

# Intelligent Investor Ethical Share Fund

(Managed Fund) (ASX:INES)

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 630 396 584  
ASX Code: INES

**“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 2.3% during the month compared to the market’s 0.7% fall. Reporting season was mostly benign, with the worst results mostly expected.

**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 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.

## Performance (after fees)

	1 mth	1 yr	2 yrs	3 yrs	S.I. (p.a)
II Ethical Share Fund	2.3%	0.4%	-2.9%	8.6%	9.2%
S&P ASX 200 Accumulation Index	-0.7%	9.6%	2.9%	10.7%	6.6%
Excess to Benchmark	3.0%	-9.2%	-5.8%	-2.1%	2.6%


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](http://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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**Aussie Broadband's** share price jumped 20% after announcing another increase in market share as Australians continue to pay up for faster internet speeds. But the big potential now lies in corporate offerings. **Carsales'** share price also jumped 20% as it continues its recovery post Covid.

**Resmed's** share price fell by a quarter as investors handicap the confluence of lower margins, the reintroduction of Philips products after safety recalls and the huge potential of breakthrough obesity drugs such as Ozempic.

Fewer overweight people mean less sleep apnoea patients, but there are plenty of drawbacks to obesity pills and obesity isn't the only cause of sleep apnoea. Resmed's much lower share price has more than accounted for drugs such as Ozempic in our view, but we're comfortable with an average size position.

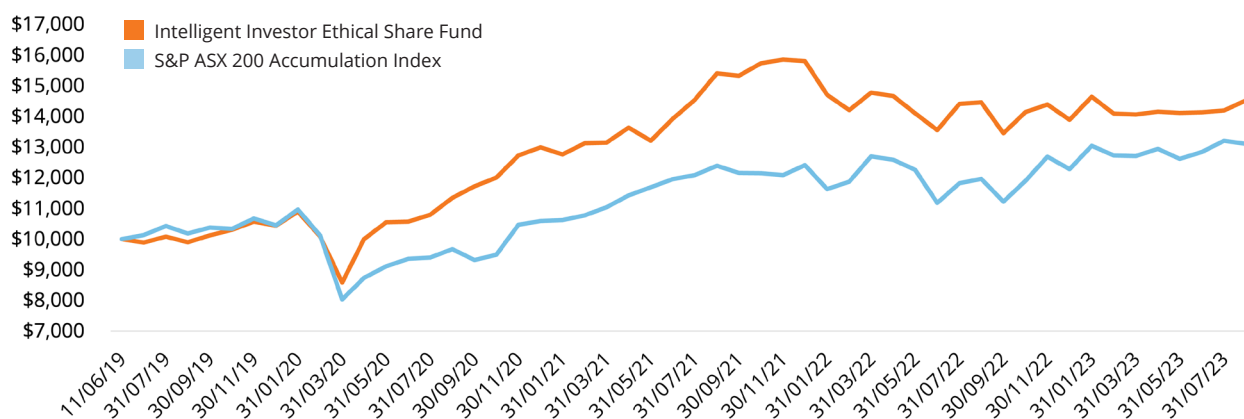
**Wesfarmers'** result was better than expected with its discount brands such as K Mart benefitting from more price conscious shoppers. This trend is likely to continue but it's the potential of its lithium business that's underappreciated.

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.): 11 Jun 2019

### Asset allocation

Information Technology	20.52%
Health Care	19.10%
Communication Services	16.81%
Cash	12.09%
Financials	7.87%
Materials	7.66%
Industrials	6.80%
Consumer Discretionary	6.73%
Real Estate	2.42%

### Top 5 holdings

Auckland International Airport (AIA)	6.80%
Audinate (AD8)	6.70%
RPMGlobal Holdings (RUL)	6.29%
CSL Limited (CSL)	4.53%
Telstra Corporation (TLS)	4.50%

### Fund Stats

Distribution yield	0.89%
Net asset value	\$3.12

### Important information

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