

Global Equity Fund

THIS FACT SHEET IS FOR THE UNLISTED AND QUOTED CLASS OF UNITS IN THE LOOMIS SAYLES GLOBAL EQUITY FUND ('FUND')

- Loomis Sayles Global Equity Fund is the unlisted class of units
- Loomis Sayles Global Equity Fund (Quoted Managed Fund) is the quoted class of units

MARKET CONDITIONS

While recession concerns and sticky inflation continued to permeate the market environment in the second quarter, investors appeared to shrug off bad news. Global equity markets ended the quarter up mid-single digits (as measured by the MSCI All Country World Index in AUD). Positive results were largely driven by mega-cap names in the Information Technology sector, which returned over 15%. The Consumer Discretionary and Communication Services sectors also outperformed the broader market. The Materials sector posted slightly negative results.

PORTFOLIO PERFORMANCE

The Loomis Sayles Global Equity Fund returned 8.5% AUD net of fees, outperforming the MSCI All Country World Index (Net) return of 6.8% (also in AUD terms) for the quarter. Performance drivers were broad based, with the majority of sectors contributing to relative results. The Industrials sector was the largest contributor, followed by the Financials and Materials sectors. The Fund's lack of exposure to the Utilities and Real Estate sectors also contributed to relative returns. Security selection in the Health Care sector was the largest detractor from relative performance.

FUND FACTS

Inv't Style	Agnostic
Assets	\$168 M
Investment Horizon	4-5 years
Distributions	Generally annually
Mgt fee*	0.99%
Performance fee	N/A

GLOBAL EQUITY FUND

APIR	IML0341AU
Inception date	1-Nov-18
Application	1.6979
Redemption	1.6929

QUOTED MANAGED FUND

APIR	IML3289AU
ASX ticker	LSGE
Inception date	1-Oct-21
NAV	2.5308

*Inclusive of the net effect of GST

PERFORMANCE AS OF JUNE 30, 2023

BENCHMARK MSCI AC World Index

TOTAL RETURN**	1-MTH	3-MTHS	6-MTHS	1-YR	2-YR^	3-YR^	SINCE INCEPTION^^
GLOBAL EQUITY FUND	2.7%	8.5%	20.1%	25.6%	2.5%	9.6%	12.2%
QUOTED MANAGED FUND	2.7%	8.5%	20.2%	25.7%	-	-	-
BENCHMARK***	2.9%	6.8%	16.1%	20.4%	5.2%	12.2%	11.1%

^% Performance per annum.

*Since inception returns calculated from November 1, 2018 (Global Equity Fund); October 1, 2021 (Quoted Managed Fund). **Fund returns are calculated using the net asset value per unit at the start and end of the relevant period in AUD, 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 MSCI All Country World Index NR (MSCI AC World)

Past performance is no guarantee of future results.

Global Equity Fund performance is the performance of the unlisted class of units and may be a useful reference point for the never quoted class of units in the Fund. However, you should be aware that the quoted class of units in the Fund has limited performance history. The past performance for the unlisted class of units in the Global Equity Fund is NOT the past performance of the Quoted Managed Fund.

There is no guarantee that the investment objective will be realized or that the Fund will generate positive or excess return.



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LEADERS

The three largest contributors to performance were **Nvidia**, **Amazon** and **Alphabet**.

Nvidia's origins are in hardware and the gaming end market; it created the world's first discrete graphics processing unit (GPU) in 1999. The company has since evolved into a larger ecosystem of products with the GPU at its core; its accelerators are used in the gaming, professional visualization, data center and automotive markets. The company created a singular platform across all products and updates are fully compatible making for seamless transitions for their customers. Nvidia has only one GPU competitor, with Nvidia holding approximately 70% market share (depending on which end market). The company has continued growing by creating new uses for its hardware and software. Specifically, the recent AI renaissance - increasingly leveraging GPUs rather than CPUs - has led to new and potentially larger opportunities in the data center and automotive markets. The company has been starting to explore its options to monetize its software (currently it is "free" with its hardware) via licensing and subscription models. Gross margin has been on an upward trajectory over the last decade as its mix is shifting towards the more profitable data center business; we expect this to continue as standalone software sales and new markets likely provide a lift. Capital allocation has been strong with dividends, repurchases and select M&A, while maintaining a net cash position. In the second quarter, its shares continued to perform well; the company announced first quarter revenue above consensus expectations as well as a material rise in guidance. The rapid rise in Artificial Intelligence (AI) and popularity of generative AI tools like ChatGPT has been a significant tailwind for Nvidia, as the company is a critical supplier to the industry.

