



Mutual Limited

Mutual Limited

AFSL No. 230347

ABN 42 010 338 324

Level 17, 447 Collins Street, Melbourne VIC 3000

Phone: +61 3 8681 1900

Email: mutual@mutualltd.com.au

Website: www.mutualltd.com.au

MIF

ARSN 162 978 181

Condensed Interim Financial Report

For the half-year ended 31 December 2023

Directors' Report

The directors of Mutual Limited (ACN 010 338 324), the Responsible Entity of MIF ("the Fund") present their Directors' Report together with the financial statements of the Fund for the half-year ended 31 December 2023 and accompanying independent auditor's report.

DIRECTORS OF THE RESPONSIBLE ENTITY

The names and particulars of the directors of the Responsible Entity in office during the period and up to the date of this report (unless otherwise stated) are:

Wayne Buckingham
Brian Buckley
Denning Sang-Tatt Chong

PRINCIPAL ACTIVITIES

The principal activity of the Fund is to invest funds in accordance with its investment objectives and guidelines as set out in the current Product Disclosure Statement (PDS) and in accordance with the provisions of the Constitution.

There has been no significant change in the nature of this activity during the period.

FUND INFORMATION

The Responsible Entity is incorporated and domiciled in Australia.

The registered office of the Responsible Entity is located at Level 17, 447 Collins Street Melbourne, Victoria, 3000.

RESULTS

The net profit attributable to unitholders for the half-year ended 31 December 2023 was \$14,137,614 (31 December 2022: \$7,923,351).

DISTRIBUTIONS

Distributions paid and/or payable by the Fund during the period total \$9,405,506 (31 December 2022: \$9,289,301).

FUND ASSETS

At 31 December 2023 the Fund held gross assets of \$455,092,795 (30 June 2023: \$369,312,078).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Fund during the period, other than those changes identified in the financial statements for the half-year ended 31 December 2023.

SIGNIFICANT EVENTS AFTER BALANCE DATE

There has been no matter or circumstance that has arisen since the half-year ended 31 December 2023 that has significantly affected, or may significantly affect, the Fund's operations during the half-year, the results of those operations or the Fund's status of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The investment strategy of the Fund will be maintained in accordance with Fund's investment objectives as outlined in the PDS and Trust Deed.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The operations of the Fund are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory. There have been no known significant breaches of any other environmental requirements applicable to the Fund.

Directors' Report (continued)

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

Neither the Fund nor the Responsible Entity has given or agreed to give any indemnity to an officer or auditor of the Responsible Entity or Fund and have not paid any premium for insurance against those officers' or auditors' liability for legal costs.

AUDITOR INDEPENDENCE

The Directors received the following declaration from the auditor of the Fund as attached on page 4.

Signed in accordance with a resolution of the directors.



Wayne Buckingham
Managing Director

Melbourne, 14 March 2024

Auditor's Independence Declaration

To the Directors of Mutual Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of MIF for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



Grant Thornton Audit Pty Ltd
Chartered Accountants



D G Ng
Partner – Audit & Assurance

Melbourne, 14 March 2024

Statement of Condensed Interim Financial Position

As at 31 December 2023

	Notes	December 2023 \$	June 2023 \$
Assets			
Cash and cash equivalents		17,347,212	29,565,833
Other receivables		2,708,660	1,657,442
Financial assets at fair value through profit or loss	3	435,036,923	338,088,803
Total assets		<u>455,092,795</u>	<u>369,312,078</u>
Liabilities			
Payables		(466,589)	(575,395)
Distribution payable		(5,504,253)	(1,681,233)
Total liabilities		<u>(5,970,842)</u>	<u>(2,256,628)</u>
Net assets attributable to unitholders		<u>449,121,953</u>	<u>367,055,450</u>
Represented by:			
Net assets attributable to unitholders (calculated in accordance with redemption requirements)		449,121,953	367,080,409
Adjustment from last sale-market prices to bid/offer-market prices		-	(24,959)
Net assets attributable to unitholders		<u>449,121,953</u>	<u>367,055,450</u>

The above Statement of Financial Position is to be read in conjunction with the notes to the financial statements.

