



Mutual Limited

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Target Market Determination – Mutual High Yield Fund

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 Mutual High Yield Fund. 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 High Yield Fund (MHYF) is appropriate for consumers seeking access to structured bond issuances. 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 where the consumer has a medium to longer investment timeframe, low to medium risk/return profile and values access to capital within 21 days.

Fund	Mutual High Yield Fund
Issuer	Mutual Limited
ARSN	629 799 122
APIR Code	PRM8798AU
ISIN Code	AU60PRM87985
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 High Yield Fund (MYHF) is designed to ensure capital stability but wishes to generate the majority of the return through income with the possibility of some capital appreciation. The fund offers a diversified exposure to quality Australian bonds, RMBS and ABS. Our target investor prefers exposure to defensive assets but otherwise seeks an investment return above the current inflation rate. They typically have a longer investment horizon, and don't require or value an immediate redemption ability; liquidity is 21 days.
	Capital Preservation	✓	
	Capital Growth	✓	
	Capital Guaranteed	✗	
Investor's Intended Product Use	Solution/Standalone (75-100%)	✓	Mutual High Yield Fund (MHYF) 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 and grow capital at low risk.
	Core Component (25-75%)	✓	
	Satellite/small allocation (<25%)	✓	
Investor's Time Frame	Short (≤ 2 years)	✓	Mutual High Yield Fund (MHYF) target investor will ideally have a longer term investment horizon over 2 years, however noting the fund can process redemptions in normal conditions within 21 days
	Medium (≤ 6 years)	✓	
	Long (> 6 years)	✓	
Investor's Risk Profile	Very high	✗	Mutual High Yield Fund (MHYF) target investor will be comfortable in holding defensive assets within their portfolio, and can accept greater fluctuations in returns as the investment is for a greater total return over a longer period.
	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 21 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.