



Mutual Limited

# Mutual Cash (MCTDF)

Product Disclosure Statement | 30 September 2022

## Contents

1. About Mutual
2. How the Fund works
3. Benefits of investing in the Fund
4. Risks of managed investment schemes
5. How we invest your money
6. Fees and other costs
7. How managed investment schemes are taxed
8. How to apply
9. Other information

This Product Disclosure Statement (PDS) is issued by Mutual Limited, (ABN 42 010 338 324, AFSL 230347) (Mutual, we, our or us), as the Responsible Entity (RE) of the Mutual Cash Fund (MCTDF) (ARSN 152 623 106, APIR PRM0010AU) (MCTDF or Fund).

This PDS provides a summary of significant information about the Mutual Cash Fund (MCTDF) together with references to additional important information about the Fund available at [mutualld.com.au](http://mutualld.com.au) or by contacting Mutual on +61 3 8681 1900 or by email at [mutual@mutualld.com.au](mailto:mutual@mutualld.com.au).

The information in this PDS is general information only and does not take into account your personal financial situation or needs. You should obtain financial advice tailored to your personal circumstances.

Information in this PDS may change. Any update to information that is not material will be provided at [mutualld.com.au](http://mutualld.com.au). Please check the website or contact Mutual or your financial adviser for any updates prior to investing. A paper copy of any update will be provided free of charge on request.

## Contact us

### Head office

Mutual Limited  
Level 17, 447 Collins Street  
Melbourne Vic 3000

**P** +61 3 8681 1900  
**F** +61 3 9670 6446  
**E** [mutual@mutualld.com.au](mailto:mutual@mutualld.com.au)

[mutualld.com.au](http://mutualld.com.au)

## 1. About Mutual

Mutual is an Australian, independently owned Investment Management Company and holds Australian Financial Services Licence (AFSL) number 230347. It is both the RE and Investment Manager of the Mutual Cash Fund (MCTDF). Its role includes investing in assets in accordance with the Fund's constitution (Constitution) and any applicable laws. As RE, Mutual's responsibilities and obligations are governed by the Constitution, the Corporations Act 2001 and general trust law. Mutual is responsible for the operation, investment, management and administration of the Fund.

### About the investment manager

Established in 2010, Mutual specialises in investment operations that cover short-term securities, fixed interest, credit and ASX listed debt securities. Mutual manages retail funds and wholesale clients that are prudentially supervised, conservative or who operate subject to regulated investment regimes. Our investment strategies aim to provide capital protection and positive income, providing security with performance.

## 2. How the Fund works

The Fund is a managed investment scheme in which funds subscribed by individual investors are pooled to buy assets on behalf of all investors in the Fund. Assets are selected and managed by a professional investment management team (refer to [mutualtd.com.au](http://mutualtd.com.au)).

The Fund is established under a Constitution which sets out your rights as well as the powers and responsibilities of Mutual. You can obtain a free copy of the Constitution by contacting us.

Investors are issued units which entitle them to a proportionate interest in the income and assets of the Fund. Investors do not have an entitlement to any particular asset of the Fund. The Fund's assets are valued in accordance with the Fund's Constitution based on market values. Unit prices will vary as the market value of the Fund's assets rise and fall.

A unit price is calculated each business day by dividing the Fund's net asset value (NAV) by the number of units on issue. An allowance for transaction costs incurred in buying and selling Fund assets may be added to or subtracted from the Fund's unit price to determine an application price and a withdrawal price. The difference between the application price and the withdrawal price is known as the buy/sell spread (see 'Fees and other costs' for more information).

When you invest in the Fund, you will be issued a number of units calculated by reference to the applicable unit application price.

When you withdraw from the Fund, your units will be withdrawn at the applicable unit withdrawal price.

The most recent unit prices are available at [mutualtd.com.au](http://mutualtd.com.au)

### Making an investment in the Fund

To invest in the Fund, complete the [Mutual Cash Fund \(MCTDF\) Application Form](#). See 'How to apply' for more information

Applications and additional applications can be made on any business day. However, for unit pricing purposes, any applications we receive after 3pm Melbourne time on a business day we will treat as though we received them on the following business day. You can make payment by EFT or cheque. Personal cheques should be made payable to: **Sandhurst Trustees Limited acf MCTDF**. Cheques must clear before we issue units. Mutual reserves the right to reject an application.

