# Investment update

## 2023/24 financial year

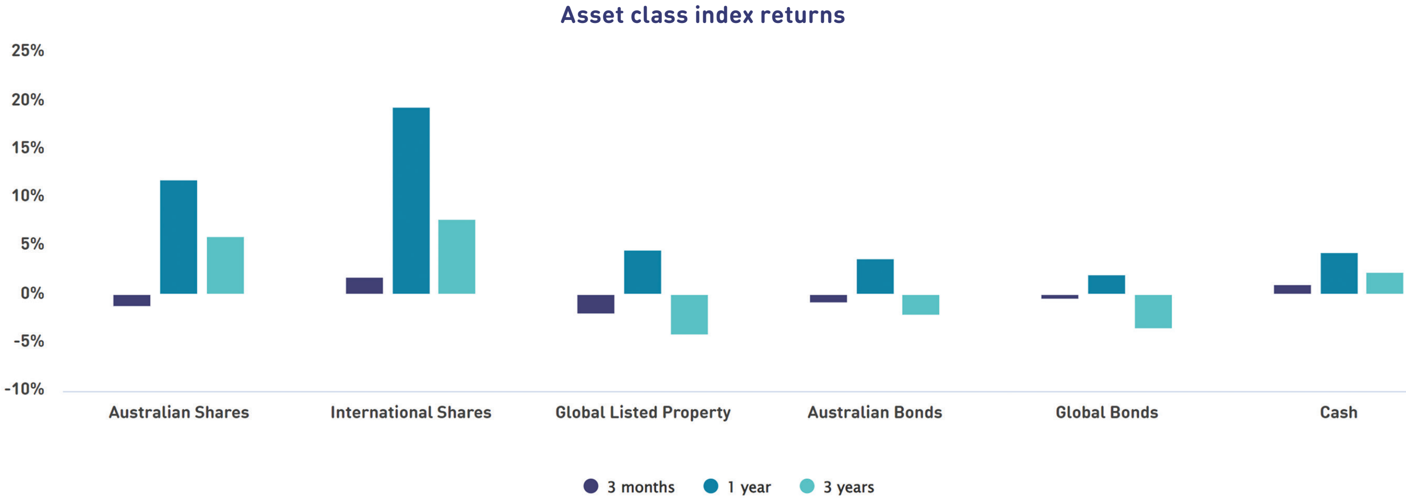
**Learn more about market trends and how our investment plans for your GESB Super, West State Super or Retirement Income account performed over the 2023/2024 financial year.**

## Highlights

- All major asset classes generated positive returns over the past year despite concerns around high inflation, rising interest rates and ongoing major geo-political events
- International Shares returned 19.4%, while Australian shares added 11.9%
- Bond returns were more subdued, with Australian Bonds rising 3.7% and Global Bonds rising 2.1%
- Our investment plans delivered strong returns for members. The My GESB Super plan added 10.36% after fees and taxes, and the My West State Super plan returned 10.02% after fees
- Over the quarter, My GESB Super returned 0.90%; My West State Super returned 0.87%; and RI Allocated Pension Conservative returned 0.66%

## Investment market returns: short and medium term

Although Australian Shares fell in the quarter, International and Australian Shares have performed well over the past one and three years. Bond and Listed Property returns have been positive in the one-year period, but negative over three years. Cash has generated modest but positive returns over all three time periods shown.




**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?

- **Strong returns from information technology companies**

  International Shares delivered positive returns in seven of the last eight months. US technology companies, particularly those that benefit from exposure to artificial intelligence, contributed significantly to the strong performance. Australian Shares also performed well, led by the information technology and financial sectors, despite headwinds from higher inflation and interest rates.

