EQUITY INCOME FUND
MONTHLY REPORT

31 May 2026

OBJECTIVE

The fund's dual objectives are to provide a dividend yield (after fees and expenses and before taxes) which exceeds a yield of 2% above that of the S&P/ASX 300 Accumulation Index on a rolling four year basis, whilst maintaining lower levels of volatility relative to the S&P/ASX 300 Accumulation index.

FUND FACTS

APIR	IML0005AU
Inception	01/01/2011
Benchmark	S&P ASX 300
Management fee*	0.993% p.a.
Performance fee*	n/a
Asset classes	Aust Equities (50-100%) Cash (0-50%)
Invesment horizon	4-5 Years
Minimum initial investment	A$50,000
Minimum additional investment	A$5,000
Fund size	$510M
Application / Redemption	$0.9252/$0.9206
Spread	0.2500/0.2500
Distributions	Quarterly

Fees are inclusive of the net effect of GST

RATINGS

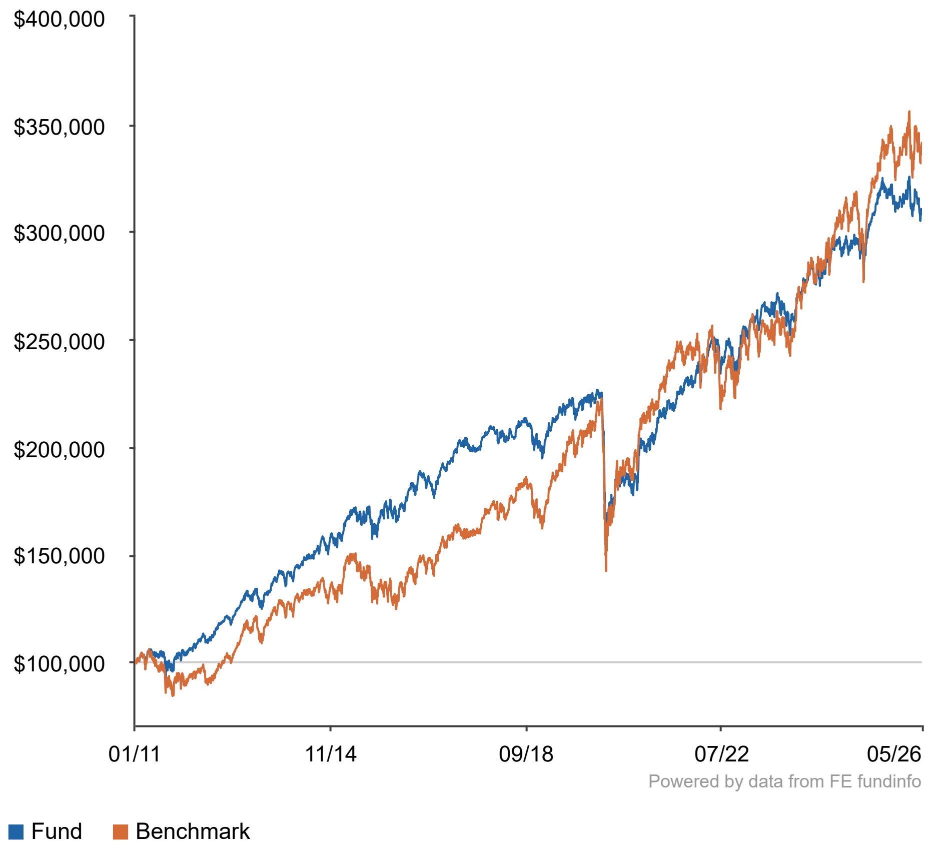
Morningstar	Bronze
Zenith	Recommended
Genium	Recommended
Lonsec	Recommended **Visit lonsec.com.au/logo-disclosure for important information about this rating*

PERFORMANCE TABLE

	1m	3m	1y p.a.	3y p.a.	5y p.a.	10y p.a.	SI p.a.
Fund*	-1.0%	-4.6%	1.8%	5.8%	7.4%	5.4%	7.6%
Benchmark**	1.2%	-4.0%	7.0%	11.0%	7.9%	9.1%	8.3%

*Inception date 01/01/2011 *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*

