



## Investment Feedback

### Global Markets

The past financial year was a tale of two halves. The second half of 2021 saw global financial markets stocks deliver robust returns on better global growth that was supported by the coordinated monetary and fiscal stimulus measures. Better economic data, easing coronavirus cases in some parts of the globe and dovish major central banks throughout the year also supported the risk sentiment in the markets.

However, the first half of 2022 saw reversals in investment markets as global financial markets recorded their worst first half of the year since 1970 as the risk sentiment weakened due to intensified recession concerns with major central banks intensively tightening monetary policy to control inflation. Despite central bank interventions, global inflationary pressures remain elevated with the ongoing Ukraine war resulting in supply bottlenecks.

### South African Markets

After tracking global markets in 2021, South African markets have bucked the global trend in the first half of 2022. An unfavourable global backdrop, higher than expected inflation, and worsening power outages negatively impacted domestic assets in the first half of the year, with the JSE All Share Index (ALSI) recording returns of -11.7% and -8.1% year-to-date in Rands. South African bonds protected relative to local equities, with the All-Bond Index (ALBI) returning a negative return of -1.9% year-to-date as risk sentiment waned.

As several headwinds continue to impact the macro backdrop, the volatility in the financial markets is expected to rise over the medium term, while growth asset classes are expected to lag again before they stabilise. Historically, when the S&P 500 plunged 21.0% in the first half of 1970, it promptly reversed those losses to gain 26.5% in the second half. Meanwhile, easing geopolitical tensions between Ukraine and Russia, signs of global inflation peaking, containment of the coronavirus outbreak, and clear communication by the major central banks, may assist in recouping the recent bear market losses in the near future.





# NJMPF

Your Fund, Your Savings, Your Future

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### ASSET ALLOCATION – 30 JUNE 2022

	Provident Fund	Superannuation	Retirement
<b>South Africa</b>	<b>71.20%</b>	<b>73.30%</b>	<b>74.70%</b>
Equities	43.9%	41.5%	42.0%
Bonds	23.6%	28.5%	29.0%
Cash	3.0%	2.6%	2.8%
Property	0.2%	0.3%	0.4%
Other	0.5%	0.4%	0.5%
<b>Global</b>	<b>28.8%</b>	<b>26.7%</b>	<b>25.3%</b>
Equities	28.8%	26.7%	25.3%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

### ASSET ALLOCATION – 30 JUNE 2022

	3 Months	6 Months	YTD	1 Year	3 Years (ann)	5 Years (ann)	10 Years (ann)
<b>South African Indices</b>							
FTSE/JSE All Share	-11.69%	-8.30%	-8.30%	4.69%	8.18%	8.74%	10.45%
FTSE/JSE SWIX	-10.60%	-5.52%	-5.52%	2.85%	5.57%	5.87%	9.32%
FTSE/JSE Capped SWIX ALSI	-10.65%	-4.65%	-4.65%	6.94%	6.78%	5.89%	9.15%
STeFI Composite index	1.15%	2.19%	2.19%	4.18%	5.02%	5.93%	6.11%
All Bond Index	-3.71%	-1.93%	-1.93%	1.25%	5.78%	7.78%	7.19%
Government Bond Index	2.95%	3.17%	3.17%	10.76%	7.16%	5.39%	6.28%
FTSE/JSE SA Property	-11.56%	-12.68%	-12.68%	0.22%	-9.03%	-7.33%	2.68%
<b>Global Indices</b>							
MSCI AC World	-6.25%	-18.51%	-18.51%	-4.28%	11.37%	11.76%	16.53%
MSCI World	-6.83%	-18.84%	-18.84%	-2.67%	12.20%	12.45%	17.34%
MSCI Emerging Markets	-1.57%	-15.90%	-15.90%	-15.11%	5.46%	6.72%	10.43%
90-day US Treasury Bill Rate	11.45%	2.44%	2.44%	14.03%	5.45%	5.57%	7.82%
FTSE EPRA/NAREIT Dev Ren TR US	-9.12%	-20.10%	-20.10%	-0.81%	5.22%	7.72%	13.43%
<b>Currencies</b>							
Rand/Dollar	-11.16%	-2.09%	-2.09%	-13.62%	-4.86%	-4.44%	-7.15%
Rand/Euro	-5.11%	5.96%	5.96%	-0.51%	-1.97%	-2.68%	-5.04%
Rand/Sterling	-2.97%	8.12%	8.12%	-0.20%	-3.33%	-3.09%	-4.40%
<b>Inflation</b>							
Headline Inflation	2.29%	3.68%	3.68%	6.53%	4.57%	4.51%	5.09%