Shares of **Amazon** also performed well over the period. Amazon is positioned within e-commerce and Cloud (AWS), two large growth markets. In retail, we believe it will continue to benefit from the secular shift from brick and mortar stores to on-line, which is still in the early stages at about 20% penetration in the United States. Amazon's scale and network effect help create significant barriers to entry for competitors; the company continues to gain market share by improving its selection, product availability and customer service. In Cloud, AWS is one of the three dominant players and, as such, we believe it is well-positioned to continue to capture industry growth. The company also continues to invest heavily in digital content and infrastructure, which supports future growth. We also see Advertising emerging as a high margin growth driver. We expect intrinsic value growth to be largely driven by double-digit top line growth and margin expansion. During the quarter, the company reported strong revenue and earnings despite the inflationary and softer economic environment. AWS's revenue growth was also ahead of market expectations; the company noted a more cautious client however they remained confident in AWS's long-term growth opportunities.

Lastly, **Alphabet** shares rose following a period of underperformance; investors had been concerned about the impact of one of their main competitor's announcement to incorporate OpenAI's technology into its search offering. In our view, this company's investments in AI are more targeted towards developers, with the ultimate purpose of leveraging AI to gain an advantage in the cloud infrastructure market, where it is a distant second behind Amazon Web Services.

LAGGARDS

The three most significant detractors from returns were **Estee Lauder**, **Mettler-Toledo** and **Danaher**.

Estee Lauder is a multi-national manufacturer and marketer of prestige beauty products, including skin care, cosmetics, fragrance, and hair care. Estee Lauder holds 30 brands and owns three of the top global make up brands – Clinique, MAC, and its own namesake Estee Lauder brand. We expect the company to benefit from growth of the middle class in emerging markets as demand for prestige beauty products likely grows, as well as the shift from traditional distribution to alternative channels including specialty retail and online, which typically generate higher margins. We believe intrinsic value growth will largely be driven by revenue growth, margin expansion, and strong capital allocation. Shares of Estee Lauder underperformed following a disappointing earnings report in May; the company lowered guidance citing a slow return to travel in Asia due to COVID-19 lockdowns. Management expects travel to gradually improve in the fourth quarter and into 2024.

Shares of **Mettler-Toledo**, maker of weights, pipettes and other essential laboratory tools, underperformed as market participants weighed potential macroeconomic impacts to the company's growth trajectory. We believe some caution is warranted, particularly in life sciences end markets. However, we believe the breadth and depth of Mettler's offerings as well as the company's culture of continuous improvement enable the company to quickly pivot to higher-growth areas in time of change. Longer-term, we maintain our view that Mettler-Toledo is one of the best-executing companies in the life sciences tools industry if not the healthcare space broadly, as evidenced by consistent expansion of both gross and operating margins. At current valuation levels, we believe the risk/reward profile is attractive.



LAGGARDS (continued)

Danaher shares retreated after the company reduced its full-year revenue and profit guidance on lower expectations for bioprocessing growth. The adjusted growth forecast stemmed from a decline in pandemic related demand; we believe these COVID revenue streams will be fully replaced over the next two years primarily driven by strong demand for bioprocessing instruments consumables as well as a recovery in demand for non-COVID molecular tests as patient volume returns. We believe Danaher is well positioned to manage an economic slowdown with its high degree of recurring revenue (three quarters of revenue) and over 85% of revenue attributable to healthcare end markets. Longer-term, we expect Danaher to continue to apply the Danaher Business Systems to consolidate the life science and tools industry, to right-size acquired companies, and to deliver potentially attractive returns to shareholders. We believe Danaher shares are currently attractively valued based on our discounted cash flow methodology.

