

9 July 2021

## IML Funds' 30 June 2021 Distributions

We are pleased to advise that on 12 July 2021 all IML Funds will pay their final distributions to investors for the year ended 30 June 2021.

The following table shows these 30 June distributions as well as details of the 2020/21 full year distributions, franking levels, and distribution yields.

IML Fund	APIR	30 June Distribution (cpu)	Total Full-year Distribution (cpu)	Franking Level*	Full-year Distribution Yield (net)**
Investors Mutual Australian Share Fund	IML0002AU	12.8660	15.8660	36.26%	6.15%
Investors Mutual All Industrials Share Fund	IML0004AU	0.9234	2.1234	124.11%	1.61%
Investors Mutual Concentrated Australian Share Fund	IML0010AU	1.5385	2.5385	79.67%	1.56%
Investors Mutual Future Leaders Fund	IML0003AU	0.6867	1.6867	101.63%	1.91%
Investors Mutual Australian Smaller Companies Fund	IML0001AU	12.7159	14.2159	21.85%	9.51%
Investors Mutual Small Cap Fund	IML0006AU	1.0255	2.0255	116.21%	1.73%
Investors Mutual Equity Income Fund	IML0005AU	1.0988	5.1488	28.84%	6.54%
Investors Mutual Private Portfolio Fund	IML2681AU	2.6718	2.6718	51.03%	2.92%

*Franking level based on total distribution, refer to table attached for complete tax breakdown of distributions*

*\*\* Full-year distribution as a percentage of the application (ex) price as at 30 June 2020*

## Distribution Comments

- This year's distributions from the Australian Share Fund, All Industrials Share Fund, and Concentrated Australian Share Fund are lower than last year. This largely reflects the impact of the COVID-19 pandemic on a number of companies in the portfolios which reduced their dividends as business closures during lockdowns and uncertainty around the outlook led to reduction or the temporary suspension of dividends affecting a wide range of companies. These included banks, insurers, gaming companies, cinemas, petrol retailers, and chemicals manufacturers. We expect these companies' dividends to return to more normal levels in the years ahead as vaccines are rolled out and the impact of COVID-19 abates.
- This year's distributions for the Future Leaders, Australian Smaller Companies, and Small Cap Fund have also been affected by COVID-19-related lockdowns. These lockdowns led to a number of companies in the Funds, such as Event Hospitality & Entertainment and SkyCity Entertainment, having to suspend or significantly reduce their dividends, reducing the income accrued during the year by these Funds.
- The distribution for the Australian Smaller Companies Fund includes a component of realised capital gains, which has increased the overall distribution for this Fund, following a takeover bid for Xplore Wealth and profit-taking on stocks such as Centuria, Codan, Genesis Energy, Home Consortium, Integral Diagnostics, and Sealink, following strong gains in these companies' share prices during the financial year.

- The Investors Mutual Equity Income Fund continues to deliver reasonably consistent, quarterly income sourced from dividends received from holdings in the Fund and the prudent and risk-controlled use of ASX exchange-traded options.
- It is important to note that IML tends to be a long-term investor with low turnover and that our Funds generally hold stocks for three to five years on average. This means that the vast majority of any realised gain portion of the distributions paid to investors is subject to the 50% capital gains tax discount.

The table on the following page provides a detailed breakdown of the tax components for distributions from our Funds.

## Outlook

Sharemarkets around the world, including Australia's, remain well-supported as economic growth continues to rebound from COVID-19 lows and central banks continue to hold interest rates at record low levels, despite increasing signs of rising inflationary expectations. The Australian sharemarket continues to trade at near record levels, with seemingly very little on the horizon to halt its ongoing rise.

We continue to remain disciplined and to adhere to IML's investment mantra which has kept our investors in good stead through various market cycles over more than two decades. As such, we continue to steer away from some of the riskier areas of the sharemarket in favour of owning companies which we believe possess a strong competitive advantage, a recurring earnings stream, experienced and capable management, and the ability to grow their earnings. We also want to buy these companies at a reasonable price.

Although market conditions in recent years have not favoured our rational, value style, our focus on the fundamental value and quality of companies in this way has enabled us to deliver reliable income and long-term capital growth to our investors over our 23 years of existence, while achieving returns which are more consistent and less volatile than the overall sharemarket.

We believe that going forward, our portfolios are well-positioned given the sound quality and attractive valuations of many of the companies we own which we believe will do well over the next three to five years.

On behalf of the team at IML, I would like to thank you once again for your continuing support, and offer our best wishes for the remainder of 2021.

Yours sincerely



**Anton Tagliaferro**  
Investment Director  
Investors Mutual Limited



## Components of full-year distribution - 30 June 2021

IML Fund	APIR	Dividend Income	Interest Income	Other Income	Foreign Income	Net Capital Gains	AMIT Cost Base Decrease*
Investors Mutual Australian Share Fund	IML0002AU	20.82%	0.38%	0.09%	2.82%	74.08%	1.81%
Investors Mutual All Industrials Share Fund	IML0004AU	86.14%	3.10%	0.36%	5.25%	0.00%	5.15%
Investors Mutual Concentrated Australian Share Fund	IML0010AU	66.14%	1.14%	1.21%	20.27%	0.00%	11.24%
Investors Mutual Future Leaders Fund	IML0003AU	68.97%	1.58%	6.61%	6.04%	0.00%	16.80%
Investors Mutual Australian Smaller Companies Fund	IML0001AU	13.93%	0.11%	0.95%	1.78%	80.06%	3.17%
Investors Mutual Small Cap Fund	IML0006AU	61.87%	0.65%	8.19%	5.47%	0.00%	23.82%
Investors Mutual Equity Income Fund	IML0005AU	32.76%	2.18%	59.47%	2.72%	0.00%	2.87%
Investors Mutual Private Portfolio Fund	IML2681AU	35.56%	1.87%	55.65%	0.54%	0.00%	6.38%

\*Under the new AMIT tax regime, previously distributed "tax deferred income" is now known as "AMIT cost base decrease".

*This information is general financial product advice. It has been prepared without taking account of an investor's objectives, financial situation or needs. You should obtain a Product Disclosure Statement (PDS) relating to the financial products mentioned in this communication issued by Investors Mutual Limited AFSL 229988 and consider it before making any decision about whether to acquire or continue to hold these products. A copy of the PDS is available upon request or on our website [www.Impl.com.au](http://www.Impl.com.au). Past performance is not a reliable indicator of future performance. Any general tax information provided in this publication is intended as a guide only and is based on our general understanding of taxation laws. It is not intended to be a substitute for specialised taxation advice or an assessment of your liabilities, obligations or claim entitlements that arise, or could arise, under taxation law, and we recommend you consult with a registered tax agent.*