

Monthly market snapshot

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



Monthly market snapshot

September 2023 market commentary

Caution and anticipation

In September 2023, global financial markets grappled with multifaceted challenges. The US Federal Reserve's (Fed's) decision to maintain its interest rates stirred debate among analysts and investors. While some perceived it as a proactive approach towards the country's surging inflation rates, others voiced concerns about the long-term implications on borrowing costs and corporate profits. Macro indicators such as the GDP and PMI remained within expected boundaries, but the underlying tensions between major economies added to the markets' cautious sentiments.

Major global equity markets exhibited a similar downward trend. The S&P 500, representing the broader US equity landscape, saw a significant decline of 4.8% for the month, for a 3.3% decline financial-year-to-date. The MSCI World Index, indicative of the global developed markets, followed a similar pattern. The MSCI EM index, reflecting emerging markets, experienced slightly steeper declines than developed counterparts. Europe's Euro Stoxx and Australia's ASX 300 indexes experienced similar losses, while the CSI 300, representing China, lagged due to local economic pressures and regulatory crackdowns.

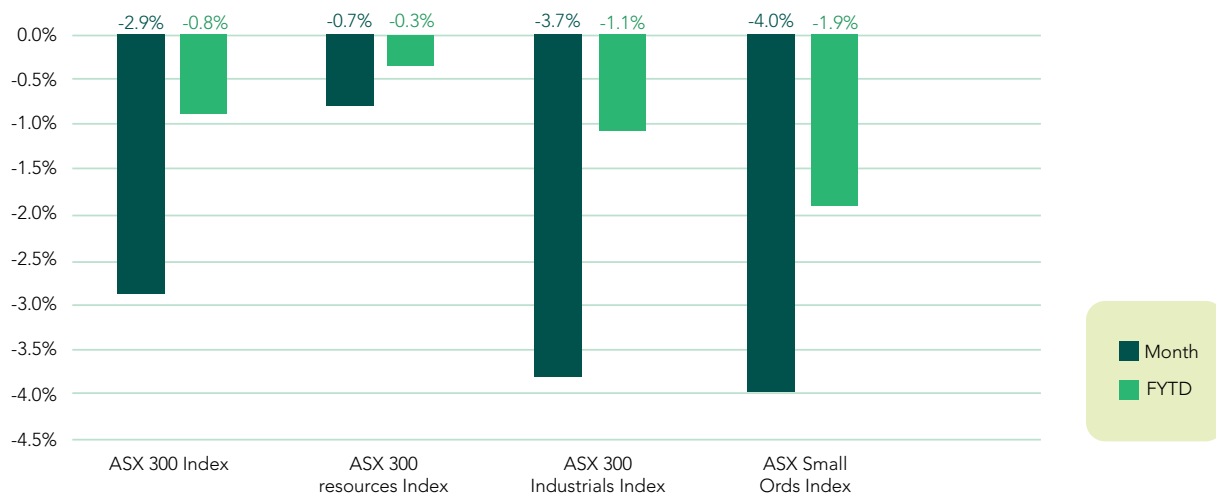
Diverging from equities, currency markets remained relatively stable. The Australian dollar saw a 0.8% decline against the US dollar, but gained about 1.8% against the euro and the Japanese yen. On the bond front, the global bond market, signified by the Bloomberg Barclays Global Aggregate Index, saw a decline of about 2.9%. This sharp decline is due to yields continuing their march higher as the Fed maintains its 'higher rates for longer' stance. Property and infrastructure listed markets also showed a similar negative trend, as they are perceived as bond proxies. The ASX 300 Listed Property Index suffered a sharp decline of 8.7%. Similarly, the FTSE EPRA Nareit Developed Index declined by 6%, reflecting negative sentiment towards the global developed property market. Infrastructure investments, both local (MSCI Australia Infrastructure index) and global (FTSE global core infra 50/50 index), declined by 3.5% and 6% respectively.

