ISSUE 71

NEWSLETTER

Informative articles, Centrelink News & Market Update

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Why has my Age Pension claim been rejected?

Providing the necessary documents with your claim, speeds things up and reduces delays or rejections.

When you claim Age Pension Centrelink need you to confirm the information in your claim.

Centrelink will tell you what documents you need to provide before you finalise your online claim. If you claimed using the paper form, Centrelink will let you know what documents are needed next to the question.

Centrelink will write to you asking for the extra information if you don’t provide all the documents Centrelink need when you make your claim.

You’ll be notified about a letter in your myGov inbox if you have one. If you don’t, Centrelink will post the letter to you.
You have 14 days if claiming online, or the time frame Centrelink give you in our letter to send us the requested documents.

If you don’t give Centrelink all the information they ask for within the required time frame your claim will be rejected.

You can call the Older Australians line and ask for an extension if you can’t get your documents to us for any of these reasons:

- you’re living in a remote area or outside Australia
- you need to get the information from a third party
- a medical or family emergency or recognised natural disaster.

You can find more information about supporting documents for claiming Age Pension on their website.

Federal Budget 2022
Highlights

Personal taxation & cost of living proposals

Low and middle income tax offset boosted by $420 for 2021/22
Total of up to $1,500

Temporary cut to fuel excise of 22.1c per litre
6 months from 30 March

Superannuation proposals

50% reduction in minimum income stream drawdown
Extended until 30 June 2023

Social security proposals

$250 one-off payment to recipients of eligible payments and concession cardholders
Payment made in April 2022

PBS safety net thresholds reducing
$1,457.10 or $244.80 for concession card holders from 1 July 2022

Dad and Partner Pay rolled into single Parental Leave Pay scheme
Up to 20 weeks flexible leave (can be shared between couples) within 2 years of birth/adoption

Home ownership proposals

10,000 places per year in Regional Home Guarantee scheme*
From 1 Oct 2022 to 30 June 2025. New dwellings only

- 5,000 additional places per year in Family Home Guarantee for single parent families*
  From 1 July 2022 to 30 June 2025
- 35,000 places in First Home Guarantee*
  Ongoing from 1 July 2022

*Subject to deposit conditions and price caps

NEW SUPER OPPORTUNITIES FROM 1 JULY 2022

As 30 June fast approaches, the focus usually shift towards ensuring strategies relating to managing taxation outcomes and superannuation are implemented before the end of financial year arrives. However, it is also important to look ahead, with some superannuation contribution rules changing from 1 July 2022. These changes could create new opportunities which may benefit you.

The key changes from 1 July 2022 include:

- increasing the amount of personal contributions that can be made to superannuation for people aged 67-74*
- removing the requirement to satisfy a work test before making personal after-tax contributions and salary sacrifice contributions for those 67 to 74*
- reducing the eligibility age for making a downsizer contribution from 65 to 60
- increasing the amount that can be released under the First Home Super Saver Scheme to use to purchase a first home, and
- removing the minimum monthly income threshold before an employer is required to pay Superannuation Guarantee on behalf of employees.

** Contributions must be received no later than 28 days after the month in which the person turns age 75.*

While some of these changes will provide great opportunities from 1 July 2022, they could also impact end of year strategies you were planning on implementing.

These opportunities have a range of eligibility requirements so contact us to discuss how these changes impact your circumstances and opportunities that may exist for you.

One goal a month: The simple step to greater financial confidence

Despite many years in the world of finance, Reality Cheque podcast host Genevieve Frost admits there was one simple money-saving trick she always put off – reviewing how much her various providers cost her each month.

Not anymore. Her secret? Tackling one provider each month – whether it be her home loan, insurances or credit cards.

It's just one of the money management techniques Frost, who in her day job is Business Development Manager, and Manager Technical Services Jenneke Mills shared in their International Women's Day webinar on breaking down biases around money.

"Your job in April is to review your home loan," Frost said in the webinar. "That might be finding your statements online and reviewing how much interest you're paying. Then it might be calling up your mortgage provider or walking into a branch of a bank. Whatever it is, I want you to see if you're paying the interest you should be paying on that home loan. You have the 30 days of April to achieve that."

On May 1, she continued, you move on to another provider, and so on.

This tactic helped Frost not feel overwhelmed. "It's about feeling empowered – that you can take control."

Break down mental barriers

That feeling of empowerment can be life-changing, and it starts with getting comfortable talking about money. Startlingly, 61 per cent of women admit they'd rather talk about their own death than about money, according to a Merrill and Age Wave study.

