Quarterly Update
30 June 2026

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Intelligent Investor Equity Growth Fund

Active ETF (ASX:IIGF)

"It didn't make me unhappy to anticipate trouble all the time and be ready to perform adequately if trouble came. It didn't hurt me at all. In fact, it helped me." — Charlie Munger

"Only the rich can afford to be stupid; for others, ability is a necessity, not an option." — Diderot

"As bandwagon investors join any party, they create their own truth — for a while." — Warren Buffett

AI euphoria gripped the resources sector during the quarter with **BHP**'s share price almost doubling in a year. That's around $130bn of market value primarily from speculation on copper usage in an AI world.

It's a timely reminder that the market is not efficient and increasingly trades on themes, memes and, in the case of **Space X**, dreams. The London School of Economics estimates 60-70% of trades are automated driven by ETF rebalancing and other often highly leveraged trading strategies. The impact on individual stock volatility has been astounding, and we can't wait to see the opportunities that momentum-driven trading will provide in a bear market.

Performance (after fees)

	1 mth	6 mth	1 yr	3 yrs p.a	5 yrs p.a	S.I. p.a
II Equity Growth Fund	5.1%	-1.4%	8.0%	5.9%	6.1%	8.8%
S&P ASX 200 Accumulation Index	0.7%	2.4%	6.1%	10.6%	7.8%	11.1%
Excess to Benchmark	4.4%	-3.8%	1.9%	-4.7%	-1.7%	-2.3%

Inception (S.I.): 5 October 2020

Intelligent Investor has provided model portfolios to investors since January 2001. The performance table above represents the performance of the ASX listed Active Exchange Traded Fund from 5 October 2020 (ASX: IIGF). The Intelligent Investor Growth model portfolio was first offered for external investment on the Praemium platform on 1 July 2015. The strategy and its holdings were replicated as an ASX listed Active Exchange Traded Fund from 5 October 2020. The model portfolio is available for investment on the InvestSMART platform. The listed vehicle is available for investment through a broker.

Fund overview

The Intelligent Investor Equity Growth Fund is a concentrated portfolio of 10 - 35 Australian-listed and International 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

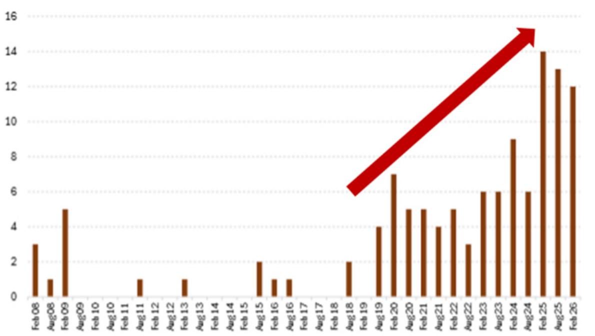
Risk profile: High
Expected loss in 4 to 6 years out of every 20 years

S&P/ASX 200 Accumulation Index
Benchmark

Investment fee
0.97% p.a.

Performance fee
Nil

Figure 5: # of ASX100 companies with price move >10% on result day*



Source: UBS, FactSet, *absolute, so captures stocks that have moved either up or down by more than 10%

The increased volatility will provide more opportunities to buy low and sell high, with large corporates starting to acquire cheap rivals cast aside by the AI boom. We've sold insurance broker **Steadfast** since receiving a healthy takeover offer, which implies our holding in rival **AUB** is worth ~$40 if valued on the Steadfast multiple. Buying cheap still works.

We also sold **Karoon Energy**, as not even a war in the middle east could ignite its profits following a series of operational problems and an uninspiring CEO change who hasn't bought a single share with her own money.

Mineral Resources' share price finished the quarter up nearly 20% after initially increasing 35% as expectations for lithium prices continue to rise helping the company rapidly reduce debt. **Car Group**'s share price behaved similarly after holding its position in the index.

After its share price almost halved following the withdrawal of a takeover offer pitched at $45, AUB's share price popped 20% after rival Steadfast received an offer at a 50% premium (less Steadfast's next dividend).

REA's share price fell 15% during the quarter despite increasing prices 10% as listings are likely to weaken as Labor's capital gains tax changes dampen property investment.

ResMed's share price finished down 10% after initially falling 20% as the market tussles with the return of Respironics' products, the impact of GLP-1 drugs and the poor sentiment across the healthcare sector after **CSL**'s and **Cochlear**'s share price collapses. So far, ResMed's financial performance belies its share price performance.