Zooming in on Australia, the local economy presented a complex tapestry. The property market showed positive momentum with the 5 capital city aggregate showcasing a steady increase on a month-on-month basis. However, the possibility of another 1 or 2 rate hikes to tame inflation could slow or reverse that positive momentum. The Reserve Bank of Australia, amidst these rumblings, maintained a balanced stance, closely monitoring inflation and employment numbers.

In conclusion, September was a testament to the intricate interplay of local events and global dynamics. While some markets braced against headwinds, others leveraged opportunities, demonstrating the ever-evolving nature of the financial world. With the end of the year approaching, markets and investors alike look towards the horizon, hopeful and cautious.

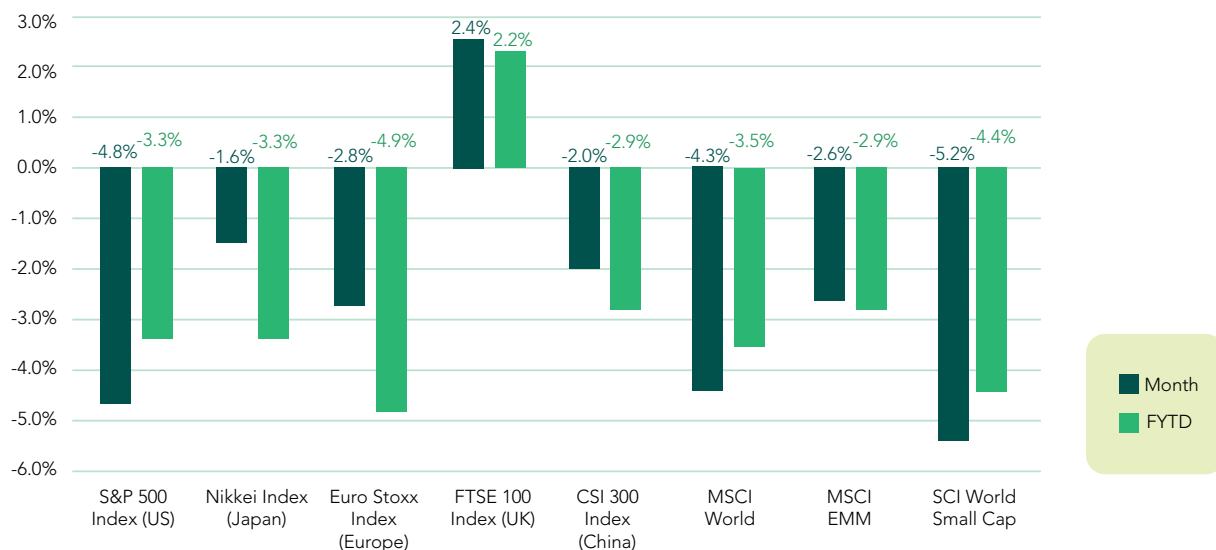
September 2023

Australian equities



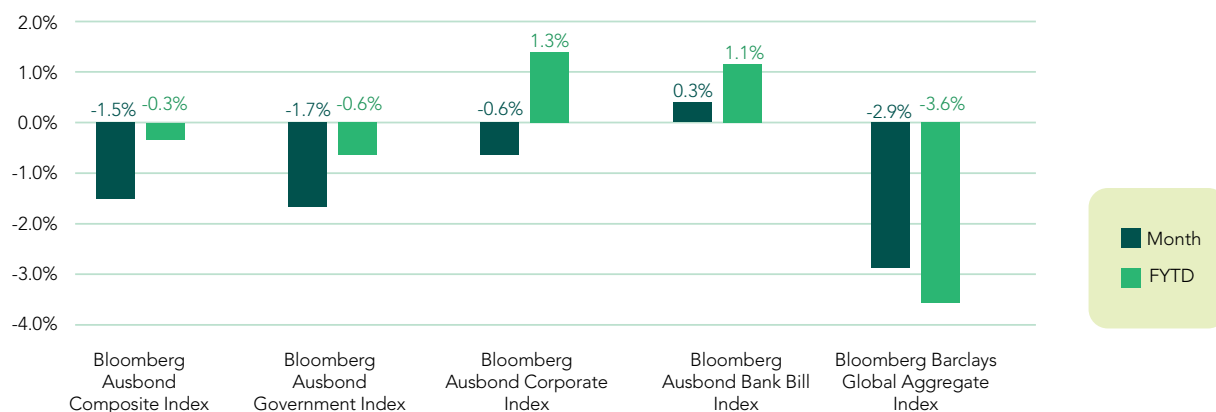
Source: Bloomberg

International equities (local currencies)



