

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

“You tend to get sceptics as analysts because they can find the flaws, and every business has flaws. But they get hyper-fixated and stop looking at the trade-offs.”

— Richard Pzena on why good analysts aren't necessarily good investors.

The fund was flat during May compared to the market's 1% increase. **Sonic Healthcare** announced that respectable revenue growth is being offset by higher costs. It was a similar story for many other companies, such as **James Hardie Industries**, which we'd sold before announcing a lacklustre outlook that knocked its share price down by a quarter.

Sonic's fall was modest by comparison, partly because its share price has been slowly deflating for a while following its enormous, temporary Covid profits, which we believe have been intelligently invested. The stock offers the best value in years for such a steady business where tuck-in acquisitions reinforce its network and increase margins.

Dicker Data's share price fell 10% after announcing a regrettably timed profit downgrade at 3:30pm on a Friday. Management blamed the weak economic environment for a 10% fall in revenue for the March quarter but admirably largely held profits flat.

Performance (after fees)					
	1 mth	1 yr	2 yrs	3 yrs	S.I. (p.a)
II Ethical Share Fund	-0.2%	15.0%	7.3%	7.1%	10.2%
S&P ASX 200 Accumulation Index	0.9%	12.9%	7.8%	6.8%	7.4%
Excess to Benchmark	-1.1%	2.1%	-0.5%	0.3%	2.8%

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.responsiblereturns.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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Management expects AI products to be a major source of growth and it's continued to sign-up high-profile vendors such as Adobe while remaining a chief supplier for household names like Microsoft.

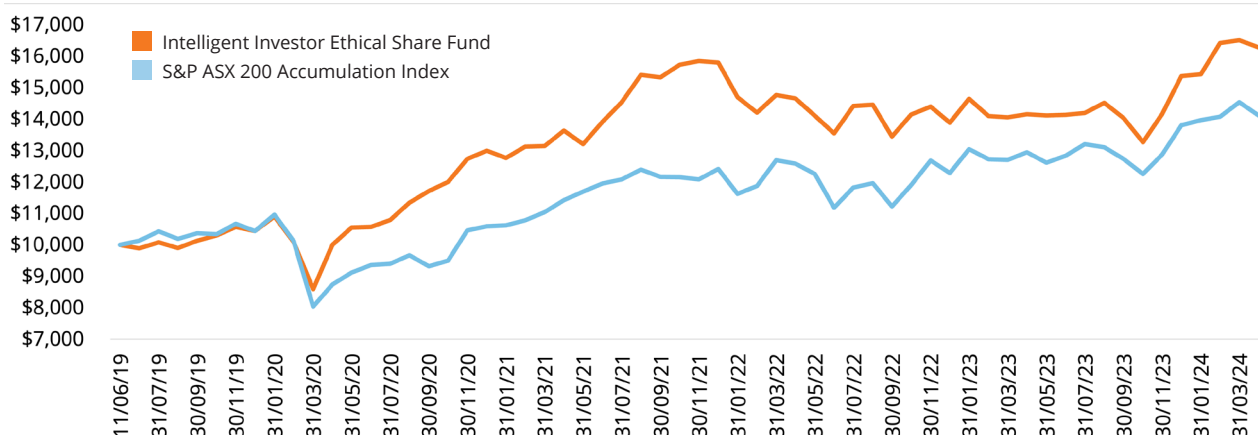
Lastly, **Mineral Resources** has processed its first iron ore from Mt Onslow ahead of time and on budget and an announcement on the partial sale of its Mt Onslow road should be imminent. While **PSC Insurance** finally accepted a takeover offer and will be sold in due course.

Please get in touch if you have any questions

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Performance since inception



Inception (S.I.): 11 Jun 2019

Asset allocation

Information Technology	15.9%
Financials	15.4%
Communication Services	14.7%
Health Care	14.4%
Cash	10.3%
Consumer Discretionary	10.1%
Industrials	9.7%
Materials	9.5%

Top 5 holdings

RPMGlobal Holdings (RUL)	9.6%
Mineral Resources (MIN)	7.0%
Auckland International Airport (AIA)	6.4%
CSL (CSL)	6.1%
Pinnacle Investment (PNI)	5.7%

Fund Stats

Distribution yield	1.17%
Net asset value	\$3.47

Important information

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All tables and chart data is correct as at 31 May 2024