

31 October 2020

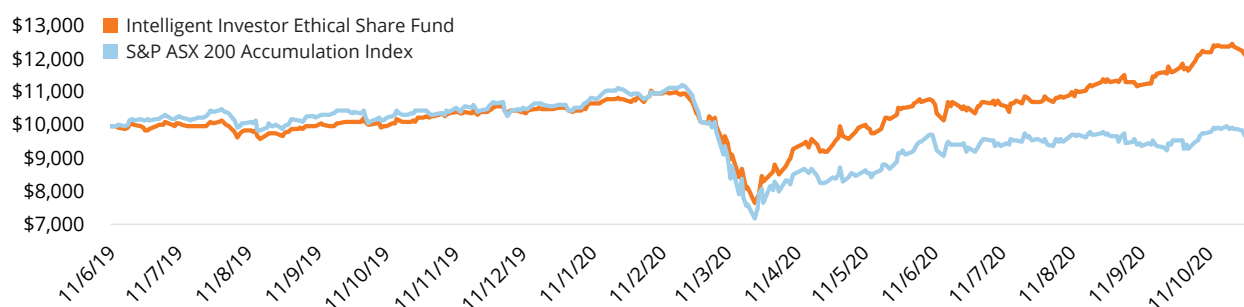
Monthly Update

Intelligent Investor Ethical Share Fund

(Managed Fund) (ASX: INES)

As at 31 October 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	2.5%	11.2%	20.1%	16.5%	14.0%
S&P ASX 200 Accumulation Index	1.9%	1.0%	8.7%	-8.1%	-3.7%
Excess to Benchmark	0.5%	10.2%	11.4%	24.7%	17.7%

Asset allocation

Cash	28.4%
Information Technology	20.5%
Industrials	17.7%
Communication Services	13.6%
Financials	7.5%
Real Estate	4.1%
Health Care	3.4%
Materials	2.5%
Consumer Discretionary	2.3%

Top 5 holdings

Frontier Digital Ventures (FDV)	8.25%
Audinate (AD8)	7.89%
Sydney Airport (SYD)	6.74%
Class (CL1)	6.64%
Pinnacle Investment Mgmt Group (PNI)	4.44%

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 invest in a portfolio of ethically and socially responsible undervalued stocks to achieve medium to long-term capital growth.

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

1 July 2019 for the PMA
12 June 2019 for the Listed Fund

SUGGESTED INVESTMENT TIMEFRAME

5+ years

NUMBER OF STOCKS

10 - 35

INVESTMENT FEE

0.97% p.a.

PERFORMANCE FEE

N/A

MINIMUM INITIAL INVESTMENT

N/A

Intelligent Investor Ethical Share Fund

31 October 2020 update

'Enthusiasm is more important than skill because the critical element in developing expertise is the desire to practice.'

— Gretchen Rubin

The fund increased 2.5% during the quarter compared to a 1.9% gain for the index.

Monthly activity was restricted to increasing our stake in **Sydney Airport** and taking some profits on **James Hardie Industries** and **Reece** that have performed much better, much faster than we could've hoped for.

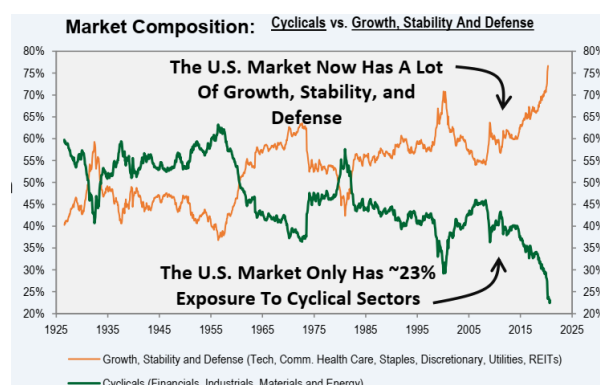
The big jump in Reece's share price came from an expansion in its price-to-earnings ratio rather than an improvement in its financials, which is what's driving growth stocks and the market generally.

We also reduced **Frontier Digital Ventures** back below 10% after receiving an allocation of shares in its recent rights issue that took our holding above our maximum holding limit of 15%. We've now almost banked more in profit than we initially invested and still own a ~9% position that could be worth multiples of the current share price.

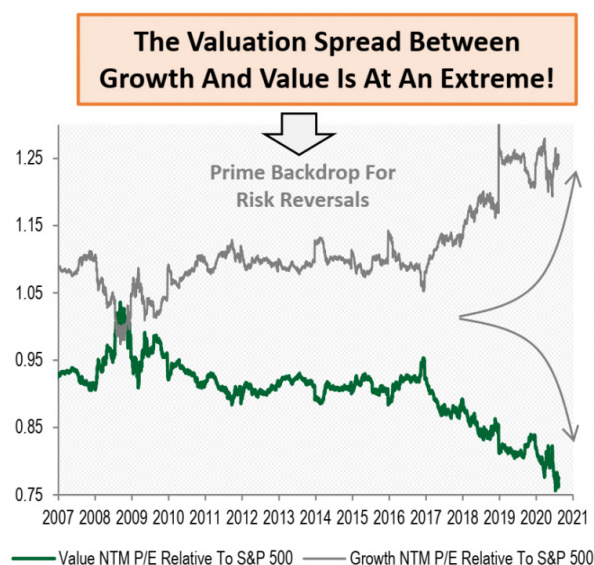
360 Capital has also been busy launching new funds and has made a non-binding acquisition offer for troubled funds management and advice provider Evans and Dixon. Despite CEO Tony Pitt creating plenty

of value this year, including a share buyback at good prices, the share price has taken no notice.

Audinate's share price also responded well as its revenue starts to recover from the COVID-induced downturn.



Source: millervalue.com via Cornerstone Macro.



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



Important information

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