

Performance Insight



Commonwealth Investment Funds Quarterly Update as at 31 March 2023

Commonwealth Investment Funds

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Important Information

On 1 April 2021, AIA Australia (AIAA) ABN 79 004 837 861 AFSL 230043 replaced the Colonial Mutual Life Assurance Society Limited (CMLA) (ABN 12 004 021 809 AFSL 235035) as the administrator of your products. This change of administrator does not impact the operation of your account. The terms and conditions of your account will operate as they do today and are unchanged.

Information is current as at 31 March 2023. The information contained in this document is general information only (including the statements on taxation which are of a general nature only and based on current laws, rulings and their interpretation as at 31 March 2023) and has been prepared without taking into account your objectives, financial situation or needs. You should consider the appropriateness of this information for your objectives, financial situation or needs. You should speak to your financial adviser or tax adviser in relation to taxation issues.

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Returns are not guaranteed and past performance is not indicative of future performance. There is no guarantee that one investment option will outperform another. The performance of the investment options are generally dependent on economic conditions, investment management and taxation laws.

Performance Insight is issued by AIAA and Colonial First State Investments Limited ABN 98 002 348 352 AFSL 232468 (CFSIL).

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Quarterly performance report as at 31 March 2023

Financial markets commentary:

In Q1 2023, the Reserve Bank of Australia lifted interest rates by a further half of a percentage point to 3.60% as anticipated but left interest rates unchanged at the Reserve Bank's meeting on 4 April. Consumer prices rose 6.8% in the 12 months ending 28 February 2023 well below the January level. Australian unemployment rate has fallen back to 3.5% which is close to the lowest level ever. The Australian dollar depreciated by -1.4% against the US dollar over the quarter, closing at 66.85 US cents.

Australian equities proved quite resilient, despite turbulent conditions in major offshore markets and on concerns about potential banking crises. The S&P/ASX Accumulation 200 Index closed the quarter 2% higher. Consumer Discretionary sector was the best performing sector gaining +9.9%. Information Technology also posted gains of +7.5%. Financial sector fell by -3.6% over the quarter largely due to the banking turmoil overseas. Energy stocks were hampered by a lower oil price closing lower at -5.3%. Small caps mostly underperformed their larger peers with the S&P/ASX Small Ordinaries Index closing the month at 1.9% higher.

Global shares advanced in first quarter, with the MSCI World Index returning nearly 7.3% in AUD terms. The last month saw a fair amount of volatility due to the failure of SVB Financial Group and the financial difficulty of Credit Suisse but fears had abated by month end with confidence gradually being restored. In spite of the weakness in the financial sector, the S&P 500 Index appreciated 7% while the Euro Stoxx 50 advanced 13.7% higher. Technology stocks in the US fared particularly well, which enabled the NASDAQ to gain 16.8%. Positive returns were observed in Asia as well. Share markets in Japan and Hong Kong fared well, adding 5.9% and 3.1% respectively. Chinese shares closed the quarter at 5.9% higher.

Over the quarter, significant falls in government bond yields worldwide translated into strong returns from fixed income. The US 10-year Treasury yields closed 45 bps lower in March. Government bond yields moved lower in Europe too, as investors revised their interest rate expectations lower. The most significant falls in yields were seen locally, yields on the 10-year Australia Commonwealth Government Securities decreased by 75 bps closing the quarter at 3.30%.

Market Indices	Returns as at 31 March 2023								
	3 mth (%)	6 mth (%)	1 yr (%)	2 yr (% p.a.)	3 yr (% p.a.)	4 yr (% p.a.)	5 yr (% p.a.)	7 yr (% p.a.)	10 yr (% p.a.)
Australian Shares									
S&P / ASX 200 Accumulation Index	3.5	13.2	0.1	7.3	16.5	7.9	8.7	9.4	8.2
International Shares									
MSCI All Country World Net Index (AUD)	8.7	13.1	3.8	6.3	11.9	9.6	9.9	11.3	13.0
Australian Fixed Interest									
Bloomberg AusBond Composite 0+ Yr Index	4.6	5.0	0.3	-2.6	-2.4	-0.2	1.3	1.7	2.8
International Fixed Interest									
Bloomberg Barclays Global Aggregate Corporate (hedged AUD)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Property									
S&P / ASX 200 - A-REIT Accumulation Index	0.5	12.1	-13.9	0.7	13.6	0.0	4.8	4.1	7.7
Cash									
Bloomberg AusBond Bank Bill Index	0.8	1.5	2.0	1.0	0.7	0.9	1.1	1.3	1.7
Currency									
AUD/USD	-1.2	4.2	-10.8	-6.2	3.0	-1.5	-2.7	-2.0	-4.3

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Commonwealth Investment Funds