You can add to your investment at any time by submitting an [Additional Investment Form](#).

### Investments and withdrawals

You can make investments and withdrawals at any time based on the following requirements (which we may change at our discretion):

Initial investment	\$20,000
Additional investment	\$5,000
Withdrawals	\$5,000
Minimum account balance	\$20,000

Mutual is entitled to retain any interest earned on the application money before it is paid into the Fund.

### Making a withdrawal from the Fund

You can withdraw all or part of your investment by submitting a [Withdrawal Form](#) and returning it to us via post, fax or e-mail.

We must receive withdrawal requests by 3pm Melbourne time for same-day processing. If we receive a withdrawal request after 3pm, we will treat it as being received on the following business day. We usually pay withdrawal proceeds directly to your nominated bank account within five business days of receiving a withdrawal request.

### Restrictions on withdrawals

In certain circumstances where we consider that accepting a withdrawal is not in the best interests of investors due to events outside our control, investors may not be able to withdraw their funds within the usual period or at all. We may suspend the withdrawal of units in the Fund for the duration of an event or circumstance. Our Constitution allows us to suspend withdrawals for a period of 30 days from the day on which units would have been withdrawn. In extreme circumstances, we can defer withdrawals for 12 months.

### Changing your details, or investment

To change your contact details, please complete the [Change of Contact Details Form](#). To change your bank account details, please complete the [Change of Bank Account Details Form](#).

### Income distribution

The Fund may earn income such as interest as well as net realised gains on the sale of underlying assets. Net income and realised gains generated by the Fund are distributed to investors quarterly usually within 5 business days (and in any event within 30 days) following the end of 31 March, 30 September, 31 December, 30 June. The Fund's unit price will reflect the distribution paid out to Unitholders in the Fund.

## 2. How the Fund works (continued)

The distribution amount will vary between distribution periods due to market conditions and investment performance, and is not guaranteed.

Distributions must be made to unitholders of the Fund pro-rata to the proportion of units each Unitholder holds in the Fund at the end of each quarter. Distributions are deposited directly into a nominated bank account or reinvested as additional units. If you do not make a nomination in the Application Form, we will automatically reinvest any distributions on your behalf into the Fund.

Units issued on reinvestment of a distribution are issued at the unit price at the start of business on the first business day of the new distribution period.

### Platform investors

If you are investing through a master trust, wrap account or other investor-directed portfolio-type service (collectively referred to as a 'platform'), then it is important to understand that generally it is the platform that becomes the investor in the Fund, not you. It follows that the platform has the rights of an investor and we recognise it alone can exercise them. If you invest through a platform, you may also be subject to different conditions from those outlined in this PDS (such as procedures for making investments and withdrawals, cooling-off periods, cut-off times for transacting and additional fees and costs). Mutual is not responsible for the operation of any platform. If you invest through a platform, in addition to reading this PDS, you should check the documents and rules that apply to the platform service.

## 3. Benefits of investing in the Fund

**Security:** invests only in authorised investments.

**Diversification:** invests in a diversified range of issuers and maturities.

**Regular income:** income is accrued daily and paid quarterly at the end of March, June, September and December.

**Capital preservation:** preserve capital through Mutual's prudent risk management and cautious approach that prioritises managing downside risk.

**Regular income:** income is accrued daily and paid quarterly at the end of March, June, September and December.

**Access & Liquidity:** highly liquid, redemptions are usually paid within 5 business days.

**Professional Management:** track record of a highly experienced investment management team specialising in fixed income portfolios.

## 4. Risks of managed investment schemes

All investments carry risk. Different strategies may carry different levels of risk, depending on the assets that make up the strategy. Assets with the highest long-term returns may also carry the highest level of short-term risk.

