

Investors Mutual Equity Income Fund

Factsheet as at 31 March 2017

The Fund and investment objective

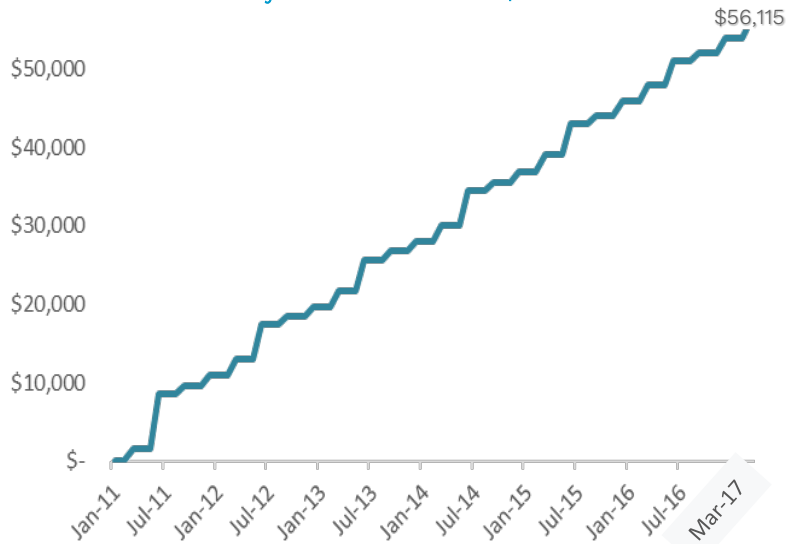
The Investors Mutual Equity Income Fund aims to provide exposure to a diversified portfolio of quality Australian shares for investors seeking a regular and relatively high income stream and lower levels of volatility relative to the ASX300 and capital growth over time. The fund applies IML's conservative, value based investment philosophy with a long term focus and aims to deliver consistent returns to clients.

The Funds income objective is to provide a distribution yield in excess of 2% above the S&P/ASX 300 Index on a rolling 4 year basis (after fees and expenses and before tax). The Funds risk objective is to deliver returns with lower volatility than the S&P/ASX 300 on a rolling 4 year basis.

Investment strategy

The objective of the Fund is to invest in quality Australian shares with consistent and sustainable dividend yields and seek to enhance the income to investors with conservative option strategies.

Income received each year based on initial \$100k investment*



Source: Morningstar as at 31 March 2017

*This graph represents the dollar value of income received each year if you had invested \$100,000 at inception of the Fund and provides an accumulative dollar amount of all income received as at 31 March 2017. Please also see the information on page 2 in relation to the methodology of this graph.

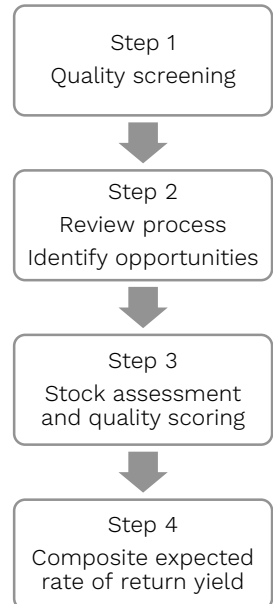
Morningstar Research report

"Investors Mutual (IML) Equity Income offers an innovative way to juice income and reduce volatility in an Australian equity portfolio..."

"...for investors who need income, we believe the team behind IML Equity Income is capable of delivering."

Morningstar Report
Sep 10, 2015

Investment process



Investors Mutual Equity Income Fund

Factsheet as at 31 March 2017

Fund Facts

ARSN	107 095 438
APIR	IML0005AU
Inception	01 Jan 2011
Benchmark	S&P/ASX 300 Accumulation Index
Portfolio Manager	Anton Tagliaferro
Funds Under Management	\$583 million
Investment horizon	Four to five years
Minimum initial investment	A\$50,000
Minimum additional investment/redemption	A\$5,000
Distributions	Quarterly
Performance fee	Nil
Management fee	0.993% p.a. of the net assets of the fund (includes GST)
Asset classes and allocation range	Aust Equities (50-100%) Cash (0-50%)

Portfolio Manager



Anton Tagliaferro

Founder of IML

Investment Director & Chief Investment Manager
Over 30 years experience in the financial services industry

Previously Fund Manager at Perpetual, County & BNP

Ratings

Morningstar: BRONZE

Lonsec: RECOMMENDED

Zenith: RECOMMENDED

Platform Availability

Asgard
BT Wrap
Colonial Fist Wrap
Macquarie Wrap
MLC Wrap
Netwealth
North

iml.com.au 1300 551 132 iml@iml.com.au

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Zenith

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INVESTORS MUTUAL LIMITED

Investors Mutual Limited (AFSL 229988) does not guarantee the performance of any Fund, repayment of capital or any particular rate of return. In the graph on page 1, no allowance has been made for tax. Past performance is not indicative of future performance. Returns can be volatile, reflecting the falls and rises in the value of the underlying investments. Investors Mutual Limited is the Responsible Entity of the Investors Mutual Equity Income Fund (Fund). Potential investors and investors should consider the Product Disclosure Statement (PDS) and Investment Guide (IG) before deciding whether to invest or continue to invest in the Fund. Applications can only be made on the form accompanying the PDS and IG dated 20 September 2016. The PDS and IG is available on the IML website at www.iml.com.au investors should seek independent advice as to the suitability of the Fund for their investment needs. This is general information only and does not take into account your investment objectives, financial situation or needs.