Influencing this reluctance to discuss money, Frost and Mills pointed to beliefs many women hold: that money isn't as important as other areas in life, that they don't have the ability to deal with it, and that it will take up too much time.

Both our finance professionals agree that simply being aware of these underlying biases is a great first step to having a healthier relationship with money.

Get across your finance facts

As we've already seen with Frost's 'one-a-month' move, positive changes don't have to be difficult.

For instance, understanding your actual spending and saving is key. As Mills explained: "Once you're conscious of your financial reality, you can make conscious changes."

Here, Mills suggested downloading your banking transaction data and taking an honest look at what's going in and out of your account.

While that can be confronting, particularly in front of a partner, Mills had this practical advice to take the sting out of it. "If there's a loved one, commit to each other that there's not going to be any spend shaming."

Choose your cuts... and your spending

If outgoings against income don't add up, you might want to consider how you can reduce spend in certain areas and reallocate that money where it's most needed.

It might also mean pushing back on some goals – to downsize your holiday plans, for example.

It's often this discretionary spending that we struggle with the most though. As Mills pointed out: "Emotions play a big part here." In fact, both women admitted their discretionary spend went up significantly during the recent lockdowns. "I did look for that instant dopamine I get from online shopping," Frost confided.

Surprisingly, however, emotions can be just as obstructive the other way, said Mills, who knows of people approaching retirement who are scared to spend. "They're so emotional because they don't know whether they can afford to retire. The lifestyle they're living just doesn't correlate with the lifestyle they could be living."

All the more reason to be aware of what you actually have money-wise, she said.

Grow your nest egg

Beyond shorter-term goals, you'll want to think about growing your long-term nest egg – the earlier the better. As Frost said: "Time is an absolute blessing when it comes to money and investing."

Your superannuation will be important here – it's usually your largest source of retirement savings. That means being across things like your investment choices, nominated beneficiaries and level of employer contributions.

You should also check your super is on track for your retirement. Particularly for those approaching the end of their working life, this can provide considerable comfort – even if it's the realisation you need to make additional super contributions. As Mills said: "When I was a financial adviser, whenever there was a sense of anxiety, it was simply the not knowing."

Diversify for security

You might also want to think about investing outside super. However, be aware of the risk of putting all your eggs in the one basket and think about the risk you're comfortable with.

As Mills explained, while we love property in Australia, it can be at the high end when it comes to risk, as are shares. A better strategy might include a mix of property, shares, cash savings and bonds.

This diversification is an important part of an investment strategy.

Of course, this summary of Mills' and Frost's discussion is general advice only. To understand more about how you can take control of your finances, it can pay to speak to a financial adviser.

In the meantime, for resources to help you better understand your own financial situation and how to take steps towards improving it, start with some helpful tools and calculators to calculate your savings and track your retirement.

Jamie Oliver's Spaghetti Alla Puttanesca

Ingredients

- 500g dried spaghetti
- small cantuna in olive oil
- small tin anchovies in olive oil (approx 30g)
- 2 cloves garlic
- 1 tbs capers, drained
- 1-2 fresh red chilis
- 1 handful pitted black olives
- 2 tins chopped tomatoes
- a pinch ground cinnamon
- salt and pepper
- 1 handful fresh parsley
- 1lemon

Method

1. Preheat the oven to 180°C (fan) and fill and boil the kettle. Place a large frying pan on a low heat and fill a saucepan with the boiled water and a pinch of salt.
2. Spaghetti: Put the spaghetti into the saucepan and cook it according to the instructions on the packet. Pour the oil from the tuna into the frying pan and then crush the garlic, adding it to the frying pan along with the capers, anchovies and their oil (don't be alarmed if it looks like there is a lot of oil).
3. Chop the chilis (seeds optional) and stalks from the parsley then add them to the frying pan. Chop the parsley leaves and put them to one side. Once the garlic starts to get a little colour, add the tuna, breaking it up a little, then add the olives, tinned tomatoes, a pinch of cinnamon and some black pepper.
4. Spaghetti: Once the pasta has cooked, drain it and reserve some of the water. Add the pasta to the frying pan, then squeeze over the juice of a lemon and add most of the parsley, mixing well. If the sauce feels very thick add some of the reserved spaghetti water to loosen it up. Pour the spaghetti into a large bowl and finish with the remaining parsley.

