

# Intelligent Investor Australian Equity Income Fund

(Managed Fund) (ASX:INIF)

“Courage is knowing it might hurt and doing it anyway. Stupidity is the same. And that’s why life is hard.”

— Jeremy Goldberg

“Before you marry a person, you should first make them use a computer with slow internet to see who they really are.”

— Will Ferrell

The Fund fell 0.4% in January trailing the market’s 1.2% gain. The villain this month was **Domino**’s. The self-confessed management mistakes are piling up, this time in Japan, which was supposed to be a key growth engine. If only the Japanese would adopt pizza as its Christmas lunch tradition instead of KFC.

Turnarounds are hard and Domino’s’ is complicated by its vast, complex global business despite decent sales in mature markets like Australia. We’ve kept our small position, but the expectations in the share price are still high despite the 30% fall.

Like clockwork, **ResMed** produced another good result and continues to benefit from the slow reintroduction of products from rival Phillips.

## Performance (after fees)


	1 mth	1 yr	3 yrs p.a	5 yrs p.a	S.I. p.a
II Australian Equity Income Fund	-0.4%	-3.5%	11.3%	9.6%	7.0%
S&P ASX 200 Accumulation Index	1.2%	7.1%	9.6%	9.7%	8.3%
Excess to Benchmark	-1.6%	-10.6%	1.7%	-0.1%	-1.3%


Inception (S.I.): 18 Jun 2018





## Fund overview


The Intelligent Investor Australian Equity Income Fund (ASX:INIF) is a concentrated portfolio of 10-35 Australian listed stocks. The Fund focuses on large, mature businesses with entrenched competitive advantages, and dominant smaller companies we believe will produce strong cash flows to support dividends in the future.


 **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

Any fears from the new wave of obesity drugs have also worn off the share prices of **CSL** and **Sonic Healthcare**, so future returns will be more modest.

**Alumina's** share price is continuing to recover after its favourable regulatory announcement in WA and Alcoa's announcement that it's closing its Kwinana refinery.

**Mineral Resources'** wild ride continues as the lithium bust deepens. Somewhat surprisingly the company's lithium mines are profitable and we're now seeing production capacity across the industry being retrenched. The company's other operations are performing well.

The government quietly closed the Special Investment Visa program that threatened a

large part of **MA Financial's** business. The company hasn't commented but without any retrospective changes the company has seemingly dodged a bullet.

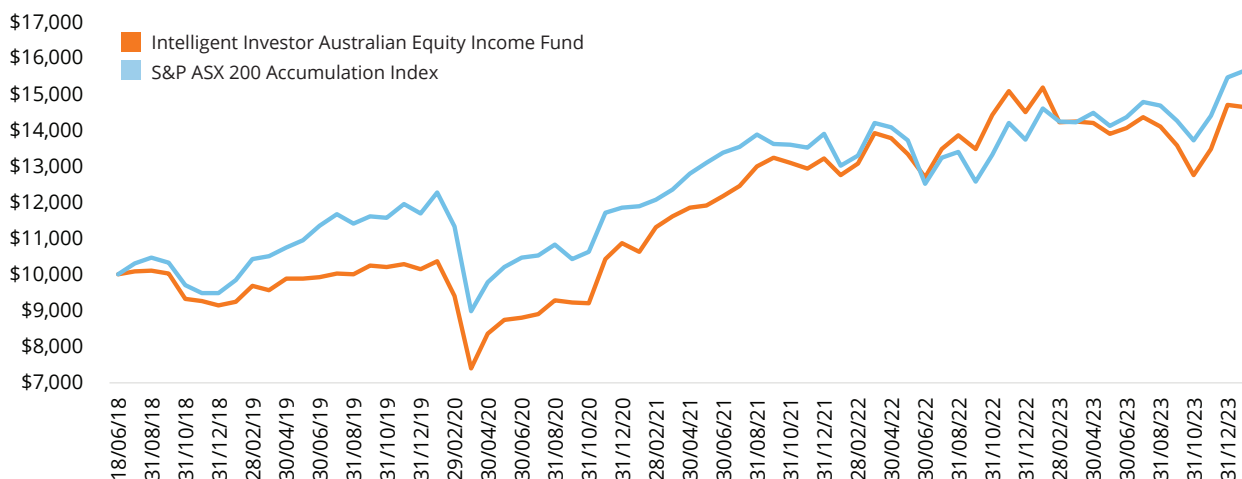
Lastly, **Frontier Digital Ventures'** good quarterly result was met with tumbleweeds despite Latam 360 showing strong growth in revenue and operating earnings.

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*Please get in touch if you have any questions*  
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## Performance since inception



### Asset allocation

Materials	29.9%
Health Care	15.8%
Information Technology	10.6%
Consumer Discretionary	10.5%
Financials	8.0%
Industrials	6.6%
Energy	5.0%
Cash	4.7%
Utilities	3.0%
Real Estate	3.0%
Communication Services	2.9%

### Top 5 holdings

BHP Group (BHP)	12.0%
CSL (CSL)	6.9%
Auckland International Airport (AIA)	6.6%
RPMGlobal Holdings (RUL)	5.4%
New Hope Corporation (NHC)	5.0%

### Fund Stats

Distribution Yield	7.28%
Net asset value	\$2.75

### Important information

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