Market Commentary

March Quarter 2015

The Australian share market performed strongly over the March quarter, returning 10.3%. The performance was largely driven by an improved outlook for the global economy and an RBA interest rate cut in February that brought the cash rate to 2.25%. While speculation continues of another rate cut, the RBA has been reluctant to reduce rates even further given concerns with Australia's elevated property market.

The U.S. share market clung to a 0.4% gain for the quarter, falling more than 2% after reaching a record high in early March. US economic data remains robust including a continued improvement in unemployment, growing consumer confidence and improved consumer spending.

In Europe the ECB initiated its bond buying program at the start of March which resulted in strong returns across bond, credit and equity markets. 10 year German government bond yields are pushing towards negative territory, while British bond yields moved more in line with the US, reflecting Britain's more advanced recovery to that of the Euro zone.

Japanese equities continued to rally adding 10.4% in the March quarter. Singapore (1.5%) and Hong Kong (5.5%) strengthened at quarter end as Chinese authorities eased home lending restrictions and removed some of the barriers preventing capital leaving the country.

The Australian Dollar depreciated against most major currencies and this resulted in a stronger returns from unhedged overseas equities.

Australian and international bonds performed well again this quarter. Australian bonds (2.7%) outperformed international bonds while global government bonds slightly outperformed corporate bonds.

Market Performance - 31 March 2015	Quarter	1 Year
Australian Equities	10.3%	13.9%
Australian Property (Unlisted)	2.2%	9.4%
Australian Property (Listed)	9.2%	34.4%
Overseas Equities (Hedged into AUD)	5.4%	17.4%
Overseas Equities (Unhedged into AUD)	9.7%	29.8%
Australian Bonds	2.7%	11.1%
Overseas Bonds (Hedged into AUD)	2.6%	10.3%
Cash	0.7%	2.7%
Australian Dollar vs. US Dollar	-6.6%	-17.6%

Source – JANA, FactSet, S&P, MSCI, Mercer, UBS, Barclays
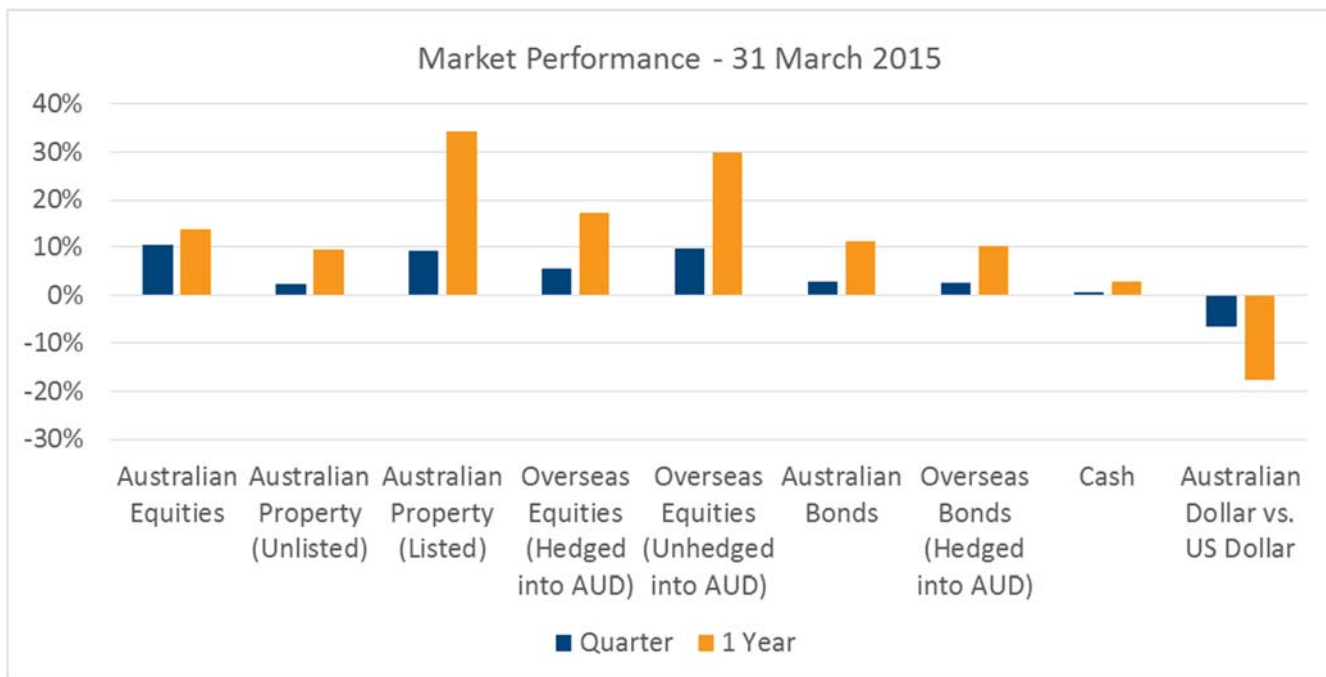
Source – JANA, FactSet, S&P, MSCI, Mercer, UBS, Barclays

NTGPASS Quarterly Results

Superannuation returns to 31 March 2015

Option	Quarter	FYTD	1 Year	3 Years (%pa)
Managed Cash	0.54%	1.63%	2.11%	2.47%
Conservative	2.84%	6.57%	8.35%	7.41%
Cautious	4.04%	9.03%	11.12%	9.88%
Growth	5.72%	12.16%	14.56%	13.08%
Assertive	6.24%	13.24%	15.86%	14.20%
Aggressive	7.00%	14.77%	17.55%	15.75%

If you have not made an investment choice, the default investment option is the Growth Option. Please refer to the NTGPASS website for more details.