

NGS Super

Monthly market snapshot

August 2023



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

Monthly market snapshot

August 2023 key insights

Navigating through uncertainty



In August 2023, global financial markets experienced significant volatility, primarily driven by the US Federal Reserve's (Fed's) monetary policy decisions and concerns over ongoing inflation battles. The Fed's announcement of potential further interest rate hikes in the coming months, coupled with mixed macroeconomic indicators, played a pivotal role in shaping investor sentiment. Additionally, geopolitical tensions in various regions and the ongoing restructure of global supply chains added to market uncertainty. Key economic indicators, especially in Europe and China, showed signs of a slowdown in major economies, further fuelling concerns about a potential economic downturn.

Equity markets across the globe presented a mixed picture for August. The S&P 500, representing the US equity market, declined by 1.6%, reflecting concerns over the Fed's monetary policy and its potential impact on corporate earnings. On the global front, the MSCI World Index, which represents developed markets, saw a decrease of 2.4%. Emerging markets faced a more significant downturn, declining by 6.2%, with the CSI 300 Index for China experiencing a notable drop of 6.0%. In contrast, the Australian market saw a modest decline of 0.8%. The general trend indicated a cautious approach by investors, with many opting to reallocate assets to safer investment avenues.

The currency markets witnessed fluctuations, with the AUD/USD exchange rate declining by 3.5% over the month. The Euro and the Japanese Yen also weakened against the US dollar, with the EUR/USD and JPY/USD rates dropping by 2.1% and 1.2%, respectively. In the bond market, the Bloomberg Barclays Global Aggregate Index, representing the global bond market, declined by 1.4%, while the Australian bond market, as indicated by the Bloomberg AusBond Composite Index, saw a positive return of 0.7%. The performance of the property and infrastructure sectors was variable. The ASX 300 Listed Property Index in Australia gained 2.2%, while the global FTSE EPRA Nareit Developed Index declined by 3.3%. Infrastructure indices also faced downward pressure, with the MSCI Australia Infrastructure Index and the FTSE Global Core Infra 50/50 Index declining by 5.9% and 5.4%, respectively.

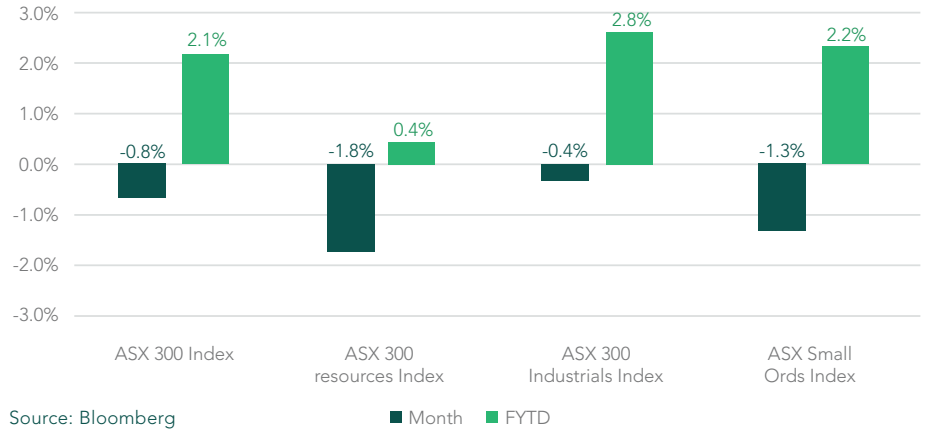
Focusing on the Australian economy, the property market showed signs of stabilising. According to data from CoreLogic, the 5 capital city aggregate indicated a steady growth trend in recent months. However, the Reserve Bank of Australia (RBA) maintained a cautious stance, with no significant changes in its monetary policy. Additionally, Australia's big 4 banks did not announce any major changes to mortgage rates during the month. On the news front, Australia's trade relations and ongoing negotiations with key trading partners remained in the spotlight, with potential implications for the country's economic growth and stability.

In summary, August 2023 was marked by cautious investor sentiment, driven by global macroeconomic factors and central bank decisions. As markets navigate through these uncertainties, it remains imperative for investors to apply a long-term vision and make well-considered decisions.

