

Monthly market snapshot

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



Monthly market snapshot

May 2024 market commentary

Steady gains amid global uncertainties

In May 2024, global financial markets were influenced by a combination of economic indicators and central bank policies. The US Federal Reserve maintained its cautious stance, signalling no immediate changes to interest rates, which reassured investors. However, concerns about the global economic slowdown persisted, particularly with weaker-than-expected GDP growth in major economies such as China and the Eurozone. Inflation data remained mixed, with the US seeing a slight decrease while Europe and Japan continued to struggle with higher rates. The ongoing geopolitical tensions in Eastern Europe also added to market volatility, particularly affecting energy prices.

Major Equity Markets Performance

Global equity markets exhibited mixed performances in May. The US market, represented by the S&P 500, surged by 5.0% for the month, driven by strong corporate earnings and positive consumer sentiment. The MSCI World Index, reflecting developed markets, also showed a robust gain of 4.5%, reinforcing the strength seen in the US market. However, the Chinese market, as indicated by the CSI 300 Index, faced a decline of 0.5%, reflecting concerns over economic slowdown and regulatory pressures. The Australian market, represented by the ASX 300, posted a modest gain of 0.9%, continuing its positive trend with a financial year-to-date (FYTD) return of 10.9%. The Japanese Nikkei Index and the European Euro Stoxx Index exhibited smaller gains of 0.2% and 2.1%, respectively, highlighting cautious optimism in these regions.

Fixed Income, Currencies, and Commodities

In the bond market, the Bloomberg Ausbond Composite Index rose by 0.4% in May, while the Bloomberg Barclays Global Aggregate Index increased by 1.3%, reflecting a stable demand for fixed income securities amid uncertain equity market conditions. In the currency markets, the Australian Dollar (AUD) showed strength against major currencies. The AUD/USD pair appreciated by 2.8%, and similar gains were observed against the Euro (AUD/EUR up 1.0%) and the Japanese Yen (AUD/JPY up 2.5%). Gold prices saw a rise of 1.8% in May, reflecting its safe-haven appeal amidst market volatility, with a significant FYTD gain of 21.3%. The Bloomberg Commodity Index also posted a monthly gain of 1.8%, driven by increases in energy and agricultural commodities.

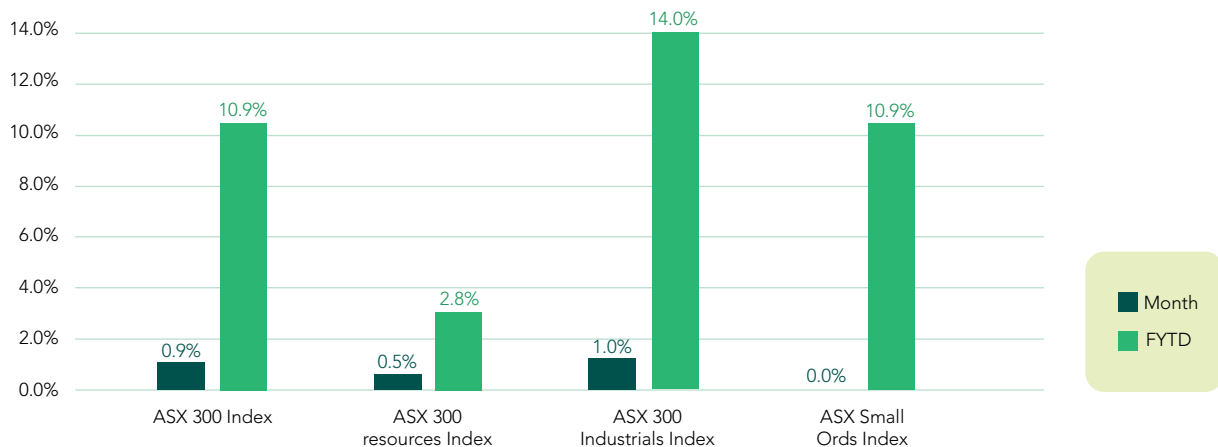
Australian Economic Landscape

Focusing on the Australian economy, the property market continued its recovery, with the ASX 300 Listed Property Index gaining 1.9% in May and showing an impressive FYTD return of 23.5%. The Reserve Bank of Australia (RBA) kept the interest rates unchanged, indicating a cautious approach amidst moderate inflationary pressures and steady economic growth. Housing prices in the five capital cities showed a mixed trend with slight month-on-month increases, signalling a stabilisation in the property market. Key macroeconomic indicators, such as the unemployment rate and consumer confidence, remained stable, contributing to a generally positive economic outlook. However economic activity in Australia continues to weaken as the year progresses and GDP growth has slowed down to 0.2% from the 0.3% in the preceding quarter.