The significant risks of investing in the Fund are:

**Market risk:** economic, technological, political or legal conditions, and market sentiment, can, and do, change and this can impact the investments in those markets.

**Investment Manager risk:** the risk that Mutual fails to anticipate market movements, manage investments or execute the Fund's investment strategy effectively. Mutual aims to manage this risk by ensuring that its investment policies, procedures and Fund objectives are met and monitored at all times.

**Credit risk:** the risk of suffering a loss due to another party defaulting on its financial obligations. To mitigate this risk, the Fund only invests in deposits of ANZ, CBA, NAB and WBC.

**Interest rate risk:** The risk that arises with changes in market yields that change the value of interest rate investments. An increase in interest rates leads to a reduction in the value of a fixed interest investment and vice versa. This risk is usually greater for fixed interest investments that have longer maturities.

**Liquidity risk:** the risk that securities that are not actively traded may not be readily converted to cash without some loss of capital. It is only applicable if a substantial number of Unitholders seek to redeem simultaneously.

**Regulatory risk:** all investments carry the risk that their value may be affected by changes in laws, particularly taxation laws.

**Investment Selection risk:** the risk that specific investments chosen for the Fund will not perform as well as others. Some factors that may affect the value of a security are investor sentiment, government policy, global events and management changes. The Fund's typical portfolio holdings of multiple securities represent high diversification.

## 4. Risks of managed investment schemes (continued)

**General risk:** it is important that you carefully consider the risks of investing in the Fund and that you understand:

- the level of returns will vary and future returns may differ from past returns,
- returns are not guaranteed and you may lose some, or all, of your capital,
- laws affecting registered managed investment schemes may change in the future,
- and the level of risk for each investor will vary depending on a range of factors including:
  - age
  - investment time frames
  - where other parts of your wealth is invested, and
  - your risk tolerance.

## 5. How we invest your money

The Fund offers one investment option. The following information provides an overview of the Fund's return objective and investment strategy in respect of that option. You should consider the likely investment return and risk of the Fund and your investment time frame when deciding whether to invest in the Fund. The investment option will not change during the life of this PDS.

Description	Mutual Cash actively manages a portfolio of deposits offered by ANZ, CBA, NAB and WBC.	Strategic asset allocation	The authorised investments of the Fund are:																
Investment objective	<p>The Fund aims to achieve superior outcomes across two investment objectives:</p> <ol style="list-style-type: none"> <li>1. Greater income than the Bloomberg Ausbond Bank Bill Index (after fees) quarterly</li> <li>2. Greater total return than the Bloomberg Ausbond Bank Bill Index (after fees) over a rolling 12-month period</li> </ol>	Risk level	<table border="1"> <thead> <tr> <th style="background-color: #333333; color: white;">Investments</th> <th style="background-color: #333333; color: white;">Min</th> <th style="background-color: #333333; color: white;">Max</th> <th style="background-color: #333333; color: white;">Target%</th> </tr> </thead> <tbody> <tr> <td>Cash</td> <td>0%</td> <td>100%</td> <td>0%</td> </tr> <tr> <td>Term Deposits</td> <td>0%</td> <td>100%</td> <td>0-80%</td> </tr> <tr> <td>NCDs<sup>1</sup></td> <td>0%</td> <td>100%</td> <td>0-25%</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>• 100% exposure to deposits issued by ANZ, CBA, NAB and WBC</li> <li>• 100% Investment grade exposure</li> <li>• Maximum 60% individual exposure to ANZ, CBA, NAB or WBC</li> <li>• No Leverage</li> <li>• No Derivatives</li> <li>• Maximum underlying deposit term tenor is 370 days</li> </ul>	Investments	Min	Max	Target%	Cash	0%	100%	0%	Term Deposits	0%	100%	0-80%	NCDs <sup>1</sup>	0%	100%	0-25%
Investments	Min	Max	Target%																
Cash	0%	100%	0%																
Term Deposits	0%	100%	0-80%																
NCDs <sup>1</sup>	0%	100%	0-25%																
Benchmark	Bloomberg AusBond Bank Bill Index	Other investment considerations	Labour standards and environmental, social and ethical information are considered in investment decisions for the Fund. Mutual's policy is outlined on our <a href="#">website</a> .																
Investment strategy	<p>Mutual's investment process is based on using bottom-up fundamental analysis to determine the relative value and appropriateness of the various Australian bank bonds available within the market.</p> <p>The cornerstone of Mutual's investment philosophy is security with performance. The team's research process places its emphasis on mitigating downside risks by attempting to provide investors with a high level of capital preservation and outperforming the Bloomberg Index, while generating excess net cash returns to investors.</p>	Other information	For up-to-date information about the Fund's investment strategy, performance and unit prices, please visit our <a href="#">website</a> .																
Investment time frame	Greater than 5 days. This is a guide only, not a recommendation.																		