Quarterly performance report as at 31 March 2023

Closed to new investors

Investment options	Inception date	Investment option fee & costs	Buy/Sell Spread	Fund size (\$m)	Entry price (\$)	Exit price (\$)	Last distribution (% p.a.)	Last distribution date	Distribution frequency	Return type	Return for specified period (%)			Compound annual returns (%)				Asset allocation (%)					
											3 mths	6 mths	1 year	3 years (p.a.)	5 years (p.a.)	10 years (p.a.)	Since inception	Australian shares	Global shares	Listed property	Alternatives	Fixed interest	Cash
Commonwealth Income Fund	2/03/1994	1.22%	0.30% / 0%	35.8	0.97099	0.96905	0.05%	31/03/2023	Quarterly	Growth	3.0%	4.3%	-1.4%	-1.8%	-1.1%	-1.3%	-0.1%	10.0%	-	-	-	60.9%	29.2%
										Distribution	0.0%	0.0%	0.3%	1.6%	2.0%	3.2%	4.6%						
										Total	3.0%	4.4%	-1.0%	-0.2%	1.0%	2.0%	4.5%						
Commonwealth Balanced Fund	4/10/1988	1.62%	0.30% / 0%	138.8	1.80549	1.80189	4.35%	31/03/2023	Quarterly	Growth	3.9%	6.7%	-4.6%	1.3%	1.4%	2.2%	1.8%	31.5%	25.8%	3.0%	-	34.9%	4.8%
										Distribution	0.8%	1.7%	4.2%	4.6%	3.2%	3.0%	5.1%						
										Total	4.7%	8.5%	-0.4%	6.0%	4.5%	5.3%	6.8%						
Commonwealth Growth Fund	2/03/1994	1.62%	0.30% / 0%	115.1	2.05989	2.05578	6.62%	31/12/2022	Half-Yearly	Growth	4.6%	6.9%	-9.0%	2.9%	1.7%	3.3%	2.6%	42.5%	25.9%	6.9%	-	21.9%	2.8%
										Distribution	0.0%	1.5%	6.3%	4.7%	3.1%	2.8%	4.0%						
										Total	4.6%	8.4%	-2.8%	7.6%	4.8%	6.1%	6.6%						
Commonwealth Australian Share Fund	2/03/1994	1.62%	0.40% / 0%	26.5	1.33957	1.33690	3.18%	31/12/2022	Half-Yearly	Growth	3.5%	7.5%	-12.6%	5.2%	-1.7%	-1.3%	1.1%	99.5%	-	-	-	-	0.5%
										Distribution	0.0%	1.6%	8.6%	7.0%	6.7%	6.9%	6.7%						
										Total	3.5%	9.1%	-4.0%	12.2%	5.0%	5.6%	7.8%						
Commonwealth Share Income Fund	29/06/1990	1.62%	0.40% / 0%	64.2	1.48746	1.48449	1.49%	31/12/2022	Half-Yearly	Growth	3.5%	7.5%	-12.7%	5.4%	-1.6%	-1.0%	1.3%	99.4%	-	-	-	-	0.6%
										Distribution	0.0%	1.7%	8.7%	6.9%	6.7%	6.6%	7.0%						
										Total	3.5%	9.2%	-4.0%	12.3%	5.1%	5.6%	8.3%						
Commonwealth Property Securities Fund	21/10/1996	1.62%	0.40% / 0%	9.1	0.85450	0.85279	0.44%	31/12/2022	Half-Yearly	Growth	0.6%	11.4%	-14.9%	11.9%	3.1%	4.1%	-0.6%	-	-	99.5%	-	-	0.5%
										Distribution	0.0%	0.9%	1.4%	1.3%	1.5%	2.3%	5.6%						
										Total	0.6%	12.3%	-13.6%	13.2%	4.6%	6.4%	5.1%						
Commonwealth International Shares Fund	2/03/1994	1.62%	0.25% / 0%	18.6	3.44286	3.43770	-	31/12/2022	Half-Yearly	Growth	9.2%	12.3%	4.4%	10.2%	8.9%	11.5%	4.3%	-	99.8%	-	-	-	0.2%
										Distribution	0.0%	0.0%	0.1%	0.0%	0.0%	0.1%	1.5%						
										Total	9.2%	12.3%	4.4%	10.3%	8.9%	11.6%	5.8%						
Commonwealth Bond Fund	19/01/1990	1.22%	0.20% / 0%	7.8	1.02369	1.02165	-	31/12/2022	Quarterly	Growth	4.2%	4.5%	-1.1%	-5.1%	-2.0%	-1.5%	0.1%	-	-	-	-	99.4%	0.6%
										Distribution	0.0%	0.0%	0.3%	2.1%	2.4%	2.9%	5.2%						
										Total	4.2%	4.5%	-0.8%	-3.0%	0.4%	1.4%	5.3%						