GROWTH OF $100,000 INVESTED AT INCEPTION



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INCOME PERFORMANCE

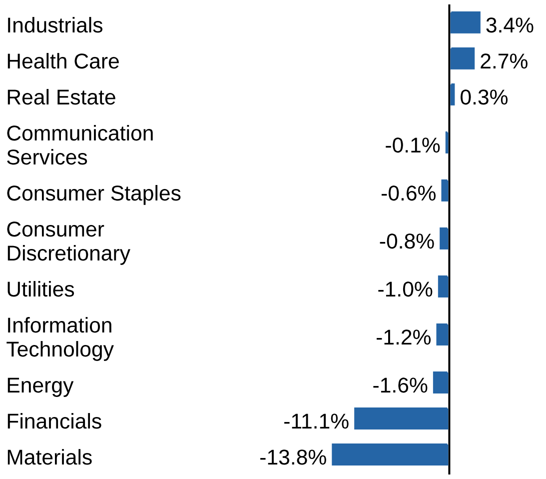
	1y p.a.	3y p.a.	5y p.a.	10y p.a.	SI p.a.
Fund franking benefit	1.1%	1.3%	1.1%	1.2%	1.3%
Fund income return including franking	7.1%	7.7%	7.7%	8.4%	9.2%
ASX 300 income return including franking	4.4%	5.2%	5.4%	5.5%	5.8%

The total return including franking is based on the fund distributions, assumes a zero percent tax rate and both distribution and franking benefits are re-invested. The ASX 300 income return including franking is based on the S&P/ASX 300 Franking Credit Adjusted Daily Total Return Index (Tax-Exempt).

TOP 10 HOLDINGS

	Weight %
BHP	7.2%
Commonwealth Bank	5.2%
Dalrymple Bay Infrastructure	4.4%
The Lottery Corporation	4.4%
National Australia Bank	4.0%
Brambles	3.9%
Charter Hall Retail REIT	3.8%
Telstra	3.2%
Amcor	2.9%
Steadfast	2.8%

ACTIVE SECTOR WEIGHTS



PORTFOLIO CHARACTERISTICS

	Fund	Benchmark
No. of stocks	43	300
Portfolio Turnover (%)	33.90	
Annualised standard deviation (%)	10.00	13.00
Downside capture ratio (%)	56.80	
Portfolio Beta	0.69	1.00

Annual 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. Annualised standard deviation, Downside capture ratio and Portfolio beta are all reported since the fund's inception. Downside capture is calculated using the geometric average returns.

FRANKING LEVEL (%)

FY25	FY24	FY23	FY22	FY21
41.8%	46%	46.4%	45.9%	28.8%

FUND & MARKET COMMENTARY

- The **Equity Income Fund** had a disappointing month, down -1.0%, behind the benchmark's rise of +1.2%. The disappointing performance was due to some poor performances by individual stocks and a strong rally from resources companies, however the fund continues to comfortably achieve its primary objectives of higher income and lower volatility than the ASX300.

- The fund had many strong performers including Orica +10.3% on an impressive result, Metcash +12.9% on a positive trading update, and Amcor +4.8%. CSL was again disappointing, falling -22.3%, after announcing another profit downgrade in May due to some short-term competitive pressures. Taking a longer-term perspective, CSL remains the global leader in plasma, the industry structure is largely unchanged, and we expect its core business to return to growth in FY27. Brambles fell -26.8% after downgrading its earnings forecasts 5% after difficulties repairing pallets in part of its US business. We believe the price drop is an extreme over-reaction to short-term issues and its longer-term prospects remain strong.

- The fund capitalised on opportunities following the results announcements of Amcor, Orica and Macquarie Group by writing options around these holdings to generate additional income at levels aligned with our valuations.

- The war in the Middle East is unpredictable and continues to evolve. Even if a durable resolution to the conflict is reached soon, inflation is heading higher in many parts of the world and the longer-term damage to the global economy is rising. Meanwhile, concerns remain around US tariffs and the impact of AI. In Australia, higher persistent inflation and a resilient economy has led the RBA to raise rates three times this year already with further rises possible. Our focus on quality businesses with more defensive, recurring earnings positions us well for any continued volatility or slowdown in the global and Australian economies.

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