

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 December 2022.

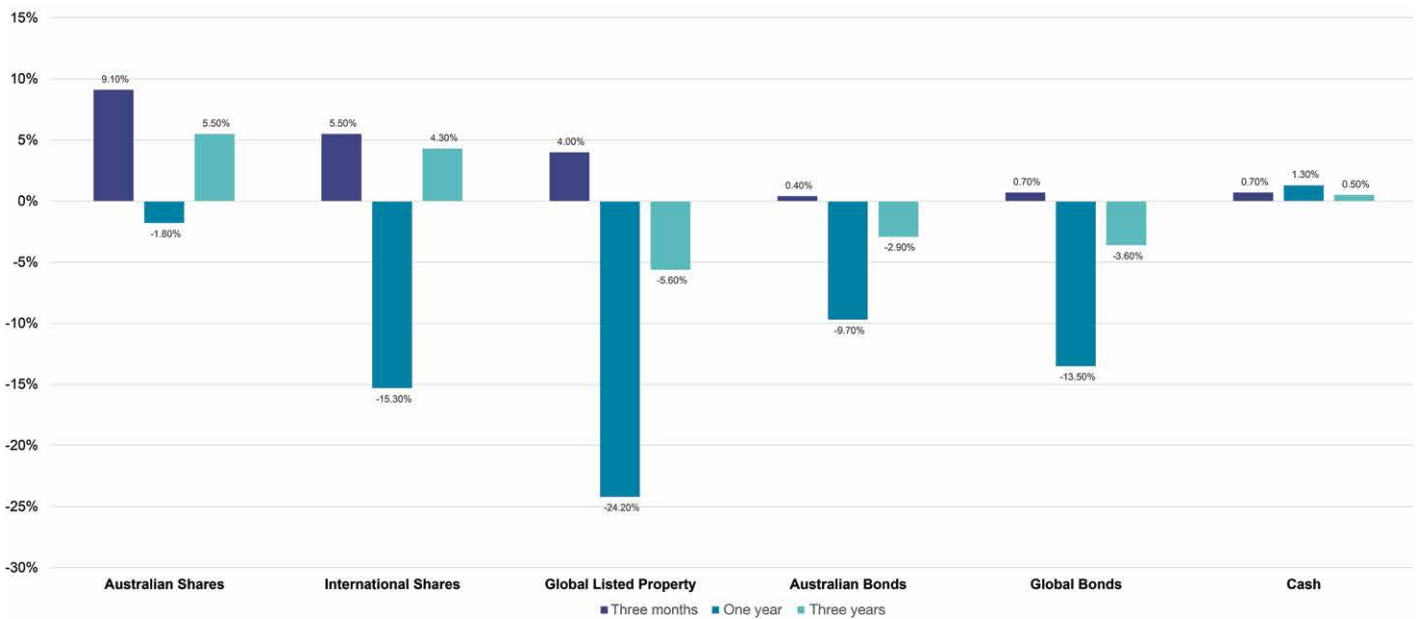
Key highlights:

- Most asset classes delivered positive returns over the quarter on signs that inflation is cooling
- US inflation has begun to fall, and Australian inflation appears to be close to its peak
- International Shares returned 5.5%, while Australian Shares returned 9.1%
- Australian and global Bonds returned 0.4% and 0.7%, respectively
- My GESB Super plan returned 4.26% for the quarter
- My West State Super plan returned 3.82% for the quarter
- RI Allocated Pension Conservative plan returned 2.58% for the quarter

Investment market returns: short and medium term

Share, Property and Bond returns were mixed over the past three years and negative over the past year. Recent returns have improved particularly for Shares and Property. 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?

- **Elevated but peaking inflation**

Consumer spending continues to exceed expectations and is maintaining pressure on the price of most goods and services. However, US inflation has begun to fall, and Australian inflation appears to be close to its peak.

- **Rising interest rates**

Central banks are fighting inflation with further interest rate rises, despite a slowing of global economic growth.

In Australia, the Reserve Bank of Australia (RBA) ended the year with a December rate hike, raising the cash rate by 0.25% to 3.10%. The RBA stated that further rate hikes should be expected while inflation remains elevated, and parts of the economy are overheated.

The US Federal Reserve ended the year by raising its target cash rate range by 0.5% to a 15 year high of 4.25% to 4.50%. The Federal Reserve noted it would need to see substantially more evidence of easing inflation before they are confident that pricing pressures are being managed effectively.

Rising interest rates continue to negatively impact investment returns of most asset classes.

- **Geopolitical tensions**

The Russia-Ukraine conflict and the tensions between China and the US over Taiwan are contributing to market volatility as investors worry about the potential impact on global trade.

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 December 2022.



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.

INVESTMENT PLAN RETURNS	December quarter 2022	1 year	3 years	5 years	10 years
RI Allocated Pension Conservative plan ¹	2.58%	-5.15%	0.87%	2.56%	4.32%
Transition to Retirement Pension Balanced plan ²	3.62%	-5.40%	2.62%	4.25%	0.00%
RI Allocated Pension Balanced plan ¹	4.14%	-6.16%	2.77%	4.60%	6.95%
RI Term Allocated Pension Balanced plan ¹	4.15%	-6.16%	2.79%	4.63%	6.88%
My West State Super ³	3.82%	-7.49%	2.40%	4.35%	6.83%
My GESB Super ¹	4.26%	-5.92%	2.99%	4.58%	6.89%
West State Super Growth plan ³	5.22%	-8.03%	3.26%	5.05%	7.80%

Returns greater than one year are annualised.

Performance over the quarter was supported by positive returns from Australian Shares, International Shares, and Global Listed Property. Although our diversified plans have experienced negative returns over the past 12 months, performance over the past five and 10 years remains positive.

¹ Returns are reported net of fees and taxes.

² Transition to Retirement Pension was inception 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 Net Total Return Index (50% hedged to AUD); 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 at gesb.wa.gov.au/brochures and where necessary seek advice specific to your personal circumstances from a qualified financial adviser.

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