Statement of Condensed Interim Profit or Loss and Other Comprehensive Income

For the period ended 31 December 2023

	Notes	December 2023 \$	December 2022 \$
Income			
Interest revenue		11,461,947	7,616,797
Dividend revenue		95,360	132,462
Changes in fair value of financial assets at fair value through profit and loss		3,408,420	1,012,150
Total income		<u>14,965,727</u>	<u>8,761,409</u>
Expenses			
Management fee		(799,184)	(809,372)
Other expenses		(28,929)	(28,686)
Total expenses		<u>(828,113)</u>	<u>(838,058)</u>
Net (loss)/profit before finance costs		<u>14,137,614</u>	<u>7,923,351</u>
Finance costs			
Distributions to unitholders	6	(9,405,506)	(9,289,301)
Net (loss)/profit for the period		<u>4,732,108</u>	<u>(1,365,950)</u>
Other comprehensive income		-	-
Change in net assets attributable to unitholders		<u>4,732,108</u>	<u>(1,365,950)</u>

The above Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the financial statements.

Statement of Condensed Interim Changes in Equity

For the period ended 31 December 2023

The Fund’s net assets attributable to unitholders are classified as a liability under AASB 132 *Financial Instruments: Presentation*. As such the Fund has no equity, and no items of changes in equity have been presented for the current period.

This Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.

Statement of Condensed interim Cash Flows

For the period ended 31 December 2023

Notes	December 2023 \$	December 2022 \$
Cash flows from operating activities		
Interest received	10,415,797	6,802,988
Dividends received	95,360	132,462
Investment expenses paid	(802,076)	(998,576)
GST refund received	52,768	65,775
Other expenses paid	(6,846.77)	(6,321)
Net cash provided by operating activities	<u>9,755,002</u>	<u>5,996,327</u>
Cash flows from investing activities		
Purchase of investments	(286,467,881)	(156,416,004)
Proceeds from sale of investments	192,928,180	232,691,907
Net cash flows used in investing activities	<u>(93,539,701)</u>	<u>76,275,903</u>
Cash flows from financing activities		
Proceeds from issue of redeemable units	138,309,283	47,654,762
Payment for redemption of units	(62,277,099)	(123,830,402)
Distributions paid to unitholders	(4,466,106)	(6,804,611)
Net cash flows provided by financing activities	<u>71,566,078</u>	<u>(82,980,250)</u>
Net (decrease)/increase in cash and cash equivalents	(12,218,621)	(708,020)
Cash and cash equivalents at the beginning of the period	<u>29,565,833</u>	<u>18,112,112</u>
Cash and cash equivalents at the end of the period	<u><u>17,347,212</u></u>	<u><u>17,404,092</u></u>

The above Statement of Cash Flows is to be read in conjunction with the notes to the financial statements.

Notes to the Condensed interim Financial Statements

For the period ended 31 December 2023

		Page
1	Corporate Information	10
2	Summary of significant accounting policies	10
3	Financial assets at fair value through profit or loss	11
4	Fair value of financial instruments	12
5	Net assets attributable to unit holders	12
6	Distribution to unitholders	13
7	Commitments and contingencies	13
8	Related party disclosures	13
9	Significant events after balance date	13

Notes to the Condensed interim Financial Statements

For the period ended 31 December 2023

1. Corporate Information

The interim financial report of MIF (“the Fund”) for the half-year ended 31 December 2023 was authorised for issue in accordance with a resolution of the directors of Mutual Limited, the Responsible Entity, on 14 March 2024.

The Fund is an Australian Registered Managed Investment Scheme, constituted on 2 April 2013. The Responsible Entity is incorporated and domiciled in Australia. The registered office of the Responsible Entity is located at Level 17, 447 Collins Street Melbourne, Victoria, 3000.

The Fund is a for profit fund. The principal activity of the Fund is to invest funds in accordance with its investment objectives and guidelines as set out in the current Product Disclosure Statement and in accordance with the provisions of the Constitution.