Market Update

MARCH 2022

- Australia's S&P/ASX 200 Index returned 2.1% with Energy (+8.6%), Consumer Staples (+5.6%), and Materials (+5.2%) posting solid returns. Information Technology continued to be challenged with a decline of -6.6%.
- Nonfarm payrolls rose 678,000 in February, well above of expectations of a 400,000 increase.
- The war in Ukraine exacerbated stock market volatility and caused Brent crude to pass the $100 per barrel barrier.
- The RBA kept the cash rate on hold at 0.1% and expects inflation to rise on the back of higher petrol and energy costs.

February market performance

Equity Markets – Index Return*	Index	At Close 28/02/2022	% Return 1 Month	% Return 12 Months
Australia	S&P/ASX 200 Index	7049.13	2.14%	10.19%
United States	S&P 500 Index	4373.94	-2.99%	16.39%
Japan	Nikkei 225 Index	26526.82	-1.71%	-6.88%
Hong Kong	Hang Seng Index	22713.02	-4.58%	-19.57%
China	CSI 300 Index	4581.65	0.39%	-12.63%
United Kingdom	FTSE 100 Index	7458.25	0.31%	19.22%
Germany	DAX 30 Index	14461.02	-6.53%	4.89%
Europe	FTSE Eurotop 100 Index	3401.94	-2.61%	19.25%

Property – Index Returns*	Index	At Close 28/02/2022	% Return 1 Month	% Return 12 Months
Listed Property	S&P/ASX 200 A-REIT Index	1601.00	1.42%	23.93%

Interest Rates	At Close 28/02/2022	At Close 31/01/2022	At Close 28/02/2021
Australian 90 day Bank Bills	0.08	0.08	0.02
Australian 10 year Bonds	2.14	1.90	1.92
US 90 day T Bill	0.29	0.18	0.03
US 10 year Bonds	1.83	1.78	1.41

Currency**		At Close 28/02/2022	% Change 1 Month	% Change 12 Months
US dollar	AUD/USD	0.73	2.69%	-5.89%
British pound	AUD/GBP	0.54	3.03%	-2.12%
Euro	AUD/EUR	0.65	2.81%	1.39%
Japanese yen	AUD/JPY	83.48	2.67%	1.65%
Australian Dollar Trade-weighted Index		60.60	2.19%	-6.05%

* Closing index values are based on price indices. Index returns are expressed as total returns in local currency.
** All foreign exchange rates rounded to two decimal places.
Past performance is not a reliable indicator of future performance.

Global economies

Global Covid-19 cases continue to rise with numbers surpassing 437 million cases and 10.5billion vaccine doses administered as at the end of February. Russia's invasion of Ukraine has caused volatility in global stock markets and energy prices to rise with the Brent crude price at over $100 a barrel at the end of February, putting additional pressure on already high global energy costs. Central bankers stated that the war in Ukraine will affect the world economy across a variety of channels from higher prices to dampened spending and investment, though it is unclear what the ultimate impact will be.

Market Update

US

Annual inflation accelerated to 7.5% in January, the highest since February of 1982 and well above market forecasts of 7.3%, as soaring energy costs, labour shortages, and supply disruptions coupled with strong demand weigh. Consumer confidence fell slightly from a downwardly revised 111.1 to 110.5 in February. Non-farm payrolls rose 678,000 in February, the most in seven months and way above market forecasts of 400,000, whilst the unemployment rate came in at 3.8% in February, slightly below the 3.9% expectation and down on the 4.0% in January. Personal incomes were flat in January, beating the expected 0.3% fall. PPI grew 1.0% in January, following on from the 0.4% growth in December and ahead of the 0.5% expected, with the annual rate remaining at 9.7%. The Markit Composite PMI was 55.9 in February, 4.8pts above January's result and broadly in line with expectations of 56.0. The Philadelphia Fed Manufacturing Index came in at 16.0 in February 3.7pts below expectations and 7.2pts lower than the January result. The trade deficit came in at a record US$89.7 billion deficit in January, an increase on the revised US$82billion deficit in December and above the expected US$87.1 billion.

