

Mutual Income Fund (MIF)

Fund Report | 30 April 2025



Mutual Limited

Performance

	3 Mth	6 Mth	1 Yr	3 Yr *	5 Yr *	Incep. *
Fund Net Return	0.74	2.12	5.48	5.01	3.52	2.89
AusBond Bank Bill Index	1.04	2.18	4.46	3.68	2.21	2.12
Relative Performance	-0.30	-0.06	1.02	1.33	1.31	0.77

*Returns greater than 1 year are per annum

Gross Running Yield

5.44%

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

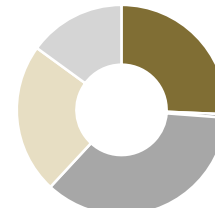
Lonsec Recommended

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

Monthly Commentary

MIF returned 0.03% (net) in April. The 6 month net return was 2.12% and the 12 month net return was 5.48% at the end of April. Over the past 12 months the fund has returned 1.02% above the Ausbond Bank Bill Index, versus a target of 1.20%.

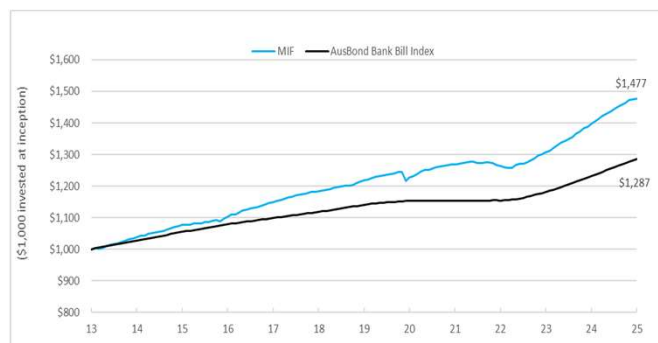
On April 2, the Trump administration introduced a range "reciprocal" tariffs aimed at countering what it sees as unfair trade practices inflicted on the US by other countries. The uncertainty triggered an aggressive spike in volatility, with almost all asset classes impacted. The S&P fell into correction territory, down -12% across a handful of trading sessions, taking losses from its February peak to -19%. The ASX 200 fared a little better, down -7.5% in the first half of the month, but still down -14% from its own February peak. Bond yields surged as much as 30 – 50 bps, while credit spreads jumped 30 – 60 bps.

With markets in turmoil, common sense prevailed and Trump paused reciprocal tariffs for 90-days for all counterparties except China. Following the pause stocks were able to pare back much of their losses, and in some instances finish in positive territory (ASX 200 +3.61% MoM).

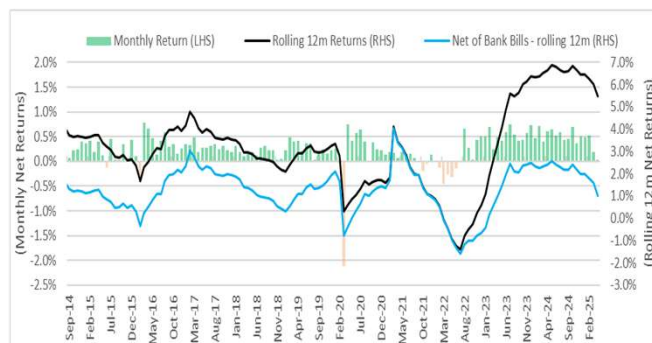
There was just the sole senior issuance in A\$ during April due to the heightened volatility across markets. We expect this to change in early May with 3 of the 4 major banks reporting half year results. It is expected senior issuance will follow, establishing a price point to encourage other issuers to return to the market. While there were a few days of dislocated markets at the height of the uncertainty, a key factor to note is markets remained open. Once Trump triggered the release valve, the market quickly sprung back into action. Bid/offer spreads remain slightly elevated, which is an understandable outcome when equity indexes have moved +/-10% in a single day. We expect these to normalise and will be watching closely the new issue concession, if any, offered to investors.

There is an argument credit spreads tightened too far in Q1 and needed a reset. For the fund this widening only resulted in a flat result for the month and recent confidence suggests a quick reset back to target returns in the months ahead, albeit highly correlated to the words spoken in the oval office!

Performance Comparison



Monthly Net Return



Portfolio Statistics

Running Yield	5.44%
Yield to Maturity	5.31%
Senior ADI Risk	43%
Subordinated ADI Risk	57%
Interest Duration	0.13 years
Credit Duration	2.32
Investment Grade	100%
Minimum allocation to Big 4 banks	60%
Fund size	\$626.22m

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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