

6 January 2022

### ***IML Funds' 31 December 2021 Distributions***

We are pleased to advise that IML's Funds will pay their distributions to investors for the half year ended 31 December 2021, on Friday 7 January 2022, as shown in the table below.

IML Fund Name	APIR Code	31 December Distribution (cents per unit)
Investors Mutual Australian Share Fund	IML0002AU	6.00
Investors Mutual All Industrials Share Fund	IML0004AU	4.00
Investors Mutual Concentrated Australian Share Fund	IML0010AU	2.00
Investors Mutual Future Leaders Fund	IML0003AU	3.00
Investors Mutual Australian Smaller Companies Fund	IML0001AU	7.00
Investors Mutual Small Cap Fund	IML0006AU	1.00
Investors Mutual Equity Income Fund <sup>#</sup>	IML0005AU	1.40
Investors Mutual Private Portfolio Fund	IML2681AU	2.00

*# Distribution for the Investors Mutual Equity Income Fund is for the quarter end*

As you would be aware, when the Funds' unit prices are quoted ex-distribution, the unit prices will fall by the amount of the distributions paid (as outlined above).

The December quarter reports and commentaries for each of our Funds will be published by mid-January 2022.

### ***Investment Performance***

We're pleased to report that all IML funds delivered a solid performance for the year ending December 31 as the Australian sharemarket continued the strong momentum that began after the Covid-related falls in March 2020.

Over the past 12 months, we've seen clear indicators that investors are increasingly beginning to value companies based on their fundamentals, demonstrated in part by an active takeover market, with several takeover bids seen for many of the companies that we have held for some time. It is pleasing to see that many solid, well-established businesses with track records of consistent earnings are becoming appreciated again by many investors.

Australian company earnings for FY21 were robust, rising more than 30 percent from the previous year when many were hit by the onset of the Covid pandemic. Many companies that had cut dividends

in FY20 returned to profits and paying dividends in FY21 thanks to the strong recovery in earnings that most companies encountered as economies normalised.

The benchmark S&P/ASX300 index hovered around record highs as the year ended and added more than 17 percent over the calendar year as a strong economy benefited from a massive government fiscal stimulus program. Australian interest rates at a record low of 0.1 percent also encouraged many investors to add to their holdings in shares as they were attracted to the dividends as well as higher potential returns generated from the sharemarket.

In what has been a fairly unpredictable environment, we are pleased that all IML Funds delivered solid performance, both in absolute and relative terms, for the year ended 31 December 2021. As we have done for more than two decades, we continue to focus on what we believe are good quality companies trading at an attractive price and which we believe look attractive on a three-to five-year view, as we seek to generate consistent returns that are less volatile than the overall sharemarket.

### ***Outlook***

As we enter 2022, we believe sharemarkets will be primarily influenced by the direction of interest rates as central banks continue to mull over whether current inflationary trends are transitional or becoming embedded.

As such, we continue to steer away from the riskier parts of the sharemarket and remain focused on identifying and holding what we assess to be good quality companies that can do well over the next three to five years.

On behalf of the team at IML, I would like to thank you for your continuing support and offer my best wishes for a happy, healthy and prosperous new year.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Anton Tagliaferro', written in a cursive style.

**Anton Tagliaferro**  
Investment Director  
Investors Mutual Limited