

NGS Super

Monthly market snapshot

July 2023



The **Monthly market snapshot** provides commentary on financial markets' performance and the global economy.

Monthly market snapshot

July 2023 key insights

Goldilocks hopes rise



The US equity market continued to rise in July, as earnings met their slightly lowered expectations but still kept a safe distance from recession. The S&P 500 was up 3.2% for the month, bringing its year-to-date return to 20%. This was its longest monthly winning streak in two years, fuelled by optimism about falling inflation and resilient growth that led to increasingly broad market gains. All 11 sectors gained, maintaining the trend from June, up from 3 in May and 8 in April. Energy performed the best, gaining 7.28%, while Health Care lagged, up only 0.85%. And after a slower start to the year, emerging markets surged in July (+6%), bringing the year-to-date return to 11%.

Other developed markets also marked softer gains in July. The Australian ASX 300 gained 2.9%, while the Euro Stoxx Index rose modestly (1.7%). Yields on 10-year bonds increased in Australia and the US.

Economically sensitive commodities rebounded in July. The price of Brent oil rose 13.7% to US\$85 per barrel, while copper (7.2%), nickel (7.5%) and zinc (7.9%) also moved higher. Tightening fundamentals continue to lift commodities as Russia cut production further. After falling in the prior quarter, the price of gold rose in July to US\$1,971 per ounce. This reflected a fall in the US dollar by 1.0% in July, with the Australian dollar gaining against the greenback.

On the economic data front, Australia's second quarter consumer price index report came in below expectations, with the headline rate of inflation at 6.0% and the core figure at 5.9%. The Reserve Bank of Australia (RBA) paused on rate hikes in July and August, reflecting a more cautious approach. The unemployment rate was 3.5% in June, and the housing market continued to stabilise, with house prices rising for the fifth consecutive month. The Australian Home Value Index rose 0.7%, marking a recovery trend. Consumer confidence rose by 2.7% in July but remained at a very low level, reflecting mixed sentiments about the economy.

In the US, the Federal Reserve raised its key policy rate to 5.25%-5.50%, in line with market expectations. Headline inflation fell to 3% year-on-year in June, and a resilient preliminary second quarter GDP print of 2.4% raised hopes for a "soft landing" in the economy.

China's economic data has been disappointing economists and investors, but the government is taking more action. Chinese officials have begun implementing stimulus measures, focusing on strengthening consumer activity, easing restrictions on the property sector, and ensuring local governments have the financing for infrastructure investment. The details of the package remain vague, but the focus is clear: unlocking household savings and boosting consumer spending.

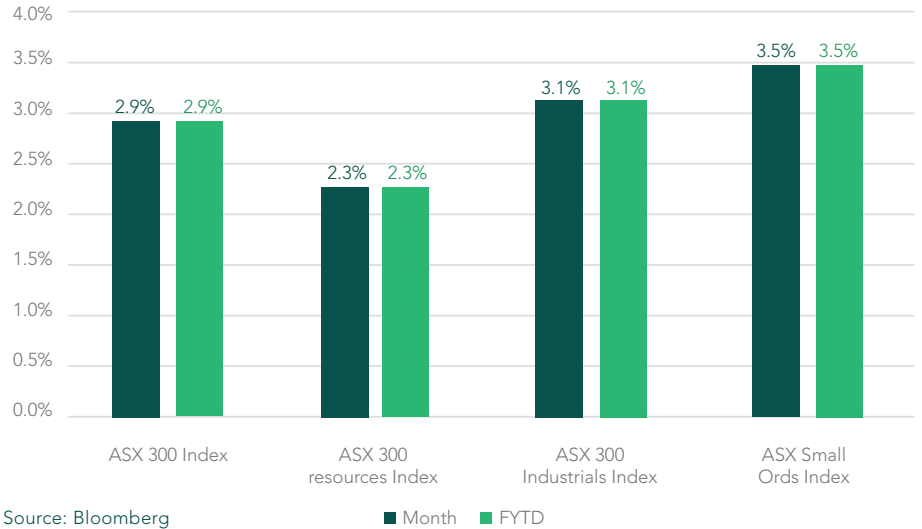
The European Central Bank hiked rates by 0.25% in July. Inflation rates varied across regions, with the eurozone at 5.5% and the UK at 7.9% for the second quarter.

Overall, July 2023 was a month of significant economic and financial activities. From China's stimulus measures to interest rate decisions in several countries, and shifts in equity markets, commodities, and currencies, the global economic landscape appears to be in a state of flux. The actions taken by central banks and governments reflect a complex interplay of factors that will continue to shape the global economy in the months to come. Investors, policymakers and analysts will undoubtedly keep a close eye on these developments as they navigate the ever-changing economic terrain.

