



**HEALTHIER, LONGER,  
BETTER LIVES**

## Quarterly Market Commentary as at 31 December 2021\*

Market Indices	Returns as at 31 December 2021					
	3 mth (%)	6 mth (%)	1 yr (%)	3 yr (% p.a.)	5 yr (% p.a.)	10 yr (% p.a.)
<b>Australian Shares</b>						
S&P/ASX 200 Accumulation Index	2.1	3.8	17.2	13.6	9.8	10.8
<b>International Shares</b>						
MSCI All Countries World Net Index (AUD)	6.0	9.0	25.8	19.1	14.3	15.8
<b>Australian Fixed Interest</b>						
Bloomberg AusBond Composite 0+ Yr Index	-1.5	-1.2	-2.9	2.9	3.4	4.2
<b>International Fixed Interest</b>						
Bloomberg Barclays Global Aggregate Corporate (hedged AUD)	0.0	0.0	-1.0	5.7	4.4	5.8
<b>Property</b>						
S&P/ASX 200 A-REIT Accumulation Index	10.1	14.7	26.1	12.8	9.3	13.8
<b>Cash</b>						
Bloomberg AusBond Bank Bill Index	0.0	0.0	0.0	0.6	1.1	1.9
<b>Currency</b>						
AUD/USD	0.7	-3.2	-5.8	1.1	0.1	-3.4

### Financial markets commentary:

The Reserve Bank of Australia (RBA) has kept the cash rate at record low of 0.10% in the December quarter. The Australian dollar gained +0.7% against the US dollar and finished the year at 72.7 cents.

The S&P/ASX 300 Accumulation Index rose 2.1% over the December quarter. The Materials sector was the strongest performing sector returning 12.4% over the quarter. The Energy sector was the worst performing returning -8.8%.

The MSCI All Country World Index rose 6.0% over the 3-month period in AUD terms. Despite rising numbers of Covid infections in almost all key regions and an increase in geopolitical tensions, global share markets rose. S&P 500 index in the U.S. posted a strong year with an annual gain of more than 26% in 2021, it was the third consecutive year in which US shares posted double digit annual returns.

Attention was again on the latest Federal Reserve meeting and its bond purchasing program, with inflation running well above the official target, the central bank is essentially being forced to tighten accommodative policy settings. As a result, this put upward pressure on bond yields. US 10-year government bond yields increased over the quarter by 2 basis points, finishing the period at 1.51%. The German 10-year yields had risen over the quarter by 2 basis point, ending down the period at -0.18%. Australian 10-year government bond yields rose 18 basis points to 1.67%.

\*Source: This commentary has been prepared by AIA Australia Limited ABN 79 004 837 861 AFSL 230043 (AIA Australia) and is general information only. It does not constitute any recommendation, or advice and has been prepared without taking into account your objectives, financial situation or needs. You should consider obtaining personalised advice from a financial adviser before making any financial decision in relation to the matters discussed.

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