

AUSTRALIAN SMALLER COMPANIES FUND

MONTHLY REPORT



31 JULY 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.

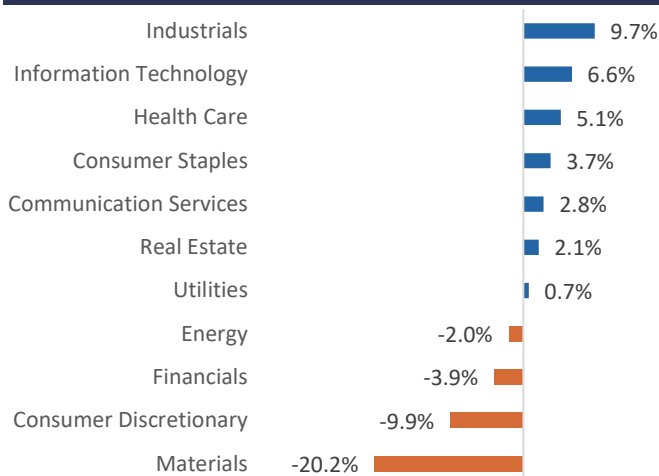
FUND PERFORMANCE

- The Fund had a strong month in July, up +3.9%, ahead of the benchmark's +3.7%. All sectors recorded gains over the month except Materials, as lithium companies fell due to a weak lithium price auction outcome in what remains an opaque market.
- Over the month the Fund benefitted from many good performances as investors grew more positive about the prospects for numerous industrial companies. GUD rallied as data showed automotive deliveries continuing to grow while SG Fleet, Symbio and Hipages also gained. A2B rose as investors gained confidence in it paying a special dividend early in CY24 for its Alexandria property sale after it received a second deposit from the purchaser. Pro-pac Packaging also rose after a positive update.
- Australian Clinical Labs declined after the ACCC raised issues with its proposed merger with Healius. While this was not unexpected, and a merger does unlock significant synergies, we believe the outlook for a standalone ACL remains attractive.
- August will see the majority of companies report their FY23 results. We are expecting a mixed reporting season given the sharp increase in interest rates over the last 12 months and other costs which are weighing on various parts of the economy. Given this backdrop, we continue to act cautiously, focusing on well established companies with strong competitive advantages and recurring earnings that are likely to perform well in a range of economic conditions.

	1 MONTH	3 MONTHS	1 YEAR	3 YEARS^	5 YEARS^	10 YEARS^	SINCE INCEPTION^
Total return*	+3.9%	+2.8%	+0.7%	+8.7%	+2.7%	+7.6%	+12.4%
Benchmark**	+3.7%	+0.2%	+2.2%	+5.7%	+2.9%	+5.8%	+5.7%

^% 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).

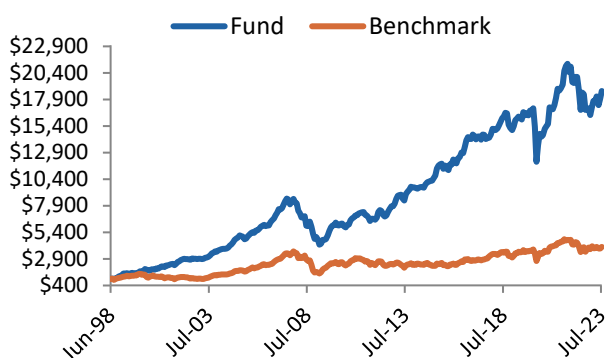
ACTIVE SECTOR WEIGHTS



TOP 10 HOLDINGS

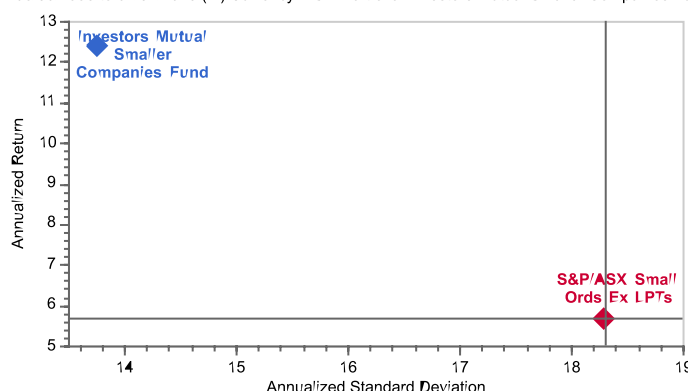
TOP 10 HOLDINGS	ASX CODE
A2B Australia	A2B
SG Fleet	SGF
Skycity Entertainment	SKC
G.U.D.	GUD
Bega	BGA
TPG Telecom	TPG
Readytech	RDY
Codan	CDA
Australian Clinical Labs	ACL
EQT	EQT

GROWTH OF \$1,000 INVESTED AT INCEPTION



FUND RISK-RETURN VS BENCHMARK

Since Inception Risk Return
06/30/1998 to 07/31/2023 (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	\$107 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	61	178
Portfolio turnover ¹	22%	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



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