

Mutual Trust Managed Investment Fund - September 2009 Quarterly Report

Strategy Statement

To provide investors with active fund managers across the equities markets, whilst endeavouring to reduce volatility through diversification of funds.

Key Facts

Structure:	Unit Trust (Fund of Funds)	Contribution Fee:	Nil
Manager:	Mutual Trust Pty Ltd.	Management Fee:	1.25% p.a.
Inception Date:	30 June 2004	Buy Sell Spread:	Nil
		Indirect Cost Ratio (est):	1.66% p.a.

*The ICR is calculated up to 30th Sept 2009 and incorporates the reduction in management fee made in December 2008

Returns for the Period Ended 30 September 2009

Current Unit price	0.9763	Mutual Trust Managed Investment Fund	S&P / ASX 200 Accumulation Index
Performance History			
1 Month		4.50%	6.24%
3 Months		13.87%	21.50%
6 Months		20.74%	35.21%
12 Months		5.08%	8.35%
2 Years		-17.80%	-20.65%
3 Years		-1.17%	5.06%
Total net return since inception		44.53%	69.29%
Total Value of the Fund			\$ 13,292,540
Total Units Issued			13,614,665

Market Commentary and Mutual Trust Managed Investment Fund Performance

The Australian Equity market increased 19.9% over the quarter, extending the rally since the low reached on 9 March 2009 to 53.9% (S&P/ASX 200 Accumulation Index). During the quarter the financials (+34.5%) and property (+30.5%) sectors outperformed as the outlook for bank bad and doubtful debts improved and the operational outlook across the property sector improved. Conversely, the rotation towards more cyclical sectors led to the telecommunication and utilities sectors underperforming, returning 0.8% and 7% respectively.

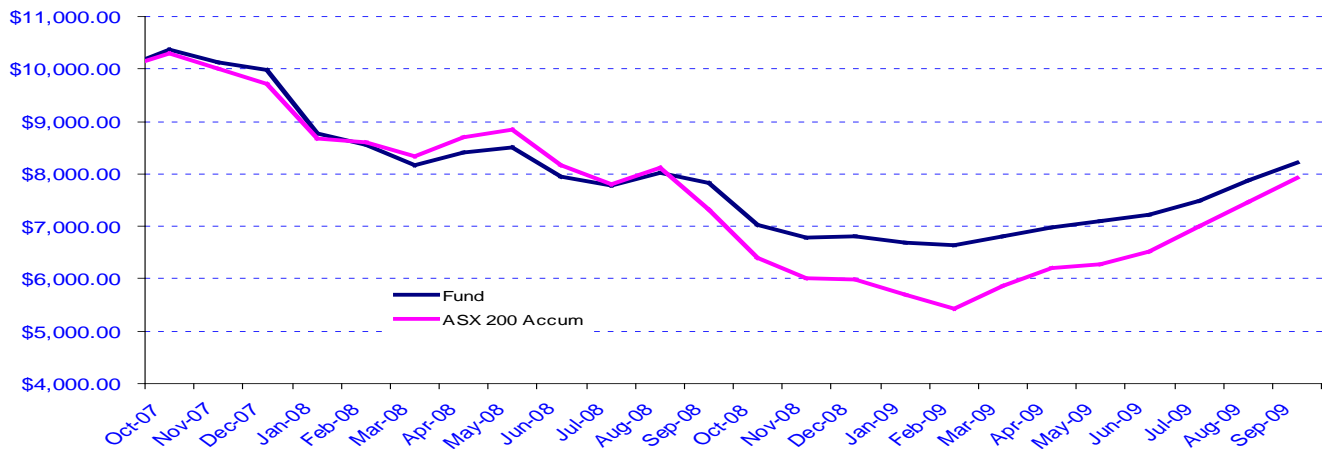
Evidence of a turn in the economic cycle continues to build both domestically and internationally. Domestic data continues to show that the impact of the Government stimulus and healthy export markets have helped the Australian economy avoid a recession, with recent retail sales continuing the run of positive surprises. Internationally, export-dependant economies have shown the strongest turn around, whilst the inventory shedding apparent earlier in the year has given way to a replenishment cycle that is supporting all developed market economies.

