

## IML Distributions December 2011

We are pleased to inform you that we will be paying our pooled Funds' distributions for the December half to investors in the next few days. As a courtesy we are writing to advise you of the amounts of these distributions. As you are aware, when the Funds' unit prices are quoted ex-distribution the unit prices for our Funds will fall by the amounts of the distributions paid.

Some comments regarding the overall level of these distributions have been provided, which you may find helpful when talking to your clients.

<b>FUND</b>	<b>December 2011 Distribution</b>
Australian Share Fund	<b>3.50 cpu</b>
Concentrated Share Fund	<b>2.00 cpu</b>
Industrial Share Fund	<b>2.00 cpu</b>
Equity Income Fund*	<b>1.20 cpu</b>
Future Leaders Fund	<b>2.50 cpu</b>
Smaller Companies Fund	<b>4.00 cpu</b>
Small Cap Fund	<b>2.00 cpu</b>

\* Equity Income Fund pays income quarterly

### Comments on Distributions:

1. Our philosophy of investing in quality companies with the ability to produce recurring earnings and dividends has meant that our portfolios have continued to provide our investors with a consistent income stream from their investment in their IML fund. As always we expect IML's funds distributions will contain a significant franked component which will be notified at the end of the financial year.
2. In what was a very volatile sharemarket, all of IML's have significantly outperformed their respective benchmarks over the last 12 months and three years. IML continues to favour good quality companies that can continue to generate recurring and predictable earnings in an environment where economic growth both locally and internationally is likely going to be patchy for some time yet. We have avoided many cyclical companies (such as Bluescope, JB HiFi and Billabong) and sectors (such as small resource companies), which have performed in very poorly 2011.
3. The quarterly December reports for each of our pooled Funds will be issued by mid January 2012.

We are of the view there is excellent value now apparent on a three to five year view on the quality stocks that we hold in all our portfolios. We thank you for your ongoing support and we will continue to strive to perform well and to deliver on your clients' expectations in 2012.

We wish you all a Happy New Year,

Best regards,

A handwritten signature in black ink, appearing to read "Anton Tagliaferro". The signature is fluid and cursive, with a large initial "A" and "T".

Anton Tagliaferro  
Investment Director