



Fund Commentary

Performance drivers and positioning of the fund for the recent calendar quarter are explained below. Our investment experts also provide regular investment updates at mlcam.com.au/insights

The fund delivered a negative return of -0.9% for the quarter and 2.0% in the year to 30 September 2023 (before fees and tax). The fund outperformed the benchmark return by 0.3% for the quarter and 0.9% over the past year.

Global government bond yields have risen sharply in the past three months in response to inflation concerns. Bond investors appear to have become more cautious given rising oil prices and guidance from various central banks that they were prepared to further raise interest rates and hold them there. This view of "higher for longer" interest rates has also impacted global share markets. By contrast, corporate bonds have been more resilient. The current levels of corporate yields have proven more appealing to investors.

During the September quarter we made some changes to our fixed income strategy, impacting the building blocks used for securitised debt and Australian short duration credit strategies. We believe the changes will provide better risk-adjusted return outcomes and will generate better and more consistent returns for our diversified fund investors in an environment of higher, more normalised, bond yields.

Please refer to the 'Market commentary' for an overview of what happened in other domestic and global markets over the quarter.

Note:

- Commentary for this fund will be updated approximately three weeks after the end of the calendar quarter.