

# Monthly market snapshot

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



# Monthly market snapshot

February 2024 market commentary

## Navigating the tightrope: Global markets in the balance

In February 2024, the global economy remained resilient despite the headline risks, and the global financial markets started contemplating the possibility of a “soft landing” scenario. Meaning that there would be a below-trend slowdown.

Amid rising inflation, the Fed’s (Federal Reserve) commitment to tightening monetary policy appeared to have a tempering effect on markets, as headline inflations have come down without hindering economic growth so far. However, economic resilience is also linked to the central banks’ decisions, which have pushed back the expectations on the timing and scale of rate cuts.

A quick scan across major global equity markets reveals a landscape of moderate optimism. In the equity markets, the S&P 500 in the United States led with a notable rally, recording a 5.3% increase over the month, reflecting the underlying strength of the US economy led by strong corporate earnings. This was mirrored in the performance of global developed markets, as seen in the MSCI World Index, which rose by 4.2%, and the MSCI Emerging Markets Index, up by 4.8%. The CSI 300 Index in China outperformed its global counterparts with a remarkable 9.4% monthly increase, signalling a rebound of investor optimism in China amid regulatory easing and government stimulus measures. This contrasted with the more tempered performance of the Australian market, where the ASX 300 posted a modest gain of 1.0%. Such divergence underscores the varied pace of economic recovery and investor sentiment across different regions.

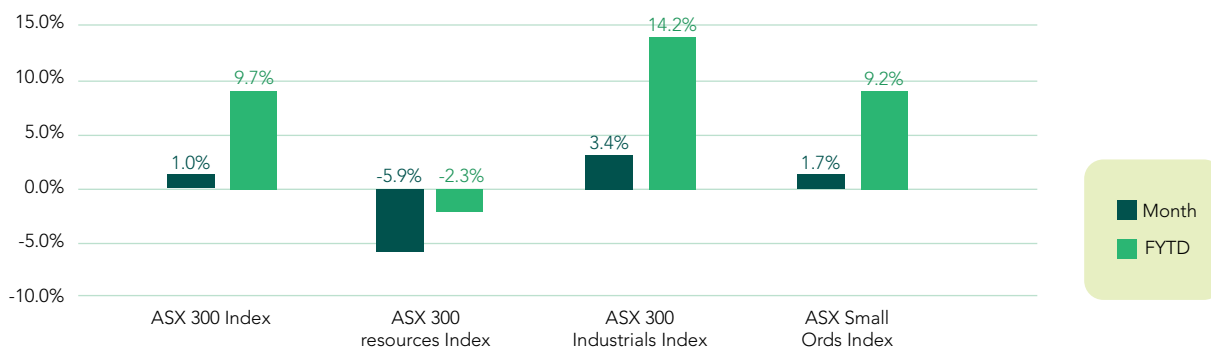
The currency markets saw the Australian dollar weakening against its major counterparts. The AUD slipped 1.1% against the USD and 1.0% against the EUR, reflecting the relative movements in interest rate expectations and economic performance between the respective economies. In the fixed income space, the Bloomberg Barclays Global Aggregate Index retracted by 1.3%, as expected rate cuts were pushed back by resilient economic data. The Australian bond market, gauged by the Bloomberg Ausbond Composite Index, experienced a slight contraction of 0.3% over the month.

The property and infrastructure sectors painted a mixed picture. The ASX 300 Listed Property Index experienced a notable increase of 4.8%, outperforming the overall equity market in a risk-on environment. The Australian residential property markets also demonstrated resilience, with the CoreLogic 5 capital city aggregate index showing sustained growth, reflecting a robust demand and optimistic market sentiment. The expectations around the Reserve Bank of Australia’s announcements and actions remain a pivotal point for domestic financial markets and influencing investor strategies and decisions. Meanwhile, the FTSE EPRA Nareit Developed Index, representing the developed market property sector, declined slightly by 0.5%. On the infrastructure side, the global infrastructure investments, as indicated by the FTSE Global Core Infra 50/50 Index, saw a modest uptick, indicating a stable yield and outlook for the asset class.

In summary, February 2024 was a testament to the complex interplay of monetary policy, economic conditions, and investor sentiment shaping the global financial markets. With central banks navigating inflation and growth dynamics, the market responded with cautious optimism, adapting to subtle changes in market conditions.

