Investors Mutual Limited
Managed Investment Schemes
Condensed interim reports - for the half-year ended 31 December 2023

Contents

	Page
Directors' report	3
Auditor's independence declaration	7
Condensed statements of profit or loss and other comprehensive income	8
Condensed statements of financial position	10
Condensed statements of changes in equity	12
Condensed statements of cash flows	14
Notes to the financial reports	16
Directors' declaration	32
Independent auditor's report to the unitholders	33

The Responsible Entity of the Schemes listed below is Investors Mutual Limited (ABN 14 078 030 752). The Responsible Entity's registered office is:

Investors Mutual Limited
Level 24
25 Bligh Street
Sydney, NSW 2000

The financial reports consist of 5 separate Schemes:

Investors Mutual Australian Share Fund
ARSN 093 182 695

Investors Mutual Concentrated Australian Share Fund
ARSN 145 759 879

Investors Mutual Equity Income Fund
ARSN 107 095 438

Investors Mutual Future Leaders Fund
ARSN 093 182 828

Investors Mutual Australian Smaller Companies Fund
ARSN 093 182 471

Directors' report

The directors of Investors Mutual Limited, the Responsible Entity of the following Schemes:

Statutory name	Referred to in this document as
Investors Mutual Australian Share Fund	Australian Share Fund
Investors Mutual Concentrated Australian Share Fund	Concentrated Australian Share Fund
Investors Mutual Equity Income Fund	Equity Income Fund
Investors Mutual Future Leaders Fund	Future Leaders Fund
Investors Mutual Australian Smaller Companies Fund	Smaller Companies Fund

present their report together with the financial reports of the Schemes for the half-year ended 31 December 2023 and the audit report thereon.

Responsible Entity

The Responsible Entity of the Schemes is Investors Mutual Limited (ABN 14 078 030 752). The Responsible Entity's registered office is:

Investors Mutual Limited
Level 24
25 Bligh Street
Sydney, NSW 2000

Principal activities

During the half-year, the Schemes continued to invest in accordance with target asset allocations as set out in the governing documents of the Schemes and in accordance with the provisions of the Schemes' Constitutions.

The Schemes did not have any employees during the half-year.

Significant changes in state of affairs

There were no significant changes in the nature of the Schemes' activities during the half-year.

Directors' report (continued)

Directors

The following persons held office as directors of Investors Mutual Limited during the half-year or since the end of the half-year and up to the date of this report:

Hugh Giddy
Simon Conn
Jerome Urvoy
James Orfanos
Damon Hambly
Eric Ward

Review and results of operations

The performance of the Schemes, as represented by the results of their operations, were as follows:

	Australian Share Fund		**Concentrated Australian Share Fund**		**Equity Income Fund**	
	1 July 2023 to 31 December 2023 $'000	1 July 2022 to 31 December 2022 $'000	**1 July 2023 to 31 December 2023 $'000**	1 July 2022 to 31 December 2022 $'000	**1 July 2023 to 31 December 2023 $'000**	1 July 2022 to 31 December 2022 $'000
Net operating profit/(loss)	**18,034**	90,969	**(2,894)**	9,739	**12,291**	29,126
Distributions – Class A						
Distributions paid and payable	**27,423**	30,946	**2,863**	2,064	**16,054**	16,498
Distributions (cents per unit)	**6.00**	6.00	**2.50**	2.00	**3.00**	3.00
Distributions – Class B						
Distributions paid and payable	**–**	–	**30**	–	**–**	–
Distributions (cents per unit)	**–**	–	**5.00**	–	**–**	–
	–	–	**–**	–	**–**	–

Directors' report (continued)

Review and results of operations (continued)

	Future Leaders Fund		Smaller Companies Fund	
	1 July 2023 to 31 December 2023 $'000	1 July 2022 to 31 December 2022 $'000	**1 July 2023 to 31 December 2023 $'000**	1 July 2022 to 31 December 2022 $'000
Net operating profit/(loss)	**27,756**	(14,040)	**10,507**	(3,774)
Distributions				
Distributions paid and payable	**4,604**	7,359	**1,213**	2,013
Distributions (cents per unit)	**1.50**	2.00	**2.00**	2.50

Events occurring after the reporting period

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Schemes disclosed in the statements of financial position as at 31 December 2023 or on the results and cash flows of the Schemes for the half-year ended on that date.

Rounding of amounts to the nearest thousand dollars

The Schemes are entities of the kind referred to in *Australian Securities and Investments Commission ("ASIC") (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with that instrument, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars or nearest dollar, unless otherwise indicated.

Directors' report (continued)

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 7.

This report is made in accordance with a resolution of the directors.

Damon Hambly
Director

Sydney
12 March 2024

Building a better working world

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Auditor's independence declaration to the directors of Investors Mutual Limited, as Responsible Entity for the following Schemes:

- Investors Mutual Australian Share Fund;
- Investors Mutual Equity Income Fund;
- Investors Mutual Concentrated Australian Share Fund;
- Investors Mutual Australian Smaller Companies Fund; and
- Investors Mutual Future Leaders Fund.

