

# Market review

April 2019

How the different asset classes have fared:  
(As at 30<sup>th</sup> April 2019)

Asset Class	10 Yr % p.a.	5 Yr % p.a.	3 Yr % p.a.	1 Yr % p.a.	YTD %	6 Mo %	3 Mo %	1 Mo %
Cash <sup>1</sup>	3.01	2.12	1.88	2.02	0.68	0.99	0.50	0.16
Australian Bonds <sup>2</sup>	5.54	4.94	4.18	7.87	3.73	5.54	3.07	0.28
International Bonds <sup>3</sup>	6.51	4.65	3.10	4.98	2.79	4.73	1.81	0.00
Australian Shares <sup>4</sup>	10.10	7.75	11.02	10.23	13.89	10.83	9.51	2.54
Int. Shares Unhedged <sup>5</sup>	12.18	13.67	14.62	14.47	16.74	9.70	12.08	4.58
Int. Shares Hedged <sup>6</sup>	14.09	10.40	13.13	8.64	17.10	8.65	9.24	3.87
Emerging Markets Unhedged <sup>7</sup>	7.64	9.49	13.77	1.36	12.22	14.10	6.65	2.98
Listed Infrastructure Unhedged <sup>8</sup>		13.44	12.16	20.72	14.98	14.14	10.52	1.72
Australian Listed Property <sup>9</sup>	14.33	13.12	8.35	17.99	11.76	13.39	5.48	-2.29
Int. Listed Pty Unhedged <sup>10</sup>	13.06	11.61	7.17	19.77	13.85	11.21	6.20	0.48

1 Bloomberg AusBond Bank 0+Y TR AUD, 2 Bloomberg AusBond Composite 0+Y TR AUD, 3 Bloomberg Barclays Global Aggregate TR Hdg AUD, 4 S&P/ASX All Ordinaries TR, 5 Vanguard International Shares Index, 6 Vanguard Intl Shares Index Hdg AUD TR, 7 Vanguard Emerging Markets Shares Index, 8 FTSE Developed Core Infrastructure 50/50 NR AUD, 9 S&P/ASX 300 AREIT TR, 10 FTSE EPRA/NAREIT Global REITs NR AUD



Equity markets continued to recover in April 2019 following sharp declines at the end of last year, good news for many investors. Australian shares (ASX200) have now rebounded by 12 per cent since the end of 2018, while US shares rose by 18 per cent over the same period to a new all-time high.

Share markets continued to be buoyed by expectations that central banks will keep monetary policy accommodative for an extended period of time. However we caution investors to be aware that volatility may return over the next few months and quarters. Globally, growth has slowed and concerns persist over trade tensions between China and the US. Domestically, the property market continues to move lower, and while good for new home buyers who can start to find affordable housing, it is likely to keep the Australian share market under some pressure.

The Australian dollar largely traded sideways over the month, towards the bottom end of its recent trading range, as firmer commodity prices and positive market sentiment were offset by a widening differential between Australian and US interest rates. Over time with a lower Australian cash rate a distinct possibility as growth disappoints and inflation remains low, we would expect a lower Australian dollar. This will be good news for investors in unhedged international shares with the lower Australian dollar likely to boost investment returns.

In these uncertain times, investing in the right asset classes at the right time is one of the biggest challenges. A well-diversified portfolio investing in a range of assets including shares, bonds, listed infrastructure and cash, will generally provide good returns with much less volatility as opposed to investing in a single share or a single share market.