Investors Mutual Future Leaders Fund

Factsheet as at 31 March 2017

Fund overview

The Investors Mutual Future Leaders Fund provides exposure to an actively managed portfolio of quality ASX listed Australian shares outside the Top 50, with a distinct mid-small cap focus. The Fund will aim to provide attractive investment opportunities for investors seeking medium to long term capital growth with income. The Fund applies IML's conservative value based investment philosophy with a long term focus and aims to deliver consistent returns to clients.

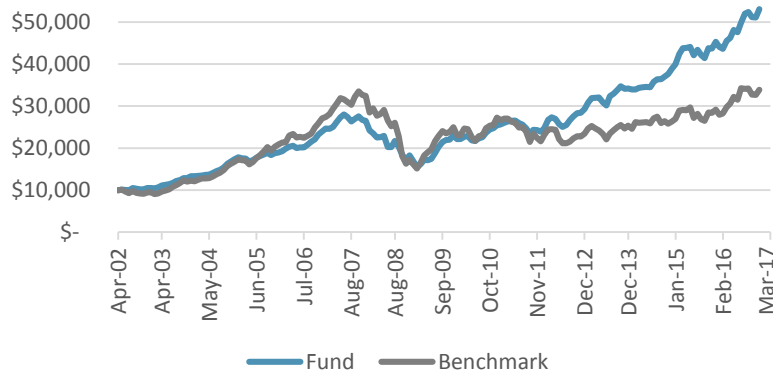
Investment philosophy

IML's investment philosophy is based on the premise that over the long-term, a company's share price will reflect its underlying inherent value. We seek to buy and own companies with a competitive advantage, recurring earnings, run by capable management, that can grow at a reasonable price.

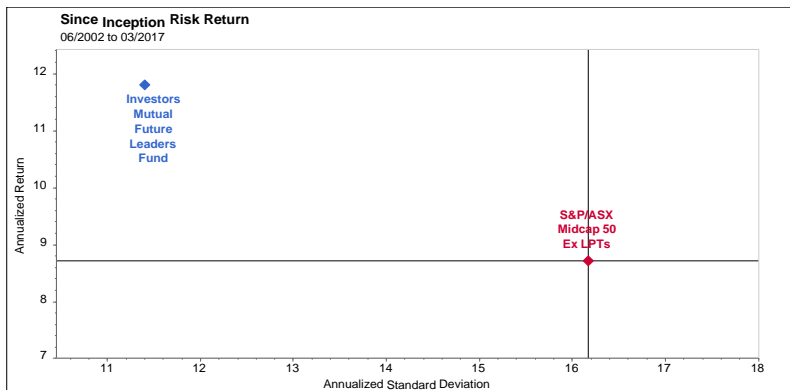
Investment style

IML has an active, "bottom-up" approach to identifying, researching and valuing quality companies. The investment style is built upon a systematic and disciplined research process that aims to deliver superior risk-adjusted returns by favouring quality stocks whose share prices are significantly different from their assessed 'inherent value'.

Growth of \$10,000



Delivering Risk Adjusted Returns



Source: Factset

Morningstar research report

"A sensible process administered by a savvy team."

"IML's value and quality discipline favours conservative debt and sustainable earnings, a process we think is well-suited to small caps and mid-caps."

"Simon Conn has skilfully applied the approach since 2002 and remains at the helm, while Marc Whittaker joined in August 2016 as assistant portfolio manager."

"IML's focus on sustainable earnings is well-suited to the hazards of small- and mid-cap stocks."

7 November 2016

Our competitive advantage

- Low volatility
- Downside protection
- Consistent and tax effective income stream
- Portfolio diversification
- Long term solution
(16+ year proven track record + capacity)
- Experienced, well resourced investment team
- Consistent approach
- Superior risk adjusted performance over the long term
- Lower standard deviation than the market throughout the cycle

Investors Mutual Future Leaders Fund

Factsheet as at 31 March 2017

Fund Facts

ARSN	093 182 828
APIR	IML0003AU
Inception	1 May 2002
Benchmark	S&P/ASX 300 Accumulation Index (excluding S&P/ASX50, excluding Property Trusts)
Portfolio Manager	Simon Conn
Funds Under Management	\$510 million
Investment horizon	4-5 years
Minimum initial investment	A\$50,000
Minimum additional investment/redemption	A\$5,000
Distributions	Generally Semi Annually
Performance fee	15.375% of the change in value of the Redemption Price that exceeds the change in the value of the Fund's Benchmark (includes GST)
Management fee	0.993% p.a. of the net assets of the fund (includes GST)
Transaction Costs per unit	0.25% of the net value of the Fund per unit
Asset classes and allocation range	Australian equities (80-100%) Cash (0-20%)

Portfolio Managers



Simon Conn

Senior Portfolio Manager

Joined IML in 1998, member of founding team

Over 19 years of investment experience

Managing funds in the small cap sector since 2002

Previously Investment Analyst at QBE

Ratings

Morningstar Analyst Rating™: BRONZE

Lonsec: HIGHLY RECOMMENDED

Zenith: RECOMMENDED

Awards



**Awards
2017™**

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We believe income is never 'out of style'



INVESTORS MUTUAL AUSTRALIAN SHARE FUND

When investing in shares it is often easy to focus on noisy short term price fluctuations, but capital growth is only half the story when it comes to wealth creation. For long-term investors, the income stream from dividends is an important part of the total return as it is not only less volatile, but can underpin portfolio returns even if difficult market conditions are causing volatility in share prices.

