

30 April 2020

Dear Investor,

In light of the extremely volatile current sharemarket conditions, Investors Mutual has decided to make a change to the investment strategy of the Investors Mutual Private Portfolio Fund.

From 1 May 2020, the exposure limit for the Fund's short positions will increase to 100% - this is an increase from the previous limit of 30% in short positions. As a result of the change in short exposure, cash exposure of the Fund will also now range from 0% to 200%.

The new limit will give Investors Mutual more flexibility that we believe is required to protect investors' capital in what are now very volatile and unpredictable sharemarkets.

We believe the change will better allow the Fund to meet its dual objectives of:

- Positive net returns of 3% above the RBA cash rate over rolling four-year periods
- Low volatility – the Fund is targeting 50% lower volatility than the ASX 300

All other aspects of the Fund's investment strategy remain unchanged. The Fund will continue to use IML's strength in bottom-up, fundamental research to identify opportunities, and use prudent derivatives strategies as well as opportunistic short-selling strategies to protect the portfolio.

A Supplementary PDS for the Fund reflecting this change of strategy will be issued shortly and will be found on our website or by contacting us.

If you have any questions relating to the Private Portfolio Fund, please contact us via email impl@impl.com.au or phone 1300 551 132.

Yours sincerely,



Anton Tagliaferro

Investment Director

Investors Mutual Limited