

## 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](https://mlcam.com.au/insights)*

The fund returned 3.3% for the quarter and -2.8% in the year to 31 March 2023 (before fees and tax). The fund underperformed the benchmark return by 0.2% for the quarter and by 0.3% over the past year.

Global government bond yields fell sharply in the first quarter of this year. Encouraging signs that global inflation pressures have peaked with lower commodity prices and improved supply conditions was the initial driver of lower bond yields. Global banking stresses in March with the failure of three US regional banks and Credit Suisse's woes then accelerated the fall in government bond yields.

Corporate bonds proved resilient to this global banking stress. There has been some modest increase in credit spreads in March, but investors are finding the current corporate yields as now providing attractive income potential compared to recent years..

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.