As lead auditor for the review of the half-year financial reports of the Schemes listed above for the half-year ended 31 December 2023 I declare to the best of my knowledge and belief, there have been:

a) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) No contraventions of any applicable code of professional conduct in relation to the review; and

c) No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

Ernst & Young

Ernst & Young

Luke Slater

Luke Slater
Partner
12 March 2024

Condensed statements of profit or loss and other comprehensive income

	Notes	Australian Share Fund		Concentrated Australian Share Fund		Equity Income Fund	
		1 July 2023 to 31 December 2023	1 July 2022 to 31 December 2022	**1 July 2023 to 31 December 2023**	1 July 2022 to 31 December 2022	**1 July 2023 to 31 December 2023**	1 July 2022 to 31 December 2022
		$'000	$'000	**$'000**	$'000	**$'000**	$'000
Investment Income							
Interest income		**648**	400	**697**	250	**849**	428
Dividend and distribution income		**28,451**	31,714	**4,005**	3,647	**11,399**	10,632
Net gains/(losses) in the fair value of investments	3	**(4,078)**	66,749	**(6,438)**	6,969	**2,893**	20,990
Other operating income		**–**	55	**–**	–	**–**	–
Total investment income		**25,021**	98,918	**(1,736)**	10,866	**15,141**	32,050
Expenses							
Interest expenses		**5**	11	**–**	3	**17**	53
Responsible Entity's fees		**6,485**	7,456	**1,107**	1,058	**2,448**	2,526
Transaction costs		**497**	482	**51**	66	**385**	345
Total operating expenses		**6,987**	7,949	**1,158**	1,127	**2,850**	2,924
Operating profit/(loss)		**18,034**	90,969	**(2,894)**	9,739	**12,291**	29,126
Total comprehensive income for the half-year		**18,034**	90,969	**(2,894)**	9,739	**12,291**	29,126

The above statements of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Condensed statements of profit or loss and other comprehensive income

	Notes	Future Leaders Fund		Smaller Companies Fund	
		1 July 2023 to 31 December 2023	1 July 2022 to 31 December 2022	**1 July 2023 to 31 December 2023**	1 July 2022 to 31 December 2022
		$'000	$'000	**$'000**	$'000
Investment Income					
Interest income		**155**	121	**92**	82
Dividend and distribution income		**5,966**	9,023	**1,623**	2,275
Net gains/(losses) in the fair value of investments	3	**23,318**	(21,260)	**9,357**	(5,505)
Other operating income		**–**	63	**–**	20
Total investment income		**29,439**	(12,053)	**11,072**	(3,128)
Expenses					
Interest expenses		**–**	–	**–**	–
Responsible Entity's fees		**1,491**	1,779	**484**	564
Transaction costs		**192**	208	**81**	82
Total operating expenses		**1,683**	1,987	**565**	646
Operating profit/(loss)		**27,756**	(14,040)	**10,507**	(3,774)
Total comprehensive income for the half-year		**27,756**	(14,040)	**10,507**	(3,774)

The above statements of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Condensed statements of financial position

		Australian Share Fund		Concentrated Australian Share Fund[1]		Equity Income Fund	
		As at		As at		As at	
		31 December 2023	30 June 2023	31 December 2023	30 June 2023	31 December 2023	30 June 2023
	Notes	$'000	$'000	$'000	$'000	$'000	$'000
Assets							
Cash and cash equivalents		**28,133**	25,769	**34,530**	36,951	**47,593**	60,589
Other receivables		**244**	293	**41**	42	**91**	98
Due from brokers - receivable for securities sold		**3,394**	–	**–**	-	**–**	192
Application receivable		**334**	451	**377**	167	**347**	398
Dividends/distributions receivable		**2,339**	3,311	**630**	280	**1,612**	2,535
Financial assets at fair value through profit or loss	6	**1,273,129**	1,399,750	**198,414**	196,223	**460,316**	453,358
Total assets		**1,307,573**	1,429,574	**233,992**	233,663	**509,959**	517,170
Liabilities							
Distributions payable	5	**27,423**	59,025	**2,893**	2,460	**8,011**	8,611
Due to brokers - payable for securities purchased		**–**	-	**–**	407	**–**	70
Redemptions payable		**580**	1,138	**271**	250	**577**	528
Other payables		**1,011**	1,165	**179**	189	**390**	416
Financial liabilities at fair value through profit or loss	7	**1,760**	636	**351**	-	**4,720**	3,385
Total liabilities		**30,774**	61,964	**3,694**	3,306	**13,698**	13,010
Net assets attributable to unitholders - equity		**1,276,799**	1,367,610	**230,298**	230,357	**496,261**	504,160

[1] *Net assets attributable to unitholders for Concentrated Australian Share Fund are liabilities and not equity.*

The above statements of financial position should be read in conjunction with the accompanying notes.