<sup>1</sup> NCDs are negotiable certificates of deposits guaranteed by the issuing bank (ANZ, CBA, NAB or WBC) that are tradable investments.

## 6. Fees and other costs

### Did you know?

**Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns. For example, total annual fees and costs of 2% of your Fund balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).**

**You should consider whether features such as superior investment performance or the provision of better services justify higher fees and costs.**

**You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the Fund or your financial adviser.**

### To find out more

**If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website [www.moneysmart.gov.au](http://www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.**

This section shows the fees and other costs you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole. Taxes are set out in another part of this document. You should read all the information about fees and costs as it is important to understand their impact on your investment.

### Fees and costs summary - Mutual Cash Fund

Type of fee or cost	Amount	How and when paid
<b>Ongoing annual fees and costs</b>		
<b>Management fees and costs</b> <sup>1,2</sup> The fees and costs for managing your investment	0.25% p.a.	Calculated daily as a percentage of the Fund NAV, payable quarterly in arrears
<b>Performance fees</b> <sup>1,3</sup> Amounts deducted from your investment in relation to the performance of the product	Nil	Not applicable
<b>Transaction costs</b> The costs incurred by the scheme when buying or selling assets	Nil	Not applicable
<b>Member activity related fees and costs (fees for services or when your money moves in or out of the product)</b>		
<b>Establishment Fee</b> The fees to open your investment	Nil	Not applicable
<b>Contribution Fee</b> The fee on each amount contributed to your investment	Nil	Not applicable
<b>Buy-sell spread</b> An amount deducted from your investment representing costs incurred in transactions by the scheme	Nil	Not applicable
<b>Withdrawal Fee</b> The fee on each amount you take out of your investment	Nil	Not applicable
<b>Exit Fee</b> The fee to close your investment	Nil	Not applicable
<b>Switching Fee</b> The fee for changing investment options	Nil	Not applicable

<sup>1</sup> Fees are inclusive of GST and net of any applicable Reduced Input Tax Credits ('RITC').

<sup>2</sup> The Fund's indirect costs form part of management fees and costs and are estimated to be 0.00% which is based on the costs incurred for the 12 months to 30 June 2022, as a percentage of the average net asset value of the Fund during that period.

<sup>3</sup> The Constitution allows for performance fees to be charged to the Fund, but this option has not been activated in the past and is not expected to be activated in the future.

## 6. Fees and other costs (continued)

### Management fee

This is the fee we charge for managing the investments, overseeing the Fund's operations and providing access to the Fund. The management fee is calculated daily as a percentage of the NAV of the Fund and payable quarterly in arrears. The fee is 0.25% p.a. (inclusive of GST and net of reduced input tax credits) or \$250.00 including GST and net of reduced input tax credits annually for a \$100,000 investment.

The Fund's Constitution allows us to be reimbursed for properly incurred expenses paid on behalf of investors. These include custodian, audit, printing, postage and regulatory expenses. The fee includes an estimate of the out-of-pocket expenses that Mutual is entitled to recover and is calculated daily. These expenses are paid as they fall due. Mutual estimates that these fees should not exceed 0.08% p.a. gross asset value or \$80 annually for a \$100,000 investment. Under the current conditions, Mutual absorbs these costs as part of the existing management fees.

### Normal operating expenses

We currently pay the normal operating expenses of the Fund from our management fee and do not recover these from the Fund.

