

Learn more about market trends and how our investment plans for your GESB Super, West State Super or Retirement Income account performed over the 2022/2023 financial year.

Key highlights:

- Share markets rebounded strongly over the year, despite high inflation, rising interest rates and isolated areas of stress
- International Shares returned 17.6% over the year, while Australian shares added 14.4%
- Bond markets returns were relatively weak, with Australian bonds rising 1.2% and global bonds falling 1.8%
- With most asset classes generating positive returns, our investment plans delivered strong returns for members over the 12 months to June 2023
- The My GESB Super option added 9.13% after fees and taxes, while the My West State Super option returned 8.39% after fees
- Over the quarter, My GESB Super returned 2.15%; My West State Super added 1.77%; and RI Allocated Pension Conservative gained 0.58%



'It was pleasing to see a strong rebound in the performance of most plans, which has further strengthened long term performance.'

Paul Taylor, Chief Investment Officer

Investment market returns: short and medium term

Shares have performed well over the past three years, but bond returns have been negative over the same period. Property returns have been mixed, while Cash has generated low but positive returns over the time periods shown.

Asset class index returns



Note: the indices used to track the performance of the asset classes shown above are listed at the end of this update.

What were the main reasons for recent investment market returns?

- **Share markets rebounding**

US technology companies, particularly those that provide or benefit from exposure to artificial intelligence, have led the rebound in share markets. A resurgence in the Japanese stock market has also been a key driver of returns.

- **US debt ceiling**

The US debt ceiling resolution provided some relief for financial markets globally. Concerns over a potential default, or even a lengthy delay, in resolving the US debt ceiling had put downward pressure on financial markets.

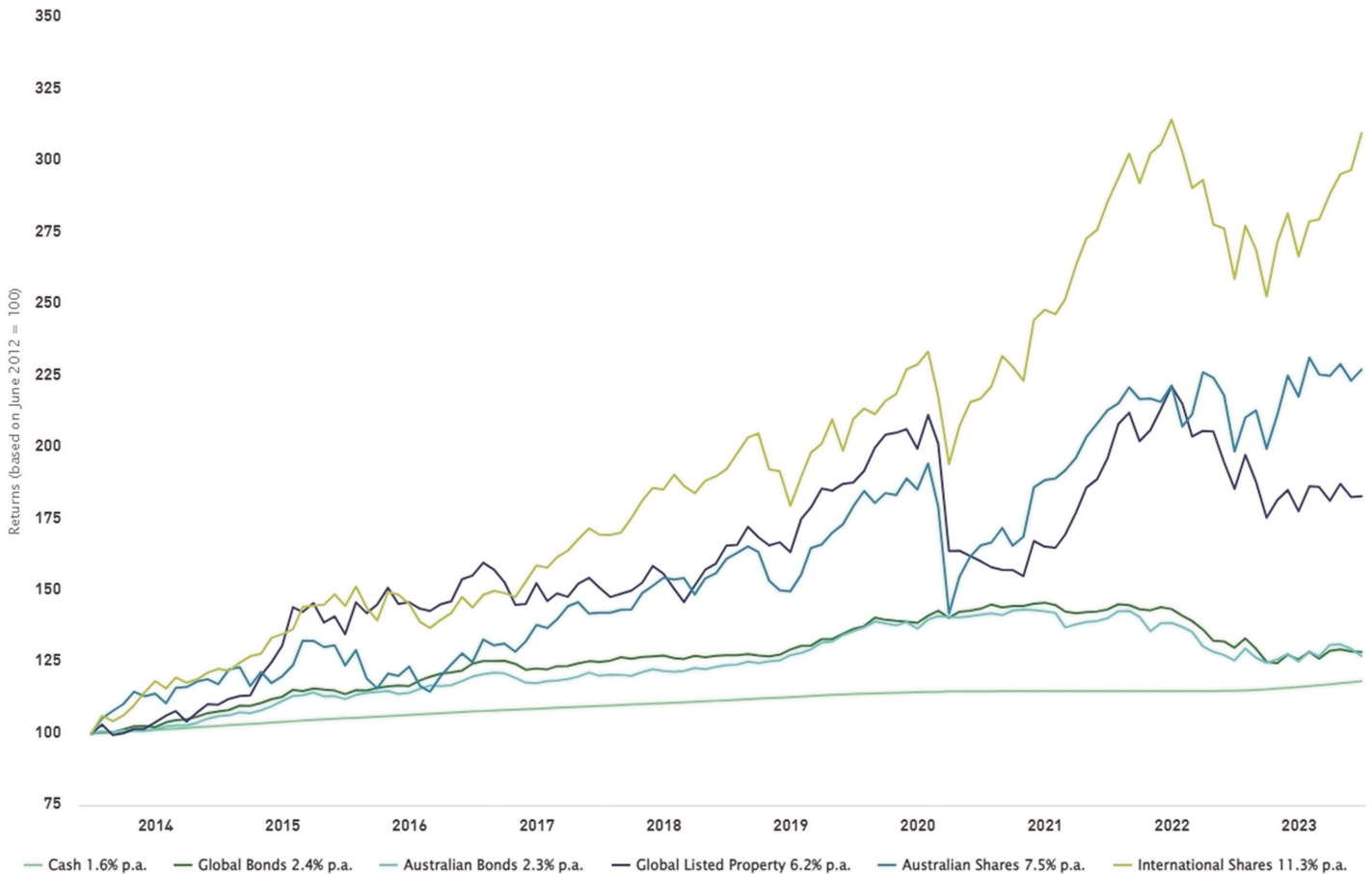
- **Moderating inflation and interest rate expectations**