Condensed statements of financial position

	Notes	Future Leaders Fund		Smaller Companies Fund	
		As at		As at	
		31 December 2023	30 June 2023	**31 December 2023**	30 June 2023
		$'000	$'000	**$'000**	$'000
Assets					
Cash and cash equivalents		**8,814**	13,960	**1,850**	8,712
Other receivables		**58**	64	**20**	23
Due from brokers - receivable for securities sold		**5,781**	1,474	**1,901**	842
Application receivable		**70**	98	**4**	12
Dividends/distributions receivable		**264**	191	**2**	29
Financial assets at fair value through profit or loss	6	**296,060**	299,547	**91,121**	99,392
Total assets		**311,047**	315,334	**94,898**	109,010
Liabilities					
Distributions payable	5	**4,604**	6,304	**1,213**	2,937
Due to brokers - payable for securities purchased		**51**	218	**–**	133
Redemptions payable		**45**	734	**185**	56
Other payables		**236**	255	**72**	88
Financial liabilities at fair value through profit or loss	7	**–**	–	**–**	–
Total liabilities		**4,936**	7,511	**1,470**	3,214
Net assets attributable to unitholders - equity		**306,111**	307,823	**93,428**	105,796

The above statements of financial position should be read in conjunction with the accompanying notes.

Condensed statements of changes in equity

		Australian Share Fund		Concentrated Australian Share Fund[1]		Equity Income Fund	
	Notes	**1 July 2023 to 31 December 2023 $'000**	1 July 2022 to 31 December 2022 $'000	**1 July 2023 to 31 December 2023 $'000**	1 July 2022 to 31 December 2022 $'000	**1 July 2023 to 31 December 2023 $'000**	1 July 2022 to 31 December 2022 $'000
Total equity at the beginning of the half-year		**1,367,610**	1,440,782	**230,357**	213,479	**504,160**	497,518
Comprehensive income for the half-year							
Profit/(loss) for the half-year		**18,034**	90,969	**(2,894)**	9,739	**12,291**	29,126
Total comprehensive income		**18,034**	90,969	**(2,894)**	9,739	**12,291**	29,126
Transactions with unitholders							
Applications	4	**70,631**	113,176	**31,674**	27,411	**51,868**	55,065
Redemptions	4	**(160,396)**	(188,631)	**(26,008)**	(46,286)	**(56,200)**	(57,688)
Reinvestment of distributions	4	**8,343**	20,627	**62**	69	**196**	229
Distributions paid and payable	4	**(27,423)**	(30,946)	**(2,893)**	(2,064)	**(16,054)**	(16,498)
Total transactions with unitholders		**(108,845)**	(85,774)	**2,835**	(20,870)	**(20,190)**	(18,892)
Total equity at the end of the financial half-year		**1,276,799**	1,445,977	**230,298**	202,348	**496,261**	507,752

[1] *Net assets attributable to unitholders for Concentrated Australian Share Fund are liabilities and not equity.*

The above statements of changes in equity should be read in conjunction with the accompanying notes.

Condensed statements of changes in equity

		Future Leaders Fund		Smaller Companies Fund	
	Notes	**1 July 2023 to 31 December 2023 $'000**	1 July 2022 to 31 December 2022 $'000	**1 July 2023 to 31 December 2023 $'000**	1 July 2022 to 31 December 2022 $'000
Total equity at the beginning of the half-year		**307,823**	350,598	**105,796**	101,820
Comprehensive income for the half-year					
Profit/(loss) for the half-year		**27,756**	(14,040)	**10,507**	(3,774)
Total comprehensive income		**27,756**	(14,040)	**10,507**	(3,774)
Transactions with unitholders					
Applications	4	**12,573**	26,490	**4,705**	14,656
Redemptions	4	**(37,974)**	(41,061)	**(26,723)**	(6,955)
Reinvestment of distributions	4	**537**	2,449	**356**	1,871
Distributions paid and payable	4	**(4,604)**	(7,359)	**(1,213)**	(2,013)
Total transactions with unitholders		**(29,468)**	(19,481)	**(22,875)**	7,559
Total equity at the end of the financial half-year		**306,111**	317,077	**93,428**	105,605

The above statements of changes in equity should be read in conjunction with the accompanying notes

