



INTELLIGENT  
INVESTOR  
FUNDS MANAGEMENT

# International Fund Launch

1 February 2013

# Important information



The information given by Intelligent Investor Funds and provided in this presentation is general information only. It does not take into account your investment objectives, financial situation or needs.

You should therefore consider whether the advice is appropriate to your investment objectives, financial situation and needs before acting upon it.

You should seek advice from a financial adviser, stockbroker or other professional (including taxation and legal advice) as necessary before acting on any information. Not all investments are appropriate for all people.

# Our history



- **The Intelligent Investor business**
  - Established 14 years ago as a value investing newsletter publication
  - Providing fearless and non-aligned sharemarket advice to retail investors
- **Funds management**
  - Funds management business launched in 2009 by Chief Investment Officer Steve Johnson with the Intelligent Investor Value Fund
  - Chinese wall in place between the publication research and investment professionals of the funds management business

# Investment philosophy



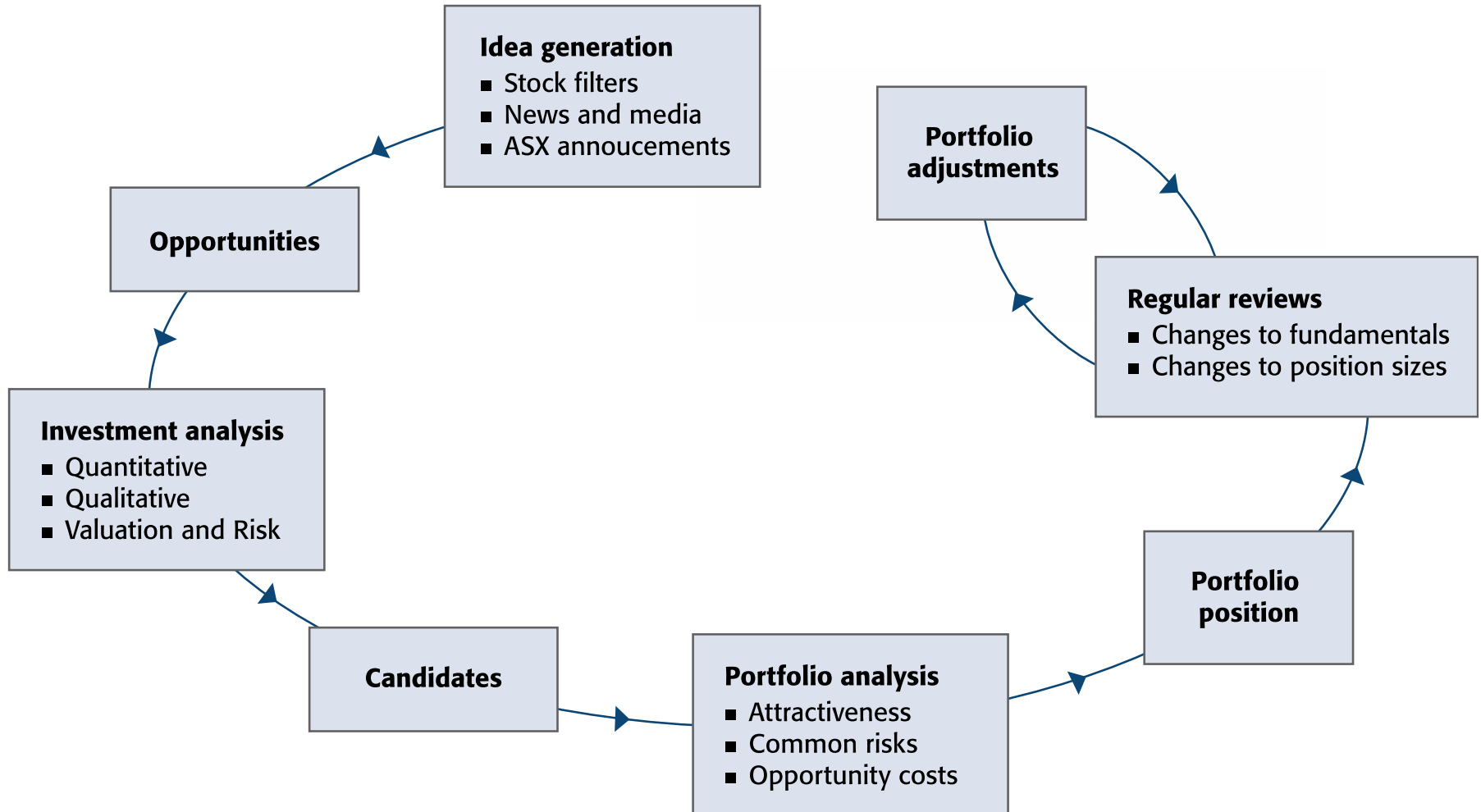
## ■ Value investing

- The value of any business is the present of future cashflows to investors
- By purchasing at a discount to fair value, can generate returns irrespective of share price movements
- Our unrelenting search is for opportunities where cashflow stream is mispriced

## ■ Competitive advantage

- Ability to take long term view, and investors who support this
- Superior process and framework
- Activism and mental fortitude

# Investment process



# Risk management

- **General approach**
  - risk is the likelihood of suffering impairments to capital
  - all investments are uncertain, risk management has huge practical importance
- **Individual positions**
  - risk is based on the fundamentals of the position
  - even highly attractive opportunities should be small positions if risk of loss is high
- **Portfolios**
  - try to produce the best expected return at the least possible risk
  - must manage exposure to key risks common to many positions