While most central banks continued to raise interest rates during the quarter, inflation is easing, and the pace of interest rate increases has slowed down. However, the full impact of interest rate increases is yet to be felt and caution remains over the investment environment in the short to medium term.

Investment market returns: long term

Over the longer term (10 years), investments such as Shares and Property have produced the highest returns but with greater variability. Cash has delivered the lowest but most stable returns. This is illustrated in the chart below.

Cumulative asset class index returns



Note: the indices used to track the performance of the asset classes shown above are listed at the end of this update.

What does this mean for your investment?

Performance of asset classes

The graph below shows the returns we achieved in a range of asset classes compared to the benchmark return over the three years to 30 June 2023.

Three year returns



Note: the indices used to track the performance of the asset classes shown above are listed at the end of this update.

As shown in the above graph, we have performed above benchmark in most asset classes over the past three years.

Performance of investment options

Investment returns over both the short and long term for some of our diversified plans are shown in the table below. You can also see the investment return history for all of our available plans at gesb.wa.gov.au/investment_returns.

INVESTMENT PLAN RETURNS	June quarter 2023	1 year	3 years	5 years	10 years
RI Allocated Pension Conservative plan ¹	0.58%	5.18%	2.63%	2.83%	4.18%
Transition to Retirement Pension Balanced plan ²	1.41%	7.49%	5.94%	4.69%	N/A
RI Allocated Pension Balanced plan ¹	1.46%	8.42%	6.47%	5.11%	6.72%
RI Term Allocated Pension Balanced plan ¹	1.42%	8.28%	6.31%	4.94%	6.40%
My West State Super ³	1.77%	8.39%	6.34%	5.12%	6.77%
My GESB Super ¹	2.15%	9.13%	7.13%	5.38%	6.85%
West State Super Growth plan ³	2.99%	11.70%	8.50%	6.17%	7.82%

Other investment plans

See the investment returns for all of our available plans at gesb.wa.gov.au/investment_returns.

Returns greater than one year are annualised.

Despite market volatility in recent times, our diversified plans have delivered sound returns over all time periods.

¹ Returns are reported net of fees and taxes.

² Transition to Retirement Pension was inceptioned on 15 June 2017, so 10-year returns are not available. Returns are reported net of fees and taxes.

³ Returns are reported net of fees.

More information

- Try our Selecting your investment plan tool at gesb.wa.gov.au/investmenttool
- Find out more about investing with us at gesb.wa.gov.au/investingwithus
- See our super investment options at gesb.wa.gov.au/superinvest or retirement investment options at gesb.wa.gov.au/retireinvest
- Access previous investment updates at gesb.wa.gov.au/investmentupdate

Need help?

- Read our investment FAQs at gesb.wa.gov.au/investmentFAQs
- Find a personal financial adviser at gesb.wa.gov.au/advice
- Call us on **13 43 72**

Indices: Australian Shares–S&P/ASX 300 Accumulation Index; International Shares–MSCI World ex-Australia Index (50% hedged to AUD, 50% unhedged); Global Listed Property–FTSE EP/NAR DEV NET HDG AUD; Australian Bonds–Bloomberg AusBond Composite 0+ Yr Index; Global Bonds–Bloomberg Barclays Global-Aggregate Total Return Index Value Hedged AUD; Investment Grade Bonds – 50/50 combination of Australian and International Bonds; Cash–Bloomberg AusBond Bank Bill (BB) Index; Listed Infrastructure – FT Dev Core Infr 50/50 Hdg; Medium Risk Alternatives–Bloomberg AusBond BB Index + 3.75%pa; Defensive Alternatives–Bloomberg AusBond BB Index + 1.75%pa; Private Equity – Blended Benchmark of Australian and International Shares.

Performance information should be used as a guide only, is of a general nature, and does not constitute legal, taxation, or personal financial advice. The performance of your investment plan is not guaranteed and returns may move up or down depending on factors such as investment market conditions. Past performance should not be relied on as an indication of future performance. In providing this information, we have not considered your personal circumstances including your objectives, financial situation or needs. We are not licensed to provide financial product advice. Before acting or relying on any of the information in this website, you should review your personal circumstances and assess whether the information is appropriate for you. You should read this information in conjunction with other relevant disclosure documents we have prepared and where necessary seek advice specific to your personal circumstances from a qualified financial adviser.

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