Condensed statements of cash flows

	Australian Share Fund		Concentrated Australian Share Fund		Equity Income Fund	
	1 July 2023 to 31 December 2023	1 July 2022 to 31 December 2022	**1 July 2023 to 31 December 2023**	1 July 2022 to 31 December 2022	**1 July 2023 to 31 December 2023**	1 July 2022 to 31 December 2022
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Cash flows from operating activities						
Proceeds from sale of investments	**510,529**	235,309	**9,841**	17,563	**47,988**	61,497
Cash paid for purchase of investments	**(390,256)**	(108,855)	**(18,527)**	(16,027)	**(50,595)**	(63,152)
Transaction cost paid	**(497)**	(482)	**(51)**	(66)	**(385)**	(345)
Dividend/distribution received	**29,423**	32,901	**3,655**	3,436	**12,322**	10,824
Interest received	**648**	400	**697**	250	**849**	549
Responsible Entity's fee paid	**(6,639)**	(7,531)	**(1,117)**	(1,065)	**(2,474)**	(2,520)
Other income received	**49**	119	**1**	3	**7**	12
Payment of other expenses	**(5)**	(11)	**-**	(3)	**(17)**	(53)
Net cash inflow/(outflow) from operating activities	**143,252**	151,850	**(5,501)**	4,091	**7,695**	6,812
Cash flows from financing activities						
Proceeds from applications by unitholders	**70,748**	113,532	**31,464**	27,342	**51,919**	55,019
Payments for redemptions by unitholders	**(160,954)**	(189,665)	**(25,987)**	(46,626)	**(56,151)**	(58,323)
Distributions paid	**(50,682)**	(115,928)	**(2,397)**	(1,408)	**(16,459)**	(17,338)
Net cash inflow/(outflow) from financing activities	**(140,888)**	(192,061)	**3,080**	(20,692)	**(20,691)**	(20,642)
Net increase/(decrease) in cash and cash equivalents	**2,364**	(40,211)	**(2,421)**	(16,601)	**(12,996)**	(13,830)
Cash and cash equivalents at the beginning of the half-year	**25,769**	87,537	**36,951**	39,373	**60,589**	85,387
Cash and cash equivalents at the end of the half-year	**28,133**	47,326	**34,530**	22,772	**47,593**	71,557

The above statements of cash flows should be read in conjunction with the accompanying notes.

Condensed statements of cash flows

	Future Leaders Fund		Smaller Companies Fund	
	1 July 2023 to 31 December 2023 $'000	1 July 2022 to 31 December 2022 $'000	**1 July 2023 to 31 December 2023 $'000**	1 July 2022 to 31 December 2022 $'000
Cash flows from operating activities				
Proceeds from sale of investments	**63,872**	68,497	**30,228**	21,191
Cash paid for purchase of investments	**(41,365)**	(45,052)	**(13,729)**	(22,980)
Transaction cost paid	**(192)**	(208)	**(81)**	(82)
Dividend/distribution received	**5,717**	8,972	**1,587**	2,307
Interest received	**155**	121	**92**	82
Responsible Entity's fee paid	**(1,510)**	(1,832)	**(500)**	(571)
Other income received	**6**	91	**3**	26
Payment of other expenses	**–**	–	**–**	–
Net cash inflow/(outflow) from operating activities	**26,683**	30,589	**17,600**	(27)
Cash flows from financing activities				
Proceeds from applications by unitholders	**12,601**	26,572	**4,713**	14,676
Payments for redemptions by unitholders	**(38,663)**	(41,370)	**(26,594)**	(7,021)
Distributions paid	**(5,767)**	(30,595)	**(2,581)**	(12,339)
Net cash inflow/(outflow) from financing activities	**(31,829)**	(45,393)	**(24,462)**	(4,684)
Net increase/(decrease) in cash and cash equivalents	**(5,146)**	(14,804)	**(6,862)**	(4,711)
Cash and cash equivalents at the beginning of the half-year	**13,960**	26,155	**8,712**	13,985
Cash and cash equivalents at the end of the half-year	**8,814**	11,351	**1,850**	9,274

The above statements of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial reports

Contents

		Page
1	General information	17
2	Summary of significant accounting policies	17
3	Net gains/(losses) on financial instruments at fair value through profit or loss	18
4	Net assets attributable to unitholders	19
5	Distributions to unitholders	22
6	Financial assets at fair value through profit or loss	23
7	Financial liabilities at fair value through profit or loss	24
8	Fair value measurements	25
9	Events occurring after the reporting period	31
10	Contingent assets and liabilities and commitments	31

1 General information

These interim financial reports cover the following Schemes (the "Schemes") which are Australian registered managed investment Schemes. The Schemes were constituted on the dates set out below and will terminate on the dates set out below unless terminated earlier in accordance with the provisions of the Schemes' Constitutions.

	Constituted Date	**Termination Date**
Australian Share Fund	29 June 1998	28 June 2078
Concentrated Australian Share Fund	11 August 2010	10 August 2090
Equity Income Fund	17 November 2003	16 November 2083
Future Leaders Fund	29 June 1998	28 June 2078
Smaller Companies Fund	29 June 1998	28 June 2078

The Responsible Entity of the Schemes listed above is Investors Mutual Limited (the "Responsible Entity") which is incorporated and domiciled in Australia. The Responsible Entity's registered office is Level 24, 25 Bligh Street, Sydney, NSW 2000.

The interim financial reports were authorised for issue by the directors on 12 March 2024. The directors of the Responsible Entity have the power to amend and reissue the financial reports.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of the interim financial reports are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated in the following text.

These interim financial reports for half-year ended 31 December 2023 have been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standard AASB 134 *Interim Financial Reporting*.

