

# Mutual Income Fund (MIF)

Fund Report | May 2026



Mutual Limited

## Performance

|                                | 3 Mth       | 6 Mth       | 1 Yr        | 3 Yr *      | 5 Yr *      | Incep. *    |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Fund Net Return</b>         | 1.07        | 2.33        | 5.40        | 6.03        | 4.23        | 3.51        |
| <b>AusBond Bank Bill Index</b> | 1.00        | 1.91        | 3.78        | 4.18        | 3.03        | 2.26        |
| <b>Relative Performance</b>    | <b>0.07</b> | <b>0.42</b> | <b>1.62</b> | <b>1.85</b> | <b>1.20</b> | <b>1.25</b> |

\*Returns greater than 1 year are per annum

## Gross Running Yield

**5.58%**

## 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

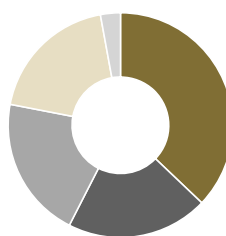
60%

### Ratings

Zenith Recommended

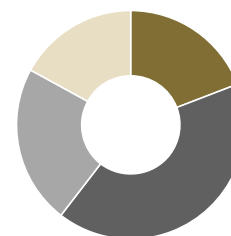
Lonsec Recommended

## Portfolio Allocation



■ Major Bank Subordinated
 ■ Regional Bank Subordinated  
■ Major Bank Senior Debt
 ■ Mutual Bank Senior  
■ Cash and Short Term

## Rating Exposure



■ AA-
 ■ A-
 ■ BBB+
 ■ BBB

## Monthly Commentary

MIF returned 0.38% (net) in May. The 6 month net return was 2.33% and the 12 month net return was 5.40% at the end of May. Over the past 12 months the fund has returned 1.62% above the Ausbond Bank Bill Index versus a target of +1.20%.

May marked a significant shift in market sentiment, with investors increasingly embracing a "soft landing" narrative following the volatility of March and April. While geopolitical tensions in the Middle East remained unresolved, progress toward ceasefire discussions and improving conditions through the Strait of Hormuz reduced fears of a prolonged energy shock. The market seems resolved to the possibility of ongoing regional tensions without significant disruption to global economic activity. As a result, risk assets performed strongly and volatility declined across most major asset classes.

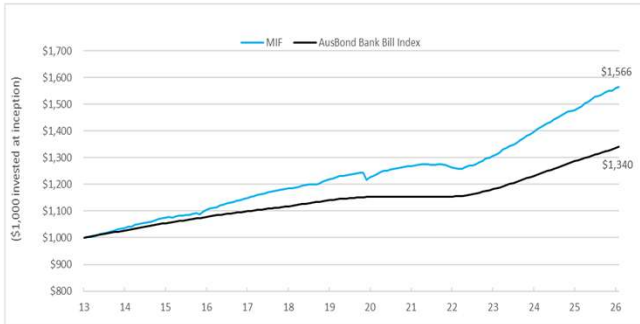
The Federal Budget was a significant domestic event in May, cited as the biggest changes to personal and investment taxes in decades. The changes are well documented, however what is still developing is negativity towards the incumbent Government right across their voter base. The latest polling shows a large swing away from Labor, with most demographics surveyed expecting to be worse off because of the changes to tax policies announced. The final legislation is yet to pass, so amendments are possible, but at this stage the Government is holding firm. House prices are a key topic, with the 50% CGT discount to be replaced by indexation and negative gearing no longer available for existing residential properties. Auction clearance rates have sunk since the budget announcements, and while house prices are holding the consensus is for falls between 3 – 5% over the next 12 months.

Against this backdrop the RBA is still grappling with inflation that is refusing to go away. The April CPI rose 0.4% mom, taking the annual rise to 4.2%. This number was below the March annual figure of +4.6%. While a positive result in the short term, most forecasters still have inflation rising further through the second half of the calendar year. Markets have taken a more positive view, paring back expectations for multiple further rate hikes to possibly just one more in this cycle.

