

Mutual Income Fund (MIF)

Fund Report | 29 November 2024



Mutual Limited

Performance

	3 Mth	6 Mth	1 Yr	3 Yr *	5 Yr *	Incep. *
Fund Net Return	1.52	3.07	6.69	4.18	2.99	2.88
AusBond Bank Bill Index	1.12	2.22	4.46	3.07	1.92	2.06
Relative Performance	0.40	0.85	2.23	1.11	1.07	0.82

*Returns greater than 1 year are per annum

Gross Running Yield

5.77%

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

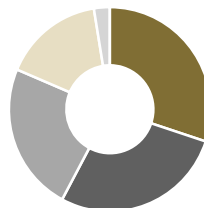
60%

Ratings

Zenith Recommended

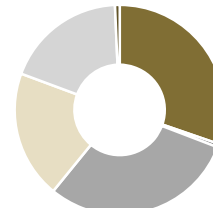
Lonsec Recommended

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
- A-
- BBB+
- BBB
- BBB-

Monthly Commentary

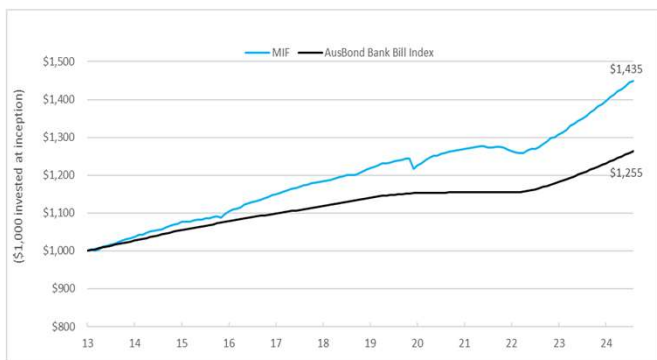
MIF returned 0.37% (net) in November. The 6 month net return was 3.07% and the 12 month net return was 6.69% at the end of November. Over the past 12 months the fund has returned 2.23% above the Ausbond Bank Bill Index, versus a target of 1.20%.

The main event for November was the US Presidential Election outcome. It was a 'Red Sweep' for the Republicans, regaining control of the Senate, the House, and of course the Presidency. Stocks surged on the result as Trump is seen as 'market friendly'. Domestically, the RBA November meeting outcome was as expected, with the cash rate left unchanged. The statement was probably still on the hawkish side of neutral, which surprised some, with the board reiterating "whatever is necessary" to return inflation (trimmed) back to target ranges. In data, the main release was the monthly CPI indicator for October that printed at +2.1% YoY (headline), at the bottom of the RBA's range, but it's important to appreciate the figure includes Government energy subsidies.

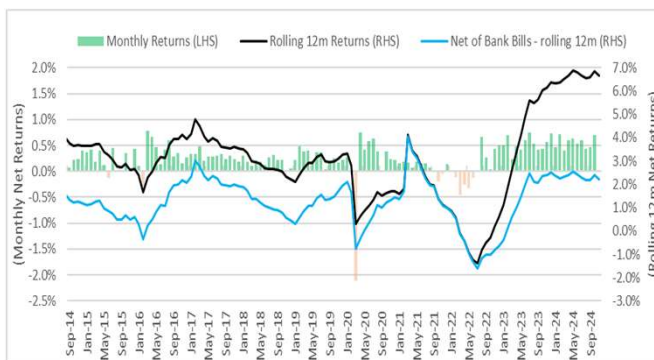
November was busy for issuance with the lack of market volatility post the US election encouraging issuers to come to the market. In total there was +\$11.5bn of new AUD issuance, including multiple bank and insurer deals (14) across both senior and subordinated. We saw benchmark senior deals from ANZ and NAB, and after months of speculation, CBA finally come to market with a new tier 2 deal.

Towards the end of November the months long spread compression in tier 2 finally cracked, with spreads drifting wider. The main catalyst looked to be selling activity to fund new issues, and a weak print of a longer BNP tier 2 deal in AUD, that looked poorly allocated and also ran into the political issues building in France. By the end of the month, this selling had switched back to buying which gives us confidence for strong returns over the holiday period.

Performance Comparison



Monthly Net Return



Portfolio Statistics

Running Yield	5.77%
Yield to Maturity	5.45%
Senior ADI Risk	46%
Subordinated ADI Risk	54%
Interest Duration	0.14 years
Credit Duration	2.43 years
Investment Grade	100%
Minimum allocation to Big 4 banks	60%
Fund size	\$556.56m

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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