

AUSTRALIAN SMALLER COMPANIES FUND

MONTHLY REPORT



31 MAY 2023

The **Investors Mutual Australian Smaller Companies Fund** provides exposure to an actively managed portfolio of quality shares outside of the top 100 listed on the ASX. The Fund aims to provide attractive investment opportunities for investors seeking medium to long term capital growth with income.

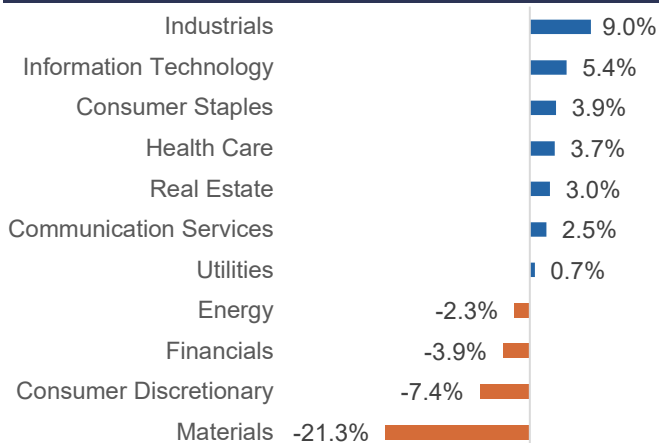
FUND PERFORMANCE

- The Fund had a disappointing month in May, down -4.5%, compared to the benchmark's decline of -3.5%. A number of weak updates by retailers revealed a rapid slowdown in the economy is occurring following multiple rate rises and persistently high inflation. Given the uncertain environment many small cap stocks drifted lower over the month. The strong guidance from US chipmaker Nvidia sparked a rally in the IT sector especially in the more speculative and unprofitable names.
- The Fund's poor relative performance was mainly due to our lack of exposure to the more speculative technology stocks. Performance was also negatively impacted by a disappointing update by Pact and softer April trading updates by oOH!media and ARN. Stocks including A2B and Australian Clinical Labs also drifted lower, on little news, reflecting investor uncertainty. We remain comfortable with the long-term positioning of these companies. The Fund benefitted from many resilient performances including Kelsian, Integral Diagnostics and HMC Capital, which rose after a positive update. Adbri was also up after reporting a profit upgrade at its AGM.
- Economies still face significant issues amid slowing consumer demand and high inflation. Further rate rises are probable. In this environment we continue to act cautiously, focusing on well-established companies with strong competitive advantages, reasonable valuations and recurring earnings that are likely to perform better in a range of different economic conditions.

	1 MONTH	3 MONTHS	1 YEAR	3 YEARS [^]	5 YEARS [^]	10 YEARS [^]	SINCE INCEPTION [^]
Total return*	-4.5%	-2.2%	-7.9%	+5.8%	+1.9%	+7.3%	+12.1%
Benchmark**	-3.5%	-0.8%	-5.4%	+4.1%	+2.1%	+5.7%	+5.6%

[^]% Performance per annum. *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 Small Ordinaries Index (excluding Property Trusts).

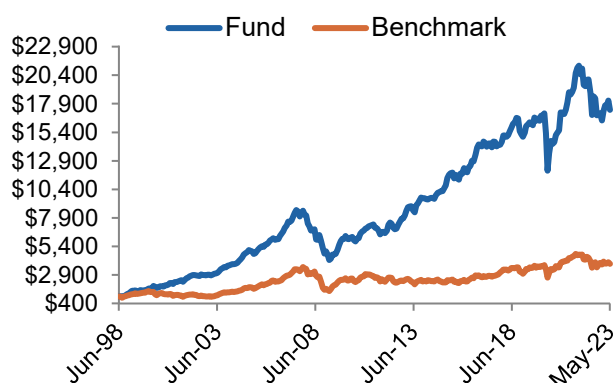
ACTIVE SECTOR WEIGHTS



TOP 10 HOLDINGS

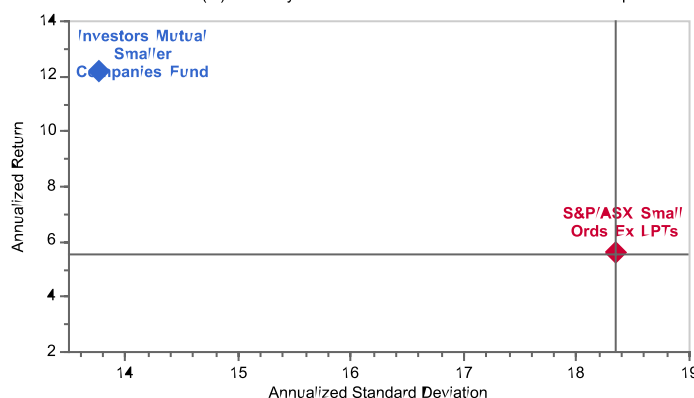
Company Name	ASX CODE
A2B Australia	A2B
Bega	BGA
Kelsian	KLS
TPG Telecom	TPG
Skycity	SKC
G.U.D.	GUD
SG Fleet	SGF
Codan	CDA
Australian Clinical Labs	ACL
HMC Capital	HMC

GROWTH OF \$1,000 INVESTED AT INCEPTION



FUND RISK-RETURN VS BENCHMARK

Since Inception Risk Return
06/30/1998 to 05/31/2023 (M) Currency: AUD Portfolio: Investors Mutual Smaller Companies Fund



Since inception: 30 June 1998: Cumulative performance of the Fund vs its benchmark; Benchmark = S&P/ASX Small Ordinaries Index (excluding Property Trusts). Source: IML,Factset

FUND FACTS	
ARSN	093 182 471
APIR	IML0001AU
Inception	30 June 1998
Benchmark	S&P/ASX Small Ordinaries Index (excluding Property Trusts)
FUM	\$108 M
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 GST)
Asset Classes and Allocation Range	Aust Equities (80-100%) Cash (0-20%)

PORTFOLIO CHARACTERISTICS	FUND	BENCHMARK
No. of stocks	66	178
Portfolio turnover ¹	24%	NA
Portfolio Beta (since inception)	0.61	1.00

¹Annual portfolio turnover over the last 12 months is computed by taking the lesser of purchases or sales and dividing by the average monthly net assets.

FUND RATINGS	
Morningstar	Silver
Zenith	Recommended
Lonsec	Recommended *Visit lonsec.com.au/logo-disclosure for important information about this rating



iml.com.au



iml@iml.com.au



1300 551 132

Disclaimer: While the information contained in this report has been prepared with all reasonable care, IML accepts no responsibility or liability for any errors or omissions or misstatements however caused. This is general securities information only and is not intended to constitute a securities recommendation. This information does not account for your investment objectives, particular needs or financial situation. Past performance is not a reliable indicator of future performance. Investors Mutual Limited (IML) (AFSL 229988) is the issuer of the Investors Mutual Australian Smaller Companies Fund. Applications can only be made by reference to the current Product Disclosure Statement, or through IDPS products that include the Fund. Potential investors should consider the Product Disclosure Statement (PDS) and Target Market Determination (TMD) before deciding whether to invest, or continue to invest in the Fund. The PDS and TMD are available at www.iml.com.au.