

31 August 2020

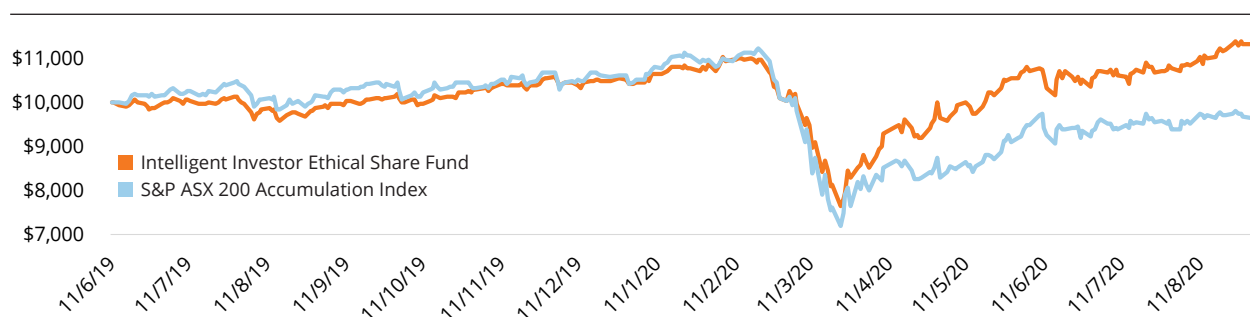
Monthly Update

Intelligent Investor Ethical Share Fund

(Managed Fund) (ASX: INES)

As at 31 August 2020

Performance of \$10,000 since inception



Performance (after fees)

	1 mth	3 mths	6 mths	1 yr	S. I.
Intelligent Investor Ethical Share Fund	5.1%	7.5%	12.4%	14.6%	10.8%
S&P ASX 200 Accumulation Index	2.8%	6.0%	-4.5%	-5.1%	-2.7%
Excess to Benchmark	2.3%	1.5%	16.9%	19.7%	13.6%

Asset allocation

Cash	25.5%
Industrials	18.1%
Information Technology	17.5%
Communication Services	13.4%
Financials	8.8%
Consumer Discretionary	7.2%
Health Care	3.6%
Real Estate	3.3%
Materials	2.5%

Top 5 holdings

Frontier Digital Ventures (FDV)	7.4%
Audinate (AD8)	6.3%
Class (CL1)	6.0%
Reece (REH)	5.4%
Pinnacle Investment Mgmt Group (PNI)	5.2%

About Us

With a 20-year track record of beating the market, clear and straightforward language, and an 'open book' approach to stock research and analysis, *Intelligent Investor* offers actionable, reliable recommendations on ASX-listed stocks.

In 2014, *Intelligent Investor* became a part of the InvestSMART family, extending our expertise to even more Australian investors seeking quality analysis and advice.

Fund overview

Listed on 12 June 2019, the Intelligent Investor Ethical Share Fund is an Active ETF designed for investors seeking a diversified selection of Australian companies that produce growing, sustainable profits at low risk of interruption from the increasing threats associated with Environmental, Social and Governance (ESG) factors.

The Fund will invest in undervalued companies with strong long-term capital growth prospects based on the Intelligent Investor's value investing research process. Making more than 500 Buy recommendations since 2001 with an average outperformance of 5.2%^a a year relative to the ASX 200.

Investment objective

To produce a sustainable income yield above that of the S&P/ASX 200 Accumulation Index.

Who manages the investment?

Nathan Bell, has over 20 years of experience in portfolio management and research and is supported by our Investment Committee, chaired by Paul Clitheroe. Nathan returned to *Intelligent Investor* in 2018 as Portfolio Manager, having previously been with *Intelligent Investor* for nine years, spending five of those as Research Director. Nathan has a Bachelor of Economics and subsequently completed a Graduate Diploma of Applied Investment and Management. Nathan is a CFA Charterholder.

Key Fund Details

INVESTMENT CATEGORY

A portfolio of individually-selected Australian Equities

INVESTMENT STYLE

Active Stock Selection, Value Investing Approach

BENCHMARK

S&P/ASX 200 Accumulation Index

INCEPTION DATE

12 June 2019

SUGGESTED INVESTMENT TIMEFRAME

5+ years

NUMBER OF STOCKS

10 - 35

INVESTMENT FEE

0.97% p.a.

PERFORMANCE FEE

N/A

MINIMUM INITIAL INVESTMENT

\$1

Intelligent Investor Ethical Share Fund

31 Aug 2020 update

History teaches us that the market is usually a master of double-counting, attaching peak multiples to peak earnings, and trough multiples to trough earnings.'

— James Montier

During August the fund produced a 5.1% return compared to the index's 2.8% return. Reporting season didn't reveal many surprises, as most companies had already flagged their results.

The share price of SMSF software provider **Class** jumped 40% as the market was convinced that recent acquisitions and the upcoming launch of its trust software will provide plenty of growth in the years to come.

We reduced our stakes in online classifieds businesses **Carsales** and **Seek**, which have bounced back strongly from the lows in March. We also threw in the towel with **Link Administration Holdings** after its share price bounced over 50% from its lows.

In Tesla terms, the market for growth and technology stocks in particular has reached ludicrous mode. That doesn't mean it can't go on for a long time, but the current speculation from inexperienced investors spurred on by passive funds in a positive feedback loop that ignores valuations is the most extreme I've seen in my career.

In the interim we're prepared to let cash build up if necessary, as we're very happy with our current holdings and we expect plenty of great opportunities when the current enthusiasm is replaced by the inevitable rush for the exits.

*If you have any questions, as always, please call us on **1300 880 160** or email us at info@intelligentinvestor.com.au.*



Important information

This document has been prepared by InvestSMART Funds Management Limited (ABN 62 067 751 759, AFSL 246441) (InvestSMART), the responsible entity of the [Intelligent Investor Ethical Share Fund] (Fund) and issuer of units in the Fund.

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