Mutual Income Fund (MIF)

Fund Report | September 2026

Mutual Limited

Performance

	3 Mth	6 Mth	1 Yr	3 Yr *	5 Yr *	Incep. *
Fund Net Return	1.15	2.67	4.81	5.80	4.50	3.55
AusBond Bank Bill Index	1.11	2.20	4.06	4.22	3.34	2.32
Relative Performance	**0.04**	**0.47**	**0.75**	**1.58**	**1.16**	**1.23**

*Returns greater than 1 year are per annum

Gross Running Yield

5.81%

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

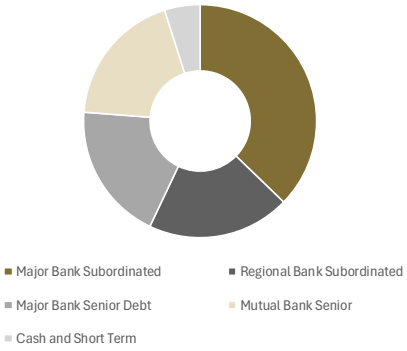
Buy/Sell Spread
Nil / Nil

Minimum Investment
$20,000 ($1 via IDPS)

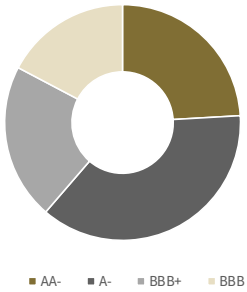
Min. Allocation to Big 4 Banks
60%

Ratings
Zenith Recommended
Lonsec Recommended

Portfolio Allocation



Rating Exposure



Monthly Commentary

MIF returned 0.35% (net) in September. The 6 month net return was 2.67% and the 12 month net return was 4.81% at the end of September. Over the past 12 months the fund has returned 0.75% above the Ausbond Bank Bill Index versus a target of +1.20%.

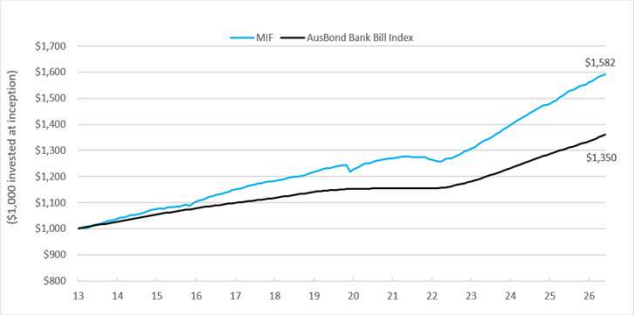
The famous bond market quote became fashionable again in September. It dates back to 1993, said by James Carville, a political adviser to President Bill Clinton. James said "I used to think that if there was reincarnation, I wanted to come back as the President or the Pope or as a .400 baseball hitter. But now I would want to come back as the bond market. You can intimidate everybody." In September, global bond yields jumped to multi decade highs. The US two-year rose +55pbs to 4.89% and the ten-year +0.53bps to 5.28%. In Australia, three-year yields rose +27bps to 4.93% and ten-year yields up +26bps to 5.35%.

Inflation remains the dominant threat in Australia, directing the central bank to deliver the fourth interest rate hike this year taking the cash rate to 4.60%, the highest level since 2011. Over the month, 3m BBSW rose +22.5bps to 4.78%, indicating the market has some chance pinned to another rate hike from the RBA in November. In scenario terms, a second hike would most likely require core inflation to follow headline higher; with the trimmed mean inflation number steady and households slowing, the balance of probabilities has shifted towards an extended pause in rates by the RBA. A shift in policy to an easing bias would require a clearer deterioration in employment conditions than has been seen to date.

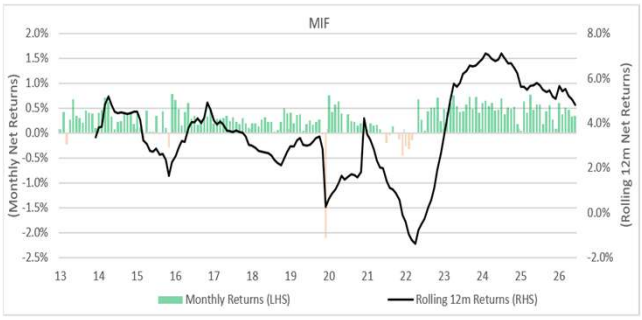
After an extraordinary year to date in terms of the growth in the Australian credit market, towards the end of September it felt like a level of investor fatigue was setting in. While spreads remained resilient in the face of bond market volatility, there was an absence of follow-up buying of new deals. This has been a theme building for a few months and may be a result of the new records being written in financial and corporate issuance – that is investors are happy to wait for the next new deal rather than use cash reserves to buy in secondary. A case in point was the Macquarie 10.5NC5.5 FRN that priced at +1.52% during the month, a decent new issue concession to Macquarie's curve and +20bps wide of the equivalent major bank level. The 10.5NC5.5 tranche was more than 2 times covered in the bookbuild, however managed to only trade around reoffer post pricing and since has drifted wider.

With credit spreads likely to track sideways, the income being generated will drive fund returns over the next period. With 3m BBSW higher through September, the running yield will benefit as the 100% floating rate portfolio resets to higher coupons.

Performance Comparison



Monthly Net Return



Portfolio Statistics

Running Yield	5.81%
Yield to Maturity	5.54%
Senior ADI Risk	43%
Subordinated ADI Risk	57%
Interest Duration	0.12 years
Credit Duration	2.39 years
Investment Grade	100%
Minimum allocation to Big 4 banks	60%
Av. Weighted Credit Rating	A-
Fund size	$758.10m

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

Zenith RECOMMENDED

Recommended Lonsec Research

Signatory of: PRI Principles for Responsible Investment

Mutual Limited

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Important Information:

Past performance is not a reliable indicator of future performance. Total returns assume the reinvestment of all distributions. The performance is quoted net of all fees and expenses. The reference indices do not incur these costs. This information is provided for general comparative purposes.

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