These interim financial reports do not include all the notes of the type normally included in an annual financial report. Accordingly, these reports are to be read in conjunction with the annual reports for the year 30 June 2023 and any public announcements made in respect of the Schemes during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

These interim financial reports are presented in Australian dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated under the option available to the Schemes under *ASIC Corporations (Rounding in Financial/Directors' Reports) ("Instrument 2016/191")*. The Schemes are entities to which the Instrument applies.

2 Summary of significant accounting policies (continued)

(a) Statement of compliance

These interim financial reports comply with Australian Accounting Standards applicable to interim reporting as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) applicable to interim reporting as issued by the International Accounting Standards Board.

(b) Australian Accounting Standards and interpretations

The accounting policies in these interim financial statements are the same as those applied in the Schemes' financial statements for the year ended 30 June 2023.

There are no other standards that are not yet effective and that are expected to have a material impact on the Schemes in the current or future half years and on foreseeable future transactions.

(c) Comparative

Where necessary comparatives have been reclassified for consistency with current year disclosures.

3 Net gains/(losses) on financial instruments at fair value through profit or loss

	Australian Share Fund		Concentrated Australian Share Fund		Equity Income Fund	
	31 December 2023 $'000	31 December 2022 $'000	**31 December 2023 $'000**	31 December 2022 $'000	**31 December 2023 $'000**	31 December 2022 $'000
Financial instruments						
Net realised gains/(losses) on financial instruments at fair value through profit or loss	**136,528**	46,431	**(1,471)**	(2,085)	**(2,781)**	2,882
Net unrealised gains/(losses) on financial instruments at fair value through profit or loss	**(140,606)**	20,318	**(4,967)**	9,054	**5,674**	18,108
Total net gains/(losses) on financial instruments at fair value through profit or loss	**(4,078)**	66,749	**(6,438)**	6,969	**2,893**	20,990

3 Net gains/(losses) on financial instruments at fair value through profit or loss (continued)

	Future Leaders Fund		Smaller Companies Fund	
	31 December 2023 $'000	31 December 2022 $'000	**31 December 2023 $'000**	31 December 2022 $'000
Financial instruments				
Net realised gains/(losses) on financial instruments at fair value through profit or loss	**1,920**	4,647	**1,046**	2,332
Net unrealised gains/(losses) on financial instruments at fair value through profit or loss	**21,398**	(25,907)	**8,311**	(7,837)
Total net gains/(losses) on financial instruments at fair value through profit or loss	**23,318**	(21,260)	**9,357**	(5,505)

4 Net assets attributable to unitholders

Movements in number of units and net assets attributable to unitholders during the half-year were as follows:

Australian Share Fund	**1 July 2023 to 31 December 2023 No.('000)**	1 July 2022 to 31 December 2022 No.('000)	**1 July 2023 to 31 December 2023 $'000**	1 July 2022 to 31 December 2022 $'000
Opening balance	**487,173**	534,802	**1,367,610**	1,440,782
Applications	**25,467**	40,444	**70,631**	113,176
Redemptions	**(58,561)**	(67,137)	**(160,396)**	(188,631)
Units issued upon reinvestment of distributions	**2,972**	7,657	**8,343**	20,627
Distributions paid and payable	**–**	–	**(27,423)**	(30,946)
Profit/(loss) for the half-year	**–**	–	**18,034**	90,969
Closing balance	**457,051**	515,766	**1,276,799**	1,445,977

4 Net assets attributable to unitholders (continued)

Concentrated Australian Share Fund	**1 July 2023 to 31 December 2023 No.('000)**	1 July 2022 to 31 December 2022 No.('000)	**1 July 2023 to 31 December 2023 $'000**	1 July 2022 to 31 December 2022 $'000
Class A				
Opening balance	**112,851**	113,480	**230,357**	213,479
Applications	**14,757**	14,098	**29,295**	27,411
Redemptions	**(13,137)**	(24,411)	**(26,008)**	(46,286)
Units issued upon reinvestment of distributions	**31**	36	**62**	69
Distributions paid and payable	**–**	–	**(2,863)**	(2,064)
Total comprehensive income for the period	**–**	–	**(2,971)**	9,739
Closing balance – classified as liability	**114,502**	103,203	**227,872**	202,348
Class B				
Opening balance	**–**	–	**–**	–
Applications	**614**	–	**2,379**	–
Redemptions	**–**	–	**–**	–
Units issued upon reinvestment of distributions	**–**	–	**–**	–
Distributions paid and payable	**–**	–	**(30)**	–
Total comprehensive income for the period	**–**	–	**77**	–
Closing balance – classified as liability	**614**	–	**2,426**	–

* Class B Units are listed on the ASX under ASX ticker: IMLC

Equity Income Fund	**1 July 2023 to 31 December 2023 No.('000)**	1 July 2022 to 31 December 2022 No.('000)	**1 July 2023 to 31 December 2023 $'000**	1 July 2022 to 31 December 2022 $'000
Opening balance	**538,883**	552,034	**504,160**	497,518
Applications	**55,951**	59,676	**51,868**	55,065
Redemptions	**(60,974)**	(62,710)	**(56,200)**	(57,688)
Units issued upon reinvestment of distributions	**212**	259	**196**	229
Distributions paid and payable	**–**	–	**(16,054)**	(16,498)
Profit/(loss) for the half-year	**–**	–	**12,291**	29,126
Closing balance	**534,072**	549,259	**496,261**	507,752