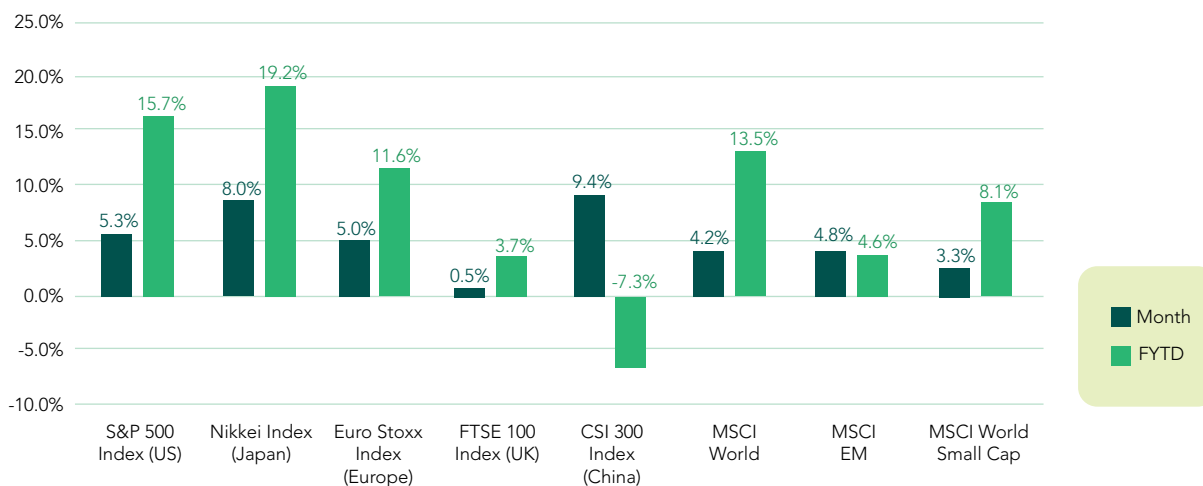
## February 2024

### Australian equities



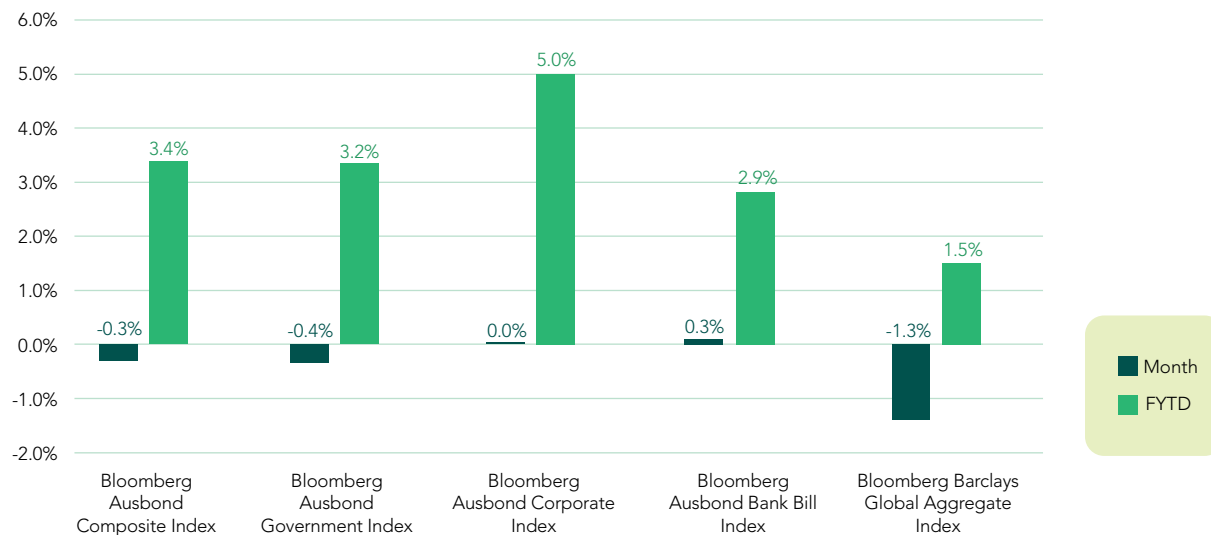
Source: Bloomberg

### International equities (local currencies)



Source: Bloomberg

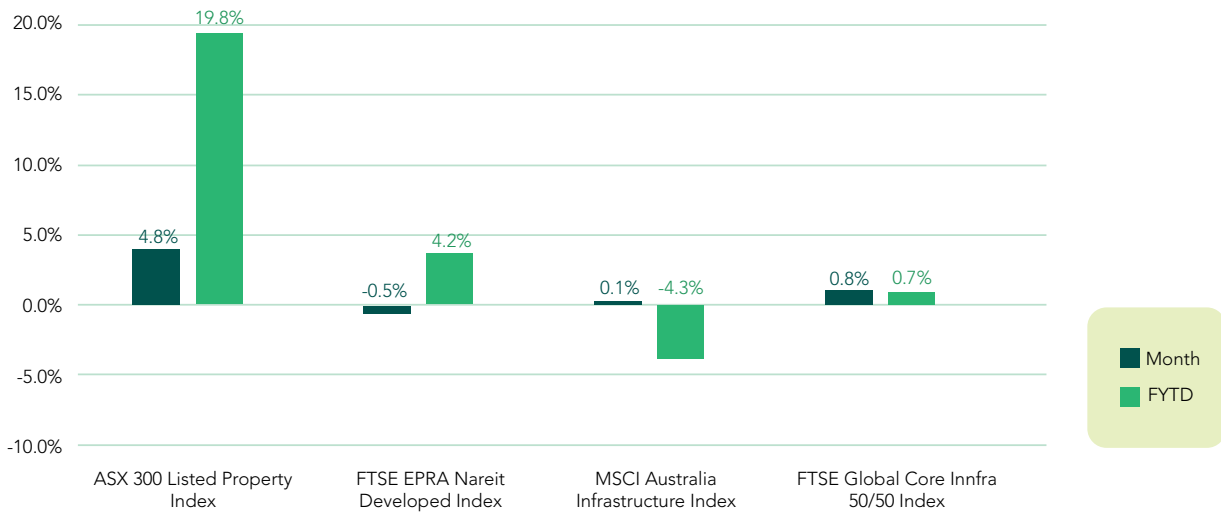
### Fixed income



Source: Bloomberg

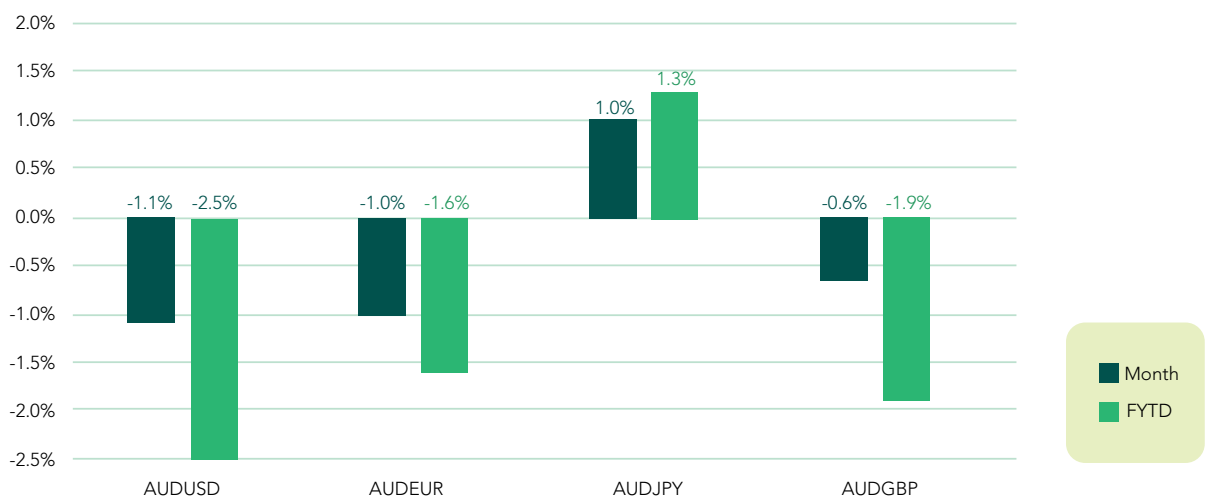
## February 2024

### Property and infrastructure



Source: Bloomberg

### Australian dollar against major local currencies



Source: Bloomberg

# NGS Super Investment Performance Summary

To 29 February 2024

Superannuation

## NGS Accumulation 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)	6.80	6.21	5.91	9.21	5.90	1.86	6.79	Oct 1999	9526.30
	High Growth	7.50	6.93	6.21	9.98	6.48	2.16	6.30	Jul 2007	662.70
	Balanced	5.62	4.98	4.70	7.30	4.78	1.26	5.30	Jul 2007	475.80
	Defensive	4.74	3.86	3.56	5.78	3.75	0.76	5.54	Feb 2003	298.90
	Indexed Growth	7.06	6.75	7.15	11.49	8.60	2.41	8.24	Oct 2011	147.30
SECTOR-SPECIFIC	Australian Shares	7.58	8.21	8.59	10.14	8.96	1.13	9.26	Feb 2003	441.10
	International Shares	9.64	9.06	6.34	22.39	12.09	4.98	8.12	Mar 2003	310.20
	Infrastructure	n/a	n/a	1.87	-2.23	-2.13	-0.32	2.78	May 2019	7.80
	Property	6.69	4.03	6.71	5.28	5.70	1.82	7.54	Sep 2002	79.00
	Diversified Bonds	1.66	0.47	-1.46	2.98	1.74	-0.74	3.89	Oct 1999	35.00
	Cash and Term Deposits	1.86	1.59	1.87	3.86	2.68	0.33	3.42	Oct 1999	282.00

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.

<sup>1</sup> 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 29 February 2024

