

Value Fund

Monthly Report



INTELLIGENT
INVESTOR
FUNDS MANAGEMENT

APRIL 2012

The Value Fund's unit price increased by 2.2% in April, compared with the All Ordinaries Accumulation Index's increase of 1.1%. The small outperformance was primarily a result of an 11% increase in the unit price of **RNY Property Trust** (RNY).

- RNY has now finalised a refinancing arrangement for its US\$196m loan on terms identical to those outlined in the March Quarterly Report. The deal leaves unitholders with an additional US\$28m chunk of equity and ownership of US\$196m US commercial property for a further five years (albeit highly leveraged). The new debt is still non-recourse to RNY's other property and RNY will continue negotiations to refinance the US\$52m debt related to the final outstanding property tranche.

RNY now has most of its financing in place until 2016 and 2017 and management will be able to focus on improving occupancy and realising value for unitholders during the next few years. Distributions are unlikely, most of the cash will be reinvested into the portfolio to attract tenants and prepare for an eventual sale. RNY closed at 15.5c.

- In an attempt to put the recent torrid events behind it, **Photon Group** (PGA) is proposing to change its name to **Enero**, the Spanish word for January, and undertake an 18 for 1 share consolidation. Such initiatives are generally a waste of time and money, but PGA needs a fresh start if ever a company needed one and it is unlikely to cause much harm.

More importantly former Auster CEO John Porter was appointed as Chairman and Steve Gatfield of Naked Communications was appointed Executive Director. Both appointments are positive for Photon and Porter's apparent purchase of some 5 million shares is a vote of confidence. He'll have his work cut out, as the financial performance continues to be dreadful. Earnings before interest, tax, depreciation and amortisation fell 45% for the first 9 months of the financial year in Photon's Australian Agencies division, when compared with last year's already soft results. Photon closed at 4.8c, up 9% for the month.

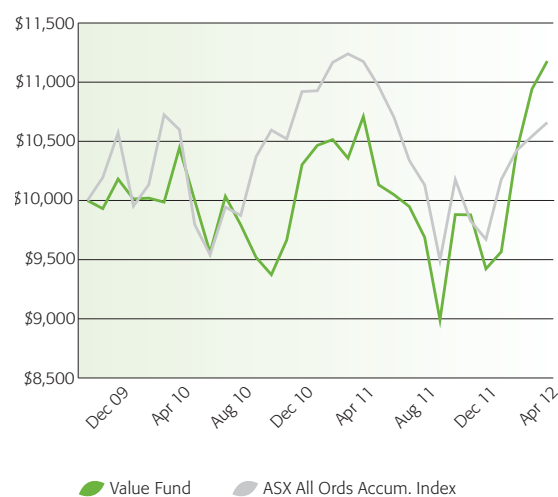
- The Fund has participated in the 'second round' of RCU's capital raising, taking up all of our initial entitlements for the Value Fund and also applying for additional 'top-up' units in the event of a shortfall. Participation in the first round of the entitlements offer, which unitholders were free to sit on the sideline and watch, was higher than we anticipated with approximately 50% of the old register taking up rights. The strong showing made it unlikely, if we participated in the second round, that RCU's largest unitholder Frost would attain a stake significantly exceeding 30% of the trust. With the control issues mitigated, the investment case now stacks up favourably. RCU closed the month down 2% at \$0.405 per unit.
- Finally winemaker **Australian Vintage** (AVG) announced that 2012 net profit, adjusted for significant items, is expected to be down 28% on the prior year, mostly due to a smaller than expected harvest. Offsetting this, lower overall harvests across the country may aid margin improvement. AVG's share price was unchanged for the month at \$0.345.

SUMMARY OF RETURNS AS AT 30 APRIL 2012		
	IIVF	S&P ALL ORDS. ACCUM. INDEX
1 month return	2.17%	1.10%
3 month return	16.85%	4.73%
6 month return	13.13%	4.74%
1 year return	4.38%	-4.62%
2 year return	3.45% p.a.	0.29 p.a.
Since inception*	4.56% p.a.	2.59% p.a.

*31 Oct 2009

FACTS	UNIT PRICE SUMMARY
FUND COMMENCED 31 Oct 2009	DATE 30 April 2012
MINIMUM INVESTMENT \$10,000	BUY PRICE \$1.0284
MONTHLY INVESTMENT Min. \$100/mth	REDEMPTION PRICE \$1.0202
INCOME DISTRIBUTION Annual, 30 June	MID PRICE \$1.0243
APPLICATIONS/REDEMPTION Monthly	PORTFOLIO VALUE \$18.4m

VALUE FUND VS ASX ALL ORDS ACCUM. INDEX



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 8305 6050 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.