PHILOSOPHY & OUTLOOK

Our investment philosophy is predicated on the belief that investing in companies with multiple alpha drivers, where the risks can be quantified, can help deliver outperformance. We follow a disciplined and repeatable process, seeking to invest only in opportunities that meet our three alpha drivers: quality, intrinsic value growth and attractive valuation. This bottom-up approach results in a concentrated portfolio of businesses where we fully understand and have quantified the risks associated with each investment. Our scenario analysis, under which we determine a range of business values, is an integral part of this process. Through this framework, we determine the relative attractiveness of our investments to assist in constructing an optimal portfolio.

We anticipate market volatility to increase as we move through 2023. Market expectations for central bank rate cuts may prove to be overly optimistic; inflation may remain a challenging issue for policymakers globally during the next six months. If inflation does remain meaningfully above target, we could see monetary policy in restrictive territory for an extended period—perhaps throughout 2024. We believe central banks may tolerate a certain level of rising unemployment if it's necessary to tame inflation.

Robust equity market performance over the last six months in our view reflects an optimistic outlook amid what we believe is an increasingly challenging macro environment for companies. Corporate fundamentals, while starting from a strong position, have shown some deterioration. We anticipate global corporate profits (measured by the MSCI ACWI Index) will likely continue slipping through year-end; however we expect a shallow decline in corporate profits and layoff announcements relative to recent cycles.

In this uncertain backdrop, our focus remains on investing in quality companies we believe have the ability to manage the current environment and help generate value over the longer-term. We believe periods of volatility can provide us with potential opportunities to build positions in high quality companies at relatively attractive valuations.



GLOBAL EQUITY FUND

Portfolio data as of June 30, 2023

SECTOR ALLOCATION (%)

	Fund	Index
Information Technology	28.5	22.1
Consumer Discretionary	17.3	11.3
Financials	16.2	15.4
Industrials	12.5	10.5
Health Care	11.4	11.8
Communication Services	4.3	7.3
Materials	4.1	4.6
Consumer Staples	3.6	7.3
Energy	1.4	4.6
Real Estate	--	2.3
Utilities	--	2.8
Cash	0.8	--

TOP 10 HOLDINGS (%)

	Fund
Amazon.com	5.1
S&P Global	4.4
ASML	4.3
Alphabet	4.3
Linde	4.1
Mastercard	4.0
Airbnb	3.8
Accenture	3.8
Atlas Copco	3.6
LVMH Moët Hennessy Louis Vuitton-	3.4
Total	40.8

PORTFOLIO CHANGES*

New holdings	Parker Hannifin
Sold holdings	N/A

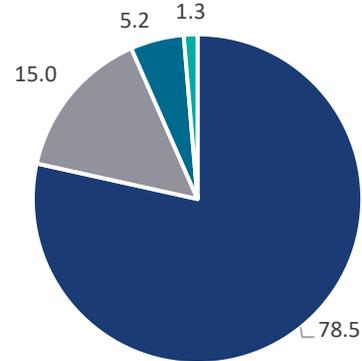
ABOUT LOOMIS, SAYLES & COMPANY

Boston-based Loomis Sayles has been managing money for investors since 1926. The firm currently manages US \$282 billion, as of 31 December 2022, on behalf of clients worldwide. With extensive resources across the US, Europe and Asia, Loomis Sayles is well positioned to manage global equities and deliver attractive risk-adjusted returns for clients.

* There is a 30 day lag on portfolio changes

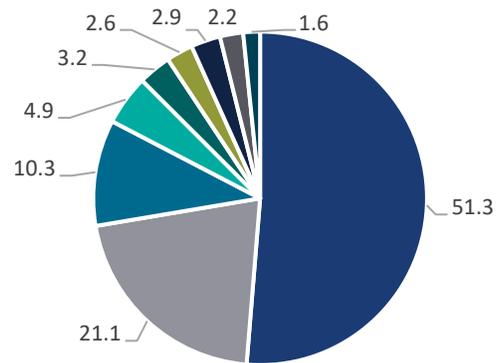
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REGIONAL ALLOCATION BY DOMICILE (%)



- North America
- European Union
- Asia
- United Kingdom

REGIONAL ALLOCATION BY REVENUE (%)



- North America
- European Union
- Latin America
- Middle East
- Africa/Other
- Asia
- Non-European Union
- United Kingdom
- Oceania

PLATFORMS

AMP	Hub24
Asgard	Netwealth
BT Wrap	Powerwrap
BT Panorama	MLC Wrap
CFS	MLC Navigator
Dash	Macquarie Wrap