2. Summary of Significant Accounting Policies

a) Basis of preparation

This interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134: Interim Financial Reporting and the Corporations Act 2001. The interim financial report has also been prepared on a historical cost basis, except for financial assets and financial liabilities held at fair value through profit or loss, that have been measured at fair value. The Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within twelve months. The amount expected to be recovered or settled within twelve months in relation to these balances can be reliably determined.

The interim financial report is presented in Australian Dollars.

Statement of compliance

The interim financial report has been prepared in accordance with Australian Accounting Standards applicable to interim reporting as issued by the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) applicable to interim reporting as issued by the International Accounting Standards Board.

The interim financial report does not include all the information and disclosures required in the annual financial report and should be read in conjunction with the most recent annual financial report of the Fund.

New accounting standards and interpretations

There are no standards, interpretation or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2023 that have a material impact on the amounts recognised in the prior or current periods.

b) Significant accounting judgments and estimates

The preparation of this interim financial report requires management to make judgments, estimates and assumptions that affect the amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Notes to the Condensed interim Financial Statements

For the period ended 31 December 2023

2. Summary of Significant Accounting Policies (continued)

In preparing this interim financial report, the significant judgements made by management in applying the Fund's accounting policies, the key estimates and assumptions were the same as those that applied to the annual report for the financial year ended 30 June 2023.

c) Fair value of financial instruments

All investments are initially recognised at fair value, being the fair value of the consideration paid excluding transactions costs. After initial recognition, the financial assets designated as at fair value through profit or loss are revalued to fair value at each reporting date.

For investments that are actively traded in organised financial markets, fair value is determined by reference to exchange quoted market bid prices at the close of business on the balance sheet date.

For unlisted investments, fair value is calculated based on valuation techniques such as the expected cash flow analysis using available and supportable market rates and inputs, or the net asset value methodology. For unlisted debt instruments where observable market rates and inputs are unavailable, these are recorded at directors' valuation and are measured using valuation techniques such as discounted cash flows based on assumptions and judgments that are relevant and applicable to these debt instruments.

Investments of the Fund which are designated at fair value through profit and loss include fixed interest securities, units in Managed Investment Schemes and interest-bearing securities for which there is no positive intention to hold to maturity.

These investments have been designated at fair value through profit or loss as doing so results in more relevant information. These investments are part of the full group of financial assets which are managed and have their performance evaluated on a fair value basis in accordance with risk management and investment strategies of the Fund.

d) Income tax

Under current legislation, the Fund is not subject to income tax provided that the unitholders are presently entitled to the income of the Fund and the Fund fully distributes its taxable income.

e) Distribution to unitholders

In accordance with the Fund's Constitution, the Fund fully distributes its distributable income to unitholders.

Distributions are payable quarterly, at the end of each calendar quarter. Such distributions are determined by reference to the net taxable income of the Fund.

Distributable income includes capital gains arising from the disposal of investments. Unrealised gains and losses are transferred to net assets attributable to unitholders and are not assessable and distributable until realised. Capital losses are not distributed to unitholders but are retained to be offset against any future realised capital gains. Distributions to unitholders are recognised in the Statement of Profit or Loss and Other Comprehensive Income as finance costs.

3. Financial assets at fair value through profit or loss

	December 2023	June 2023
	\$	\$
Interest bearing securities designated upon initial recognition		
- Unlisted floating rate notes	435,036,923	332,281,500
- Listed floating rate notes	-	5,807,303
	<u>435,036,923</u>	<u>338,088,803</u>

Notes to the Condensed interim Financial Statements

For the period ended 31 December 2023

4. Fair value of financial instruments

The table below analyses financial instruments carried at fair value, by valuation method. The different levels of fair value measurement have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
December 2023				
Financial assets				
- Unlisted floating rate notes and bonds	326,532,795	108,504,128	-	435,036,923
- Listed floating rate notes	-	-	-	-
	<u>326,532,795</u>	<u>108,504,128</u>	<u>-</u>	<u>435,036,923</u>
June 2023				
Financial assets				
- Unlisted floating rate notes and bonds	61,854,654	270,426,846	-	332,281,500
- Listed floating rate notes	-	5,807,303	-	5,807,303
	<u>61,854,654</u>	<u>276,234,149</u>	<u>-</u>	<u>338,088,803</u>