4 Net assets attributable to unitholders (continued)

Future Leaders Fund	**1 July 2023 to 31 December 2023 No.('000)**	1 July 2022 to 31 December 2022 No.('000)	**1 July 2023 to 31 December 2023 $'000**	1 July 2022 to 31 December 2022 $'000
Opening balance	**333,499**	381,622	**307,823**	350,598
Applications	**13,281**	28,058	**12,573**	26,490
Redemptions	**(40,458)**	(44,408)	**(37,974)**	(41,061)
Units issued upon reinvestment of distributions	**582**	2,666	**537**	2,449
Distributions paid and payable	**–**	–	**(4,604)**	(7,359)
Profit/(loss) for the half-year	**–**	–	**27,756**	(14,040)
Closing balance	**306,904**	367,938	**306,111**	317,077

Smaller Companies Fund	**01 July 2023 to 31 December 2023 No.('000)**	1 July 2022 to 31 December 2022 No.('000)	**01 July 2023 to 31 December 2023 $'000**	1 July 2022 to 31 December 2022 $'000
Opening balance	**75,808**	74,053	**105,796**	101,820
Applications	**3,261**	10,082	**4,705**	14,656
Redemptions	**(18,682)**	(4,964)	**(26,723)**	(6,955)
Units issued upon reinvestment of distributions	**255**	1,361	**356**	1,871
Distributions paid and payable	**–**	–	**(1,213)**	(2,013)
Profit/(loss) for the half-year	**–**	–	**10,507**	(3,774)
Closing balance	**60,642**	80,532	**93,428**	105,605

As stipulated within the Schemes' Constitutions, each unit represents a right to an individual share in the Schemes and does not extend to a right to the underlying assets of the Schemes. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Schemes except for the Concentrated Australian Share Fund.

For the period ended 31 December 2023, there were two separate classes of units in the Concentrated Australian Share Fund and each unit has the same right attaching to it as all other units in the same class of this Scheme. Unitholders of A class and B class units are both entitled to being notified of any general meetings regarding of the Fund, voting rights and dividends. The difference between the class units is in regards to fees as outlined in the Product Disclosure Statement and Information Memorandum.

5 Distributions to unitholders

The distributions for the half-year were as follows:

Australian Share Fund	1 July 2023 to 31 December 2023 $'000	1 July 2023 to 31 December 2023 CPU	1 July 2022 to 31 December 2022 $'000	1 July 2022 to 31 December 2022 CPU
Distributions				
Distributions payable - December	27,423	6.00	30,946	6.00
	27,423		30,946	

Concentrated Australian Share Fund	1 July 2023 to 31 December 2023 $'000	1 July 2023 to 31 December 2023 CPU	1 July 2022 to 31 December 2022 $'000	1 July 2022 to 31 December 2022 CPU
Distributions – Class A				
Distributions payable - December	2,863	2.50	2,064	2.00
	2,863		2,064	
Distributions – Class B				
Distributions payable – December	30	5.00	–	–
	30		–	

Equity Income Fund	1 July 2023 to 31 December 2023 $'000	1 July 2023 to 31 December 2023 CPU	1 July 2022 to 31 December 2022 $'000	1 July 2022 to 31 December 2022 CPU
Distributions				
Distributions paid - September	8,043	1.50	8,259	1.50
Distributions payable - December	8,011	1.50	8,239	1.50
	16,054		16,498	

5 Distributions to unitholders (continued)

Future Leaders Fund	1 July 2023 to 31 December 2023 $'000	1 July 2023 to 31 December 2023 CPU	1 July 2022 to 31 December 2022 $'000	1 July 2022 to 31 December 2022 CPU
Distributions				
Distributions payable - December	**4,604**	**1.50**	7,359	2.00
	4,604		7,359	

Smaller Companies Fund	1 July 2023 to 31 December 2023 $'000	1 July 2023 to 31 December 2023 CPU	1 July 2022 to 31 December 2022 $'000	1 July 2022 to 31 December 2022 CPU
Distributions				
Distributions payable - December	**1,213**	**2.00**	2,013	2.50
	1,213		2,013	

6 Financial assets at fair value through profit or loss

	Australian Share Fund		Concentrated Australian Share Fund		Equity Income Fund	
	31 December 2023 $'000	30 June 2023 $'000	**31 December 2023 $'000**	30 June 2023 $'000	**31 December 2023 $'000**	30 June 2023 $'000
Financial assets at fair value through profit and loss						
Listed equities	**1,244,118**	1,366,226	**192,991**	191,650	**414,904**	407,102
Listed unit trusts	**27,280**	31,814	**5,423**	4,573	**41,969**	42,960
Preference shares	**1,731**	1,710	**–**	–	**3,443**	3,296
Total financial assets at fair value through profit and loss	**1,273,129**	1,399,750	**198,414**	196,223	**460,316**	453,358