### Abnormal expenses

In circumstances where abnormal expense events occur, we may decide not to recover these abnormal expenses from the Fund. If reimbursement is required, investors will be notified.

### Transactional costs and buy/sell spread

The buy/sell spread is a type of transactional cost that may include brokerage, transaction costs, stamp duty and other government taxes or charges. The purpose of the buy/sell spread is to ensure only those investors transacting in the units at a particular time bear the Fund's costs of buying and selling the Fund's assets as a consequence of their transaction.

The buy/sell spread for the Fund is stated as a percentage of the NAV of the Fund and is the difference between the application price and the withdrawal price. It reflects an estimate of the transaction costs expected to be incurred in buying and selling the Fund's assets as a result of investments and withdrawals made by investors. This estimate may take into account factors such as, but not limited to, historical transaction costs and anticipated levels of investments and withdrawals.

We currently do not apply a buy/sell spread to the Fund. However, in the future we may apply a buy/sell spread. In those circumstances, we will notify investors of any changes on our website.

### Fee changes

Fees and costs can change at any time in accordance with the Fund's Constitution. If fees and charges payable to the RE increase, the RE will give investors not less than 30 days notice before the change occurs.

Other costs such as the buy/sell spread may change at any time without prior notice to you. Expense recoveries may be different to those estimated in this PDS. In those circumstances, we will notify investors of any changes on our website.

### Performance Fees

The Constitution allows for performance fees to be charged to the Fund, but this option has not been activated in the past and is not expected to be activated in the future. If it is activated, investors will be given 30 days' notice of the change.

### Deferred Fees

Under the Constitution we may waive or defer part or all of our fees for a financial year and claim them over subsequent years.

### Other fee information

If you pay by cheque or electronic funds transfer ("EFT") and there are insufficient cleared funds in your account, your bank may charge us a fee. By signing the application form, you authorise us to recover these fees from your investment.

### Fee calculators

ASIC provides a fee calculator on its MoneySmart website ([moneysmart.com.au](http://moneysmart.com.au)) which can be used to calculate the effect of fees and costs on your investment in the Fund.



## 6. Fees and other costs (continued)

### Example of annual fees and costs

This table gives an example of how the fees and costs of the Fund can affect your investment over a 1-year period. You should use this table to compare this product with other products offered by managed investment schemes.

Example	Amount	Balance of \$50,000 with a contribution of \$5,000 during the year
Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged <b>\$0</b>
<b>PLUS</b> Management fees and costs	0.25% p.a. of Net Asset Value	<b>And</b> , for every \$50,000 you have in the Fund you will be charged or have deducted from your investment <b>\$125</b> each year
<b>PLUS</b> Performance fees	Nil	<b>And</b> , you will be charged or have deducted from your investment <b>\$0</b> in performance fees each year
<b>PLUS</b> Transaction costs	Nil	<b>And</b> , you will be charged or have deducted from your investment <b>\$0</b> in transaction costs
<b>EQUALS</b> Cost of Fund		If you had an investment of \$50,000 at the beginning of the year and put in an additional \$5,000 during that year, you would be charged fees and costs in the range of: <b>\$125 to \$137.50*</b>  <b>What it costs you will depend on the investment option you choose and the fees you negotiate.</b>

\*Additional fees and costs may apply. Note that Government fees, duties and bank charges may also apply to investments and withdrawals.

## 7. How managed investment schemes are taxed

**Warning: Investing in a Managed Investment Scheme is likely to have tax consequences and we strongly advise that you seek professional tax advice before investing in the Fund.**

The Fund is a Managed Investment Trust (MIT). It is intended that all determined trust components (i.e. assessable income, exempt income and non-assessable non-exempt income) will be attributed to members each year so that the Fund itself is not subject to tax. The Fund does not pay tax on behalf of investors. As an investor you will be assessed for tax on your share of the Fund's taxable income, including any net capital gains. The amount attributed to an investor will be disclosed on a statement that will be issued following the end of the financial year.

In summary, when investing in the Fund, investors should note:

- managed investment schemes do not pay tax on behalf of investors.