In summary, May 2024 was marked by significant movements in global financial markets, driven by central bank policies, geopolitical developments, and economic data. The US and global developed markets showed strong performance, while China faced challenges. Bond markets remained stable, and the Australian economy continued its steady recovery with positive trends in the property market and stable macroeconomic indicators.

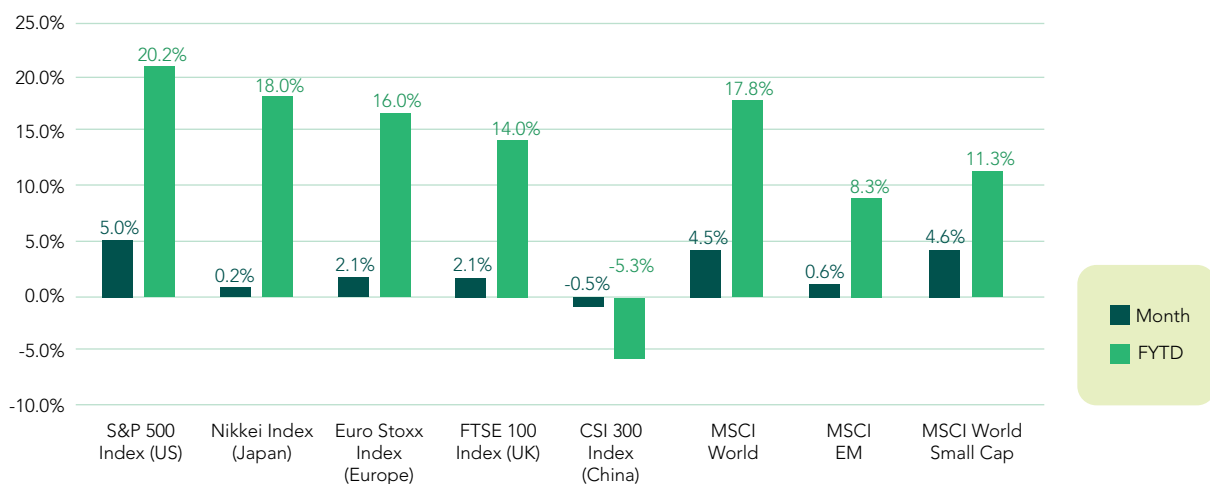
May 2024

Australian equities



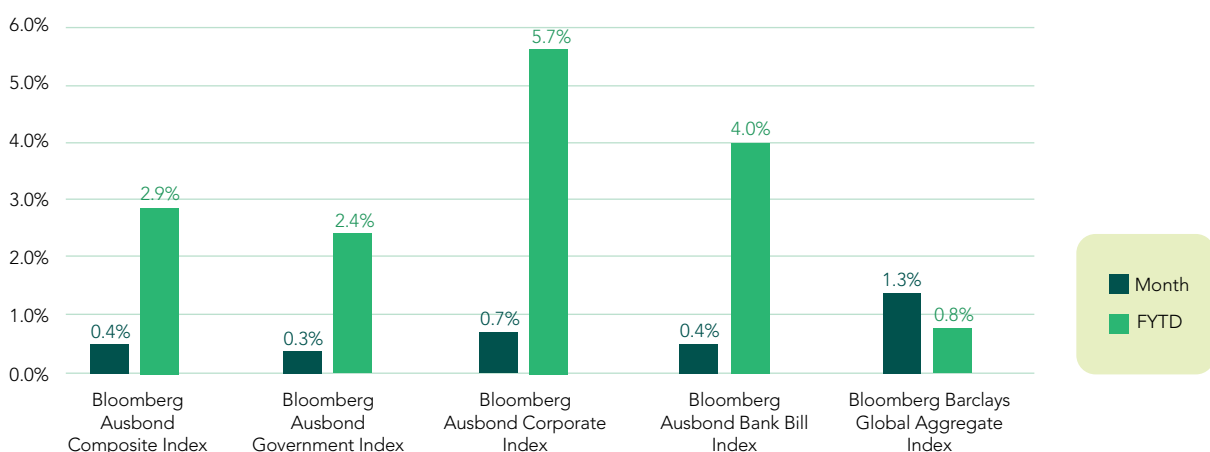
Source: Bloomberg

International equities (local currencies)