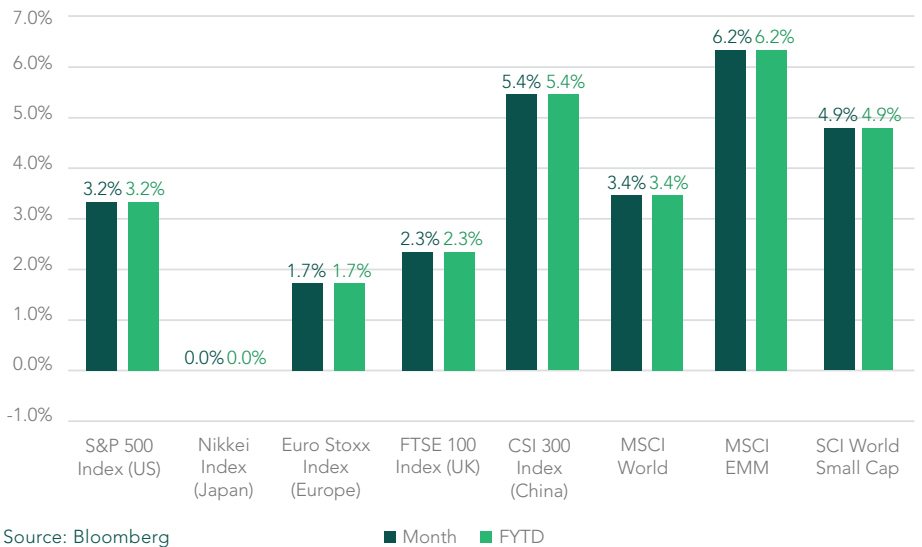


July 2023

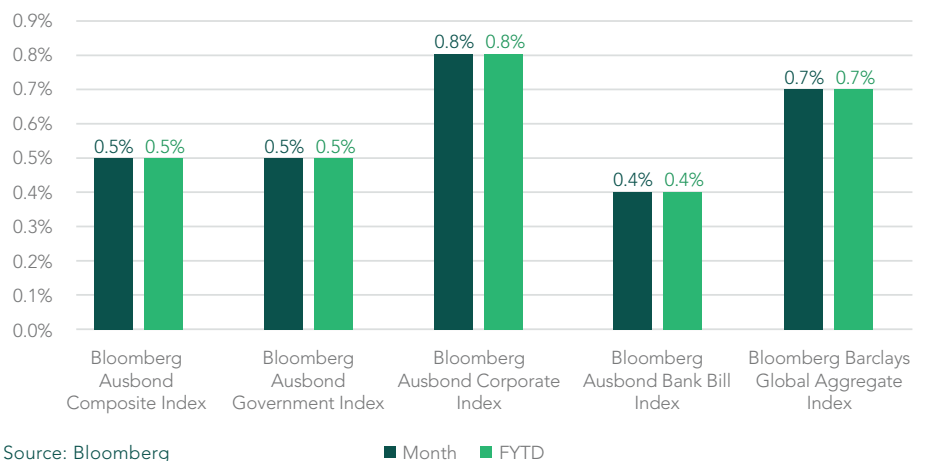
Australian equities



International equities (local currencies)



