

Mutual Income Fund (MIF)

Fund Report | 30 September 2025



Mutual Limited

Performance

	3 Mth	6 Mth	1 Yr	3 Yr *	5 Yr *	Incep. *
Fund Net Return	1.82	2.88	5.68	5.82	3.62	2.96
AusBond Bank Bill Index	0.92	1.94	4.19	4.05	2.53	2.18
Relative Performance	0.90	0.94	1.49	1.77	1.09	0.78

*Returns greater than 1 year are per annum

Gross Running Yield

4.92%

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

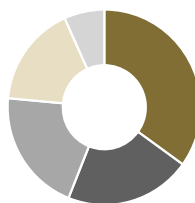
60%

Ratings

Zenith Recommended

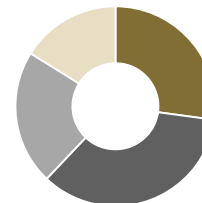
Lonsec Recommended

Portfolio Allocation



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

Rating Exposure



■ AA- ■ A-
■ BBB+ ■ BBB

Monthly Commentary

MIF returned 0.58% (net) in September. The 6 month net return was 2.88% and the 12 month net return was 5.68% at the end of September. Over the past 12 months the fund has returned 1.49% above the Ausbond Bank Bill Index.

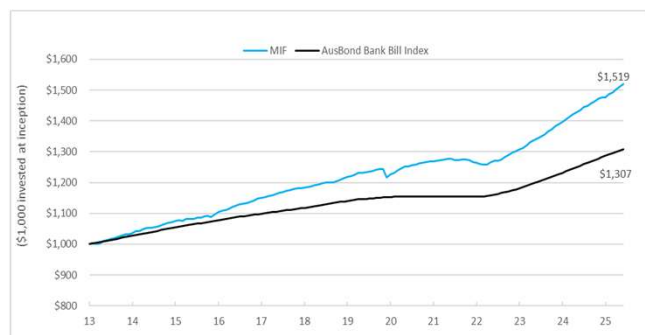
Local monetary policy expectations were active, with rate cut expectations easing as the month unfolded – mainly driven by the CPI data. The cash rate held at 3.60% on 30 Sep 2025, after three cuts earlier in 2025 (including a -25 bp cut in August to 3.60%). Growth has regained some momentum, but with some upside risk to inflation, particularly in services and housing, the scope and timing of further rate cuts could be limited. The labour market is loosening at the margin without cracking; while wage growth has cooled. Sum this up and we have an easing cycle that has paused, with further cuts hinging on Q3 inflation and labour data.

RBA Governor Bullock testified before a Parliamentary economics committee in September. Bullock judged Australia's economy remains in a "good place," with inflation continuing to ease and the labour market holding up relatively well. She indicated the recent rate cuts are expected to stimulate household and business spending, though with lags. That said, she stressed significant uncertainties and risks—for instance, weaker-than-expected consumer demand or external shocks. Bullock emphasised that while further easing of policy could be warranted, the RBA must be "alert to the risk that circumstances may change and be prepared to respond if necessary."

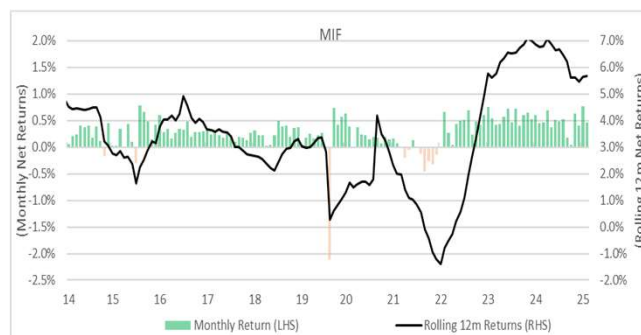
It was another constructive month for A\$ credit spreads despite continued deal flow. 10NC5 year major bank Tier 2 spreads finished the month at +132bps, the lowest level we have seen since coming out of COVID in 2021. Senior spreads are showing similar performance, with major bank 5 year senior now trading under +70bps. This makes the Tier 2 versus senior ratio stable around the 1.9x area, which intuitively still makes holding Tier 2 attractive despite the fact levels are at 4 year lows.

Three of the four major banks are going into their reporting period so new issuance in October is looking less likely. The past few deals have also gone to offshore markets, so no immediate need to tap the local market for new issuance. This will further support secondary spreads with new issuance unlikely to be the catalyst for any widening. Instead, we continue to look at equity markets with a significant sell-off a risk. That being said, as we move towards the end of the calendar year, outside of a new macro shock it is hard to see anything but a continuation of the strength we have seen since mid year.

Performance Comparison



Monthly Net Return



Portfolio Statistics

Running Yield	4.92%
Yield to Maturity	4.52%
Senior ADI Risk	44%
Subordinated ADI Risk	56%
Interest Duration	0.12 years
Credit Duration	2.27 years
Investment Grade	100%
Minimum allocation to Big 4 banks	60%
Fund size	\$625.46m

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



Signatory of:



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Important Information:

Past performance is not a reliable indicator of future performance. Total returns assume the reinvestment of all distributions. The performance is quoted net of all fees and expenses. The reference indices do not incur these costs. This information is provided for general comparative purposes.

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