The Mutual Trust Managed Investment Fund ("MTMIF") underperformed the All Ordinaries Accumulation Index over the September quarter due to its large cash holdings, which is in line with the ongoing strategy employed over the past 11 months.

This document has been prepared in Australia by Mutual Trust Pty Ltd (ABN 71 004 285 330 AFSL 234590) (Mutual Trust). The information in this update relates only to the Mutual Trust Managed Investment Fund. Units in the Mutual Trust Managed Investment Fund are issued by Mutual Capital Ltd. (ACN: 100 733 695; AFSL: 238314), a wholly owned subsidiary of Mutual Trust. Although attempts have been made to ensure the information is accurate and up to date, no guarantee of accuracy or currency is given and, to the maximum extent permitted by law, Mutual Trust excludes any liability that may arise as a result of use of the information in this update.

This update is for general information only and does not constitute, and should not be relied on as personal financial product advice. In preparing this information, Mutual Trust did not take into account the investment objectives or financial situation of any particular investor and before making any investment decision you should obtain your own financial and professional advice. This update is not a Product Disclosure Statement (PDS) or an offer of units in the Mutual Trust Managed Investment Fund. Past performance may not be indicative of future performance and unit prices may rise and fall inline with the value of the underlying assets. All returns quoted in this document are net of all fees and charges and no allowance has been made for taxation and imputation credits.

Two year Return on \$10,000 invested



Asset Allocation and Investment Movements

The MTMIF continued to hold a large cash position throughout the September quarter, although this was reduced by 4% as further funds were applied to equities and as the equity market continued to rally. The fund has carried a prudently defensive stance for more than 18 months. During the September quarter the Manager continued to invest in the Perpetual Pure Value Share Fund, the JF Capital Partners Equity Trust and the CI Brunswick Fund.

Other recent moves late in the September quarter and early in the December quarter included:

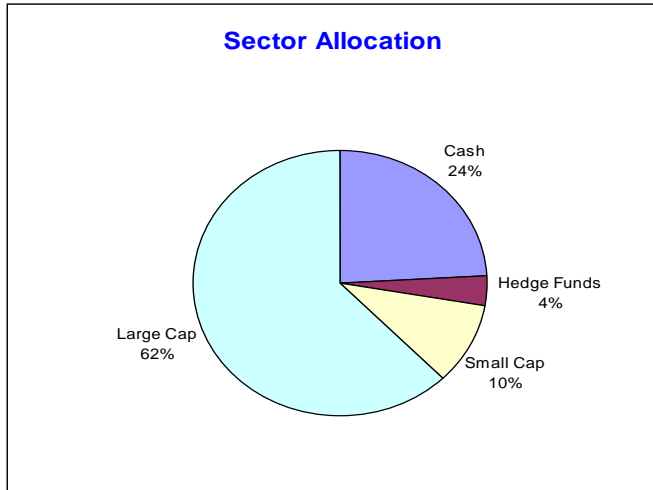
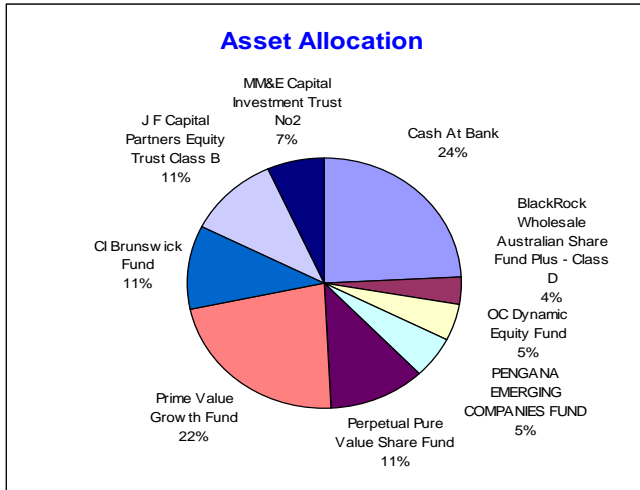
- the sale of the MM&E No 2 Trust, to continue the shift from hedge fund exposures to long equity style investment;
- a reduction in the Opis Dynamic Fund to reduce small capitalised equity investments after recent strong recovery;
- investment into the MM&E Take-Over Target Fund, which has a fundamental long only style with the additional aim to seek out stocks ripe for take-over;
- investment into the Magellan Flagship Fund, a listed investment company trading on the ASX at a substantial discount to its net tangible asset backing, holding a portfolio of highest quality global stocks; and
- a price targeted investment into Amcil Ltd, also a listed investment company, trading at a substantial discount to its net asset tangible backing, which invests into a high quality concentrated portfolio of Australian equities.

