



Mutual Limited

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Target Market Determination – MIF

This Target Market Determination (TMD) sets out the type of consumers for whom our product would likely be consistent with their investment objectives and financial situation. It forms part of Mutual Limited's design and distribution arrangements for the product.

We note that anyone interested in investing in this product should firstly refer to the Product Disclosure Document for the MIF. The Target Market Determination does not take into account any individuals objectives, financial situation or needs; rather it is a document which outlines details of the investments characteristics and attributes to investors.

Target Market Summary

Mutual Income Fund (MIF) is appropriate for consumers seeking access to Australian Authorised Deposit-taking Institutions (ADIs) exclusively. A fund that provides capital stability, regular income distributions, low interest rate risk and access to a strategy designed to receive returns in both rising and falling markets. The fund is suitable for a portfolio when the consumer has a medium term investment timeframe, low to medium risk/return profile and values access to capital within 5 days.

| Fund | MIF |
|----------------------|---------------------------|
| Issuer | Mutual Limited |
| ARSN | 162 978 181 |
| APIR Code | PRM0015AU |
| ISIN Code | AU60PRM00152 |
| Date TMD approved | 14 February 2023 |
| TMD Version | 1.2 |
| TMD next review date | Planned for February 2024 |

Description of Target Market

| | Investment Characteristic | TMD Indicator for product | Product description including key attributes |
|--|-----------------------------------|---------------------------|---|
| Investor's Investment Objective | Ability for Regular Income | ✓ | Mutual Income Fund (MIF) is designed to provide access to fixed interest assets issued by Australian Authorised Deposit-taking Institutions (ADIs) exclusively. It offers diversification through exposure to quality Australian bank senior and subordinated bonds. Our target investor seeks to invest in a product designed to ensure capital stability but wishes to generate the majority of the return through income. They prefer exposure to defensive assets but seek an investment return above the current bank bill and term deposit rates. |
| | Capital Preservation | ✓ | |
| | Capital Growth | ✓ | |
| | Capital Guaranteed | ✗ | |
| Investor's Intended Product Use | Solution/Standalone (75-100%) | ✓ | Mutual Income Fund (MIF) target investor may intend to hold the investment as a part of their portfolio to provide consistent distributions, or as a larger portion of their total portfolio to preserve capital at low risk. |
| | Core Component (25-75%) | ✓ | |
| | Satellite/small allocation (<25%) | ✓ | |
| Investor's Time Frame | Short (≤ 2 years) | ✓ | Mutual Income Fund (MIF) target investor will ideally have a medium term investment horizon over 6 months, however noting the fund can process redemptions in normal conditions within 5 days |
| | Medium (≤ 6 years) | ✓ | |
| | Long (> 6 years) | ✓ | |
| Investor's Risk Profile | Very high | ✗ | Mutual Income Fund (MIF) target investor will be comfortable in holding defensive assets within their portfolio and will understand and accept that the likelihood of the Fund encountering a monthly negative return is very low. They will be seeking a defensive asset portfolio, and will be comfortable investing at a low interest rate duration. |
| | High | ✗ | |
| | Medium | ✓ | |

| | | | |
|--|-----------|---|--|
| | Low | ✓ | |
| Investor's access and liquidity | Daily | ✓ | <p>Our investors have:</p> <ul style="list-style-type: none"> the ability to redeem their units on a daily basis, redemptions are processed immediately and paid within 5 days. |
| | Weekly | ✓ | |
| | Monthly | ✓ | |
| | Quarterly | ✓ | |

Distribution conditions/restrictions

| Distribution Channel | Permitted | Distribution Conditions |
|--|-----------|---|
| Direct retail, issued direct to customer | Yes | Must apply via a current application form attached to a product disclosure statement. |
| Suitable for distribution through all distributors | Yes | No distribution conditions. |
| Suitable for distribution to consumers who have not received personal advice | Yes | Must apply via a current application form attached to a product disclosure statement or if applying via IDPS investor must have received a copy and understood the PDS. |

| Review triggers |
|---|
| Material change to key investment market, attributes, fund investment objective and/or fees. |
| Material deviation from benchmark / objective over three quarters. |
| Key attributes have not performed as disclosed by a material degree and for a material period. |
| Material or unexpectedly high number of complaints (as defined in section 994A(1) of the Act) about the product or distribution of the product. |
| The use of Product Intervention Powers, regulator orders or directions that affects the product. |

| Mandatory review periods | |
|---------------------------------|----------------------------------|
| Review period | Maximum period for review |
| Initial review | 1 year, 3 months |
| Subsequent review | 3 years, 3 months |

Distribution reporting requirements

| Reporting requirement | Reporting period | Which distributors this requirement applies to |
|---|--|---|
| Timeframe for report on each acquisition that is outside of target market | To the extent the distributor is aware, within 10 business days following end of calendar quarter | All distributors |
| Timeframe for complaints relating to the product design, product availability and distribution. | Within 10 business days following end of calendar quarter | All distributors |
| Timeframe for significant dealing outside of target market | As soon as practicable, but no later than 10 business days after distributor becomes aware of the significant dealing. | All distributors |

Distributors must report to Mutual Limited using the email mutual@mutualltd.com.au.