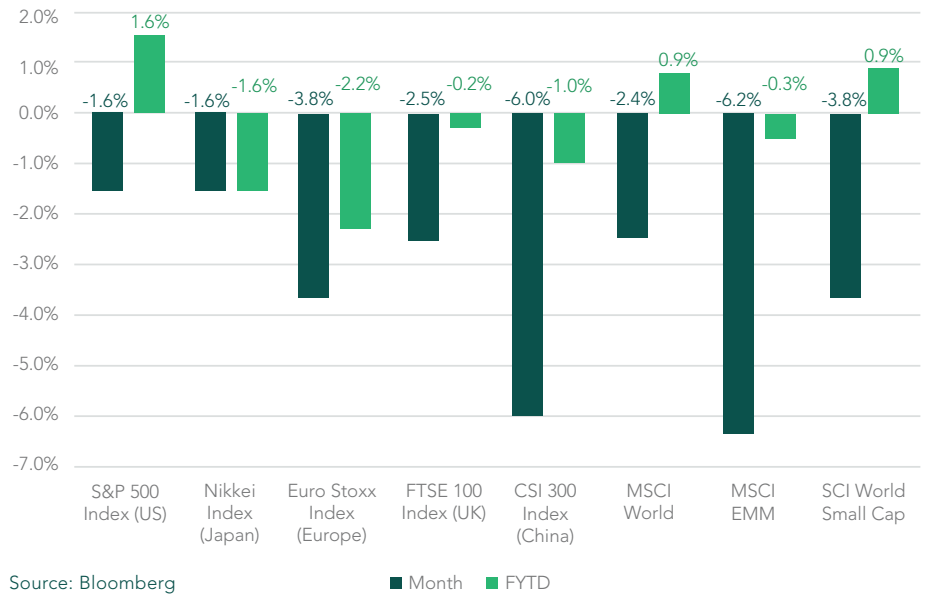


August 2023

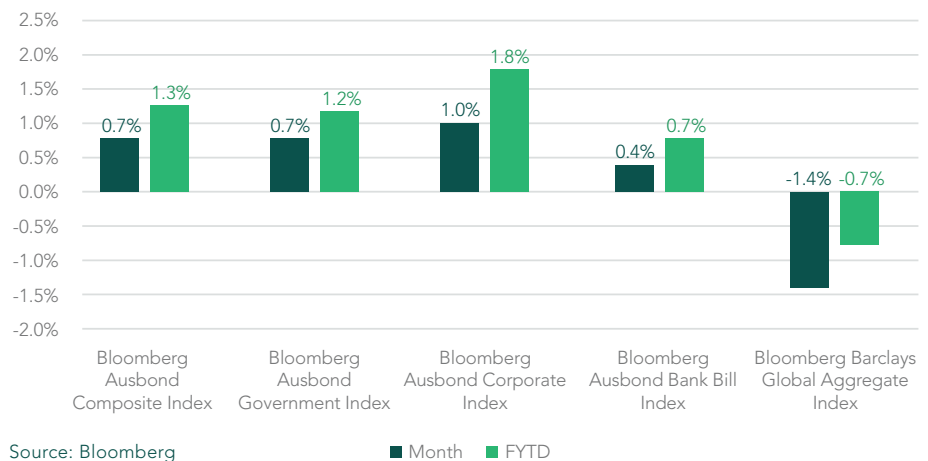
Australian equities



International equities (local currencies)