Transition to Retirement

## NGS Transition to Retirement 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)	7.05	6.21	5.91	9.21	5.90	1.86	7.14	Jul 2005	9526.30
	High Growth	7.79	6.93	6.21	9.98	6.48	2.16	6.54	Jul 2007	662.70
	Balanced	5.85	4.98	4.70	7.30	4.78	1.26	5.63	Jul 2007	475.80
	Defensive	4.96	3.86	3.56	5.78	3.75	0.76	5.76	Jul 2005	298.90
	Indexed Growth	7.29	6.75	7.15	11.49	8.60	2.41	8.72	Oct 2011	147.30
SECTOR-SPECIFIC	Australian Shares	7.77	8.21	8.59	10.14	8.96	1.13	8.02	Jul 2005	441.10
	International Shares	9.92	9.06	6.34	22.39	12.09	4.98	8.10	Jul 2005	310.20
	Infrastructure	n/a	n/a	1.87	-2.23	-2.13	-0.32	2.78	May 2019	7.80
	Property	6.95	4.03	6.71	5.28	5.70	1.82	6.85	Jul 2005	79.00
	Diversified Bonds	1.82	0.47	-1.46	2.98	1.74	-0.74	3.49	Jul 2005	35.00
	Cash and Term Deposits	2.00	1.59	1.87	3.86	2.68	0.33	3.51	Jul 2005	282.00

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

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# NGS Super Investment Performance Summary

To 29 February 2024

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)	7.36	6.73	6.65	10.49	6.65	1.98	7.06	Nov 2001	1158.90
	High Growth	8.02	7.30	7.03	11.53	7.15	2.30	6.68	Aug 2007	97.00
	Balanced	6.12	5.34	5.27	8.35	5.31	1.33	5.79	Aug 2007	400.80
	Defensive	5.22	4.17	4.03	6.58	4.17	0.76	5.73	Nov 2001	384.30
	Indexed Growth	7.63	7.17	7.55	13.10	9.56	2.66	9.00	Sept 2011	98.10
	Retire Plus	n/a	6.60	7.37	7.53	4.56	1.33	7.25	Aug 2017	178.20
