Astoria Spas, but also worldwide across other territories globally going in to 2019/20 in both hotel, spa, professional, retail, epigenetics and skin care as pioneers.

Aenea’s new partnership with AIY and increased equity will help fuel the Aenea brand’s rapid growth on a global scale. Our vision is to be the first luxury high tech skin care range based on the science of Epigenetics, available to discerning consumers throughout the world’s leading department stores and now Spa Hotels worldwide.”

Quote: Sharon Barcock, Director Spa & Fitness Operations & Development MEA Global Wellness



"It has been a pleasure to work with Damien and the team at House of Aenea to create a unique partnership and exclusively launch the Aenea line of skincare in our Waldorf Astoria Spa Dubai Palm Jumeirah and Waldorf Astoria Dubai International Financial Centre in the Middle East. Providing a unique direction in Spa skincare, I am very excited at the collaboration and as we work together to evolve the guest offering, we will be bringing a unique story to the region that will continue to evolve and offer unique elements to our Spa guests. I am equally excited to look at the future opportunities in our existing operations and new projects throughout the region"

Quote: Ben Genser, Chairman AIY

"AIY are delighted with the recent further investment to 30% in AENEA and the announcement of this most impressive agreement with two landmark Waldorf Astoria properties in the UAE.

Building on Aeneas established presence in Harrods in the UK and Bergdorf Goodman in the US, The Waldorf Astoria Dubai Palm Jumeirah and Waldorf Astoria Dubai International Financial Centre partnership in the Middle East firmly positions Aenea in the top percentile of luxury cosmetics and skin care globally, reaching serious brand status in the luxury health and skin care market.

To be selected by Waldorf Astoria Dubai Palm Jumeirah and Waldorf Astoria Dubai International Financial Centre out of all global brands in this highly competitive industry to become the exclusive supply partner to the most awarded luxurious spa/hotel destinations in the world is testimony to the quality and standards Aenea has set for itself and has achieved.

Now established across the highest discretionary spend and fastest luxury growth markets globally, we look forward to the propelled growth and increased exposure and the potential exponential capital growth and returns it will provide Aenea and its sole investor AIY and its share holders."

AIY are an Australian "Pooled Development Fund (pdf) " listed on the Australian stock exchange, stock code (AIY)ASX). Shares in AIY have several significant advantages including capital gain tax exemptions due to a favorable Australian Tax Office (ATO) provision.

Refer <https://www.authorisedinvestment.com.au>

This letter is approved and authorised to release to all the shareholders by Mr Damien Zannetou, Aenea Cosmetics Managing Director of AENEA.