



Mutual Limited

**Security with Performance**  
**Investment Update - June 2021**  
**MCTDF - Mutual Cash**

**All figures as at 30 June 2021**

**Fund Performance**

	3 months %	6 months %	12 months %	3 years % p.a.	5 years % p.a.	Since Inception % p.a.
<b>MCTDF (pre-fees)</b>	0.10	0.22	0.60	1.53	1.84	2.75
<b>MCTDF (post-fees)</b>	0.04	0.10	0.35	1.28	1.59	2.45
<b>Bloomberg AusBond Bank Bill Index</b>	0.01	0.01	0.06	0.96	1.29	2.14
<b>Relative Performance (Net)</b>	0.03	0.09	0.29	0.32	0.30	0.31

**Investment Objective and Investment Strategy**

Mutual's objective is to source and actively manage a portfolio of the best deposits offered by the major Australian banks with small cash and NCD holdings to provide Fund liquidity. The Fund capitalises on the competition between the major banks for deposits, targeting capital security for investors and net returns that outperforms the Bloomberg AusBond Bank Bill Index and cash alternatives.

**Performance**

Prior themes continued through the June quarter with the post COVID economic recovery progressing in line with expectations, largely unhindered by sporadic, but generally short, COVID lockdowns across the country. Australia's slow start to the vaccination program is a risk, a risk highlighted by parts of the world coming out of COVID restrictions as they approach herd immunity. Backward looking growth metrics continue to strengthen and unemployment rates have fallen below pre-pandemic levels. The RBA delivered an important update at their July meeting, highlighting the 'economic recovery in Australia is stronger than earlier expected and is forecast to continue'. The RBA left the cash rate target at 0.10% and stated again it will not increase the cash rate until actual inflation is sustainably within the 2 to 3 per cent target range, a condition they do not expect will be met before 2024.

**Outlook**

The RBA's Term Funding Facility (TFF) ended in June with \$187bn drawn against an estimated \$209bn allowance. The late rush to drawdown the cheap 3 year funding at 0.10% was evident in the Exchange Settlement (ES) accounts peaking at \$316.5bn as at 30 June. To put it into perspective, private credit growth in May was +0.4%. This figure represents an increase in loans and advances by Banks of \$12bn. Prior to the arrival of COVID, ES account balances averaged around \$20-\$30bn. The banks hold a mass of liquidity ready for deployment, and on current rates of credit growth it will take almost 2 years to deploy. Faster credit growth or the spending of excess deposits by consumers is needed to quicken this absorption of liquidity. While this process will take time, the end of the TFF begins the return to normal deposit markets which will support returns on the fund.

**Liquidity**

Up to 5 days

**Authorised Investments**

Cash, Term Deposits and NCD's  
Counterparties are Major Australian Banks only

**Yield**

0.37 %

<b>Current Portfolio Diversification</b>	
No. of TD Counterparties	3
No. of Deposits	6
Duration	127 days
<b>Security</b>	
Big 4 Banks	100%

If you would like more information on MCTDF please visit [www.mutualld.com.au](http://www.mutualld.com.au) or contact Mutual on + 61 3 8681 1900

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<b>Portfolio Manager</b> Mutual Limited
<b>Inception</b> 7 September 2011
<b>Fund Size</b> \$155.9 million
<b>Month End Price</b> \$1.026300
<b>Benchmark</b> Bloomberg AusBond Bank Bill Index
<b>Distribution Frequency</b> Quarterly
<b>Minimum Investment</b> \$1 through IDPS \$20,000 for Retail & Wholesale Investors
<b>Minimum Investment Term</b> Longer than 5 days (suggested)
<b>Management Fees</b> 0.25% p.a. (inclusive of GST)
<b>Buy / Sell Spread</b> Nil / Nil
<b>APIR Code</b> PRM0010AU (Class A) PRM0013AU (Class B) PRM0014AU (Class C)
<b>ISIN</b> AU60PRM00103 (Class A) AU60PRM00137 (Class B) AU60PRM00145 (Class C)
<b>Ratings</b> Zenith Canstar 5 stars
<b>Platforms</b> Asgard BT Panorama BT Wrap Firstchoice Firstwrap Hub 24 Powerwrap Netwealth Praemium
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