

IML SUSTAINABLE FUTURE FUND

MONTHLY REPORT



29 FEBRUARY 2024

The **IML Sustainable Future Fund** has a simple purpose: to invest in companies that aim to deliver attractive long-term returns for investors and a more sustainable future.

Using the same investment philosophy and fundamental bottom-up research as all of IML's funds, the fund has the same focus on lower volatility and downside protection, however it only invests in companies listed on the ASX that meet its additional ESG investment criteria. The Fund uses both positive and negative ESG screening and aims for emissions intensity of at least 30% better than its benchmark.

FUND PERFORMANCE

- The Fund returned -0.1% for the month, behind the benchmark ASX 300 which was up +1.0%.
- The weak performance was mainly due to investors' reactions to updates from a few key holdings during reporting season, including CSL, Telstra and Medibank. CSL had one of its many drugs in development, CSL112, fail to meet its efficacy endpoint in its phase III trial. While Telstra & Medibank reported positive overall updates in February (profits up 12% & 16% respectively), the market reacted negatively to what we believe are minor, shorter-term issues. Many of the Fund's other holdings performed well including Suncorp, Iindex, Orica and Brambles.
- While inflation is falling in most developed markets, we expect markets to remain volatile and trading conditions to continue to be difficult for many businesses in 2024. Bullish commentators appear to think interest rate cuts are not far away in Australia, but it's important to note that while goods price rises have moderated significantly, services inflation is more persistent. We remain confident in the longer-term prospects for the companies in the Fund, believing they are well positioned for the future, particularly if any of the present market risks eventuate.

	1 MONTH	3 MONTHS	6 MONTHS	1 YEAR	SINCE INCEPTION
Income	+0.0%	+2.0%	+2.0%	+3.7%	+3.4%
Growth	-0.1%	+5.7%	+2.8%	+4.4%	+7.2%
Total return*	-0.1%	+7.7%	+4.8%	+8.1%	+10.5%
Benchmark**	+1.0%	+9.5%	+7.4%	+10.5%	+12.3%

*Fund returns are calculated net of management fees, and assuming all distributions are re-invested. Investors should be aware that past performance is not a reliable indicator of future performance. Returns can be volatile, reflecting rises and falls in the value of underlying investments.

**The benchmark for this Fund is the S&P/ASX 300 Accumulation Index (ASX300)

PORTFOLIO EMISSIONS* (BELOW BENCHMARK)

69.4%

* Carbon emissions for the Fund are calculated each month and updated against the disclosed emissions for each company. Currently for the prior 12-month period to 14 December 2022. Calculations are made and monitored through IML's portfolio management system, in line with The Global GHG Accounting and Reporting Standard for the Financial Industry. Data may be sourced from third parties which report historic numbers and we assume that these are accurate and reflective of current numbers. There is a risk that the emissions reported by third parties may be inaccurate or change materially from time to time. Please read our Carbon Emissions Calculation Policy available on our website for more information.

ACTIVE SECTOR WEIGHTS

Communication Services	6.8%
Health Care	3.3%
Consumer Staples	1.7%
Financials	1.7%
Real Estate	0.2%
Utilities	-0.3%
Industrials	-2.1%
Information Technology	-3.1%
Consumer Discretionary	-3.5%
Energy	-4.8%
Materials	-9.8%

TOP 10 HOLDINGS

ASX CODE

National Australia Bank	NAB
BHP	BHP
CSL	CSL
Commonwealth Bank	CBA
Telstra	TLS
Suncorp	SUN
Charter Hall Retail REIT	CQR
Wesfarmers	WES
Brambles	BXB
Steadfast	SDF

Since inception: 20 December 2022: Source: IML,Factset

FUND FACTS	
ARSN	663 590 243
APIR	IML1194AU
Inception	20 December 2022
Benchmark	S&P/ASX 300 Accumulation Index
Investment Horizon	4-5 years
Minimum Initial Investment	A\$50,000
Minimum Additional Investment/ Redemption	A\$5,000
Distributions	Generally semi-annual
Performance Fee	Nil
Management Fee	0.993% p.a. of the net assets of the fund (includes net effect of GST)
Asset Classes and Allocation Range	Aust Equities (80-100%) Cash (0-20%)

PORTFOLIO CHARACTERISTICS	FUND	BENCHMARK
No. of stocks	26	300



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