- net income and realised net capital gains generated by the Fund are typically fully distributed to investors who are in turn assessed for tax on their share of the distribution based on their individual circumstances.
- investors may be liable for tax on capital gains realised on the sale of units in the Fund, either by withdrawal, switch or transfer.

This is only a brief summary of the taxation information which is general in nature and only relates to Australian residents. It does not constitute personal advice. You should consult your own advisers for your particular circumstances.

## 8. How to apply

### Application process

To make your investment, complete the [Mutual Cash \(MCTDF\) Application Form](#), available at [www.mutualtd.com.au](http://www.mutualtd.com.au) and send your application money in accordance with the instructions on the form.

As part of the application process, we are required by law to verify your identity before accepting your application. We are unable to process incomplete applications. If we do not receive all of the information and documents required (AML/

CTF information essential<sup>5</sup>), we will hold your investment amount until we have received all information.

By applying for units, you agree to be bound by the terms of the Fund Constitution and the PDS, both as amended from time to time, while you hold units in the Fund.

<sup>5</sup>The AML/CTF Laws refer to the obligations arising under the Anti-Money Laundering & Counter Terrorism Financing Act 2006 (Cth).

## 8. How to apply (continued)

### Cooling-off period

Investors who are retail clients (as defined in the Corporations Act) have a 14-day cooling-off period after making an application for units in the Fund during which time they may cancel their investment by notifying the RE in writing or electronically. This cooling-off period will commence from the earlier of the:

- investor's receipt of confirmation of their investments, and
- end of the fifth day after the issue of units to the investor.

If an investor cancels their investment during this period, the amount repaid to them is adjusted to allow for market movements, reasonable administration and transaction costs and any relevant taxes or duties.

Investments made through the distribution reinvestment plan are not subject to the cooling-off provisions. Indirect investors should contact the operator of their platforms about any right to cooling off.

## 9. Other information

### Complaints procedure

The RE has arrangements in place to consider and seek to resolve any complaints within 30 calendar days of receipt. If you have a complaint, you may contact us by email, telephone or in writing to:

The Complaints Officer, Mutual Limited, Level 17, 447 Collins Street, Melbourne, Vic 3000

Email [mutual@mutualld.com.au](mailto:mutual@mutualld.com.au)  
Phone +61 3 8681 1900

Mutual is a member of AFCA, which is an external dispute resolution scheme that deals with complaints from consumers about financial services and products. If you are not satisfied with our response to your complaint, you may lodge a written complaint with the Australian Financial Complaints Authority (AFCA) for an independent review of your matter.

AFCA's contact details are: Australian Financial Complaints Authority Limited, GPO Box 3, Melbourne, VIC 3001

P 1800 931 678  
F +61 3 9613 6399  
E [info@afca.org.au](mailto:info@afca.org.au)  
W [afca.org.au](http://afca.org.au)

### Your Privacy

We respect the importance of maintaining the privacy of any personal information that you are required to provide as part of your application to invest in the Fund. We may disclose your personal information for permitted purposes to agents or third party service providers when required by law. If you notify us that you have a financial advisor, whether on your application form or in writing, you agree that details of your investment will be provided to them. You can request access to your personal information or a copy of our Privacy Policy by contacting us. Our Privacy Policy is also available on our [website](#).

### Overseas investors

The Foreign Account Tax and Compliance Act (FATCA) is an anti-tax evasion regime enacted by the United States government to identify US taxpayers using offshore accounts. In June 2014, the Australian government passed legislation giving effect to Australia's commitment to FATCA. From 1 July 2014, there has been a requirement to ask investors whether they are US citizens or US residents and to provide information on those who answer 'yes' to the Australian Taxation Office.

Legislation introducing a single global standard on the collection, reporting and exchange of financial account information on foreign tax residents (CRS) took effect on 1 July 2017. Under CRS, we may collect and report to the ATO account information on non-residents. The CRS regime applies to 70 jurisdictions. For new accounts for non-Australian investors, we may collect additional information about an investor's residence and taxpayer identification.