

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 30 September 2021.

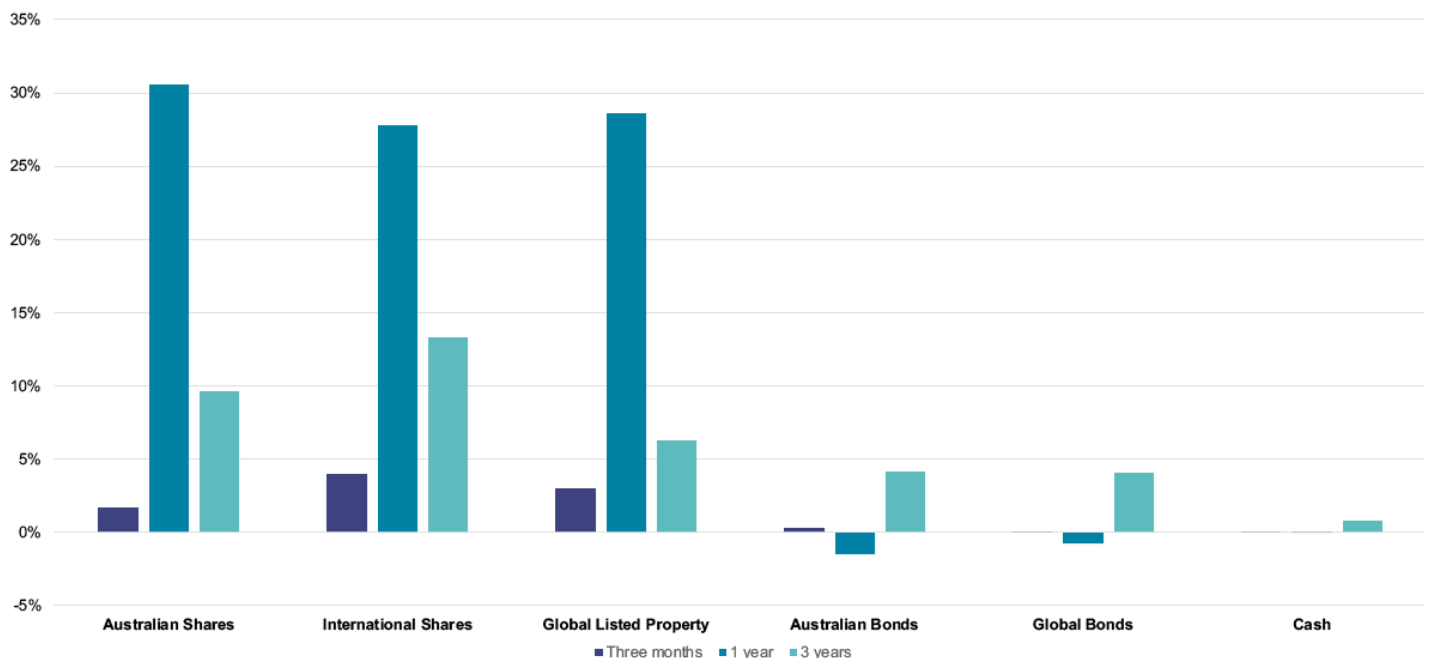
### Key highlights:

- The September quarter was one of heightened global market volatility. This was driven by expectations of higher interest rates, global supply constraints, rising inflation pressures and developments in the energy and property markets
- A gas supply shortage caused global energy prices to rise sharply
- International Shares added 4.0%, while Australian Shares gained 1.7%
- Bond yields rose on higher economic growth and inflation expectations
- My GESB Super plan returned 1.63% for the quarter
- My West State Super plan returned 1.46% for the quarter
- RI Allocated Pension Conservative plan returned 0.65% for the quarter

### Investment market returns: short and medium term

Growth asset classes, which include Australian and International Shares as well as Global Listed Property, delivered strong returns (in excess of 25%) over the year to September 2021, while returns for the quarter were more modest. Over the past three years, shares and bonds have delivered reasonable returns in the range of 4% to 14% per annum.

Asset class index returns



Source: Australian Shares - S&P/ASX Total Return 200 Index; International Shares - MSCI World ex-Australia Net Total Return AUD Index; Global Listed Property - FTSE Custom EPRA/NAREIT Developed Index Net TRI AUD; Australian Bonds - Bloomberg AusBond Composite 0+ Yr Index; Global Bonds - Bloomberg Barclays Global-Aggregate Total Return Index Value Hedged AUD; Cash - Bloomberg AusBond Bank Bill Index

## What were the main reasons for recent investment market returns?

- **Major central banks contributing to higher interest rate expectations**

The US Federal Reserve stated its bond buying program would likely begin reducing in November 2021 and that it anticipated all purchases of securities to stop by mid-2022. This suggests stimulus provided during the pandemic will begin to be slowly pulled back.

- **Volatile bond yields and higher inflation expectations**

The Australian 10-year bond yield rose from a low of 1.07% to 1.49% at quarter end while the US 10-year yield increased from a low of 1.17% to 1.53% as market focus turned to the prospect of monetary policy support being withdrawn and rising inflation. Moderate levels of inflation are consistent with an improving economy but higher than expected levels of inflation may result in interest rates rising sooner than expected.

- **Rising energy prices**

A gas supply shortage, caused by a lack of renewable energy output and Russia-to-Europe pipeline complications, has contributed to rising global energy prices. This had a positive impact on share prices of listed energy companies in Australia and overseas, which were amongst the top performing shares for the quarter.

## 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.



Source: Cash - Bloomberg AusBond Bank Bill Index; Global Bonds - Bloomberg Barclays Global-Aggregate Total Return Index Value Hedged AUD; Australian Bonds - Bloomberg AusBond Composite 0+ Yr Index; Global Listed Property - FTSE Custom EPRA/NAREIT Developed Index Net TRI AUD; Australian Shares - S&P/ASX Total Return 300 Index; International Shares - MSCI World ex-Australia Net Total Return AUD Index

## What does this mean for your investment?

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

### Performance of investment options

INVESTMENT PLAN RETURNS	September quarter 2021	1 year	3 years (p.a.)	5 years (p.a.)	10 years (p.a.)
RI Allocated Pension Conservative plan <sup>1</sup>	0.65%	7.75%	4.62%	4.77%	5.90%
Transition to Retirement Balanced plan <sup>2</sup>	1.52%	15.76%	6.62%	-	-
RI Allocated Pension Balanced plan <sup>1</sup>	1.50%	17.40%	7.39%	7.80%	9.00%
RI Term Allocated Pension Balanced plan <sup>1</sup>	1.49%	17.42%	7.41%	7.81%	8.86%
My West State Super <sup>3</sup>	1.46%	17.04%	7.36%	7.80%	9.03%
My GESB Super <sup>1</sup>	1.63%	17.87%	7.12%	7.57%	8.71%
West State Super Growth plan <sup>3</sup>	1.61%	20.88%	8.10%	8.71%	10.02%
<b>Other investment plans</b>	See the investment returns for all of our available plans at <a href="https://gesb.wa.gov.au/investment_returns">gesb.wa.gov.au/investment_returns</a>				

Returns greater than one year are annualised.

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

<sup>2</sup> Transition to Retirement Pension was inception 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.

## What does this mean for your investment?

### Performance of investment options (cont.)

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.

While long-term performance has been strong, we continue to review our portfolio. We are focused on delivering long-term returns that meet objectives, while remaining flexible to manage evolving investment market conditions.

### 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**

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 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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