

Intelligent Investor Australian Ethical Share Fund

(Managed Fund) (ASX:INES)

“The market does not beat them. They beat themselves, because though they have brains they cannot sit tight.”

— Jesse Livermore

The fund fell 0.8% in April compared to the market's 0.9% fall. We also sold the last of our **Uniti Wireless** shares with the company accepting a \$5 takeover bid. It was an excellent result and shows the benefit of digging deeper into industries dominated by slow moving giants. We're not hanging around for the last cent, as management hasn't left any value behind in previous deals.

Conversely, we started rebuilding a position in **ResMed** after the 25% fall in its share price. It's one of Australia's global success stories with the capacity to grow profits quickly over the next decade. It's also one of the best managed businesses on the ASX and we look forward to making it a large position as its valuation becomes increasingly attractive.

Performance (after fees)

	1 mth	6 mths	1 yr	2 yrs	S.I. (p.a)
II Australian Ethical Share Fund	-0.8%	-0.3%	7.5%	21.1%	14.2%
S&P ASX 200 Accumulation Index	-0.9%	8.2%	10.2%	20.0%	8.3%
Excess to Benchmark	0.1%	-8.5%	-2.6%	1.1%	5.9%

Inception (S.I.): 11 Jun 2019

RIAA's RI Certification Symbol signifies that a product or service offers an investment style that takes into account environmental, social, governance or ethical considerations. The Symbol also signifies that Intelligent Investor Australian Ethical Share Fund (ASX: INES) adheres to the strict operational and disclosure practices required under the Responsible Investment Certification Program for the category of Product. The Certification Symbol is a Registered Trademark of the Responsible Investment Association Australasia (RIAA). Detailed information about RIAA, the Symbol and Intelligent Investor Australian Ethical Share Fund (ASX: INES) methodology, performance and stock holdings can be found at www.responsibleinvestments.com.au, together with details about other responsible investment products certified by RIAA.



Fund overview


The Intelligent Investor Australian 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.

 **5+ yrs**

Suggested investment timeframe

 **10 - 35**

Indicative number of securities

 **Risk profile: High**

Expected loss in 4 to 6 years out of every 20 years

 **S&P/ASX 200 Accumulation Index**

Benchmark

 **Investment fee**

0.97% p.a.

 **Performance fee**

Nil



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Frontier Digital Ventures released another excellent set of quarterly numbers. Founder and CEO Shaun Di Gregorio is investing heavily in the company's fledgling businesses, as more mature businesses like Zameen start producing much higher profit margins.

In local currency, Zameen's revenue increased 65% over a year earlier while operating profits doubled, lifting the operating profit margin from 10% to 17%. We expect the same trajectory from Frontier's other businesses over the ensuing years now that they're all capable of handling property transactions. They account for more than 50% of Frontier's revenue and it's a much bigger market than property advertising.

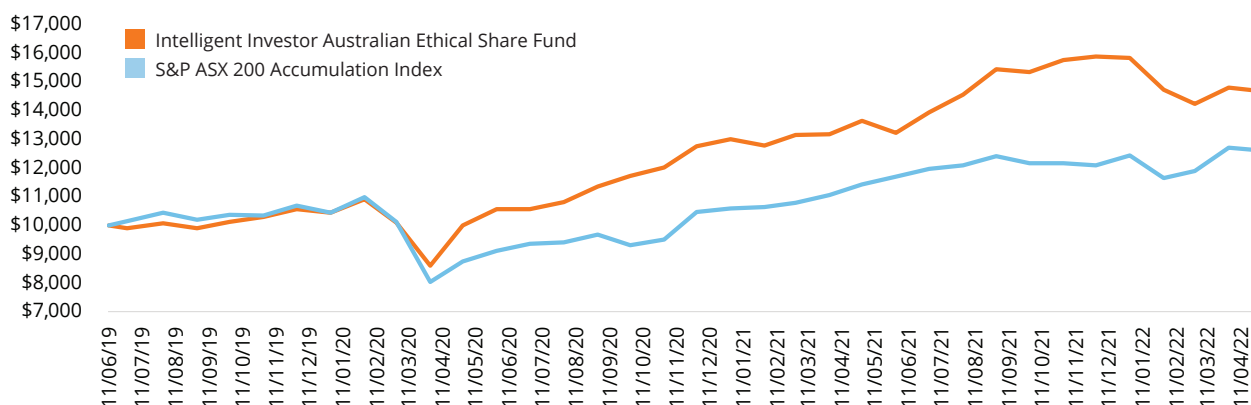
LendLease's share price also got a little kick after an activist shareholder's letter to the company justifying a \$25 share price was widely reported in the media. We concur with the stock's potential with development profits expected to increase quickly as the world's

major cities reopen after COVID lockdowns. But keeping costs down, which is a key plank of new CEO Tony Lombardo's strategy, will be difficult in such a highly inflationary environment.

Audinate announced a surprisingly positive update revealing new product launches and encouraging management of supply shortages. While **Ramsay Healthcare** received an \$88 takeover offer followed by a poor operating result that still reflects the fall in private hospital surgeries due to COVID.

Please get in touch if you have any questions on
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Performance since inception



Inception (S.I.): 11 Jun 2019

Asset allocation

Cash	41.5%
Health Care	12.3%
Information Technology	10.5%
Real Estate	10.0%
Communication Services	9.5%
Financials	7.6%
Industrials	6.3%
Utilities	1.3%
Consumer Discretionary	1.0%

Top 5 holdings

Auckland International Airport (AIA)	6.3%
Lendlease Group (LLC)	5.5%
Frontier Digital Ventures (FDV)	5.3%
RPMGlobal Holdings (RUL)	5.2%
Telstra Corporation	4.2%

Fund Stats

Income yield	1.77%
Net asset value	\$3.58

Important information

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All tables and chart data is correct as at 30 April 2022.