

Investors Mutual Private Portfolio Fund

Monthly report October 2021

Fund status: OPEN

The Fund aims to provide a positive rate of return (after fees and expenses and before taxes) which is 3% above the return of the RBA Cash Rate on a rolling four-year basis.

	1 month	3 months	1 year	3 years p.a.	Since inception p.a.
Income	+0.0%	+0.0%	+3.0%	+5.1%	+4.6%
Growth	+0.3%	+1.9%	+11.9%	+1.1%	+1.1%
Net Total Return*	+0.3%	+1.9%	+14.9%	+6.2%	+5.7%
Benchmark (RBA Cash Rate)**	+0.0%	+0.0%	+0.1%	+0.6%	+0.7%

*Fund returns are calculated net of management fees, and assuming all distributions are re-invested. Investors should be aware that past performance is not indicative of future performance. Returns can be volatile, reflecting rises and falls in the value of underlying investments. **The benchmark for this Fund is the RBA Cash Rate. The Fund aims to provide a positive rate of return (after fees and expenses and before taxes) which is 3% above the return of the RBA Cash Rate on a rolling four-year basis.

Fund Commentary

The *Investors Mutual Private Portfolio Fund* generated a return of +0.3% in October with a modest contribution from each of its strategies. The Australian equity market was flat over the month with early gains erased by the rise in the 10-year bond yield and expectations that the RBA will soon end its yield curve control.

The *Relative Value* strategy was relatively flat, with positive returns from the Healthcare and Consumer Discretionary sectors offsetting a small decline in Industrials as Aurizon's share price reacted negatively to the acquisition of One Rail – an acquisition which we believe is a transformational one for the company. During October, we accumulated holdings in sound companies that we assessed as representing very good value such as Australian Clinical Labs, Integral Diagnostics and Pact Group.

In the *Events* strategy, the Fund subscribed successfully to capital raising transactions such as Judo Capital, Propel Funeral Partners and Step One Clothing. In M&A, the Fund benefited from the official agreement by Ampol to acquire New Zealand fuel retailer Z Energy. We also participated in the proposed merger of Aventus and HomeCo Daily Needs/Home Consortium, and the announced acquisition of Class by HUB24.

Over the month, the Fund earned fully-franked *Income* from its holdings in Bank of Queensland and Think Childcare. We used elevated daily market volatility to earn incremental option premium written around our core stocks such as Amcor and Sonic Healthcare.

As always, the Fund continues to maintain its conservative positioning in what we believe are good quality companies with relatively sustainable earnings and dividend yields, in conjunction with a market risk management overlay. At the same time, the Fund remains alert to any emerging opportunities.

Researcher Ratings

Zenith	Recommended
SQM Research	4.25 star – Superior
Lonsec	Contact IML for the most recent rating

RG240 Disclosure

The table below sets out additional information we are required to provide in accordance with ASIC's Disclosure Benchmarks regarding the fund each month.

Current total net asset value	\$31 M
Changes to key service providers	Nil
30-Nov-20: Citigroup Pty Ltd appointed custodian and administrator, including unit registry services	
Changes to the risk profile	Nil
Changes to the investment strategy	Nil
Changes to Portfolio Managers	Nil

Fund Information

APIR	IML2681AU
Inception	1 July 2018
Application*	\$1.0414
Redemption*	\$1.0352
Management fee	0.993% p.a.
Investment horizon	4-5 years
Distribution	Generally half-yearly
Portfolio Managers	Anton Tagliaferro Tuan Luu

*the method for calculating the application and redemption prices can be found in the fund's current Product Disclosure Statement.