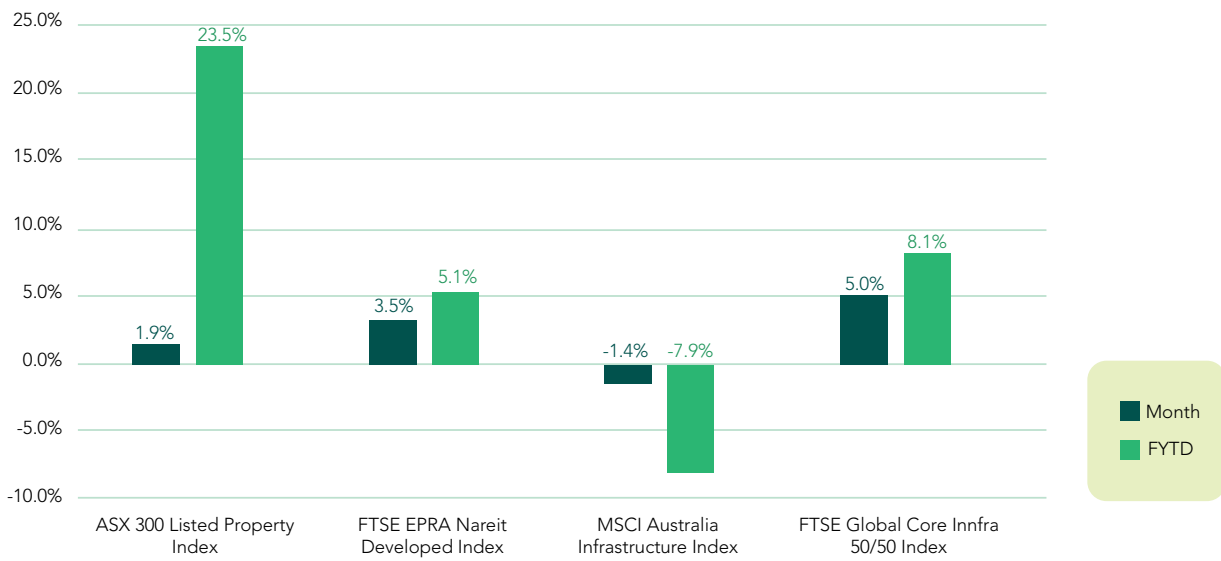
Source: Bloomberg

Fixed income



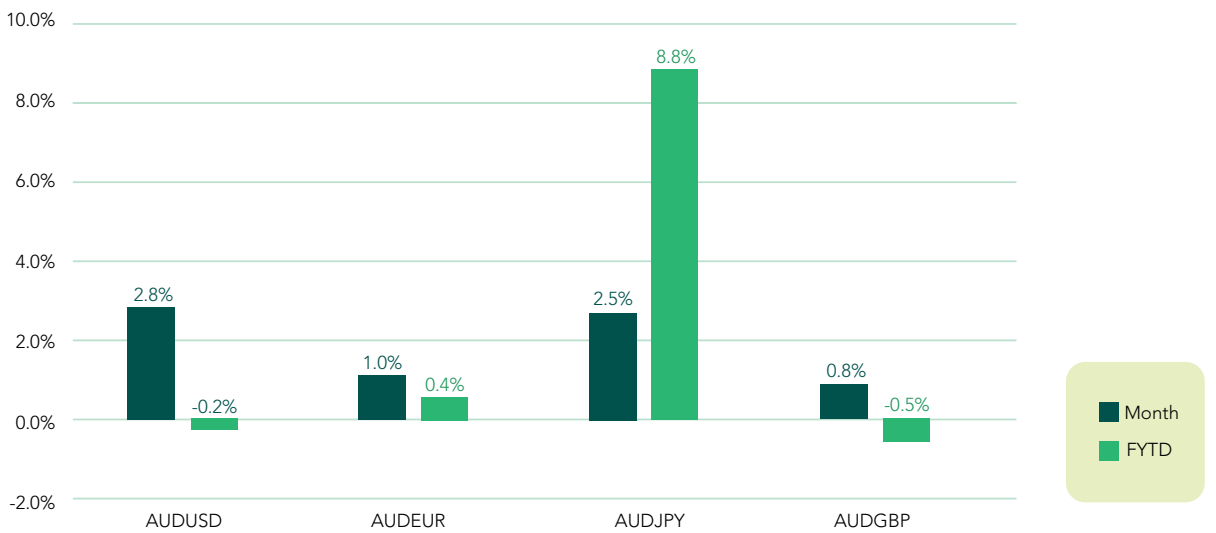
May 2024

Property and infrastructure



Source: Bloomberg

Australian dollar against major local currencies



Source: Bloomberg

NGS Super Investment Performance Summary

To 31 May 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)	6.89	6.05	4.62	8.75	7.37	0.82	6.78	Oct 1999	9619.40
	High Growth	7.62	6.66	4.77	10.28	8.45	0.80	6.32	Jul 2007	679.20
	Balanced	5.65	4.77	3.79	6.83	5.89	0.69	5.28	Jul 2007	470.40
	Defensive	4.74	3.65	2.95	5.29	4.80	0.59	5.52	Feb 2003	294.50
	Indexed Growth	7.13	6.48	5.65	12.18	10.58	1.45	8.23	Oct 2011	153.40
SECTOR-SPECIFIC	Australian Shares	7.50	7.56	6.65	11.98	10.47	0.63	9.21	Feb 2003	448.40
	International Shares	9.90	8.79	4.56	17.30	13.15	1.50	8.07	Mar 2003	315.70
	Infrastructure	n/a	3.83	2.76	4.97	3.59	4.33	3.80	May 2019	7.90
	Property	6.42	4.17	6.19	9.58	7.19	2.76	7.52	Sep 2002	78.90
	Diversified Bonds	1.48	0.07	-1.86	1.23	1.57	0.65	3.85	Oct 1999	34.80
	Cash and Term Deposits	1.91	1.70	2.21	4.08	3.77	0.35	3.43	Oct 1999	276.90

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 May 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	7.13	6.05	4.62	8.75	7.37	0.82	7.12	Jul 2005	9619.40
	High Growth	7.91	6.66	4.77	10.28	8.45	0.80	6.56	Jul 2007	679.20
	Balanced	5.87	4.77	3.79	6.83	5.89	0.69	5.61	Jul 2007	470.40
	Defensive	4.95	3.65	2.95	5.29	4.80	0.59	5.74	Jul 2005	294.50
	Indexed Growth	7.34	6.48	5.65	12.18	10.58	1.45	8.69	Oct 2011	153.40
SECTOR-SPECIFIC	Australian Shares	7.67	7.56	6.65	11.98	10.47	0.63	7.99	Jul 2005	448.40
