

Mutual Income Fund (MIF)

Fund Report | 30 June 2025



Mutual Limited

Performance

	3 Mth	6 Mth	1 Yr	3 Yr *	5 Yr *	Incep. *
Fund Net Return	1.07	2.26	5.37	5.50	3.51	2.91
AusBond Bank Bill Index	1.02	2.10	4.39	3.88	2.34	2.15
Relative Performance	0.05	0.16	0.98	1.62	1.17	0.76

*Returns greater than 1 year are per annum

Gross Running Yield

5.18%

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

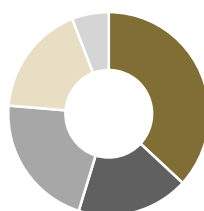
60%

Ratings

Zenith Recommended

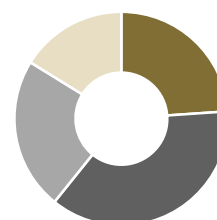
Lonsec Recommended

Portfolio Allocation



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

Rating Exposure



- AA-
- A-
- BBB+
- BBB

Monthly Commentary

MIF returned 0.40% (net) in June. The 6 month net return was 2.26% and the 12 month net return was 5.37% at the end of June. Over the past 12 months the fund has returned 0.98% above the Ausbond Bank Bill Index, versus a target of 1.20%.

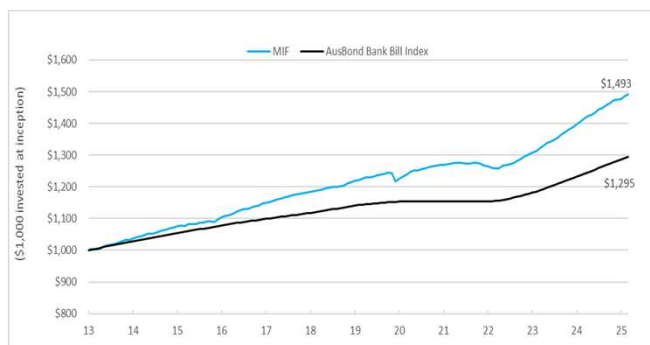
June was dominated by geopolitical tensions after Israel launched multiple missile strikes on Iran. Iran retaliated and the US stepped in warning of strikes against Iran's nuclear facilities within 2 weeks. In a surprise to markets, 2 weeks became 2 days with the US striking Iran with bunker busting bombs. The market nervously waited for Iran's response, and when this was preceded by a friendly phone call to advise of the plans, markets took a collectively breathe and set their sights on new record highs for equities.

Attention now turns back to trade, with Trump's tariff extension deadline coming up in early July. Towards the end of June headlines suggested the US and China had come to terms on a trade deal, and one between the US and India was also locked away. So far the only formal deal publicly released is between the US and UK, which leaves a lot of room for Trump inspired headlines as we move into July. Locally, there was no RBA meeting in June. The next meeting is scheduled for July 7 and 8, with the market fully priced for a cut. Inflation is tracking in line with the RBA's latest published forecasts and other data suggests consumers are not responding to improving fundamentals. While the RBA is facing conflicting forces, there are reasons to cut rates. Consensus for the terminal cash rate looks to be moving lower. It is currently 3.35% however more analysts are moving to 3.10%, which means three rate cuts from here.

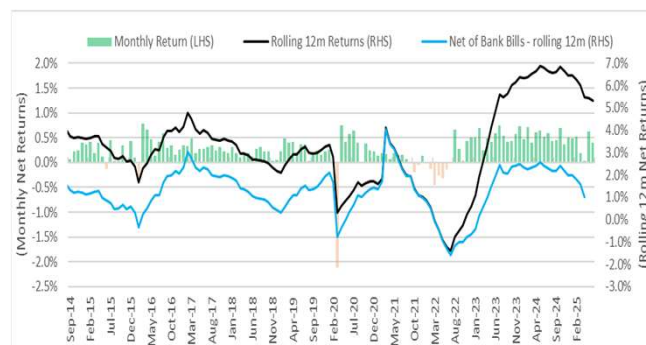
The risk off tone resulting from the geopolitical tensions early in June slowed the cadence of spread compression from what we experienced in May. By the end of the month, as the ceasefire held, a drop in new issuance pathed the way for the resumption of credit spread compression. The velocity was building as we moved towards month end, moving away from the initial confidence seen in senior to higher beta Tier 2 and Corporate.

For the fund, we held above average Tier 2 holdings and Tier 2 credit duration into the start of June. This trade has worked well and we expect momentum to continue into July, supporting fund returns.

Performance Comparison



Monthly Net Return



Portfolio Statistics

Running Yield	5.18%
Yield to Maturity	5.01%
Senior ADI Risk	42%
Subordinated ADI Risk	58%
Interest Duration	0.12 years
Credit Duration	2.41
Investment Grade	100%
Minimum allocation to Big 4 banks	60%
Fund size	\$616.83m

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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