

## How the different asset classes have fared:

(As at 31<sup>st</sup> January 2016)

Asset Class	10 Yr % p.a.	5 Yr % p.a.	3 Yr % p.a.	1 Yr %	YTD %	6 Mo %	3 Mo %	1 Mo %
Cash <sup>1</sup>	4.1	2.7	2.3	2.0	0.2	0.9	0.4	0.2
Australian Bonds <sup>2</sup>	6.2	5.1	4.9	2.3	0.6	-2.1	-1.0	0.6
International Bonds <sup>3</sup>	7.4	5.8	5.6	3.3	-0.3	-2.3	-1.5	-0.3
Australian Shares <sup>4</sup>	4.2	10.3	7.5	17.1	-0.8	2.6	5.9	-0.8
Int. Shares Unhedged <sup>5</sup>	4.2	17.7	11.1	8.9	-2.4	5.1	6.6	-2.4
Int. Shares Hedged <sup>6</sup>	6.4	14.8	10.8	18.5	1.4	7.8	7.3	1.4
Emerging Markets Unhedged <sup>7</sup>	2.7	7.2	6.3	16.8	0.6	5.0	1.1	0.6
Listed Infrastructure Unhedged <sup>8</sup>	N/A	16.7	11.5	4.7	-3.1	-3.4	0.5	-3.1
Australian Listed Property <sup>9</sup>	-0.5	16.1	15.9	6.8	-4.7	-11.9	2.5	-4.7
Int. Listed Pty Unhedged <sup>10</sup>	N/A	15.7	13.0	1.3	-4.8	-9.5	1.1	-4.8

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

The Trump driven market euphoria subsided somewhat in January as more level headed investors stepped back a bit and waited to see what the new administration actually did, as opposed to what they said they would do. The seemingly rushed and not fully thought out implementation of promises made on the election hustings gave markets reason to pause. This was not out of any moral consideration. It was rather the uncertainty created by the sharply less predictable quantity now occupying the White House.

### Cash

The Reserve Bank of Australia (RBA) left the overnight cash rate at 1.5% at its first meeting for the year held on February 7<sup>th</sup>.

### Bonds

Bond markets were mixed over January with Australian bonds recovering some lost ground while international bonds continued to slide, albeit not as sharply as in previous months. Corporate bonds remained well bid.

### Australian Equities

Australian equities came off a bit in January. Resources continued to be the main bright spot with 5.2% for the month (S&P/ASX 200 Resources). At the other end of the spectrum listed property continued to come back down to earth with -4.7% in January.

### International Shares

A strong Australian dollar saw currency hedged international shares do better than unhedged over January. Emerging markets shares had a positive month as investors seeking out the better value on offer in these share markets continued to allocate capital; putting aside concerns over US dollar strength and the possibility of trade wars. The “bond proxies” had a poor month. Some infrastructure and property stocks fall into this

---

category: in a world of low interest rates many investors held these high dividend paying shares as a substitute for bonds. Now with US interest rates rising, and after a bounce back in December, this sector of the market came in for renewed selling pressure in January.

### **Disclaimer**

The information contained in this material is current as at date of publication unless otherwise specified and is provided by ClearView Financial Advice Pty Ltd ABN 89 133 593 012, AFS Licence No. 331367 (ClearView) and Matrix Planning Solutions Limited ABN 45 087 470 200, AFS Licence No. 238 256 (Matrix). Any advice contained in this material is general advice only and has been prepared without taking account of any person's objectives, financial situation or needs. Before acting on any such information, a person should consider its appropriateness, having regard to their objectives, financial situation and needs. In preparing this material, ClearView and Matrix have relied on publicly available information and sources believed to be reliable. Except as otherwise stated, the information has not been independently verified by ClearView or Matrix. While due care and attention has been exercised in the preparation of the material, ClearView and Matrix give no representation, warranty (express or implied) as to the accuracy, completeness or reliability of the information. The information in this document is also not intended to be a complete statement or summary of the industry, markets, securities or developments referred to in the material. Any opinions expressed in this material, including as to future matters, may be subject to change. Opinions as to future matters are predictive in nature and may be affected by inaccurate assumptions or by known or unknown risks and uncertainties and may differ materially from results ultimately achieved. Past performance is not an indicator of future performance.