

11 July 2017

Dear Adviser,

In a somewhat volatile and unpredictable year at times, IML is pleased to announce another very good year for investors in our Funds, with all funds delivering healthy double digit returns for the year ended 30 June 2017.

As we have done since our inception in 1998, IML continues to focus on owning companies that display the criteria of strong competitive advantage, recurring and predictable earnings, capable management, that we believe can grow and that are trading at reasonable prices.

As tepid economic growth is set to continue in many parts of the world, we remain focused on holding quality companies which we believe can continue to grow earnings and dividends over the next 3 to 5 years.

We are pleased to announce that all of IML's Funds recently paid their final distributions for the year ended 30 June 2017 to investors.

The distribution details for the June period as well as the overall 2016/17 financial year are shown below:

IML Fund	APIR	June 30 Distribution (cpu)	Total full year distribution (cpu)	Franking level*	Distribution Yield for Full Year(net)***
Australian Share Fund	IML0002AU	11.684	17.684	42.54%	6.04%
All Industrials Share Fund	IML0004AU	12.1835	16.1835	39.30%	9.31%
Concentrated Australian Share Fund	IML0010AU	2.7338	4.2338	38.19%	2.64%
Future Leaders Fund	IML0003AU	7.3064	10.8064	27.29%	9.46%
Smaller Companies Fund	IML0001AU	17.1094	23.1094	25.78%	11.98%
Small Caps Fund	IML0006AU	8.9415	11.9415	28.99%	8.48%
Equity Income Fund	IML0005AU	3.6328	8.5328	53.36%	8.01%

* Franking Level based on total distribution

** Refer to table attached below for complete tax breakdown of the distributions

*** Full year distribution as a percentage of the application price as at 30 June 2016

Distribution Comments:

- The distributions in many of our Funds are higher than normal as these include substantial realised capital gains on Duet (after its takeover at a substantial premium) as well as taking some profits on stocks that we believed were reaching full value over the year. Some of these stocks included AGL, Orora and Fletcher Building, which we sold into strength as they hit record prices earlier in FY 17.
- The **IML Equity Income Fund** continues to deliver on its objective of paying a consistently high level of quarterly income to its unit holders, derived from dividends received from the holdings in the Fund and complemented by the prudent use of options.

The separate table attached may be of use to you when discussing our distributions with your clients as it gives a detailed tax breakdown of the distributions for all our Funds.

Outlook:

Despite the increased optimism in sharemarkets globally over the last 12 months, we remain cautious with our outlook and will continue to take advantage of what remains to be a very stock selective environment to invest in.

We believe all of IML's portfolios remain prudently well positioned in good quality companies and we will, as always, continue to strive to do the best job we can for your clients to ensure that we deliver on their expectations.

Yours sincerely,



Anton Tagliaferro
Investment Director
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Components of full year Distribution - 30 June 2017

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IML Fund	APIR	Dividend Income	Interest Income	Other Income	Foreign Income	Net Capital Gains	Tax deferred
Australian Share Fund	IML0002AU	37.74%	1.98%	1.99%	5.81%	50.53%	1.95%
All Industrials Share Fund	IML0004AU	37.43%	1.18%	6.47%	3.04%	50.53%	1.34%
Future Leaders Fund	IML0003AU	25.45%	0.64%	3.26%	4.86%	64.36%	1.42%
Small Caps Fund	IML0006AU	22.49%	0.96%	2.93%	4.15%	68.09%	1.38%
Smaller Companies Fund	IML0001AU	22.96%	1.20%	2.16%	4.15%	68.70%	0.83%
Equity Income Fund	IML0005AU	51.92%	5.43%	29.54%	1.61%	8.34%	3.15%
Concentrated Australian Share Fund	IML0010AU	30.79%	7.51%	3.91%	12.96%	38.94%	5.90%