

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 2020.

## Key highlights:

- Breakthroughs in the development of several COVID-19 vaccines, certainty around the US presidential election result and the announcement of a US\$900 billion US stimulus package helped boost share market returns in the December quarter. International Shares added 5.7%
- The Australian share market ended the quarter 13.7% higher, encouraged by stronger domestic data and rising commodity prices. The best performing sectors were information technology and materials
- My GESB Super returned 7.28% for the quarter
- My West State Super returned 7.08% for the quarter
- RI Allocated Pension Conservative plan returned 3.69% 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 over the quarter. Over the past three years, shares and bonds have delivered returns in the range of 5% to 11% 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?

- **Positive COVID-19 vaccine news**

Shares jumped higher on news of successful vaccine trial data. Sectors which struggled during the pandemic, such as energy, traditional retail, hotels, airlines and financials were the best performers.

- **Certainty around the US presidential election result**

Shares also reacted positively to the US presidential election result as investors anticipated further financial stimulus by the incoming administration.

- **Second US stimulus package**

The US Government announced a second stimulus package of around US\$900 billion. This comes on top of the US\$1.4 trillion spending package announced earlier in the year. The latest package will be used to support low-income earners, the unemployed, small businesses, schools and public health (including vaccination and testing).

- **Buoyant Australian economic data**

Business and consumer sentiment surged after COVID-19 restrictions were removed and borders re-opened. Retail sales increased sharply, continuing the positive trend over recent months. Unemployment was 6.8% in November, significantly lower than the double-digit levels feared earlier in the year.

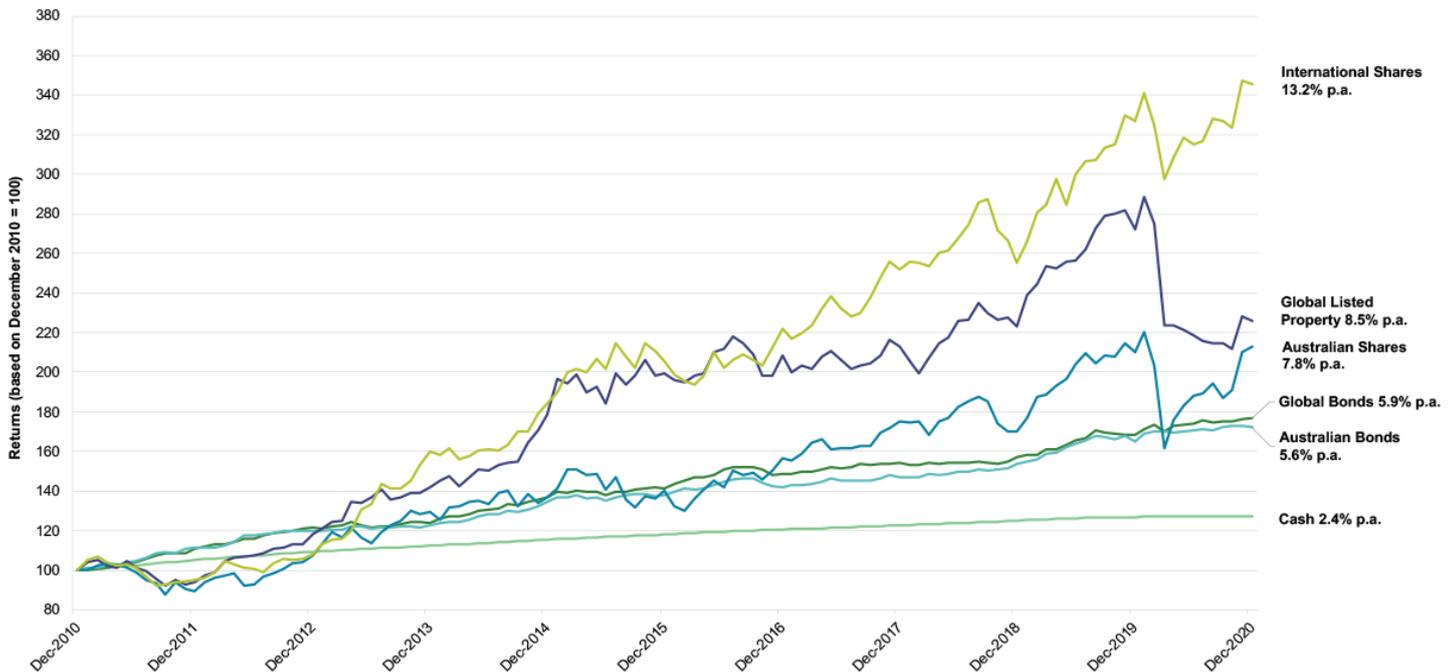
- **Stronger Australian dollar**

The Australian dollar ended the year at US\$0.77, rising from its low of US\$0.57 in March. This strength is a combination of better domestic economic performance, risk-on sentiment leading to a weaker US dollar, and high 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.

Cumulative asset class index returns



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 illustrated 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	December 2020 quarter	1 year	3 year (p.a.)	5 year (p.a.)	10 year (p.a.)
RI Allocated Pension Conservative plan <sup>1</sup>	3.69%	2.73%	4.34%	4.77%	5.68%
Transition to Retirement Balanced plan <sup>2</sup>	6.54%	2.39%	5.26%	-	-
My West State Super <sup>3</sup>	7.08%	3.18%	5.94%	6.80%	7.86%
My GESB Super <sup>1</sup>	7.28%	2.33%	5.43%	6.37%	7.33%
RI Allocated Pension Balanced plan <sup>1</sup>	7.44%	3.04%	5.93%	6.89%	7.82%
RI Term Allocated Pension Balanced plan <sup>1</sup>	7.45%	3.07%	5.96%	6.92%	7.66%
West State Super Growth plan <sup>3</sup>	8.47%	2.88%	6.13%	7.29%	8.33%
<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.

1 Returns are reported net of fees and taxes.

2 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.

3 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 performance from Australian Shares, International Shares and Global Listed Property. Our diversified plans have performed well over five and 10 years, and returns 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 or exceed objectives, while remaining flexible to manage evolving investment market conditions. We follow a process to ensure well-credentialed investment managers are appointed and our portfolio is positioned in a manner consistent with our investment objectives.

### More information

- Read our investing in Cash article at [gesb.wa.gov.au/cashrisk](https://gesb.wa.gov.au/cashrisk)
- 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)
- Get help with finding 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.

---

### How to contact us

**T** Member Services Centre 13 43 72  
PO Box J 755, Perth WA 6842

**F** 1800 300 067

**W** [gesb.wa.gov.au](https://gesb.wa.gov.au)