6 Financial assets at fair value through profit or loss (continued)

	Future Leaders Fund		Smaller Companies Fund	
	31 December 2023 $'000	30 June 2023 $'000	**31 December 2023 $'000**	30 June 2023 $'000
Financial assets at fair value through profit and loss				
Listed equities	**288,118**	283,848	**88,556**	92,465
Listed unit trusts	**7,942**	15,699	**2,565**	6,927
Total financial assets at fair value through profit and loss	**296,060**	299,547	**91,121**	99,392

7 Financial liabilities at fair value through profit or loss

	Australian Share Fund		Concentrated Australian Share Fund		Equity Income Fund	
	31 December 2023 $'000	30 June 2023 $'000	**31 December 2023 $'000**	30 June 2023 $'000	**31 December 2023 $'000**	30 June 2023 $'000
Financial liabilities at fair value through profit and loss						
Futures	**241**	276	**–**	–	**–**	–
Options	**1,519**	360	**351**	–	**4,720**	3,385
Total financial liabilities at fair value through profit and loss	**1,760**	636	**351**	–	**4,720**	3,385

	Future Leaders Fund		Smaller Companies Fund	
	31 December 2023 $'000	30 June 2023 $'000	**31 December 2023 $'000**	30 June 2023 $'000
Financial liabilities at fair value through profit and loss				
Futures	**–**	–	**–**	–
Options	**–**	–	**–**	–
Total financial liabilities at fair value through profit and loss	**–**	–	**–**	–

8 Fair value measurements

The Schemes measure and recognise financial assets and liabilities held at fair value through profit or loss on a recurring basis.

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The Schemes value their investments in accordance with the accounting policies set out in Note 2 to the financial statements.

Fair value estimation

The carrying amounts of the Schemes' assets and liabilities at the end of each reporting period approximate their fair values.

All financial assets and financial liabilities through profit or loss included in the statements of financial position are carried at fair value.

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the statements of profit or loss and other comprehensive income.

8 Fair value measurements (continued)

Fair value estimation (continued)

(i) Fair value in an active market (Level 1)

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

The quoted market price used for financial assets held by the Schemes is the current bid price; the appropriate quoted market price for financial liabilities is the current asking price. When the Schemes hold derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

(ii) Fair value in an inactive or unquoted market (Level 2 and Level 3)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

The fair value of derivatives that are not exchange traded is estimated at the amount that the Schemes would receive or pay to terminate the contract at the end of the reporting period taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of a forward contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date.

8 Fair value measurements (continued)

(ii) Fair value in an inactive or unquoted market (Level 2 and Level 3) (continued)

Valuation process for Level 3 valuations

Valuations are the responsibility of the Board of Directors of the Responsible Entity.

The investment committee considers the appropriateness of the valuation methods and inputs, and may request that alternative valuation methods are applied to support the valuation arising from the method chosen. Any changes in valuation methods are discussed and agreed with the Responsible Entity's Board of Directors.

The valuations are also subject to quality assurance procedures performed within the valuation department. The valuation department verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to relevant documents and market information. In addition, the accuracy of the computation is tested. The latest valuation is also compared with the valuations in the four preceding quarters as well as with the valuations of the two preceding annual periods. If fair value changes (positive or negative) are more than certain thresholds set, the changes are further considered by the investment committee.

There were no changes in valuation techniques during the half-year.

8 Fair value measurements (continued)

(iii) Recognised fair value measurements

The tables below set out the Schemes' financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy as at 31 December 2023 and 30 June 2023.

Australian Share Fund	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
As at 31 December 2023				
Financial assets				
Financial assets at fair value through profit or loss:				
Listed equities	**1,244,118**	**–**	**–**	**1,244,118**
Listed unit trusts	**27,280**	**–**	**–**	**27,280**
Preference shares	**1,731**	**–**	**–**	**1,731**
Total	**1,273,129**	**–**	**–**	**1,273,129**
Financial liabilities				
Financial liabilities at fair value through profit or loss:				
Futures	**241**	**–**	**–**	**241**
Options	**1,519**	**–**	**–**	**1,519**
Total	**1,760**	**–**	**–**	**1,760**
As at 30 June 2023				
Financial assets				
Financial assets at fair value through profit or loss:				
Listed equities	1,366,226	–	–	1,366,226
Listed unit trusts	31,814	–	–	31,814
Preference shares	1,710	–	–	1,710
Total	1,399,750	–	–	1,399,750
Financial liabilities				
Financial liabilities at fair value through profit or loss:				
Futures	276	–	–	276
Options	360	–	–	360
Total	636	–	–	636

8 Fair value measurements (continued)

(iii) Recognised fair value measurements (continued)

