



Mutual Limited

# Security with Performance

## Investment Update - March 2024

### MCTDF - Mutual Cash

All figures as at 28 March 2024

#### Fund Performance

	3 months %	6 months %	12 months %	3 years % p.a.	5 years % p.a.	Since Inception % p.a.
<b>MCTDF (pre-fees)</b>	1.22	2.43	4.65	2.48	1.97	2.64
<b>MCTDF (post-fees)</b>	1.15	2.31	4.40	2.23	1.72	2.34
<b>Bloomberg AusBond Bank Bill Index</b>	1.09	2.15	4.19	2.08	1.51	2.17
<b>Relative Performance (Net)</b>	0.06	0.16	0.21	0.15	0.21	0.17

#### Investment Objective and Investment Strategy

Mutual's objective is to source and actively manage a portfolio of the best term deposits offered by the Big 4 major Australian banks with small cash and NCD holdings to provide Fund liquidity. The Fund capitalises on the competition between the Big 4 banks for deposits, targeting capital security for investors and net returns that outperforms the Bloomberg AusBond Bank Bill Index and cash alternatives.

#### Month in Review

**Performance:** MCTDF returned 0.36% (net) in March, lifting the 12 month net return to 4.40% (net). The RBA again held the cash rate steady at their March meeting, citing the need for more confidence that inflation is under control before cutting rates.

**Overview:** A solid month of gains across markets globally, with stocks, bonds and credit all advancing. Data was varied, with evidence the economy is losing momentum, consumer confidence continues to wane, but countering these weaknesses we have resilience in labour markets. On the inflation front, there is persistent evidence of price stickiness. Similar themes were observed across key offshore markets. Geopolitical risk persists, with the situations in Gaza and Ukraine far from improving. Add to this the US Presidential Election later in the year, and there remains fertile ground for some shocks.

Looking at key data prints, domestic GDP (Q4'2023) printed at +0.2% QoQ and +1.5% YoY, well down on Q3'2023, which printed at +2.1% YoY. Consensus expects further loss of momentum in coming quarters, with growth bottoming out at +1.0% YoY in Q2'2024 before recovering to +1.6% YoY by Q4'2024 and then +2.2% YoY by mid-2025. The other main print for the month was labour data, which staged a stronger than expected recovery from an anaemic January. Jobs grew +116.5k through February, almost three-times consensus expectations, which saw the unemployment rate drop to 3.7% from 4.1%, well under consensus estimates of 4.0%. Labour data has been choppy, but trend data has generally remained constructive.

#### Outlook

The RBA elected to leave the cash rate unchanged at its March meeting. The board statement was somewhat neutral, with a slight dovish tone, but it is nuanced and could be argued either way. The February RBA statement read *"the path of interest rates that will best ensure that inflation returns to target in a reasonable timeframe will depend upon the data and the evolving assessment of risks, and a further increase in interest rates cannot be ruled out."* Slightly hawkish. At the most recent meeting that line was tweaked to *"the path of interest rates that will best ensure that inflation returns to target in a reasonable timeframe remains uncertain and the Board is not ruling anything in or out."* Somewhat dovish in the sense there is no explicit mention of rate hikes, but also vague enough to suggest further rate hikes cannot be absolutely and utterly discounted.

For now, interest rates look to be in a holding pattern. This will keep returns on the fund steady with a margin above the cash rate being maintained.

<b>Liquidity</b>	<b>Authorised Investments</b>	<b>Yield</b>
Up to 5 days	Cash, Term Deposits and NCD's	4.90%
	Counterparties are Major Australian Banks only	
	<b>Current Portfolio Diversification</b>	
	No. of Deposit Counterparties	4
	No. of Deposits	45
	Duration	81 days
	<b>Security</b>	<b>% of Portfolio</b>
	Big 4 Banks	100%

<b>Portfolio Manager</b>	Mutual Limited
<b>Inception</b>	7 September 2011
<b>Fund Size</b>	\$524.8 million
<b>Month End Price</b>	\$1.042979
<b>Benchmark</b>	Bloomberg AusBond Bank Bill Index
<b>Distribution Frequency</b>	Quarterly
<b>Minimum Investment</b>	\$1 through IDPS \$20,000 for Retail & Wholesale Investors
<b>Minimum Investment Term</b>	Longer than 5 days (suggested)
<b>Management Fees</b>	0.25% p.a. (inclusive of GST)
<b>Buy / Sell Spread</b>	Nil / Nil
<b>APIR Code</b>	PRM0010AU
<b>ISIN</b>	AU60PRM00103
<b>Ratings</b>	Zenith Canstar 5 stars
<b>Platforms</b>	AMP MyNorth Asgard BT Panorama Colonial First State Edge Centric Expand Hub 24 Macquarie Wrap Mason Stevens Netwealth Powerwrap Praemium

If you would like more information on MCTDF please visit [www.mutualtd.com.au](http://www.mutualtd.com.au) or contact Mutual on + 61 3 8681 1900

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