

Mutual Income Fund (MIF)

Fund Report | 31 December 2024



Mutual Limited

Performance

	3 Mth	6 Mth	1 Yr	3 Yr *	5 Yr *	Incep. *
Fund Net Return	1.59	3.10	6.51	4.31	3.04	2.89
AusBond Bank Bill Index	1.12	2.24	4.47	3.19	1.98	2.06
Relative Performance	0.47	0.86	2.04	1.12	1.06	0.83

*Returns greater than 1 year are per annum

Gross Running Yield

5.72%

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

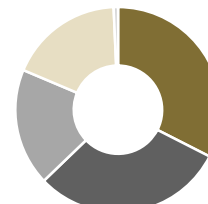
Lonsec Recommended

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-
- BBB+
- BBB
- BBB-

Monthly Commentary

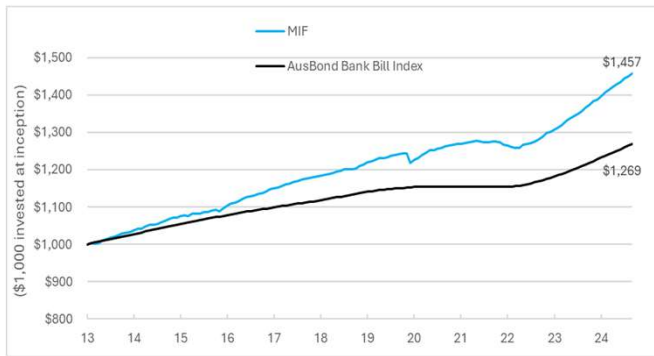
MIF returned 0.51% (net) in December. The 6 month net return was 3.10% and the 12 month net return was 6.51% at the end of December. Over the past 12 months the fund has returned 2.04% above the Ausbond Bank Bill Index, versus a target of 1.20%.

The December narrative contained a mix of caution (looming trade wars, Fed & RBA uncertainty) and optimism (US growth policies). In the end, caution generally prevailed given gains already in the tin for stocks with investors taking some risk off the table into year end. In local data, the Australian economy almost stalled in Q3, with GDP printing at +0.3%, a modest +0.1% improvement on Q2. The annual figure slipped to +0.8% YoY, the lowest annual run rate since the early 1990's. The unemployment rate slipped to 3.9% vs 4.1% previously and consensus expectations of 4.2%.

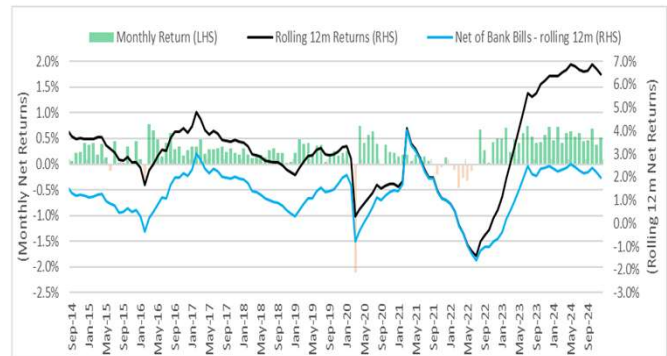
The next RBA meeting is February 17th, with consensus for the board to leave rates unchanged. The market has assigned some probability to a cut, however we will need to wait for Q4 CPI data due at the end of January. While the expectation is for the headline number to print within the RBAs target range of 2 – 3%, the data is flattered by government energy rebates. We maintain a view for no change in policy until the second half of the year.

As the month progressed primary issuance moderated. There were no benchmark A\$ senior deals issued through December, although CBA announced a new 5Y senior mandate on January 2nd, and NAB priced both senior and subordinated in the US market on January 6th. Credit spreads finished 2024 generally inside historical averages but well above historical lows. In the absence of any meaningful change in the supply demand dynamics for domestic credit, we expect 2025 to pick up on where we finished 2024, being a constructive backdrop for credit which will support fund returns.

Performance Comparison



Monthly Net Return



Portfolio Statistics

Running Yield	5.72%
Yield to Maturity	5.39%
Senior ADI Risk	47%
Subordinated ADI Risk	53%
Interest Duration	0.12 years
Credit Duration	2.27
Investment Grade	100%
Minimum allocation to Big 4 banks	60%
Fund size	\$583.77m

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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