

# Mutual Credit Fund (MCF)

Fund Report | 30 April 2025



Mutual Limited

## Performance

	3 Mth	6 Mth	1 Yr	3 Yr *	5 Yr *	Incep. *
<b>Fund Net Return</b>	0.70	2.49	6.60	6.23	4.65	4.32
<b>AusBond Bank Bill Index</b>	1.04	2.18	4.46	3.68	2.21	2.16
<b>Relative Performance</b>	<b>-0.34</b>	<b>0.31</b>	<b>2.14</b>	<b>2.55</b>	<b>2.44</b>	<b>2.16</b>

\*Returns greater than 1 year are per annum

## Gross Running Yield

# 6.73%

## Risk Profile



Low-Medium

## Key Facts

### Fund Objective

To source and actively manage a portfolio of fixed interest credit assets across APRA regulated institutions, corporate and structured assets. Targeted portfolio construction is to hold assets with a shorter credit duration to ameliorate periods when risk assets sell-off.

### Benchmark Index

AusBond Bank Bill Index

### Inception Date

February 2020

### APIR/ISIN

PRM8256AU/AU60PRM82564

### Distribution

Quarterly

### Buy/Sell Spread

Nil / Nil

### Minimum Investment

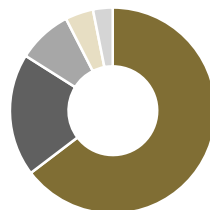
\$20,000 (\$1 via IDPS)

### Ratings

Zenith Recommended

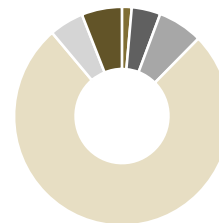
Lonsec Recommended

## Portfolio Allocation



- APRA Regulated
- RMBS
- Corporate
- ABS
- Cash and Short Term

## Rating Exposure



- AAA
- AA
- A
- BBB
- BB
- Unrated

## Monthly Commentary

MCF returned -0.17% (net) in April. The 6 month net return was 2.49% and the 12 month net return was 6.60% at the end of April. Over the past 12 months the fund has returned 2.14% above the Ausbond Bank Bill Index, versus a target of 2.20%.

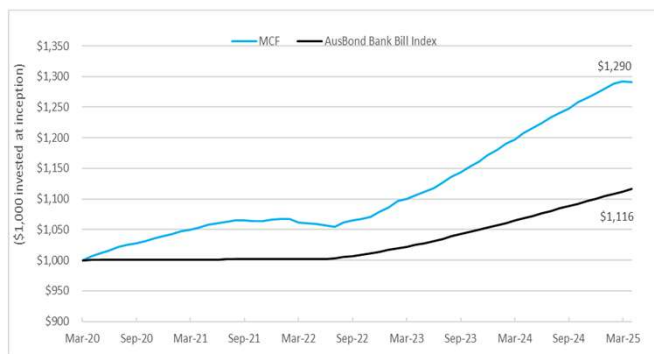
On April 2, the Trump administration introduced a range “reciprocal” tariffs aimed at countering what it sees as unfair trade practices inflicted on the US by other countries. The uncertainty triggered an aggressive spike in volatility, with almost all asset classes impacted. The S&P fell into correction 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).

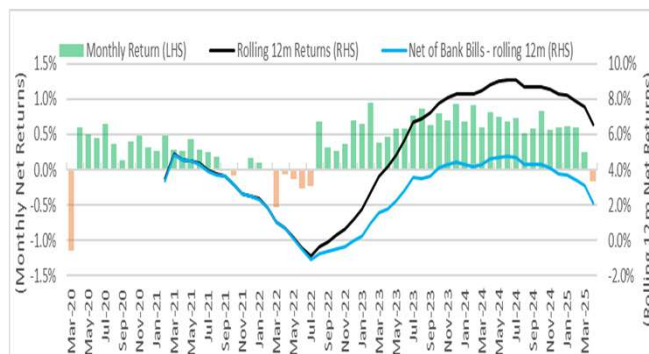
There was just the sole senior issuance in A\$ during April due to the heightened volatility across markets. We expect this to change in early May with 3 of the 4 major banks reporting half year results. It is expected senior issuance will follow, establishing a price point to encourage other issuers 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.

In structured credit, April issuance was significantly below the 2025 monthly run rate with just A\$900m printed across 2 transactions. Metro paused their ABS issuance in early April, returning to the market in early May with a successful upsized transaction of A\$1bn. Coverage ratios were strong across all the tranches, highlighting investors are happy to engage with issuers and support deals. While it is just the one deal so far, it did give us some confidence around the outlook for the next few months.

## Performance Comparison



## Monthly Net Return



## Portfolio Statistics

Running Yield	6.73%
Yield to Maturity	6.38%
APRA	67%
Structured	24%
Corporate	9%
Interest Duration	0.10 years
Credit Duration	2.38 years
Investment Grade	89%
Fund size	\$755.03m

## 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

Asgard, BT Panorama, Centric, CFS, Hub24, Netwealth, Powerwrap



Signatory of:



**M Mutual Limited**

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