Source: Bloomberg

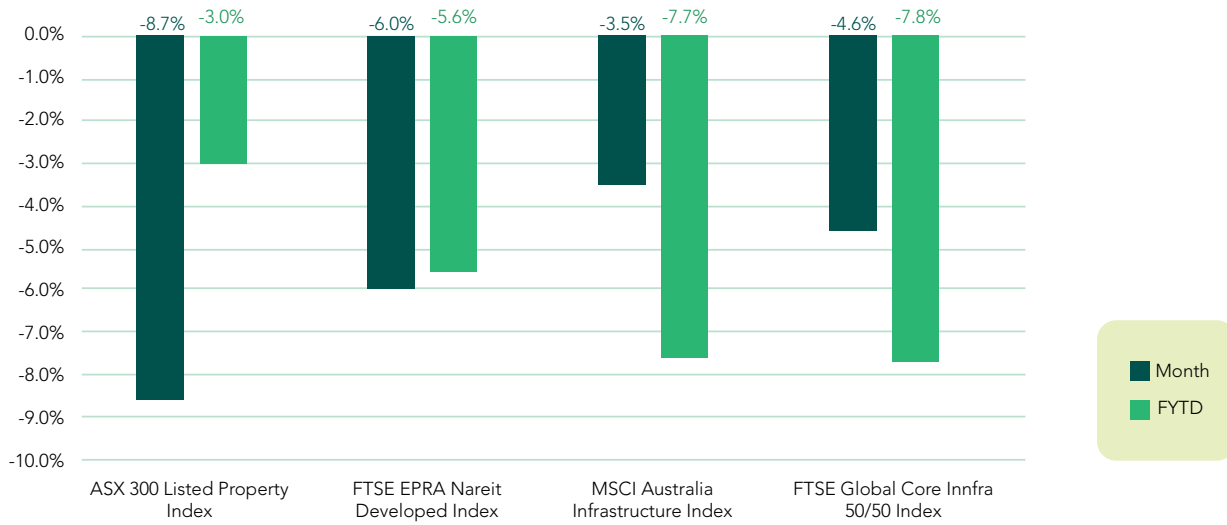
Fixed income



Source: Bloomberg

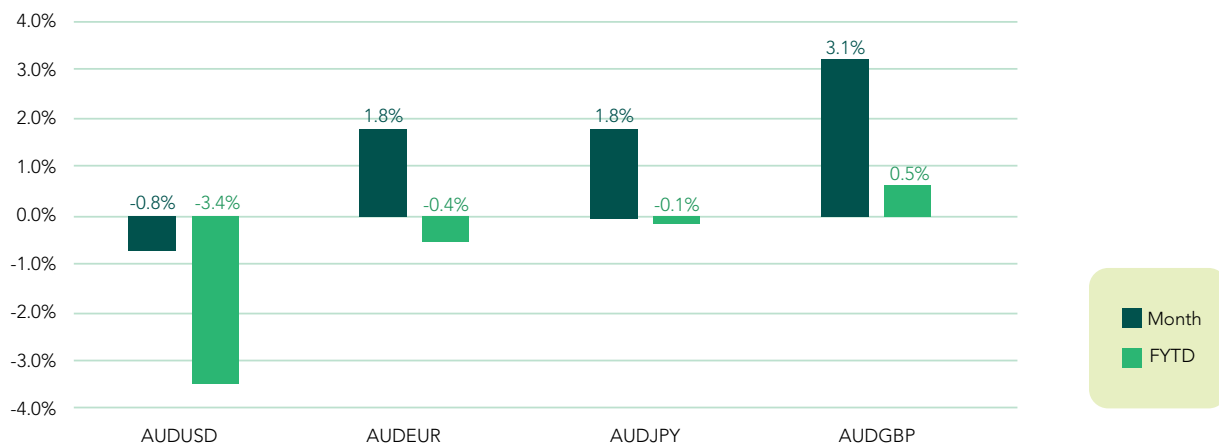
September 2023

Property and Infrastructure



Source: Bloomberg

Australian dollar against major local currencies



Source: Bloomberg

NGS Super Investment Performance Summary

To 30 September 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)	6.67	4.93	6.02	8.09	-0.94	-1.90	6.59	Oct 1999	8965.40
	High Growth	7.45	5.54	6.79	8.54	-0.61	-1.85	6.02	Jul 2007	610.20
	Balanced	5.52	4.04	4.56	6.33	-0.70	-1.50	5.09	Jul 2007	466.90
	Defensive	4.67	3.25	3.29	4.65	-0.47	-1.11	5.44	Feb 2003	303.80
	Indexed Growth	6.60	4.99	5.93	9.50	-1.43	-2.92	7.66	Oct 2011	132.70
SECTOR-SPECIFIC	Australian Shares	7.12	6.08	10.13	12.76	-0.99	-2.74	8.94	Feb 2003	408.50
	International Shares	9.13	5.97	4.86	17.18	-2.20	-3.53	7.58	Mar 2003	273.40
	Infrastructure	n/a	n/a	1.36	-4.11	-6.93	-3.89	1.88	May 2019	8.30
	Property	6.23	2.57	4.09	3.53	-3.88	-4.66	7.21	Sep 2002	72.90
	Diversified Bonds	1.43	-0.05	-2.84	-1.36	-2.32	-1.43	3.79	Oct 1999	34.60
	Cash and Term Deposits	1.81	1.41	1.35	3.22	0.97	0.31	3.41	Oct 1999	294.00