Europe

Interest rates across the Euro region were held at 0.0%. The inflation rate increased 0.3% in January, with energy contributing the bulk of this increase. The annual rate fell slightly to 5.1%, but well ahead of the 0.9% of a year ago. Economic sentiment increased to a 3-month high of 114 in February, beating market forecasts of 113. Unemployment fell to a record low of 6.8% in January, 7% in December and from 8.3% a year ago, and below market forecasts of 6.9%. The Markit Composite PMI rose from 52.3 to 55.5 in February, ahead of the 52.7 expected. This accelerated expansion in business activity was accompanied by a survey-record increase in prices charged for goods and services. Retail Sales grew by 0.2% in January, gaining some momentum after falling 3.0% in December. The annual rate came in at 7.8%, well below the expected 9.1%. The Russian invasion of Ukraine has added extra pressure to energy supply and prices as Europe relies heavily on Russian energy. Germany also suspended the Nord Stream 2 gas pipeline project, a gas pipe connecting Russian gas to Germany. This is significant because Germany essentially shut down its nuclear power stations opting for gas via the new pipeline. PPI rose to 5.2% in January, while the annual rate increased 30.6%, well ahead of the 27% expected.

In the UK, the base interest rate increased to 0.50% in February, as expected with the central bank expecting inflation to increase further in coming months, to close to 6% in March, before peaking at around 7.25% in April. Inflation declined to 0.1% in January, slowing on the 0.5% rise in December. The annual rate, however, rose to 5.5%, the highest reading since March 1992. The unemployment rate was flat at 4.1% in December. Consumer confidence dropped to its lowest level in 13 months at -26 in February largely due to persistently high inflation. The PMI Composite index came in at 59.9, 5.7pts higher than the 54.2 January result and 0.3pts below expectations whilst the services index came in at 60.5, 6.4pts up from the 54.1 January result and 0.3pts below expectations. Retail sales rose 1.9% in January, ahead of the 1.0% expected, rebounding from the 4% fall in December and pushing the annual rate to 9.1%.

China

China announced target rates for key economic indicators for 2022 at is annual parliamentary - GDP growth target of "around 5.5%", unemployment rate in cities of "no more than 5.5%" and a consumer price index of "around 3%". China's annual inflation rate fell to 0.9% in January from 1.5% a month earlier and compared with market forecasts of 1%. This was the lowest reading since September 2021, as the cost of food dropped the most in four months. The Caixin Manufacturing PMI unexpectedly rose to 50.4 in February, beating market consensus of 49.3. while the Caixin Composite PMI was flat at 50.1, which was below the expected 50.8. China's trade surplus widened to US$115.95 billion in January – February combined, easily beating market forecasts of US$99.5 billion. The 2022 Winter Olympics in Beijing were held against a background of 'Covid Zero' and a limit on spectators.

Market Update

Asia region

No meeting by the Bank of Japan was scheduled for February so rates remain unchanged at -0.10%. Annual inflation was 0.5% in January, slightly down on the 0.8% December result. Japan's unemployment rate rose10bps to 2.8% in January, against expectations of 2.7%. Japanese consumer confidence declined to a 9-month low of 35.3 in February from 36.7 in the previous month, amid extending Covid-19 restrictions in some regions. Retail sales decreased 1.9%, while the yearly rate improved 1.6%, which was higher than the expected 1.4%. Toyota, Honda and Mazda halted exports to and production in Russia, citing difficulties in procuring parts and logistical hurdles.

Australia

The RBA left the cash rate unchanged at 0.1% as widely expected. The board stated that the global economy was continuing to recover from the pandemic, but it expects inflation to rise on the back of higher petrol prices and energy costs. GDP gained 3.4% in the fourth quarter of 2021, above the 2.7% expectation and rebounding from the prior quarter decline of 1.9%. This was the strongest growth rate since the third quarter in 2020, boosted by a rebound in household spending following restrictions easing on the east coast. The yearly GDP rate increased from 3.9% to 4.2%. Retail sales surprised to the upside in January, gaining 1.8% and reversing from the 4.4% fall in December which was the first decrease in retail sales since August. January's unemployment rate was unchanged at 4.2%, in line with expectations. The Westpac consumer sentiment index declined 1.3% to 100.8 in February, weighed down by concerns over the rising cost of living and prospects of higher interest rates. The Markit Composite PMI rose to 56.6 in February, rebounding from January's 46.7, with both services and manufacturing output returning to growth. The trade surplus increased to $12.89 billion in January from an upwardly revised $8.82 billion in December, as exports rose amid solid global demand.

Market Update

EQUITY MARKETS

- Australia's S&P/ASX 200 Index returned 2.1% with Energy (+8.6%), Consumer Staples (+5.6%), and Materials (+5.2%) posting solid returns. Information Technology continued to be challenged with a decline of -6.6%.
- Offshore markets had another challenging month with falls across a range of markets including the US, Europe, Asia and Emerging Markets due to evolving geopolitical tensions and subdued sentiment.

