

IML Distributions December 2016

We are pleased to inform you that all IML funds will be paying their distributions for the December half to investors.

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. In order to keep you informed of this, we are writing to advise you of the amounts of these distributions.

The amount of these distributions are displayed in the table below.

IML FUND	APIR CODE	December 2016 Distribution
Australian Share Fund	IML0002AU	6.0 cpu
Concentrated Australian Share Fund	IML0010AU	1.5 cpu
All Industrials Share Fund	IML0004AU	4.0 cpu
Equity Income Fund*	IML0005AU	1.9 cpu
Future Leaders Fund	IML0003AU	3.5 cpu
Australian Smaller Companies Fund	IML0001AU	6.0 cpu
Small Cap Fund	IML0006AU	3.0 cpu

* Equity Income Fund pays income quarterly

We have below provided some comments regarding the overall level of the December distributions, which you may find helpful when you are talking to your clients.

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 distributions to contain a significant franked component, although the percentage will often depend on the realised gains component of the distribution - this will be notified and itemised for our investors at the end of the financial year.
2. In what was another unpredictable year for the Australian sharemarket, which swung markedly in response to the unexpected results of the Brexit referendum and the US Presidential election, all IML Funds delivered pleasing returns once again to our investors. As we have done consistently

since our inception in 1998, we continue to adhere to our investment philosophy of buying good quality companies that our analysis shows can continue to generate recurring earnings and dividends in the years ahead.

3. The quarterly December reports for each of our pooled Funds will be issued by mid-January 2017.

We continue to work hard to identify stocks through our thorough in-house research, which we believe can perform well over the next three-to-five years.

We thank you for your ongoing support as we continue to strive to perform well and to deliver on your clients' expectations in 2017.

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
IML Investment Director