

IML Distributions December 2015

We are pleased to inform you that all IML funds will be paying 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 important events with our Funds we are writing to advise you of the amounts of these distributions.

The amount of these distributions are displayed in the table below & timelines can be viewed on the following page.

IML FUND	APIR CODE	December 2015 Distribution
Australian Share Fund	IML0002AU	6.0 cpu
Concentrated Australian Share Fund	IML0004AU	1.5 cpu
Industrial Share Fund	IML0003AU	4.0 cpu
Equity Income Fund*	IML0006AU	1.9 cpu
Future Leaders Fund	IML0001AU	6.0 cpu
Australian Smaller Companies Fund	IML0005AU	13.0 cpu
Small Cap Fund	IML0010AU	6.0 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 a volatile and often difficult year for the Australian sharemarket, all of IML's Funds delivered respectable returns. 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 distributions for the IML's Smaller Companies, Small Caps and Future Leaders Funds were higher than usual for this December period as they include a portion of the realised capital gains achieved by our Funds. This occurred due to the takeover of Energy Developments (ENE), a long-term IML holding that was taken over by Duet at \$8 a share in October 2015; an excellent outcome for our unit-holders. The higher distributions also reflect the taking of profits on a number of other

smaller-cap stocks which were re-rated beyond our expectations over the period such as Australian Pharmaceutical Industries (API) and Amalgamated Holdings (AHD) (recently renamed as Events Hospitality), both of which have been long-term IML holdings. We expect further realised capital distributions to be included in our June 2016 distributions.

4. The quarterly December reports for each of our pooled Funds will be issued by mid-January 2016.

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

We thank you for your ongoing support and we will continue to strive to perform well and to deliver on your clients' expectations in 2016.

We wish you all a Happy New Year,

Best regards,

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

Anton Tagliaferro
IML Investment Director

IML Dec 15 Timetable	Date	Business Day	Fund
Cum Prices for 31.12.15	Tuesday, 5 January 2016	BD2	ALL IML funds
Dec 2015 Monthly Transaction Statements Sent out (Incl. Distribution)	Monday, 11 January 2016	BD6	ALL IML funds
Distribution Calculations	Tuesday, 5 January 2016	BD2	ALL IML funds
Ex prices	Wednesday, 6 January 2016	BD3	ALL IML funds
Processing of Re-investment	Wednesday, 6 January 2016	BD3	IMEIF, IMSC, IMCASF, IMFL
	Thursday, 7 January 2016	BD4	IMIS, IMAS & IMCAPS
Distribution Payment Date	Friday, 8 January 2016	BD5	ALL IML funds
Distributions statements to be sent	Thursday, 7 January 2016	BD4	ALL IML funds

IML FUND	IML CODE	APIR CODE
Investors Mutual Australian Share Fund	IMAS	IML0002AU
Investors Mutual Industrial Share Fund	IMIS	IML0004AU
Investors Mutual Future Leaders Fund	IMFL	IML0003AU
Investors Mutual Equity Income Fund	IMEIF	IML0005AU
Investors Mutual Australian Smaller Companies Fund	IMSC	IML0001AU
Investors Mutual Small Caps Fund	IMCAPS	IML0006AU
Investors Mutual Concentrated Australian Share Fund	IMCASF	IML0010AU