Our focus on 'Quality' and 'Value'

At IML, we invest for the long-haul, with a disciplined focus on quality and value. Through this, IML aims to deliver:

- a portfolio that is less volatile than the market
- a sustainable tax effective income stream that grows over time
- and reasonable capital growth over time

...Resulting in consistent outcomes for clients for over 18 years.

Case Study: IML approach in practise

A hypothetical investment of \$100,000 in the Investors Mutual Australian Share Fund at Inception in 1998 would have delivered an income of \$183,366 (pre-tax) over the 18 years.

Importantly, investors have seen 'real' growth in their income stream whereby the yield off the initial investment has grown from 5.7% p.a. in 1999 to 9.4% p.a. in 2016. That's on top of your capital appreciating to \$294,900 as at 30 June 2016.

Further to this investors may benefit from imputation credits to enhance their final yield. The table below compares the impact of this investment strategy to an Australian 12 month term deposit over the same period.

"...It doesn't matter what rates are or where the market is, if you can buy a stock with a sustainable yield, you're more than halfway to achieving a sustainable long term return..."

Anton Tagliaferro,
Investment Director
Investors Mutual

Investors Mutual Australian Share Fund

Aust. 12 mth Term Deposit

Financial year end	Yield*	Yield from initial Investm.*	Income distributions	Taxable income dist.**	Capital value	Term deposit rate (p.a)	Interest earned (p.a)	Amount invested
98	-	-	-	-	\$ 100,000	-	-	\$ 100,000
99	5.7%	5.7%	\$ 5,670	\$ 6,310	\$ 132,020	5.8%	\$ 5,750	\$ 100,000
00	4.5%	6.0%	\$ 5,955	\$ 7,628	\$ 136,410	7.0%	\$ 7,000	\$ 100,000
01	3.3%	4.5%	\$ 4,452	\$ 6,551	\$ 160,160	6.0%	\$ 6,000	\$ 100,000
02	2.6%	4.2%	\$ 4,180	\$ 5,887	\$ 169,010	5.8%	\$ 5,750	\$ 100,000
03	2.4%	4.0%	\$ 4,021	\$ 5,693	\$ 169,140	5.8%	\$ 5,750	\$ 100,000
04	4.5%	7.6%	\$ 7,641	\$ 9,740	\$ 195,510	6.3%	\$ 6,250	\$ 100,000
05	7.0%	13.6%	\$ 13,578	\$ 16,392	\$ 220,910	6.5%	\$ 6,500	\$ 100,000
06	8.6%	19.0%	\$ 19,030	\$ 22,459	\$ 234,550	6.8%	\$ 6,750	\$ 100,000
07	8.3%	19.6%	\$ 19,550	\$ 23,074	\$ 277,360	7.3%	\$ 7,250	\$ 100,000
08	4.4%	12.1%	\$ 12,094	\$ 15,784	\$ 213,320	8.3%	\$ 8,250	\$ 100,000
09	4.9%	10.4%	\$ 10,404	\$ 14,182	\$ 179,840	4.0%	\$ 4,000	\$ 100,000
10	4.5%	8.0%	\$ 8,018	\$ 11,081	\$ 199,980	5.5%	\$ 5,500	\$ 100,000
11	5.4%	10.8%	\$ 10,756	\$ 14,680	\$ 214,260	5.8%	\$ 5,750	\$ 100,000
12	4.7%	10.1%	\$ 10,101	\$ 14,270	\$ 206,800	4.5%	\$ 4,500	\$ 100,000
13	4.9%	10.2%	\$ 10,214	\$ 14,257	\$ 252,610	3.8%	\$ 3,750	\$ 100,000
14	6.6%	16.7%	\$ 16,656	\$ 20,401	\$ 271,160	3.5%	\$ 3,500	\$ 100,000
15	4.3%	11.7%	\$ 11,679	\$ 15,620	\$ 286,470	3.0%	\$ 3,000	\$ 100,000
16	3.3%	9.4%	\$ 9,370	\$ 12,890	\$ 294,900	2.8%	\$ 2,750	\$ 100,000
Total			\$ 183,366	\$ 236,899			\$ 98,000	

Source: IML, RBC, Factset; *(% p.a.). ** Taxable income distribution is the available income to be distributed gross of Australian and foreign franking credits. It is important that investors seek professional taxation advice in regards to the tax effectiveness of franking credits in relation to individual circumstances.



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