

# Intelligent Investor Australian Equity Growth Fund

(Managed Fund) (ASX:IIGF)

Issued by  
InvestSMART Funds  
Management Limited  
ACN 067 751 759  
AFSL 246441

Managed by  
Intelligent Investor  
Holdings Pty Ltd  
ACN 109 360 983  
CAR 1255 838

ARSN 630 396 691  
ASX Code: IIGF

**“All of you who are looking for a pivot, be careful what you wish for. This pivot only happens if you have an economic accident or a financial accident. And the journey to an economic accident or a financial accident is a very painful journey.”**

— Mohamed El-Erian

The Fund increased 2.3% during November compared to the market's 6.6% return, led by the iron ore majors.

The share prices of **BHP**, **Rio Tinto** and **Fortescue Metals** increased 25%, 19% and 21%, respectively, for an astounding monthly increase in market value of \$34bn, \$12bn, \$30bn, as the iron ore price topped US\$100 per ton.

That's \$76bn of market value added to the market in one month from just three stocks. Who said markets were efficient?

The Fund did okay considering our underweight position, as we don't see much value in the trio at current prices.

It was a quiet month for The Fund. **Domino's** share price has increased 30% from its low, but there's something discomfoting about watching big moves in the heroes of the last bull market. The leaders of the prior bull market usually don't lead the next one.

Individual investors have been the biggest purchases of stocks recently, and we know from history that they're last to join the party and last to

## Performance (after fees)


	1 mth	3 mths	6 mths	1 yr	S.I. (p.a)
II Australian Equity Growth Fund	2.3%	5.0%	10.8%	10.7%	19.9%
S&P ASX 200 Accumulation Index	6.6%	6.0%	3.5%	5.0%	14.3%
Excess to Benchmark	-4.3%	-1.0%	7.3%	5.7%	5.6%


Inception (S.I.): 5 October 2020





## Fund overview


The Intelligent Investor Australian Equity Growth Fund is a concentrated portfolio of 10 - 35 Australian-listed stocks. The Portfolio invests in a mix of large, mid and small cap stocks, focusing on highly profitable industry leaders that have long-term opportunities to reinvest profits at high rates of return.


 **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

leave. They also typically buy familiar names, ignore valuation and are attracted to recent big winners and simple stories like 'people will swap restaurant dining for takeaway during a recession'.

Domino's is a fantastic business but we aren't comforted by the market's recent rally given the profit downgrades we've been expecting have been flowing steadily through AGM season. Not to mention the great Australian interest rate reset is waiting for us in 2023.

**MA Financial's** share price bounced 20% from its recent low after announcing excellent inflows. This is a stock we want to own more of but are prepared to be patient given all its profits hinge on financial market activity, which is slowing rapidly in some segments.

**Mineral Resources'** share price increased nearly 20% as the company's strategy becomes better understood. No doubt the share price also reflects some frothing over lithium prices, but this is an owner-led business that we plan

to own for the long-term. Any major weakness in the share price should be an opportunity to increase our position further.

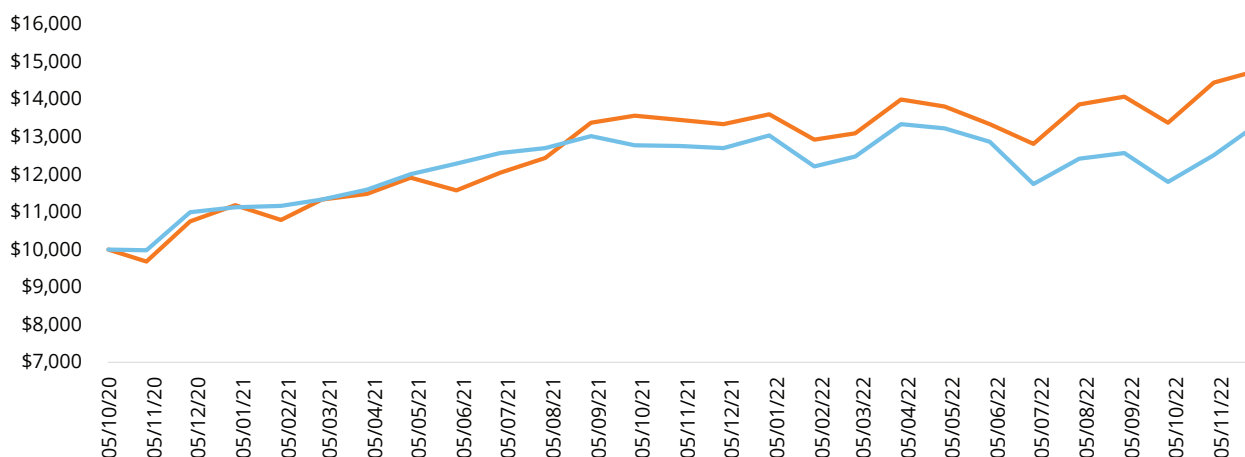
Our coal stocks bounced back after recent weakness in their share prices. We increased our exposure toward **New Hope** at the expense of **Whitehaven Coal** given its higher capital gain potential following the recent approval of its new mine. New Hope is already busy preparing the new mine but still expects to pay large dividends.

*If you have not already done so, please provide your tax file number and bank details to the registry to ensure you receive your distributions correctly.*

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Please get in touch if you have any questions on **1300 880 160** or at **[info@intelligentinvestor.com.au](mailto:info@intelligentinvestor.com.au)**

## Performance since inception



Inception (S.I.): 5 Oct 2020

## Asset allocation

Cash	24.8%
Information Technology	14.5%
Materials	14.1%
Consumer Discretionary	13.8%
Financials	12.8%
Energy	7.2%
Industrials	5.3%
Real Estate	3.2%
Health Care	2.4%
Utilities	1.8%

## Top 5 holdings

RPMGlobal Holdings (RUL)	6.6%
Auckland International Airport (AIA)	5.3%
New Hope Corporation (NHC)	5.1%
Star Entertainment Group (SGR)	4.2%
Alumina (AWC)	4.2%

## Fund Stats

Income yield	13.26%
Net asset value	\$3.14

## Important information

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All tables and chart data is correct as at 30 November 2022