	International Shares	10.19	8.79	4.56	17.30	13.15	1.50	8.04	Jul 2005	315.70
	Infrastructure	n/a	3.83	2.76	4.97	3.59	4.33	3.80	May 2019	7.90
	Property	6.64	4.17	6.19	9.58	7.19	2.76	6.83	Jul 2005	78.90
	Diversified Bonds	1.61	0.07	-1.86	1.23	1.57	0.65	3.43	Jul 2005	34.80
	Cash and Term Deposits	2.03	1.70	2.21	4.08	3.77	0.35	3.52	Jul 2005	276.90

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 31 May 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	7.47	6.51	5.19	9.87	8.30	0.91	7.05	Nov 2001	1165.50
	High Growth	8.16	7.02	5.39	11.37	9.33	0.88	6.71	Aug 2007	99.90
	Balanced	6.15	5.13	4.21	7.61	6.57	0.77	5.78	Aug 2007	405.90
	Defensive	5.23	3.98	3.31	5.93	5.38	0.68	5.72	Nov 2001	389.70
	Indexed Growth	7.71	6.97	5.88	13.60	11.79	1.61	8.98	Sept 2011	101.40
	Retire Plus	n/a	6.33	6.13	6.93	5.99	0.71	7.19	Aug 2017	209.70
SECTOR-SPECIFIC	Australian Shares	7.47	7.16	7.28	13.54	11.80	0.70	8.47	Sept 2004	82.90
	International Shares	10.44	9.00	3.80	19.50	14.74	1.66	8.21	Sept 2004	54.70
	Infrastructure	n/a	4.66	3.63	6.96	5.36	4.96	4.60	May 2019	2.60
	Property	7.12	4.63	6.78	11.26	8.46	3.36	8.25	Dec 2002	19.60
	Diversified Bonds	1.82	0.30	-1.84	1.69	2.09	0.76	3.94	May 2004	20.50
	Cash and Term Deposits	2.24	2.00	2.60	4.78	4.41	0.42	3.73	Jul 2004	147.80

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

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 RSE Licence L0000567 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 May 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.

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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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