HEALTHIER, LONGER, BETTER LIVES

Quarterly Market Commentary as at 31 March 2022*

Market Indices	Returns as at 31 March 2022					
	3 mth (%)	6 mth (%)	1 yr (%)	3 yr (% p.a.)	5 yr (% p.a.)	10 yr (% p.a.)
Australian Shares						
S&P/ASX 200 Accumulation Index	2.2	4.4	15.0	10.6	9.2	10.8
International Shares						
MSCI All Countries World Net Index (AUD)	-8.4	-2.9	8.8	11.7	12.0	15.8
Australian Fixed Interest						
Bloomberg AusBond Composite 0+ Yr Index	-5.9	-7.3	-5.5	-0.3	1.9	4.2
International Fixed Interest						
Bloomberg Barclays Global Aggregate Corporate (hedged AUD)	-6.8	-6.8	-4.6	1.8	2.7	5.8
Property						
S&P/ASX 200 A-REIT Accumulation Index	-7.1	2.3	17.7	5.2	7.8	13.8
Cash						
Bloomberg AusBond Bank Bill Index	0.0	0.0	0.0	0.5	1.0	1.9
Currency						
AUD/USD	3.3	4.0	-1.4	1.9	-0.3	-3.4

Financial markets commentary:

The Reserve Bank of Australia (RBA) has kept the cash rate at record low of 0.10% in the March quarter. Economic data continued to be strong, Officials expect unemployment to fall further from current level and annual wage growth to rise. Markets expecting RBA is likely to join other central banks to rise interest rate in the months ahead due to inflation. The Australian dollar gained +3.3% against the US dollar and finished the quarter at 75.1 cents.

The S&P/ASX 300 Accumulation Index rose +2.2% over the March quarter. Most sectors performed well with the Energy sector returned +25.1%, Utilities and Materials sector also delivered strong performance gaining +12.7% and 11.8% respectively over the quarter. Small cap however, underperformed large cap with S&P/ASX Small Ordinaries Accumulation Index declined -4.2% year-to-date.

The MSCI All Country World Index lost -8.3% over the 3-month period in AUD terms. Concerns about rising energy costs and other potential impacts of the war in Ukraine hurt investors sentiment and lead to a decline in major equity markets globally. The S&P 500 index in the U.S. and the Euro Stroxx 50 index declined -2.3% and -9.2% respectively.

In the fixed income market, government bonds yields continued to rise sharply as investors revised their future interest rate expectations. This resulted in disappointing returns from most fixed income products. US 10-year government bond yields increased over the quarter by 1.17%, finishing the period at 2.84%. Both investment grade and high yield credit suffered due to the raising yield and spread widening, declining in the range of -4% to -6% year-to-date.