

FUTURE LEADERS FUND

QUARTERLY REPORT



30 JUNE 2025

The **Investors Mutual Future Leaders Fund** provides exposure to an actively managed portfolio of quality ASX listed Australian shares outside the Top 50. The Fund aims to provide attractive investment opportunities for investors seeking medium to long-term capital growth with income.

	1 MONTH	3 MONTHS	1 YEAR	3 YEARS^	5 YEARS^	10 YEARS^	SINCE INCEPTION^
Total return*	+2.3%	+5.4%	+10.6%	+11.2%	+10.3%	+6.8%	+9.5%
Benchmark**	+0.8%	+9.6%	+13.5%	+12.1%	+10.1%	+9.8%	+8.7%

^% Performance per annum. Inception date: 1 May 2002 *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 Accumulation Index (excluding S&P/ASX50, excluding Property Trusts).

FUND PERFORMANCE

- The **Future Leaders Fund** delivered a positive return over the quarter, up +5.4%, albeit behind a very strong benchmark performance of +9.6%. Investors' appetite for risk increased over the quarter as the threat of a global tariff war seemingly receded. For the financial year the fund performed solidly, up +10.6%, but finished behind its benchmark, which was up +13.5%.
- Markets plummeted early in the quarter after the "Liberation Day" US tariff announcements on 2 April and then rebounded sharply as many tariffs were delayed or walked back. Confidence continued to build over the quarter as interest rates were cut in many countries and investors overlooked ongoing conflict and geopolitical instability in Europe and the Middle East. All major global indices rose, led by the Nasdaq which climbed +18.0% as large US technology stocks recovered from a poor start to the year.
- The ASX 300 was also strong, up +9.5% for the quarter. For the Fund's benchmark, Information Technology was the strongest sector, up +30.5%, as investor optimism saw growth stocks pushed higher. Energy was also strong, up +17.0%, with uranium stocks continuing to climb on increasing global interest in nuclear energy. Healthcare and Real Estate were the only negative sectors, dropping -1.4% and -1.8% respectively.
- Many of the Fund's holdings performed well including Electro Optic Systems, up +117.6%, Kelsian, up +41.4%, Austal, up +49.9%, Tabcorp, up +21.2% and Ridley Corporation, up +17.3%. Amotiv, -9.9%, and SkyCity, -28.0%, both disappointed, falling after downgrading earnings forecasts, mostly due to a weak NZ economy. We expect both companies' earnings to recover as economic conditions improve. Trajan, -16.4%, fell after an operational update was received negatively by investors.
- Over the quarter we trimmed our positions in Electro Optic Systems, EVT Limited, Generation Development Group, Kelsian, Regis Healthcare and Tabcorp as their share prices rose strongly. We also took advantage of weak share prices to increase our holdings in Amotiv, Collins Foods, HMC Capital and Readytech.

STOCKS IN FOCUS

- Education and local government software provider **ReadyTech (RDY)** had a disappointing quarter, falling -11.5% as investors reacted to news it did not win a major contract. Our subsequent engagement with the company suggests that its pipeline has since recovered and business momentum has improved heading into fiscal year 2026. RDY has grown its revenue by double digits since its IPO in 2019, trades at a material discount to comparable software peers and remains a high conviction position for the Fund.
- Electro Optic Systems (EOS)**, the remote weapons system manufacturer, was up +117.6% as investor interest in defence stocks exposed to drone or counter-drone capability surged and the company announced a major contract win for its new Slinger counter-drone product. While we took advantage of the share price strength to take profits, we remain positive on the prospects for EOS's industry-leading technology.
- Animal nutrition supplier **Ridley (RIC)** rose +17.3% following its acquisition of Dyno Nobel's fertiliser distribution business. We participated in the capital raise to fund the acquisition and see scope for RIC's management team to materially improve the performance of the acquired business, which had suffered from a lack of focus under Dyno ownership.