The Manager (Mutual Trust) remains confident that quality investment into the Australian market continues to offer medium to long term value. This thesis is founded on our recognition of the unique circumstances surrounding the strength of the Australian economy combined with the potential for high quality global equities to also perform as the global economy recovers.

The weight of cash building up in the Australian superannuation sector and the clear strength in the major Asian economies of China and India are major drivers also supporting our conviction to continue to prudently invest the cash that has built up in the MTMIF. The manager sees significantly better value in deploying low yielding cash holdings into the market, which we believe is not fully factoring in the increased earnings outlook for financial years 2010 and 2011.

This document has been prepared in Australia by Mutual Trust Pty Ltd (ABN 71 004 285 330 AFSL 234590) (Mutual Trust). The information in this update relates only to the Mutual Trust Managed Investment Fund. Units in the Mutual Trust Managed Investment Fund are issued by Mutual Capital Ltd. (ACN: 100 733 695; AFSL: 238314), a wholly owned subsidiary of Mutual Trust. Although attempts have been made to ensure the information is accurate and up to date, no guarantee of accuracy or currency is given and, to the maximum extent permitted by law, Mutual Trust excludes any liability that may arise as a result of use of the information in this update.

This update is for general information only and does not constitute, and should not be relied on as personal financial product advice. In preparing this information, Mutual Trust did not take into account the investment objectives or financial situation of any particular investor and before making any investment decision you should obtain your own financial and professional advice. This update is not a Product Disclosure Statement (PDS) or an offer of units in the Mutual Trust Managed Investment Fund. Past performance may not be indicative of future performance and unit prices may rise and fall in line with the value of the underlying assets. All returns quoted in this document are net of all fees and charges and no allowance has been made for taxation and imputation credits.



Underlying Fund Manager Performance

MM&E Capital Trust Number 2

MM&E Capital Trust No 2 achieved an annualised net performance of 5.94% p.a. for the 6 months to September 30 2009. This was the result of the fund's 46.8% equity and derivatives exposures combined with a stronger than expected market rebound.

OC Funds Management - Dynamic Fund

The OC Dynamic Fund, which invests in smaller to mid capitalisation ASX listed companies, continued its upward trend in the September quarter, rising 31.5%. This takes the fund's gains for six months to 56.3%, which exceeds the 53.1% performance in the small ordinaries Accumulation Index over the same period.

Pengana Emerging Companies Fund

Pengana Emerging Companies Fund invests in small companies included in the ASX Small Ordinaries Index. The portfolio is constructed with the aim of building a 'best ideas' portfolio whilst ensuring an adequate level of diversification. The fund has outperformed its comparable index over a 6 month (+3.7%), 1 year (+7.3%) and 2 year (+7.2%) horizon.

C I Brunswick Fund

This fund remained conservatively structured due to the manager's belief that volatility in stock markets world wide will remain high. This conservative approach justified its 10% position in cash during the September quarter. The fund returned 18.71% over a rolling 3 month period versus a benchmark (S&P/ASX200) return of 21.5%.

