

Learn more about market trends and how our investment plans for your GESB Super, West State Super or Retirement Income account performed over the quarter ending 31 March 2022.

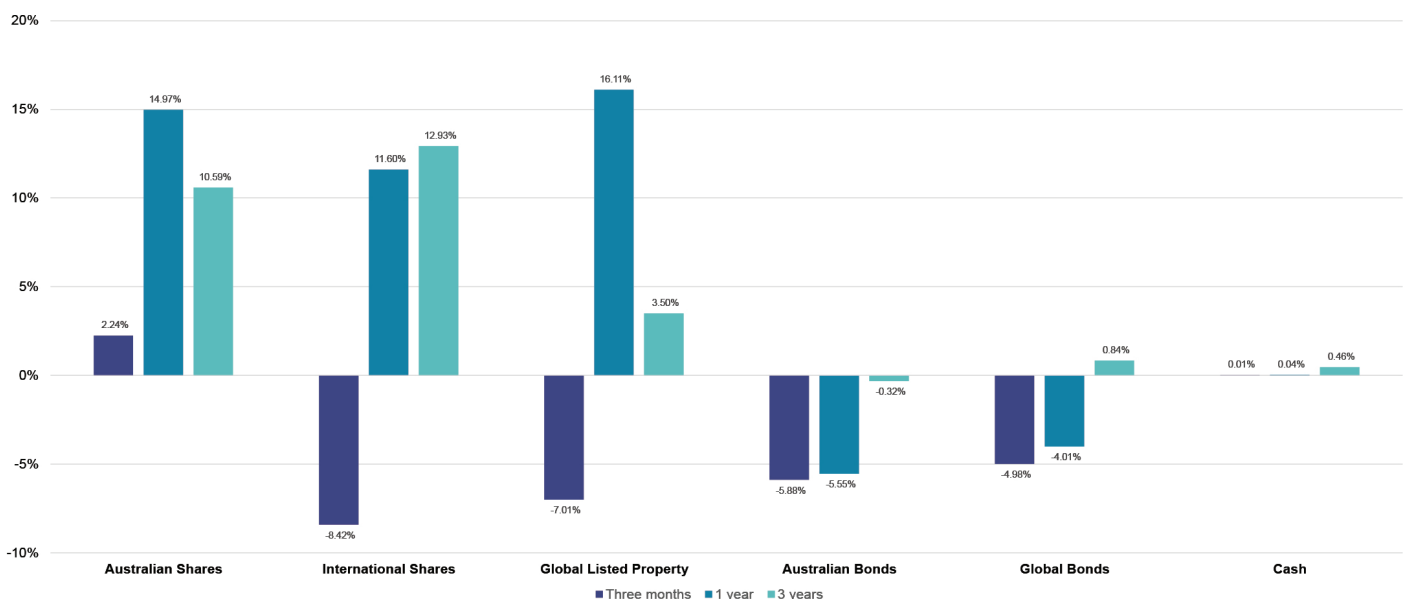
## Key highlights:

- Over the three months to 31 March 2022, all major asset classes, including Shares and Bonds, experienced a high level of volatility
- Russia's invasion of Ukraine led to a series of economic sanctions imposed on Russia. However, this caused a major disruption to countries who import Russian commodities such as oil, gas and wheat. Commodity prices soared as a result. China's zero COVID-19 policy led to new lockdowns in some major cities, adding to concerns in an already volatile market
- International Shares fell 8.4% over the quarter due to increasing concerns over the war in Ukraine and rising inflation. Australian Shares rose 2.2% due to its large weighting to banks and mining companies which generated strong returns over the quarter
- Against the higher inflation backdrop, interest rates are expected to rise. This resulted in Bond prices falling, with Australian and global Bonds delivering negative returns for the quarter of -5.9% and -5.0% respectively
- The US Federal Reserve indicated that the Russian invasion amplified existing concerns over inflation pressures, particularly in food and energy. An aggressive series of interest rate rises is expected in the US, with the Federal Reserve increasing interest rates by 0.25% at their March meeting and signalling further rate rises for 2022 and 2023
- The Reserve Bank of Australia (RBA) maintained its 0.10% cash rate target throughout the quarter. During its March meeting, the RBA stated that, before hiking rates, annual inflation would need to be sustainably within 2% to 3% together with wages growth above 3%. The RBA is expected to start raising rates during 2022
- My GESB Super plan returned -1.57% for the quarter
- My West State Super plan returned -2.77% for the quarter
- RI Allocated Pension Conservative plan returned -2.18% for the quarter

## Investment market returns: short and medium term

Growth asset classes, including Australian and International Shares and Global Listed Property, delivered strong returns in the range of 11% to 16% over the year to March 2022. Returns from the defensive asset class were flat to negative with Cash returning 0.05% over the year and Bonds around -4% to -6%. Over the past three years, Cash and Bond returns were close to zero, whilst share market returns were in the range of 10% to 13% per annum.

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?

- **Russian invasion of Ukraine**

A series of economic sanctions imposed on Russia caused major disruptions to countries who import Russian commodities. This led to market volatility and caused commodity price increases which amplified inflationary pressures.

- **Higher interest rates and bonds**

Market expectations of higher interest rates, to combat rising inflation, resulted in Bond prices falling sharply.

- **Higher commodity prices and Australian Shares**

Most developed share markets fell during the quarter, but Australian Shares rallied on higher oil and iron-ore prices. As a commodity producing country, Australia may benefit from higher commodity prices.

## 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), while Cash has delivered the lowest (but most stable) returns. This is illustrated in the chart below.