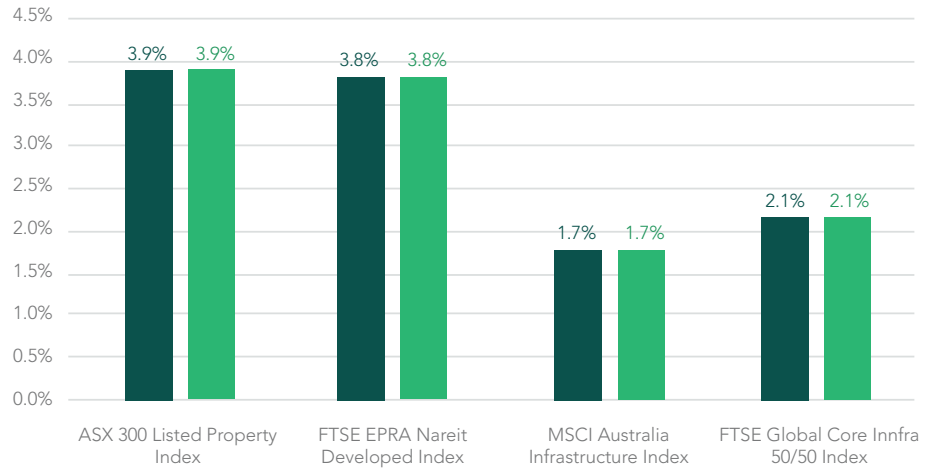
Fixed income





July 2023

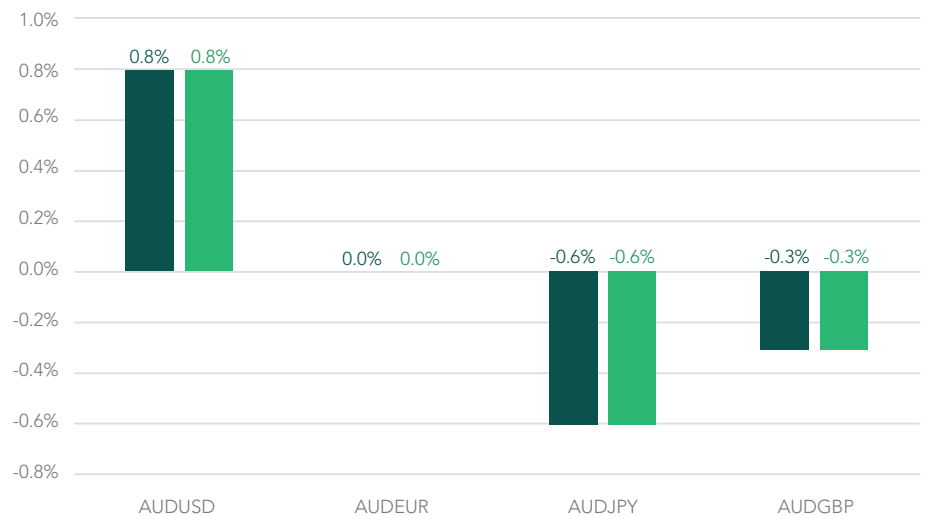
Property and Infrastructure



Source: Bloomberg

■ Month ■ FYTD

Australian dollar against major local currencies



Source: Bloomberg

■ Month ■ FYTD

NGS SUPER INVESTMENT PERFORMANCE SUMMARY TO 31 JULY 2023 SUPERANNUATION

NGS Accumulation account and Transition to retirement account¹ returns

	NGS Super investment option	10 years % p.a.	5 years % p.a.	3 years % p.a.	1 year %	Financial year to date %	Month %	Since commencement % p.a. return	Commencement date	Funds under management (FUM) \$M
PRE-MIXED	Diversified (MySuper)	7.12	5.60	7.33	6.79	1.29	1.29	6.76	Oct 1999	9185.90
	High Growth	7.91	6.21	8.15	8.15	1.44	1.44	6.22	Jul 2007	620.80
	Balanced	5.87	4.56	5.52	5.15	0.98	0.98	5.25	Jul 2007	483.50
	Defensive	4.90	3.62	3.95	3.14	0.67	0.67	5.55	Feb 2003	314.60
	Indexed Growth	7.13	5.89	7.57	6.29	1.98	1.98	8.09	Oct 2011	136.80
SECTOR-SPECIFIC	Australian Shares	8.00	7.01	11.74	11.22	2.57	2.57	9.21	Feb 2003	420.10
	International Shares	9.73	7.15	7.56	13.34	2.04	2.04	7.87	Mar 2003	286.30
	Infrastructure	n/a	n/a	4.42	-2.38	0.86	0.86	3.90	May 2019	9.60
	Property	6.91	4.07	6.32	-0.05	2.42	2.42	7.60	Sep 2002	77.80
	Diversified Bonds	1.65	0.42	-2.15	-4.44	-0.38	-0.38	3.90	Oct 1999	37.50
	Cash and Term Deposits	1.79	1.35	1.17	2.84	0.33	0.33	3.41	Oct 1999	306.00

The above table shows the net return after investment fees, tax and the asset-based fee.

We recommend that you seek financial advice before making any changes to your investment strategy. In particular we recommend that you seek financial advice before making any short-term changes to your long-term investment strategy. Investment returns are not guaranteed as all investments carry some risk. Past performance is not necessarily a guide to future performance.

¹ If you are in a *Transition to retirement account*, your returns prior to 1 July 2017 were tax free and were reflected in the Income account returns.