The Fund's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

5. Net assets attributable to unitholders

Each unit issued confers upon the unitholders an equal interest in the different classes of the Fund and is of equal value in the same class. A unit does not confer any interest in any particular asset or investment of the Fund. Unitholders have various rights under the Fund's constitution, including the right to:

- have their units redeemed at a proportionate share based on the Fund's net asset value per unit on the redemption date;
- receive income distributions;
- attend and vote at meetings of unitholders; and
- participate in the termination and winding up of the Fund.

The rights, obligations and restrictions attached to each unit are identical in all respects. For the purpose of calculating the net assets attributable to unitholders in accordance with the Fund's Constitution, the Fund's assets and liabilities are valued on the basis of last sale-market prices. This valuation of net asset value is different from Australian Accounting Standards and International Financial Reporting Standards (IFRS) valuation requirements.

	NAV/unit (calculated in accordance with the Fund's Constitution) December 2023 \$	NAV/unit (calculated in accordance with IFRS) December 2023 \$	NAV/unit (calculated in accordance with the Fund's Constitution) June 2023 \$	NAV/unit (calculated in accordance with IFRS) June 2023 \$
MIF	1.040511	1.040414	1.027003	1.026933

Notes to the Condensed interim Financial Statements

For the period ended 31 December 2023

6. Distribution to unitholders

	December 2023 \$	December 2023 CPU	December 2022 \$	December 2022 CPU
MIF				
30 September	3,901,253	1.0353	6,695,997	1.6789
31 December	5,504,253	1.0405	2,593,304	0.6594
Total	9,405,506	2.0758	9,289,301	2.3383

7. Commitments and contingencies

The Fund has no undisclosed commitments or contingencies as at 31 December 2023.

8. Related party disclosures

a) Responsible Entity

The Responsible Entity is owned as follows:

B & K Investments Australia Pty Ltd ATF Brian Buckley Family Trust	36.00021%
WEB Corporation Pty Ltd ATF Wayne Buckingham Family Trust	36.00021%
JLI Enterprises Pty Ltd ATF The Mutual Unit Trust	8.99993%
Happy AJ Company 2 Pty Ltd ATF Happy AJ 2 Trust	8.99993%
Scott Murray Rundell ATF Rundell Family Trust	7.49994%
Antonietta Sestito & Simon Clark ATF Sestito Clark Family Trust	2.49977%

b) Investments

Related party investments of the Fund

The Fund does not hold investments in the Responsible Entity or other Funds managed by the Responsible Entity.

Related party investments in the Fund

The Responsible Entity and other Funds also managed by the Responsible Entity do not hold investments in the Fund.

9. Significant events after balance date

Since 31 December 2023, there have been no other matters or circumstances not otherwise dealt with in the interim financial report that have significantly affected or may significantly affect the Fund.

Directors' Declaration

In the opinion of the directors of the Responsible Entity:

- (a) the financial statements and notes of MIF set out on pages 2 to 13 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of MIF's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that MIF will be able to pay its debts as and when they become due and payable.
- (c) the financial statements are in accordance with the provisions of MIF's constitution.
- (d) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2.

On behalf of the Board
Mutual Limited



Wayne Buckingham
Managing Director

Melbourne, 14 March 2024

Independent Auditor's Report

To the unitholders of MIF

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of MIF (the Scheme), which comprises the condensed statement of financial position as at 31 December 2023, and the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of MIF does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of MIF's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

www.grantthornton.com.au
ACN-130 913 594

Grant Thornton Audit Pty Ltd ACN 130 913 594 a subsidiary or related entity of Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389. 'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Limited is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389 and its Australian subsidiaries and related entities. Liability limited by a scheme approved under Professional Standards Legislation.

Directors' responsibility for the half-year financial report

The Directors of the Responsible Entity of the Scheme are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Scheme's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Grant Thornton Audit Pty Ltd
Chartered Accountants



D G Ng
Partner – Audit & Assurance

Melbourne, 14 March 2024