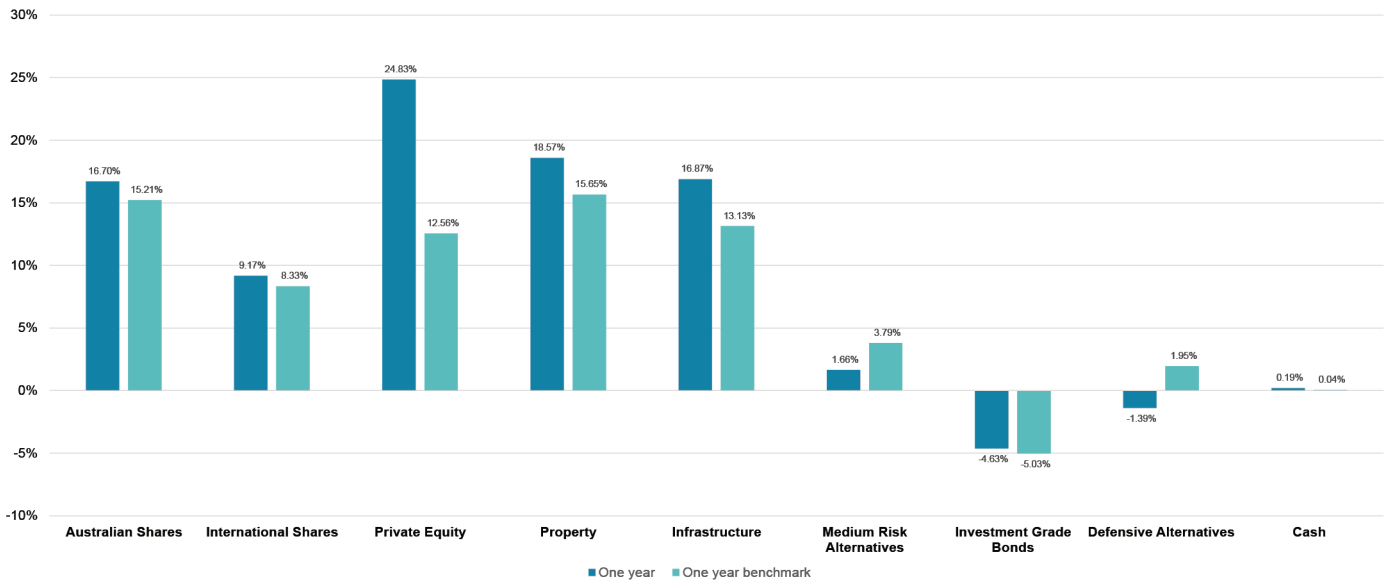
**Note:** the indices used to track the performance of the asset classes shown above are listed at the end of this update.

## What does this mean for your investment?

### Performance of asset classes

The graph below shows the returns we achieved in each asset class, compared to the benchmark return over the year to 31 March 2022.

## One 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 12 months.

### 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](https://gesb.wa.gov.au/investment_returns).

INVESTMENT PLAN RETURNS	March quarter 2022	1 year	3 years	5 years	10 years
RI Allocated Pension Conservative plan <sup>1</sup>	-2.19%	2.19%	3.56%	4.10%	5.19%
Transition to Retirement Pension Balanced plan <sup>2</sup>	-1.71%	6.74%	6.44%	-	-
RI Allocated Pension Balanced plan <sup>1</sup>	-2.04%	6.89%	7.01%	7.01%	8.11%
RI Term Allocated Pension Balanced plan <sup>1</sup>	-2.04%	6.90%	7.03%	7.03%	8.00%
My West State Super <sup>3</sup>	-2.77%	6.19%	6.86%	6.92%	8.06%
My GESB Super <sup>1</sup>	-1.57%	8.05%	7.30%	6.97%	7.99%
West State Super Growth plan <sup>3</sup>	-2.55%	8.93%	8.37%	7.98%	9.14%

### Other investment plans

See the investment returns for all of our available plans at [gesb.wa.gov.au/investment\\_returns](https://gesb.wa.gov.au/investment_returns).

Returns greater than one year are annualised.

Performance over the quarter has been helped by the positive performance from Australian Shares, International Shares and Global Listed Property. Our diversified plans have performed strongly over the past 12 months and, more importantly, over the past five and 10 years. The investment returns of our diversified plans are ahead of primary investment objectives.

<sup>1</sup> Returns are reported net of fees and taxes.

<sup>2</sup> Transition to Retirement Pension was incepted on 15 June 2017, so longer-term returns are not available. Returns are reported net of fees and taxes.

<sup>3</sup> Returns are reported net of fees.

## More information

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

## Need help?

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

Indices: Australian Shares–S&P/ASX Total Return 300 Index; International Shares–MSCI World ex-Australia Net Total Return AUD Index; Global Listed Property–FTSE Custom EPRA/NAREIT Developed Index Net TRI AUD; Unlisted Property–Blended Benchmark; 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 Index; Infrastructure–FT Dev Core Infr 50/50 Hdg; Unlisted Infrastructure–MSCI Australia Quarterly Private Infrastructure Fund Index (Unfrozen); Medium Risk Alternatives–Bloomberg AusBond BB + 3.75%pa; Defensive Alternatives–Bloomberg Aus Bond + 1.75%pa; Private Equity – Blended Benchmark

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 at [gesb.wa.gov.au/brochures](https://gesb.wa.gov.au/brochures) and where necessary seek advice specific to your personal circumstances from a qualified financial adviser.

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