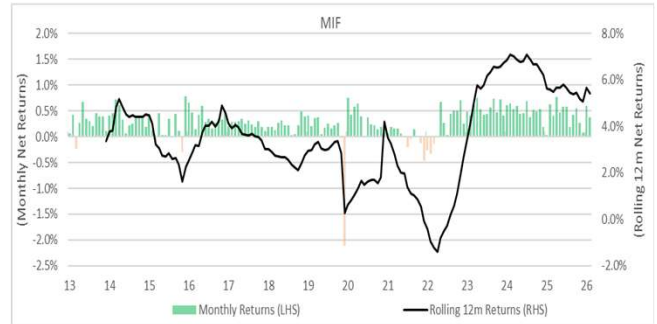
Issuance ignited in May with A\$ Domestic Financial Institution new issuance reaching ~\$50bn by the end of the month, a whopping 48% increase on the YTD number from 2025. The market continues to absorb the supply, with Asia leading demand for major bank senior paper sending spreads back to pre-Iran levels. Subordinated has not enjoyed the same bounce, with issuance from Q1 still trading below par (i.e. – credit spreads slightly wider) but within longer term averages.

For the fund, higher base rates continue to lift the running yield. With the Iran inspired volatility behind us, for now, we expect current credit spreads to deliver consistent fund returns.

## Performance Comparison



## Monthly Net Return



## Portfolio Statistics

|                                   |            |
|-----------------------------------|------------|
| Running Yield                     | 5.58%      |
| Yield to Maturity                 | 5.27%      |
| Senior ADI Risk                   | 42%        |
| Subordinated ADI Risk             | 58%        |
| Interest Duration                 | 0.14 years |
| Credit Duration                   | 2.45 years |
| Investment Grade                  | 100%       |
| Minimum allocation to Big 4 banks | 60%        |
| Fund size                         | \$711.53m  |

## 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:



**M Mutual Limited**

For more information, contact Copia

1800 442 129 | [clientservices@copiapartners.com.au](mailto:clientservices@copiapartners.com.au) | [mutualtd.com.au](http://mutualtd.com.au)

### 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.

This Monthly Update is intended to provide general advice and information only and has been prepared by Mutual Limited ("Mutual") (AFSL No. 230347). This document is for general information purposes only and does not take into account the specific investment objectives, financial situation or particular needs of any specific reader. As such, before acting on any information contained in this document, readers should consider the appropriateness of the information to their needs. This may involve seeking advice from a qualified financial adviser. A current PDS and Target Market Determination is available at [mutualtd.com.au](http://mutualtd.com.au).

The rating issued October 2025 APIR PRM0015AU is published by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421445 (Lonsec). Ratings are general advice only and have been prepared without taking account of your objectives, financial situation or needs. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. The rating is not a recommendation to purchase, sell or hold any product. Past performance information is not indicative of future performance. Ratings are subject to change without notice and Lonsec assumes no obligation to update. Lonsec uses objective criteria and receives a fee from the Fund Manager. Visit [lonsec.com.au](http://lonsec.com.au) for ratings information and to access the full report. © 2025 Lonsec. All rights reserved.

The Zenith Investment Partners (ABN 27 103 132 672, AFS Licence 226872) ("Zenith") rating assigned APIR PRM0015AU referred to in this piece is limited to "General Advice" (s766B Corporations Act 2001) for Wholesale clients only. This advice has been prepared without taking into account the objectives, financial situation or needs of any individual, including target markets of financial products, where applicable, and is subject to change at any time without prior notice. It is not a specific recommendation to purchase, sell or hold the relevant products). Investors should seek independent financial advice before making an investment decision and should consider the appropriateness of this advice in light of their own objectives, financial situation and needs. Investors should obtain a copy of and consider the PDS or offer document before making any decision and refer to the full Zenith Product Assessment available on the Zenith website. Past performance is not an indication of future performance. Zenith usually charges the product issuer, fund manager or related party to conduct Product Assessments. Full details regarding Zenith's methodology, ratings definitions and regulatory compliance are available on our Product Assessments and at <http://www.zenithpartners.com.au/RegulatoryGuidelines>.