

Value Fund

Monthly Report



INTELLIGENT
INVESTOR
FUNDS MANAGEMENT

JANUARY 2011

January was quiet for the overall market and for the Value Fund. The All Ordinaries Accumulation Index added just 0.07% for the month and the Fund was up 1.58%. In the December Quarterly Update we discussed the difference between share price noise and real world events that demonstrate the underlying value, or lack thereof, of the businesses we own. While a few share prices bounced around during January (RNY Property Trust in particular was up 23% on very light trading), there was almost nothing in the way of real business news.

- We spent a few hours with the new CEO of one of our largest positions, UXC. Chris Nicolli has taken over the reigns from former Executive Chairman Geoff Lord, who remains as Chairman and a substantial shareholder.

The value in UXC is obvious to myself, Nicolli and most other analysts who take a good look at the business. Its IT business is one of the largest in the country, is winning plenty of new contracts and is nicely profitable. Alone it should be worth more than the current share price, but plenty of work remains to be done if that value is to be realised. UXC has been plagued by problems in the non-IT part of its business and needs a hands-on manager to simplify the business and focus on what they are good at. Early signs are promising for Nicolli but we'll be watching progress closely over the next 12 months or so.

- Economic news out of the US was overwhelmingly positive. Manufacturing, consumption and overall economic production all posted healthy growth rates for either the last month or last quarter of 2010. The two areas of the US economy still struggling are housing—where both prices and construction activity continued to decline—and jobs.

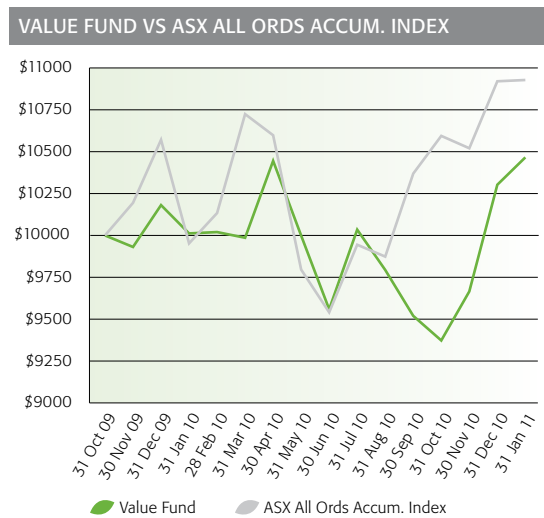
The later is the key variable for our investment in two US commercial property trusts, RNY Property Trust and Real Estate Capital Partners USA Property Trust, and hopefully we'll see more employment if the economy continues to gather steam. RNY reports its full year results on 25 February and we should find out more then. Other key reporting dates can be seen in the table below.

KEY REPORTING DATES		
COMPANY	RESULT PERIOD	DATE
Photon Group	Half year	16 February
RNY Property Trust	Full year	25 February
UXC	Half year	25 February
MAp Group	Full year	24 February

SUMMARY OF RETURNS AS AT 31 JANUARY 2011		
	IIVF	ALL ORDS. ACCUM. INDEX
1 month return	1.58%	0.07%
3 month return	11.66%	3.15%
6 month return	4.30%	9.89%
1 year return	4.53%	9.80%
Since inception*	3.71% p.a.	7.35% p.a.

* 31 October 2009

FACTS	UNIT PRICE SUMMARY
FUND COMMENCED 31 Oct 2009	DATE 31 Jan 2011
MINIMUM INVESTMENT \$10,000	BUY PRICE \$1.0307
MONTHLY INVESTMENT Min. \$100/mth	REDEMPTION PRICE \$1.0225
INCOME DISTRIBUTION Annual, 30 June	MID PRICE \$1.0266
APPLICATIONS/REDEMPTION Monthly	PORTFOLIO VALUE \$14.6m



CONTACT DETAILS

Responsible entity Fundhost Limited Phone +61 2 8223 5400 Email admin@fundhost.com.au Web www.fundhost.com.au
Investment manager Intelligent Investor Funds Pty Ltd Phone +61 2 9011 5206 Email admin@iifunds.com.au Web www.iifunds.com.au

Disclaimer: This report was prepared by Intelligent Investor Funds Pty Limited, Authorised Representative of Intelligent Investor Publishing Pty Limited AFSL No: 282288. Fundhost Limited (ABN 69 092 517 087) (AFSL No: 233 045) ("Fundhost") as the Responsible Entity is the issuer of the Intelligent Investor Value Fund (ARSN No: 139 641 491). You should obtain and consider a copy of the product disclosure statement relating to the Intelligent Investor Value Fund before acquiring the financial product. You may obtain a product disclosure statement from Fundhost or download a copy at www.iifunds.com.au. To the extent permitted by law, Fundhost Limited and Intelligent Investor Funds Pty Limited, its employees, consultants, advisers, officers and authorised representatives are not liable for any loss or damage arising as a result of reliance placed on the contents of this report.