Australian equities

	Index/Benchmark (% pa)	1 Month	1 Year	3 Years	5 Years	7 Years
Australian	S&P/ASX 200 Acc. Index	2.14%	10.19%	8.42%	8.48%	6.78%
	S&P/ASX 50 Acc. Index	2.81%	10.61%	8.06%	8.00%	6.09%
	S&P/ASX Small Ordinaries Acc. Index	-0.01%	5.02%	7.74%	9.35%	8.41%

The Australian share market finished February 2022 with the S&P/ASX 200 rebounding +2.1% and seven out of eleven sectors finishing higher. In particular, the Energy sector (+8.6%) led the Index higher with Consumer Staples (+5.6%) and Materials (+5.2%) also performing well. The Information Technology sector (-6.6%) continued its fall whilst the Consumer Discretionary sector (-5.0%) performed poorly.

The Energy sector was driven higher by surging oil prices amid the geopolitical tensions between Russian and Ukraine. Meanwhile, Consumer Staples performed strongly as investors looked for defensive exposure, with the Materials sector also finishing positively due to surging commodity prices. The Information Technology sector continued its slide as volatility and impending worldwide interest rate rises provided a headwind for growth stocks. Overall, the catalysts for the month were the geopolitical issues in Ukraine as the war and sanctions continued to intensify. This resulted in market volatility as investors mulled the effects on worldwide monetary policy response and inflationary concerns.

In February, Enhanced Value (+5.3%) and Value (5.0%) were the top performers amongst factors. All factors finished positive except for growth (-0.6%). Over the past 12 months, both value strategies (+17.5%) are the strongest performers, with growth (-9.0%) providing the lowest year-to-date returns.

Investment Index/Benchmark returns*

S&P/ ASX 200 Index

Sector	1 Month	3 Months	1 Year
Energy	8.57%	19.82%	13.49%
Consumer Staples	5.57%	-6.79%	8.01%
Materials	5.17%	12.85%	13.69%
Utilities	3.41%	14.45%	26.68%
Financials ex-Property	3.01%	0.40%	12.11%
Property	1.42%	-3.76%	23.93%
Industrials	0.39%	-3.56%	10.86%
Health Care	-0.16%	-14.38%	0.70%
Communications	-2.19%	-9.32%	16.46%
Consumer Discretionary	-4.99%	-12.26%	6.12%
Information Technology	-6.61%	-27.87%	-18.50%

*Total returns based on GICS sector classification

Market Update

BIG MOVERS THIS MONTH

Going up

⇑ Energy +8.6%

⇑ Consumer Staples +5.6%

⇑ Materials +5.2%

Going down

⇓ Communications -2.2%

⇓ Consumer Discretionary -5.0%

⇓ Information Technology -6.6%

Global Equities

	Index/Benchmark (% pa)	1 Month	1 Year	3 Years	5 Years	7 Years
Global	MSCI World Ex Australia Index (AUD)	-5.52%	18.33%	13.81%	13.48%	10.95%
	MSCI World Ex Australia Index (LCL)	-2.76%	12.88%	14.55%	11.85%	9.88%
	MSCI World Ex Australia Small Cap Index (AUD)	-2.53%	6.39%	10.26%	10.91%	9.79%
Emerging	MSCI Emerging Markets Index (AUD)	-5.81%	-4.71%	5.33%	8.23%	5.95%
	MSCI AC Far East Index (AUD)	-4.27%	-7.58%	5.49%	8.02%	6.66%

Global markets were battered over the month of February as geopolitical fears evolved into a reality in Ukraine. Developed markets closed -5.5% lower by month end, Global small caps fared better than their large cap counterparts closing with a -2.5% loss. Emerging and Asian markets followed similar downward trends with monthly returns of -5.8% and -4.3% respectively. Noting that all aforementioned figures are reported in Australian dollar terms. As expected, the emerging conflict between Russia and Ukraine commanded the attention of investors over the month dampening confidence across the globe. Momentum and growth factors led the pack over the month returning -0.2% and -0.9% respectively, the worst performing factors were quality and momentum closing -4.1% and -2.2% lower respectively according to MSCI ACWI Single Factor Indices reported in local currency terms.