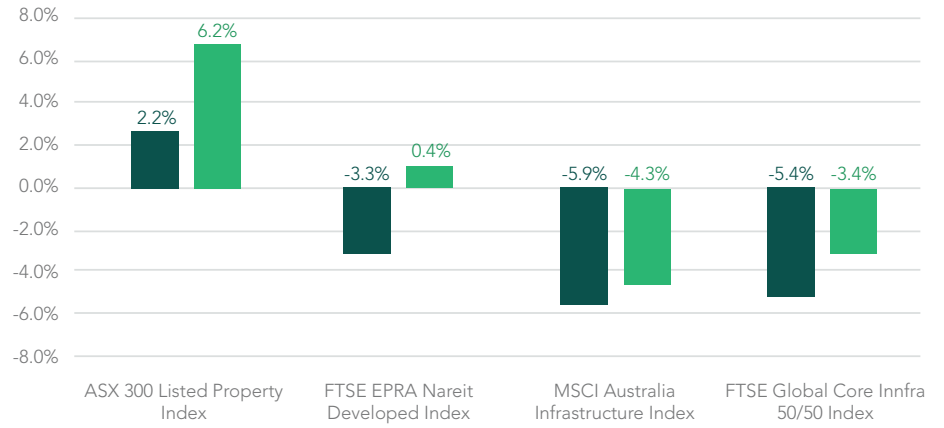
Fixed income





August 2023

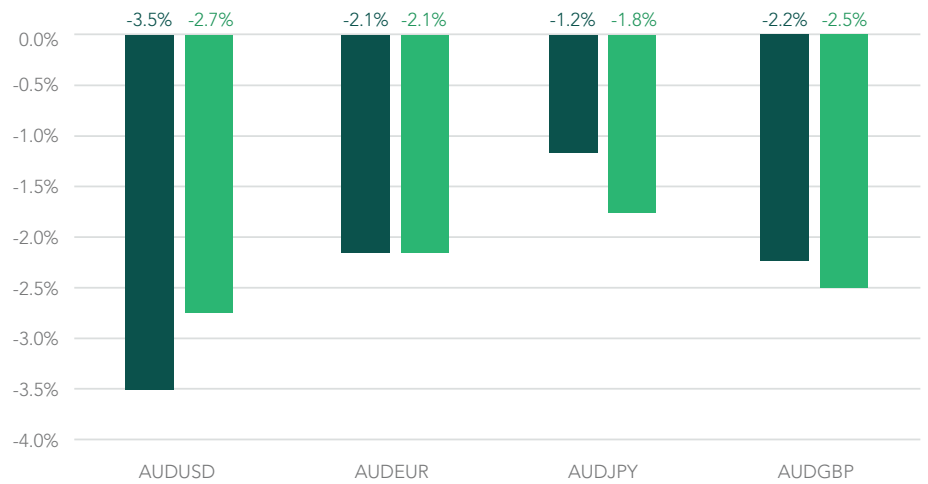
Property and Infrastructure



Source: Bloomberg

■ Month ■ FYTD

Australian dollar against major local currencies



Source: Bloomberg

■ Month ■ FYTD

NGS SUPER INVESTMENT PERFORMANCE SUMMARY TO 31 AUGUST 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)	7.04	5.33	6.62	6.84	0.98	-0.30	6.70	Oct 1999	9146.40
	High Growth	7.85	5.91	7.40	7.76	1.26	-0.18	6.17	Jul 2007	623.20
	Balanced	5.81	4.37	5.05	5.40	0.81	-0.17	5.22	Jul 2007	476.10
	Defensive	4.88	3.51	3.70	3.77	0.65	-0.02	5.52	Feb 2003	309.40
	Indexed Growth	7.07	5.54	6.61	6.89	1.53	-0.44	7.99	Oct 2011	136.40
SECTOR-SPECIFIC	Australian Shares	7.65	6.53	10.21	9.41	1.80	-0.76	9.13	Feb 2003	420.90
	International Shares	9.77	6.66	6.23	15.02	1.38	-0.65	7.80	Mar 2003	284.40
	Infrastructure	n/a	n/a	3.04	-5.90	-3.16	-3.99	2.86	May 2019	9.00
	Property	7.00	3.65	5.71	2.47	0.81	-1.57	7.49	Sep 2002	76.60
	Diversified Bonds	1.60	0.28	-2.31	-2.90	-0.90	-0.52	3.86	Oct 1999	35.80
	Cash and Term Deposits	1.80	1.38	1.26	3.04	0.65	0.32	3.41	Oct 1999	294.60

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 AUGUST 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	7.63	5.70	7.16	7.85	1.11	-0.34	6.97	Nov 2001	1090.70
	High Growth	8.41	6.14	7.95	9.18	1.41	-0.17	6.53	Aug 2007	82.90
	Balanced	6.33	4.64	5.48	6.25	0.92	-0.18	5.70	Aug 2007	389.00
	Defensive	5.40	3.76	4.08	4.46	0.74	-0.02	5.70	Nov 2001	377.20
	Indexed Growth	7.64	5.81	6.97	8.05	1.71	-0.48	8.71	Sept 2011	87.60
	Retire Plus	n/a	6.15	8.06	6.94	0.86	-0.18	7.24	Aug 2017	136.10
SECTOR-SPECIFIC	Australian Shares	7.63	6.07	10.12	10.14	2.02	-0.84	8.30	Sept 2004	75.20
	International Shares	10.30	6.42	5.58	15.75	1.53	-0.73	7.85	Sept 2004	50.20
	Infrastructure	n/a	n/a	3.52	-5.89	-3.55	-4.59	3.29	May 2019	3.00
	Property	7.72	4.09	6.23	2.32	0.95	-1.91	8.19	Dec 2002	21.30
	Diversified Bonds	1.94	0.46	-2.43	-3.42	-1.05	-0.61	3.93	May 2004	22.20
	Cash and Term Deposits	2.11	1.62	1.48	3.57	0.76	0.38	3.69	Jul 2004	131.60

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

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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.

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