

# Intelligent Investor Australian Equity Growth Fund

(Managed Fund) (ASX:IIGF)

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

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ASX Code: IIGF

**“No matter what argument you’re trying to make, you can find a qualified expert witness who’s willing to make it, under oath, for \$500 an hour.”**

— Morgan Housel

The fund increased 0.4% during the month compared to the market’s 0.7% fall. Reporting season was mostly benign, with the worst results mostly expected.

The worst result belonged to **Alumina**, whose share price has fallen two thirds from its high five years ago. It’s only redeeming feature is that its competitors are faring even worse.

The company is doing what it can to preserve cash and, as the lowest cost producer, it will be the last man standing if industry conditions deteriorate further. In that case, industry supply will fall and Alumina will be the largest beneficiary.

On the flipside, **Audinate**’s share price jumped nearly 50% after delivering its maiden profit, albeit with help from some one-offs. The company’s \$1bn market value will attract a new group of passive and active investors and the increased liquidity frees up space in the fund for the next hidden gem.


Audinate has been shunned partly as it hasn’t been profitable despite





## 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

## Performance (after fees)

	1 mth	3 mths	6 mths	1 yr	S.I. p.a
II Australian Equity Growth Fund	0.4%	3.1%	0.2%	-0.9%	12.1%
S&P ASX 200 Accumulation Index	-0.7%	3.9%	3.0%	9.6%	11.7%
Excess to Benchmark	1.1%	-0.8%	-2.8%	-10.5%	0.4%

Inception (S.I.): 5 October 2020

dominating its fledgling industry, but getting in early and backing an owner-led management with a potentially highly profitable niche is a classic reflection of our process. Management and staff also deserve credit for managing such a young business through Covid.

As always, **Tabcorp**'s result felt like one step forward, one step back. But it's the equalisation of state taxes across the industry that are most likely to boost Tabcorp's profits. We just hope management doesn't overpay for acquisitions in the interim.

**Wesfarmers**' result was better than expected with its discount brands such as K Mart benefitting from more price conscious shoppers. This trend is likely to continue but it's the potential of its lithium business that's underappreciated.

**Star Entertainment** wrote-off billions from its casinos and the new Brisbane casino is being plagued by delays whose costs are being contested in court. Everything that could've gone wrong with this business has.

We're sure someone is going to make a lot of money out of its current problems, we're just not sure who. There's no shortage of people lining up to refinance the company's debt. But at what price?

The casinos are performing slightly better than expected, but the write-offs show how far expectations have fallen. If CEO Robbie Cooke can galvanise the company's lenders, state governments and building partners, then things should start looking up next year when the new Brisbane casino finally opens.

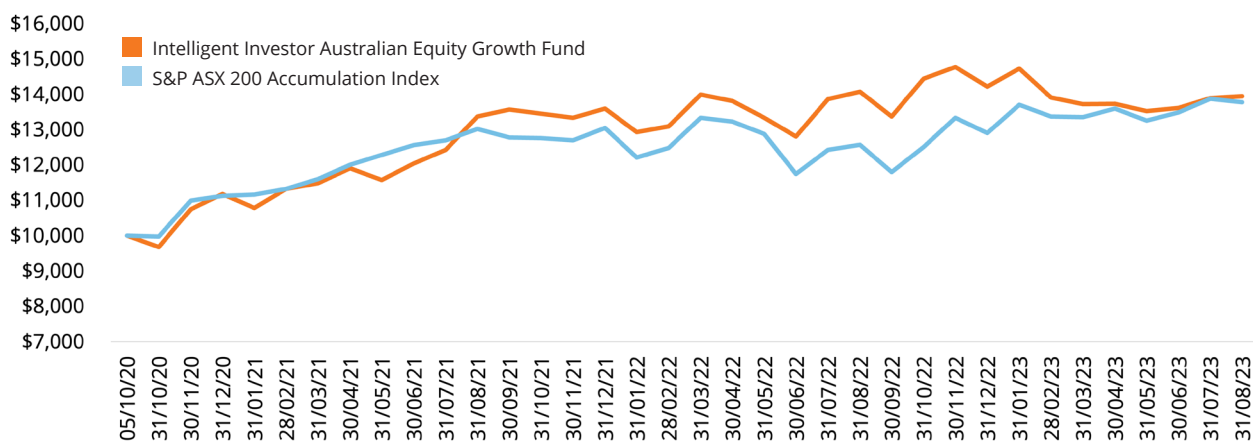
Domino's share price bounced as CEO and major shareholder Don Meij suggested the company's performance was stabilising after implementing a raft of changes including cutting costs, closing stores and offering better promotions after withdrawing delivery fees.

Lastly, **MA Financial** reported a decent result. Corporate activity has slowed, but its attracting new fund investors which is where the long-term value of the business lies.

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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

Consumer Discretionary	16.48%
Materials	15.99%
Information Technology	12.86%
Cash	12.58%
Financials	11.21%
Health Care	9.87%
Energy	6.83%
Industrials	5.44%
Communication Services	3.52%
Real Estate	3.03%
Utilities	2.19%

### Top 5 holdings

RPMGlobal Holdings (RUL)	6.63%
Auckland International Airport (AIA)	5.44%
New Hope Corporation Limited(NHC)	5.15%
CSL Limited	4.58%
Audinate (AD8)	4.56%

### Fund Stats

Distribution yield	6.15%
Net asset value	\$2.79

### Important information

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All tables and chart data is correct as at 31 August 2023