SECTOR-SPECIFIC	Australian Shares	7.55	8.03	9.70	11.03	10.06	1.26	8.50	Sept 2004	83.50
	International Shares	10.15	9.07	5.74	23.95	13.57	5.59	8.26	Sept 2004	55.70
	Infrastructure	n/a	n/a	2.56	-0.46	-1.28	0.66	3.45	May 2019	2.60
	Property	7.41	4.55	7.40	5.47	6.66	1.97	8.27	Dec 2002	19.80
	Diversified Bonds	2.03	0.74	-1.37	3.77	2.28	-0.70	4.00	May 2004	21.90
	Cash and Term Deposits	2.19	1.87	2.20	4.52	3.14	0.39	3.72	Jul 2004	146.60

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.

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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](https://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 document has been issued by NGS Super Pty Limited ABN 46 003 491 487 AFSL 233 154 as trustee of NGS Super ABN 73 549 180 515. Any information contained in this document is of a general nature only and does not take into account your personal objectives, financial situations or needs. Please read the **Product Disclosure Statement** and consider the **Target Market Determination** before making a decision about NGS Super. The information in this document is current as at February 2024. Past performance is not a guarantee of future results. The forward-looking statements in this document are not guarantees or predictions of future performance and subject to change. Care should be taken before relying on these statements.

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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