# Why international

- Proven philosophy and well defined process
- Very few true “value” options in Australia
- Most that do exist are huge
- High Aussie dollar provides bang for buck

# Our people



**Kevin Rose**  
North America



**Gareth Brown**  
Europe

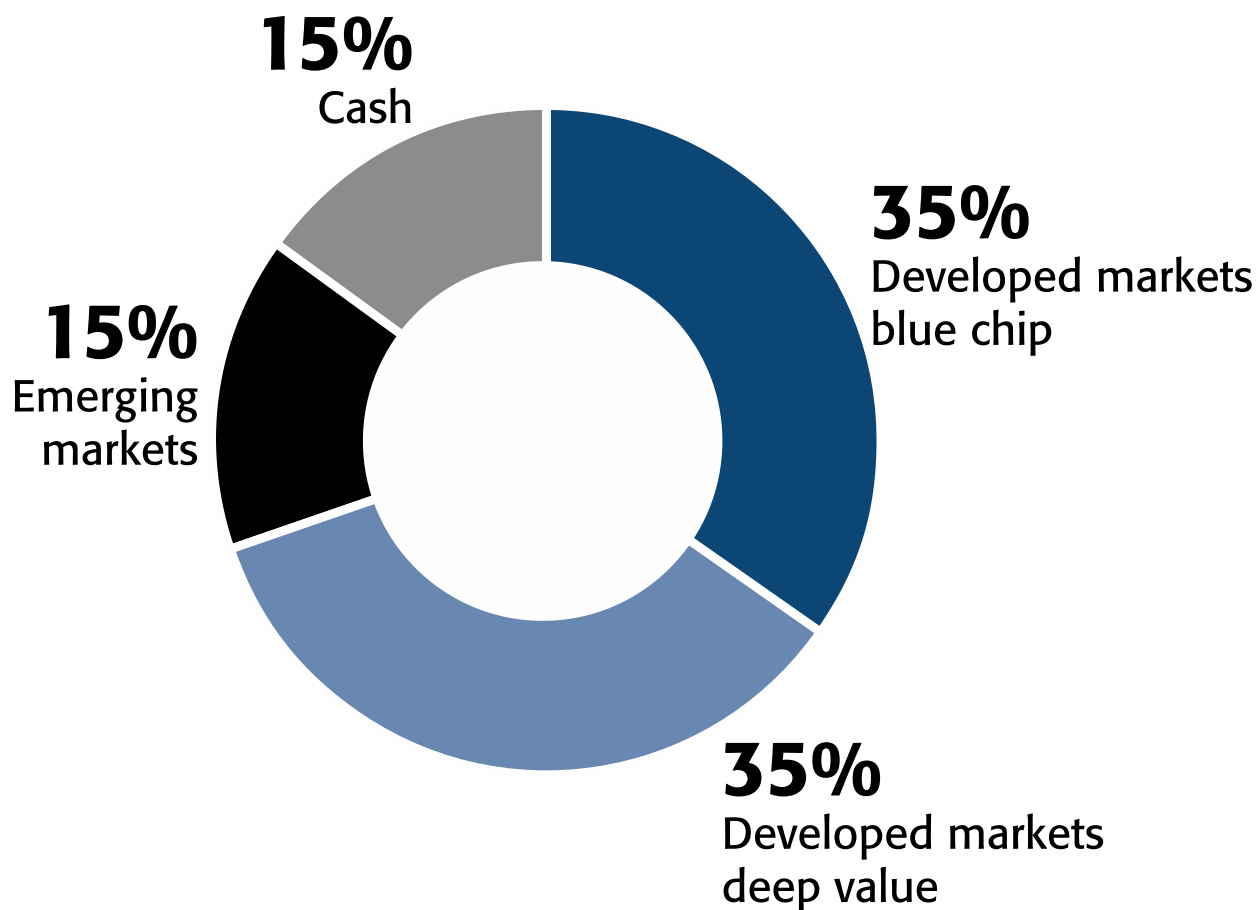


**Steve Johnson**  
Asia Pacific



# The Fund's investments

## Sample portfolio composition



# Currency management

- Best thought of as an unhedged international investment
- A strong AUD will hurt
- A weak AUD will help
- BUT we will use hedging to adjust the exposure

# Fees and costs

- Base fee 1.4%
- Expense recoveries up to 0.15%
- No performance fees
- No entry or exit costs (buy/sell spread 0.8%)

# Timeline

- PDS launch 1 Feb 2013
- First applications processed 8 Feb 2013
- Start investing asap
- Weekly application and redemption process
- Monthly updates and quarterly reports

# More information



Website: [www.iifunds.com.au](http://www.iifunds.com.au)

Email: [info@iifunds.com.au](mailto:info@iifunds.com.au)

Phone: 1800 620 414

# Questions



**Fundhost Limited AFSL: 233045 is the issuer of the Intelligent Investor International Fund (ASRN: 1610 843 778).**

**The PDS for the fund will be available at [www.iifunds.com.au](http://www.iifunds.com.au) and [www.fundhost.com.au/investor](http://www.fundhost.com.au/investor) or by phoning Fundhost at (02) 8223 5400 from 1 February 2013.**

**You should consider the Product Disclosure Statement in deciding whether to acquire, or continue to hold, the product.**