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 30 September 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 (MySuper)	7.21	5.29	6.48	9.18	-1.08	-2.16	6.83	Nov 2001	1064.70
	High Growth	7.96	5.79	7.30	10.02	-0.66	-2.04	6.36	Aug 2007	82.80
	Balanced	6.01	4.31	4.94	7.31	-0.77	-1.67	5.56	Aug 2007	383.10
	Defensive	5.16	3.48	3.63	5.50	-0.53	-1.27	5.62	Nov 2001	370.40
	Indexed Growth	7.11	5.20	6.21	10.96	-1.59	-3.24	8.35	Sept 2011	85.10
	Retire Plus	n/a	5.81	7.52	7.66	-0.67	-1.52	6.87	Aug 2017	135.40
SECTOR-SPECIFIC	Australian Shares	7.04	5.75	10.12	13.86	-1.11	-3.06	8.09	Sept 2004	73.60
	International Shares	9.59	5.64	4.07	18.29	-2.43	-3.90	7.59	Sept 2004	47.60
	Infrastructure	n/a	n/a	1.59	-3.90	-7.84	-4.45	2.17	May 2019	2.80
	Property	6.82	2.82	4.31	3.42	-4.61	-5.51	7.86	Dec 2002	19.90
	Diversified Bonds	1.73	0.08	-3.06	-1.61	-2.73	-1.69	3.82	May 2004	21.40
	Cash and Term Deposits	2.12	1.66	1.59	3.78	1.13	0.36	3.69	Jul 2004	133.70

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.

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BY 2030



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