Concentrated Australian Share Fund	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
As at 31 December 2023				
Financial assets				
Financial assets at fair value through profit or loss:				
Listed equities	**192,991**	**–**	**–**	**192,991**
Listed unit trusts	**5,423**	**–**	**–**	**5,423**
Total	**198,414**	**–**	**–**	**198,414**
Financial liabilities				
Financial liabilities at fair value through profit or loss:				
Options	**351**	**–**	**–**	**351**
Total	**351**	**–**	**–**	**351**
As at 30 June 2023				
Financial assets				
Financial assets at fair value through profit or loss:				
Listed equities	191,650	–	–	191,650
Listed unit trusts	4,573	–	–	4,573
Total	196,223	–	–	196,223
Financial liabilities				
Financial liabilities at fair value through profit or loss:				
Options	–	–	–	–
Total	–	–	–	–

8 Fair value measurements (continued)

(iii) Recognised fair value measurements (continued)

Equity Income Fund	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
As at 31 December 2023				
Financial assets				
Financial assets at fair value through profit or loss:				
Listed equities	**414,904**	**–**	**–**	**414,904**
Listed unit trusts	**41,969**	**–**	**–**	**41,969**
Preference shares	**3,443**	**–**	**–**	**3,443**
Total	**460,316**	**–**	**–**	**460,316**
Financial liabilities				
Financial liabilities at fair value through profit or loss:				
Options	**4,720**	**–**	**–**	**4,720**
Total	**4,720**	**–**	**–**	**4,720**
As at 30 June 2023				
Financial assets				
Financial assets at fair value through profit or loss:				
Listed equities	407,102	–	–	407,102
Listed unit trusts	42,960	–	–	42,960
Preference shares	3,296	–	–	3,296
Total	453,358	–	–	453,358
Financial liabilities				
Financial liabilities at fair value through profit or loss:				
Options	3,385	–	–	3,385
Total	3,385	–	–	3,385

8 Fair value measurements (continued)

(iii) Recognised fair value measurements (continued)

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Future Leaders Fund				
As at 31 December 2023				
Financial assets				
Financial assets at fair value through profit or loss:				
Listed equities	**288,118**	**–**	**–**	**288,118**
Listed unit trusts	**7,942**	**–**	**–**	**7,942**
Total	**296,060**	**–**	**–**	**296,060**
As at 30 June 2023				
Financial assets				
Financial assets at fair value through profit or loss:				
Listed equities	283,848	–	–	283,848
Listed unit trusts	15,699	–	–	15,699
Total	299,547	–	–	299,547

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Smaller Companies Fund				
As at 31 December 2023				
Financial assets				
Financial assets at fair value through profit or loss:				
Listed equities	**88,556**	**–**	**–**	**88,556**
Listed unit trusts	**2,565**	**–**	**–**	**2,565**
Total	**91,121**	**–**	**–**	**91,121**
As at 30 June 2023				
Financial assets				
Financial assets at fair value through profit or loss:				
Listed equities	92,465	–	–	92,465
Listed unit trusts	6,927	–	–	6,927
Total	99,392	–	–	99,392

8 Fair value measurements (continued)

(iv) Transfers between levels

There were no transfers between levels during the half-year ended 31 December 2023 and 30 June 2023.

(v) Movement in level 3 instruments

There were no level 3 investments held as at 31 December 2023 and 30 June 2023.

(vi) Fair value of financial instruments not carried at fair value

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Schemes for similar financial instruments.

9 Events occurring after the reporting period

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Schemes disclosed in the statements of financial position as at 31 December 2023 or on the results and cash flows of the Schemes for the half-year ended on that date.

10 Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 31 December 2023 and 30 June 2023.

Directors' declaration

In the opinion of the directors of the Responsible Entity:

(a) The financial statements and notes set out on pages 8 to 31 are:

(i) complying with Australian Accounting Standards, AASB *134 Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the Schemes' financial position as at 31 December 2023 and of their performance for the financial period ended on that date; and

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2(a); and

(c) there are reasonable grounds to believe that the Schemes will be able to pay their debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Damon Hambly
Director

Sydney
12 March 2024

Building a better
working world

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Independent auditor's review report to the unitholders of Investors Mutual Limited's Managed Investment Schemes

Conclusion

For the following Schemes (collectively referred to as "the Schemes"):

- Investors Mutual Australian Share Fund;
- Investors Mutual Equity Income Fund;
- Investors Mutual Concentrated Australian Share Fund;
- Investors Mutual Australian Smaller Companies Fund;
- Investors Mutual Future Leaders Fund;

We have reviewed the accompanying half-year financial report of the Schemes, which comprises the condensed statement of financial position as at 31 December 2023, the condensed statement of profit or loss and the other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Schemes does not comply with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the Schemes' financial positions as at 31 December 2023 and of their financial performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (*including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

The directors of Investors Mutual Limited, as the Responsible Entity of the Schemes, are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Building a better working world

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Schemes' financial position as at 31 December 2023 and their performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ernst & Young

Ernst & Young

Luke Slater

Luke Slater
Partner
12 March 2024