OUTLOOK

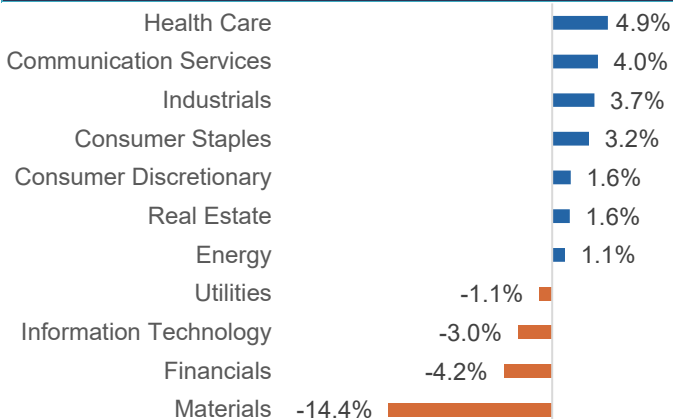
- While uncertainty remains around US tariffs and the global economy, markets continued to gain in confidence over the quarter. We are cognisant that markets appear to be brushing aside the risk of major trade dislocations or a US economic slowdown resulting from tariff changes (real or threatened) and maintain a cautious view on the global economy.
- Locally, economic data continues to show a relatively low-growth economy while recent interest rate cuts are helping to support both discretionary spending and the share market. Despite the broader market gains, many small cap companies' share prices are proving very volatile in the short term which is creating opportunities for patient long term investors to buy quality companies at reasonable prices. Our focus on quality businesses with defensive, recurring earnings positions the portfolio well for the long term.

FUTURE LEADERS FUND

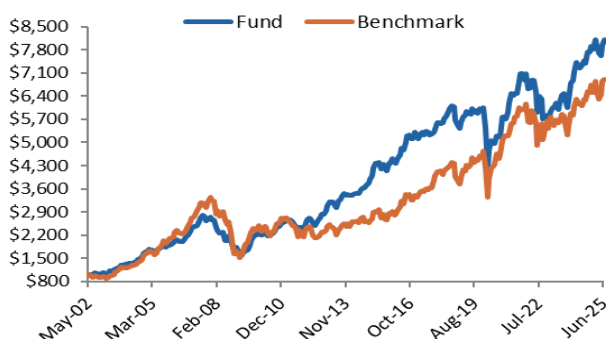
QUARTERLY REPORT



ACTIVE SECTOR WEIGHTS



GROWTH OF \$1,000 INVESTED AT INCEPTION



Since inception 1 May 2002; Cumulative performance of the Fund vs its benchmark; Benchmark = S&P/ASX 300 Accumulation Index (excluding S&P/ASX50, excluding Property Trusts), Source: IML,Factset

FUND FACTS

ARSN	093 182 828
APIR	IML0003AU
Inception	1 May 2002
Benchmark	S&P/ASX 300 Accumulation Index (ex S&P/ASX50, exc Property Trusts)
FUM	\$ 297M
Investment Horizon	4-5 years
Min/Initial Investment	A\$50,000
Min Add Inv'tt/ Redn	A\$5,000
Distributions	Generally semi-annually
Management Fee	0.993% p.a. of the net assets of the fund (includes net effect of GST)
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 net effect of GST)

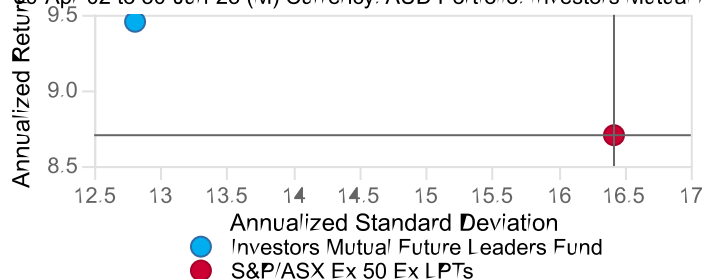
TOP 10 HOLDINGS

	ASX CODE
Integral Diagnostics	IDX
Kelsian	KLS
Ampol	ALD
Aurizon	AZJ
Orica	ORI
Tabcorp	TAH
Steadfast	SDF
Australian Clinical Labs	ACL
Cuscal	CCL
Amotiv	AOV

FUND RISK-RETURN VS BENCHMARK

Since Inception Risk Return

30-Apr-02 to 30-Jun-25 (M) Currency: AUD Portfolio: Investors Mutual F



PORTFOLIO CHARACTERISTICS

	FUND	BENCHMARK
No. of stocks	60	223
Portfolio turnover ¹	32%	NA
Portfolio Beta (since inception)	0.68	1.00

FRANKING LEVELS²

FY25	FY24	FY23	FY22	FY21
73.2%	107.1%	101.9%	20.8%	101.6%

FUND RATINGS

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

¹ 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.
² As per FSC standard.



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