

Mutual Income Fund (MIF)

Fund Report | 31 March 2025



Mutual Limited

Performance

	3 Mth	6 Mth	1 Yr	3 Yr *	5 Yr *	Incep. *
Fund Net Return	1.20	2.79	6.08	4.91	3.67	2.91
AusBond Bank Bill Index	1.07	2.20	4.46	3.56	2.15	2.11
Relative Performance	0.13	0.59	1.62	1.35	1.52	0.80

*Returns greater than 1 year are per annum

Gross Running Yield

5.58%

Risk Profile



Low-Medium

Key Facts

Fund Objective

To provide investors a high level of capital preservation and to outperform the Bloomberg AusBond Bank Bill Index, generating net returns to investors in excess of cash alternatives.

Benchmark Index

AusBond Bank Bill Index

Inception Date

April 2013

APIR/ISIN

PRM0015AU/AU60PRM00152

Distribution

Quarterly

Buy/Sell Spread

Nil / Nil

Minimum Investment

\$20,000 (\$1 via IDPS)

Min. Allocation to Big 4 Banks

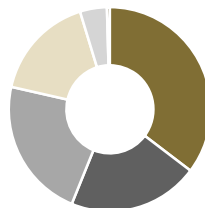
60%

Ratings

Zenith Recommended

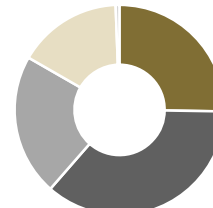
Lonsec Recommended

Portfolio Allocation



- Major Bank Subordinated
- Major Bank Senior Debt
- Regional Bank Subordinated
- Mutual Bank Senior
- Cash and Short Term
- Regional Bank Senior

Rating Exposure



- AA-
- A-
- BBB+
- BBB
- BBB-
- BBB-

Monthly Commentary

MIF returned 0.18% (net) in March. The 6 month net return was 2.79% and the 12 month net return was 6.08% at the end of March. Over the past 12 months the fund has returned 1.62% above the Ausbond Bank Bill Index, versus a target of 1.20%.

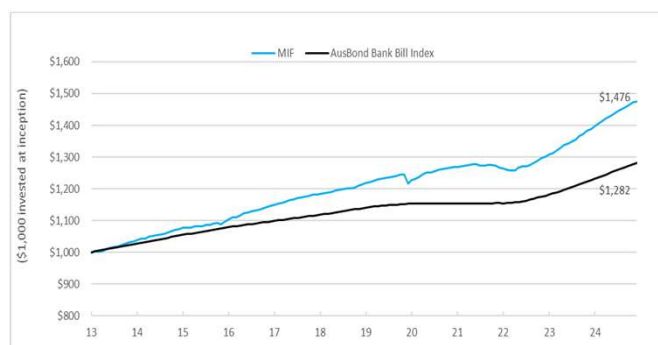
Two local events occupied the collective minds of domestic markets towards the end of March, firstly the Federal Budget, and then subsequently the announcement of the Federal election (May 3rd). The budget was largely as expected vs November's MYEFO. A small surprise tax cut was announced, and while meaningful in scale (~\$17bn), the impact on household income will be modest and likely diluted by bracket creep and inflation. The resulting growing fiscal deficit and the need for increased government borrowing as gross national debt increases to \$1.2 trillion by 2028-29, was briefly a focus for markets. Global headlines in early April literally trumped these local worries, with US tariff announcements expected to impact global growth and likely see central banks lower interest rates further than the market had priced.

The global market volatility and collapse in market sentiment following the larger than expected US tariffs have economics teams rapidly reviewing the outlook for the path of the cash rate in Australia. Consensus is quickly moving to 3 further cuts, all likely in quick succession over the next 3 RBA meetings, the first in late May. If this path eventuates, the cash rate will get to 3.35% by August.

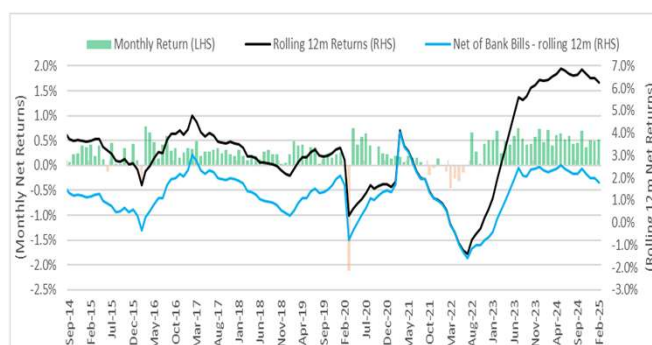
March was another busy month for primary activity in local markets, although as the month wore on the pace slackened. Weaker sentiment following the sell-off in stocks filtered through to credit markets with investors taking a more cautious stance. Nonetheless, this didn't seem to weigh on demand for new paper as primary deals remained well supported and books comfortably over-subscribed. NAB priced \$2.75bn of 5Y senior paper across fixed and floating, which launched with guidance of +86 bps and priced at +83 bps.

We commented last month that credit spreads felt tight at current levels, and it is now clear that was the case. Overall market sentiment was souring into the end of March and completely collapsed at the start of April on the back of the Trump tariff announcements. Credit spreads are wider as a result. The new issue pipeline has dried up which will give the market a break to find the right clearing level.

Performance Comparison



Monthly Net Return



Portfolio Statistics

Running Yield	5.58%
Yield to Maturity	5.29%
Senior ADI Risk	42%
Subordinated ADI Risk	58%
Interest Duration	0.12 years
Credit Duration	2.43 years
Investment Grade	100%
Minimum allocation to Big 4 banks	60%
Fund size	\$664.66m

Why Mutual?



Trusted Expertise

Highly experienced Australian investment manager specialising in cash, credit, and fixed income investments.



Capital Stability with Regular Income

Our defensive investment approach prioritises capital preservation and steady returns.



Daily Liquidity and Low Fees

Benefit from the accessibility of daily liquidity across all our Funds, along with a cost-effective fee structure.

Platform Availability

AMP, Asgard, BT Panorama, Centric, CFS, Hub24, Macquarie, Mason Stevens, Netwealth, Powerwrap, Praemium



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For more information, contact Copia

1800 442 129 | clientservices@copiapartners.com.au | mutualtd.com.au

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