Property

	Index/Benchmark (% pa)	1 Month	1 Year	3 Years	5 Years	7 Years
Australian	S&P/ASX 200 A-REIT Acc	1.42%	23.93%	6.84%	7.66%	7.51%
Global	FTSE EPRA/NAREIT Developed Ex Australia Index (AUD Hedged)	-2.70%	15.61%	4.98%	5.56%	5.16%

The S&P/ASX 200 A-REIT Index (AUD) consolidated during February, finishing 1.4% higher MoM. Global real estate equities (represented by the FTSE EPRA/NAREIT Developed Ex Australia Index (AUD Hedged)) continued its drawdown, closing a further -2.7% lower for the month of February and totalling -8.1% YTD. Within the AREIT landscape, industrial REITs have significantly outperformed office and retails over the past 12 months and during the recovery, but COVID-related restrictions easing across the community could see improved sentiment within the office and retail subsector. Additionally, February HY22 results were generally positive across the AREIT sector, with a number of index constituents beating earnings expectations.
February saw some activity across the retirement and lifestyle segments. Stockland (ASX: SGP) announced the sale of its retirement living business to EQT Infrastructure for $987m, broadly in line with its book value. Ingenia Communities Group (ASX: INA) announced both an acquisition of a partially developed lifestyle community in South East Queensland and the acquisition of three lifestyle communities in Melbourne. The domestic housing market rose by 0.3% MoM in February, as reported by CoreLogic's 5 capital city aggregate. Sydney 'all dwellings' was the only negative reading, with -0.1% MoM change. Brisbane (inc. Gold Coast) led the charge, advancing 2.0% MoM. Interestingly, CoreLogic reported that the lower value segments of the market are now outperforming, with the lowest 25% of capital

city home values increasing by 3.5% in three months to January, compared to the top 25% of capital city home values rising by 1.9% for the same period.

Fixed Interest

	Index/Benchmark (% pa)	1 Month	1 Year	3 Years	5 Years	7 Years
Australian	Bloomberg AusBond Composite 0+ Yr Index	-1.21%	-1.09%	1.57%	2.73%	2.58%
	Bloomberg AusBond Bank Bill Index	0.01%	0.03%	0.51%	1.05%	1.36%
Global	Bloomberg Barclays Global Aggregate Index (AUD)	-4.06%	1.01%	1.48%	3.55%	2.99%
	Bloomberg Barclays Global Aggregate Index (AUD Hedged)	-1.30%	-2.33%	2.15%	2.43%	2.80%

Fixed Income markets continued their poor start to 2022, posting significant losses in February. In the Australian market, the bulk of the poor returns came from markets continuing to sell-off over fears of higher inflation and corresponding rate hikes, with the yield for 10-year Australian Government Bonds increasing by more than 25bps over the course of February. This increase hit across the entire Yield Curve, with the 2-year yield increasing by a similar amount. Despite these selloffs, in their meeting on 1 March the Reserve Bank of Australia (RBA) maintained the Cash Rate at 0.1% and reiterated that they intend to see both inflation sustainably within their 2-3% target range, and higher levels of wage growth, before increasing rates, and currently the RBA's board does not have sufficient conviction that either of these criteria have been met.

As such, the movement of the risk-free curve was the main factor driving Australian bond market performance, with the Bloomberg AusBond Composite 0+ Yr Index returning -1.2% over the course of February. Australian credit spreads also widened substantially over the course of the month, which further contributed to the observed poor performance.

International bond markets also sold off during February, primarily driven by the US, which balked at a CPI level of 7.5% over the year to January 2022. Market participants are almost unanimously expecting a rate rise in the Federal Reserve's March meeting, with the bulk of discussion concerning the size of the increase rather than whether or not one is likely to occur. This resulted in a return of -1.3% in the Bloomberg Global Aggregate Index (AUD Hedged), with a weakening AUD resulting in a return of -4.1% for the unhedged variant. Notably, this index features a small 0.3% allocation to Russian markets, which experienced huge devaluations resulting from international sanctions following Russia's invasion of Ukraine, contributing to the month's negative return.

Australian dollar

The Australian dollar regained lost ground in the month of February closing 2.7% higher relative to the greenback and 2.2% in trade-weighted terms. Despite geopolitical pressure developing as a result of the Russia-Ukraine conflict, the AUD remained fairly stable with its monthly high-low range being tighter than that of January (Jan: 0.69-0.73, Feb: 0.70-0.73). Investor confidence will continue to be challenged as geopolitical events unravel over the coming months, albeit the AUD is seemingly receiving some support via heightened commodity prices as a result of the conflict.

Market
Update