

# Investors Mutual Private Portfolio Fund



Monthly report February 2020

Fund status: OPEN

The Fund aims to provide a positive rate of return (after fees and expenses and before taxes) which is 3% above the return of the RBA Cash Rate on a rolling four-year basis.

	1 month	3 months	1 year	Since inception p.a.
Income	+0.0%	+0.0%	+6.3%	+3.9%
Growth	-5.2%	-4.8%	-4.5%	-0.7%
Net Total Return*	-5.2%	-4.8%	+1.8%	+3.2%
Benchmark (RBA Cash Rate)**	+0.1%	+0.2%	+1.0%	+1.2%

\*Fund returns are calculated net of management fees, and assuming all distributions are re-invested. Investors should be aware that past performance is not indicative of future performance. Returns can be volatile, reflecting rises and falls in the value of underlying investments. \*\*The benchmark for this Fund is the RBA Cash Rate. The Fund aims to provide a positive rate of return (after fees and expenses and before taxes) which is 3% above the return of the RBA Cash Rate on a rolling four-year basis.

## Fund Commentary

The Fund was down -5.2% in February with the Australian market falling -7.8% for the month due to heightened investor concern about the spread of the coronavirus outside of mainland China, and the negative impact on global economic growth.

The Relative Value strategy was negatively impacted by the market's indiscriminate de-risking in the last week of February, regardless of the underlying companies' exposure to the coronavirus. The Fund's short positions benefited from increased market wariness of valuation in high-momentum technology names.

In the Events strategy, the Fund subscribed successfully to a number of capital issues and sell-down opportunities including Charter Hall Retail, Coles Group and Orica in February.

As the market rose to record levels earlier in the month, the Fund took profit in some of our Income investments such as Abacus Property and Spark Infrastructure. We also used the volatility spike in the last week of February to earn call option premium over some of our holdings including Aurizon, Coles Group and Suncorp

Clearly, this is a very difficult period for everyone. As always, we will continue to invest on a cautious and selective basis in sound companies that should recover well when this global event passes, with particular focus on capital preservation and prudent income generation.

## Researcher Ratings

Zenith	Recommended
SQM Research	4.25 star - Superior

## RG240 Disclosure

The table below sets out additional information we are required to provide in accordance with ASIC's Disclosure Benchmarks regarding the fund each month.

Current total net asset value	\$11 M
Changes to key service providers	Nil
Changes to the risk profile	Nil
Changes to the investment strategy	Nil
Changes to Portfolio Managers	Nil

## Fund Information

APIR	IML2681AU
Inception	1 July 2018
Application*	\$0.9914
Redemption*	\$0.9854
Management fee	0.993%p.a.
Investment horizon	4-5 years
Distribution	Half yearly
Portfolio Managers	Anton Tagliaferro Tuan Luu

\*the method for calculating the application and redemption prices can be found in the Fund's current Product Disclosure Statement.



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