JF Capital Partners Australian Equity Trust

The MTMIF has invested into this trust in three tranches with investment being completed during the September quarter. The Trust out-performed the ASX 300 Accumulation Index by 0.95% during the September quarter, returning 22.57% verses a benchmark return of 21.62%.

This document has been prepared in Australia by Mutual Trust Pty Ltd (ABN 71 004 285 330 AFSL 234590) (Mutual Trust). The information in this update relates only to the Mutual Trust Managed Investment Fund. Units in the Mutual Trust Managed Investment Fund are issued by Mutual Capital Ltd. (ACN: 100 733 695; AFSL: 238314), a wholly owned subsidiary of Mutual Trust. Although attempts have been made to ensure the information is accurate and up to date, no guarantee of accuracy or currency is given and, to the maximum extent permitted by law, Mutual Trust excludes any liability that may arise as a result of use of the information in this update.

This update is for general information only and does not constitute, and should not be relied on as personal financial product advice. In preparing this information, Mutual Trust did not take into account the investment objectives or financial situation of any particular investor and before making any investment decision you should obtain your own financial and professional advice. This update is not a Product Disclosure Statement (PDS) or an offer of units in the Mutual Trust Managed Investment Fund. Past performance may not be indicative of future performance and unit prices may rise and fall inline with the value of the underlying assets. All returns quoted in this document are net of all fees and charges and no allowance has been made for taxation and imputation credits.



Prime Value Growth Fund

The Prime Value Growth Fund, which holds a defensive position of 15.5% cash (as at 30 September), returned 15.1% over the September quarter. The fund has outperformed the S&P/ASX300 Accumulation Index over all periods outside of 3 months.

Blackrock Wholesale Australian Share Fund Plus Class D Units

The Blackrock Wholesale Australian Share Fund invests solely in Australian Equities. Over the September quarter, the fund returned 32.84%. Key positive drivers for this period were being overweight in Banks and Pacific Brands (PBG), while major detractors included an overweight position in Telstra (TLS) and Origin (ORG).

Perpetual Australian Share Fund

This fund, introduced during the June and September quarters, is a concentrated equities portfolio (typically 20-30 stocks) with at least 80% of the equities portfolio invested in Australian stocks. The fund returned +24.48% over the quarter and 54.03% over the past six months.

Fund Developments

The Product Disclosure Statement (PDS) for the Mutual Trust Managed Investment Fund will be reissued shortly. The new PDS will note a reduction of the management fee to 1.25% from the previous 1.75% p.a. This fee reduction applied from 1 December 2008 and results in higher returns to investors. The new PDS will also confirm the aim/objective of the MTMIF to “provide long term capital growth and income through a selection of carefully chosen managed funds which will have a bias to Australian equities”.

This document has been prepared in Australia by Mutual Trust Pty Ltd (ABN 71 004 285 330 AFSL 234590) (Mutual Trust). The information in this update relates only to the Mutual Trust Managed Investment Fund. Units in the Mutual Trust Managed Investment Fund are issued by Mutual Capital Ltd. (ACN: 100 733 695; AFSL: 238314), a wholly owned subsidiary of Mutual Trust. Although attempts have been made to ensure the information is accurate and up to date, no guarantee of accuracy or currency is given and, to the maximum extent permitted by law, Mutual Trust excludes any liability that may arise as a result of use of the information in this update.

This update is for general information only and does not constitute, and should not be relied on as personal financial product advice. In preparing this information, Mutual Trust did not take into account the investment objectives or financial situation of any particular investor and before making any investment decision you should obtain your own financial and professional advice. This update is not a Product Disclosure Statement (PDS) or an offer of units in the Mutual Trust Managed Investment Fund. Past performance may not be indicative of future performance and unit prices may rise and fall in line with the value of the underlying assets. All returns quoted in this document are net of all fees and charges and no allowance has been made for taxation and imputation credits.