Pinnacle's share price increased 30% from March's low, as it swings with market sentiment. While **MA Financial**'s (MAF) share price has almost halved this year as more US private credit funds face redemptions.

MAF announced it was closing a credit fund, and inflows are likely to slow for a while. But the stock is reflecting a lot of bad news potentially trading on 12 times forecast earnings.

Amazon's share price increased 14% as the market warmed to its AI strategy, helped by faster growth in its cloud division. Despite its size, earnings could double over the next few years as more on-premise workloads move to the cloud and retail profit margins increase.

Lastly, **Dicker Data'**s share price increased almost 50% after it announced a large increase in profits as AI fuels demand for new IT products and services.

Summary

The fund's annual performance was hammered by the shellacking of quality stocks earlier this year, and the higher turnover to take advantage of the indiscriminate selling will be reflected in a large distribution.

It's the first time in my career that quality stocks have traded at such a large discount compared to the market's largest stocks. Normally it's the opposite. Quality stocks, particularly midcap stocks with faster earnings growth, normally attract a premium.

Although I don't expect to see valuations as low as they were in the GFC again, the potential to outperform the index in the years ahead could be bigger. The market can ignore valuations for a long time, but when quality returns to favour, AI mania fades and the valuations of the market's largest stocks return to earth, we expect similar performance to the period between 2019 and 2022. Or for greyer-haired value investors, the period between 2000 and 2006 after the tech bubble.

Please get in touch if you have any questions

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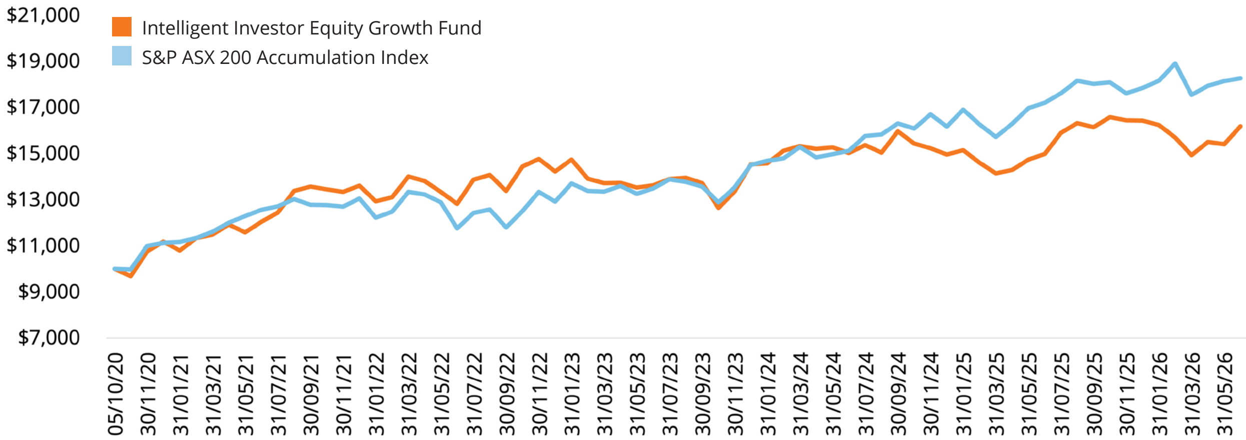
Performance since inception



Inception (S.I.): 5 Oct 2020

Asset allocation

Financials	31.0%
Information Technology	21.5%
Communication Services	14.7%
Consumer Discretionary	12.8%
Materials	7.3%
Health Care	4.6%
Real Estate	3.1%
Energy	2.9%
Cash	2.1%

Top 5 holdings

Fairfax Financial Holdings (FFH.TSX)	5.8%
Dicker Data Ltd (DDR)	5.7%
Mineral Resources Limited (MIN)	5.1%
Constellation Software (CSU.TSX)	4.9%
Eagers Automotive Ltd (APE)	4.8%

Fund Stats

Distribution yield	11.24%
Net asset value	$2.82

The distribution for the year ended 30 June 2026 excludes franking credits and is significantly larger than previous years. Distribution yield is not a measure of total investment return and past distributions are not indicative of future distributions.

Important information

All tables and chart data is correct as at 30 June 2026