This information is provided by NGS Super Pty Limited ABN 46 003 491 487, AFSL No 233 154, the trustee of NGS Super ABN 73 549 180 515

NGS SUPER INVESTMENT PERFORMANCE SUMMARY TO 31 JULY 2023 INCOME ACCOUNT

Returns on income account (pension) investments are tax free. Income account investment returns will exceed equivalent (taxed) super investment returns in periods when investment earnings are positive. In periods when investment earnings are negative, super returns will exceed equivalent income account returns. A negative return (loss) means that less tax is payable on taxed super investments than has already been accrued, so there is a tax adjustment that can be credited back to accumulation members. There is no equivalent adjustment for income account members because income account returns are tax free.

NGS Income account returns

	NGS Super investment option	10 years % p.a.	5 years % p.a.	3 years % p.a.	1 year %	Financial year to date %	Month %	Since commencement % p.a. return	Commencement date	Funds under management (FUM) \$M
PRE-MIXED	Diversified	7.72	6.00	7.80	7.80	1.45	1.45	7.01	Nov 2001	1090.10
	High Growth	8.47	6.47	8.59	9.60	1.58	1.58	6.58	Aug 2007	83.00
	Balanced	6.40	4.85	5.88	5.96	1.11	1.11	5.74	Aug 2007	381.60
	Defensive	5.42	3.89	4.30	3.75	0.77	0.77	5.73	Nov 2001	376.80
	Indexed Growth	7.70	6.20	8.04	7.36	2.20	2.20	8.82	Sept 2011	87.30
	Retire Plus	n/a	6.37	8.46	7.09	1.04	1.04	7.37	Aug 2017	134.10
SECTOR-SPECIFIC	Australian Shares	8.02	6.60	11.16	12.19	2.88	2.88	8.39	Sept 2004	76.80
	International Shares	10.25	6.97	7.06	13.89	2.29	2.29	7.93	Sept 2004	50.80
	Infrastructure	n/a	n/a	5.12	-1.73	1.09	1.09	4.51	May 2019	3.10
	Property	7.63	4.60	6.98	-0.46	2.91	2.91	8.32	Dec 2002	22.10
	Diversified Bonds	1.99	0.63	-2.25	-5.21	-0.45	-0.45	3.98	May 2004	22.40
	Cash and Term Deposits	2.11	1.59	1.38	3.34	0.38	0.38	3.68	Jul 2004	127.50

The above table shows the net return after investment fees and the asset-based fee (no tax applies).

We recommend that you seek financial advice before making any changes to your investment strategy. In particular we recommend that you seek financial advice before making any short-term changes to your long-term investment strategy. Investment returns are not guaranteed as all investments carry some risk. Past performance is not necessarily a guide to future performance.

This information is provided by NGS Super Pty Limited ABN 46 003 491 487, AFSL No 233 154, the trustee of NGS Super ABN 73 549 180 515

Further information

If you are thinking about making changes to your investments in NGS Super, consider obtaining professional advice to understand which investment option might be right for you.

We offer single-issue advice limited to your NGS Super account at no cost:

- over the phone through our Financial Advice Helpline
- through our **Super Specialists** who you can talk to over the phone or meet either virtually or face-to-face.

We also offer low-cost tailored advice through NGS Financial Planning. To make an appointment phone us on **1300 133 177** or complete the **Financial planning enquiry form** at ngssuper.com.au/advice

NGS financial planning service

NGS Super members are also entitled to a free initial consultation for general advice relating to your personal circumstances through our financial planning service.

Important information

This is general information only — it does not take into account your objectives, financial situation or needs.

Please assess your own financial situation, read the **Product Disclosure Statement** for any product you may be thinking of acquiring and consider seeking professional advice before acting on this information. Past performance is not a reliable indicator of future performance.

NGS Financial Planning Pty Ltd, ABN 89 134 620 518, is a corporate authorised representative #394909 of Guideway Financial Services Pty Ltd, ABN 46 156 498 538, AFSL #420367 and offers financial planning services on behalf of NGS Super ABN 73 549 180 515.

The Monthly market snapshot contains general information only and should not be regarded as financial, legal or other advice. If you require further information on any of the content please contact NGS Super or seek professional advice.

How to contact us

Telephone: 1300 133 177

Monday to Friday, 8am–8pm (AEST/AEDT)

Facsimile: (03) 9245 5827

For callers outside Australia: +61 3 8687 1818

Postal address:

GPO Box 4303, MELBOURNE VIC 3001

Online at ngssuper.com.au/contact-us



**ngs
Super**

**CARBON
NEUTRAL
BY 2030**

**Climate
Active**
NETWORK MEMBER

**ESG
LEADER
2022**

ngssuper.com.au
1300 133 177