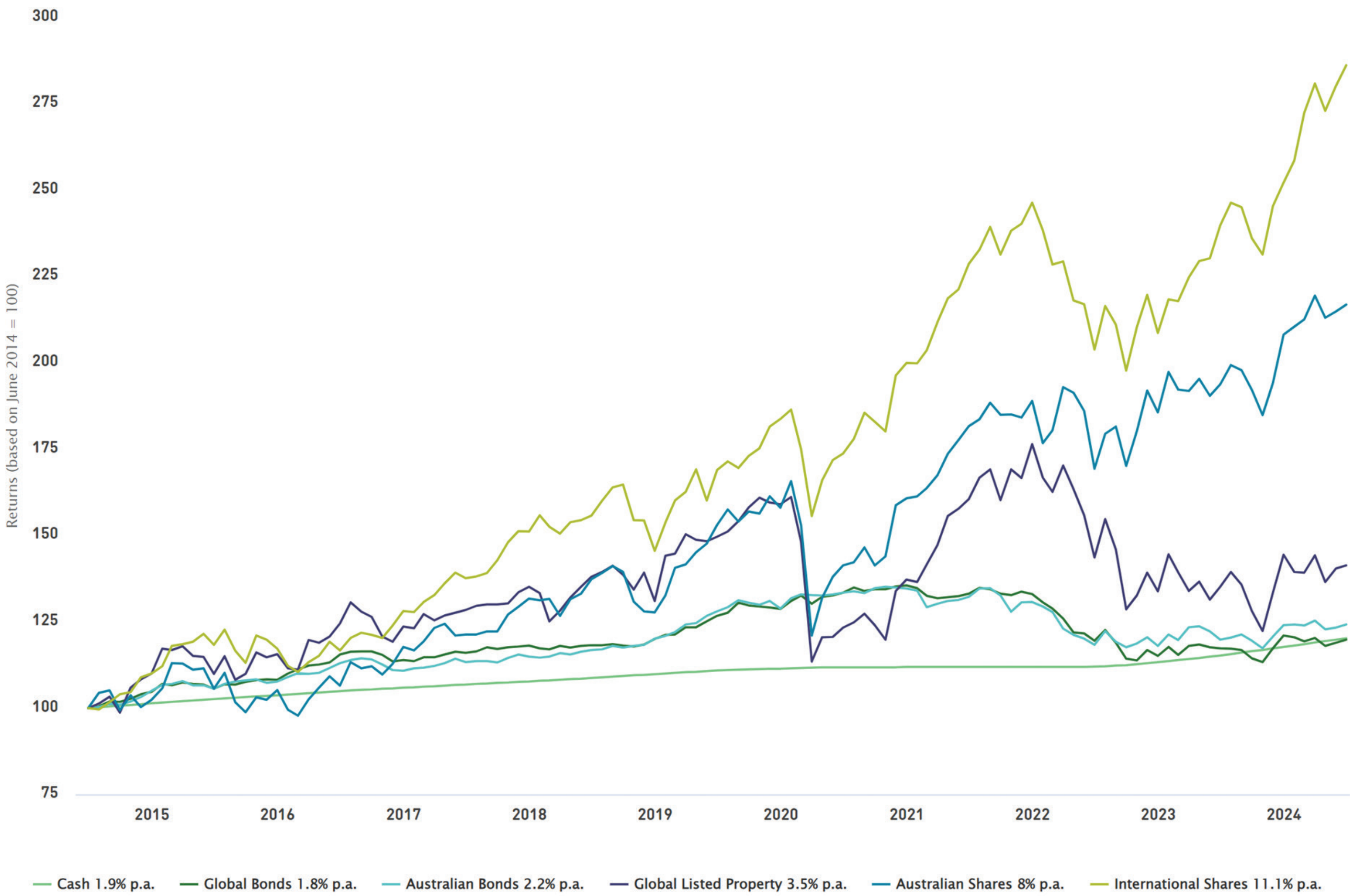
- **Moderating inflation and interest rate expectations**

  Most major central banks kept their official interest rates unchanged in the quarter. Some central banks, notably China and Europe, cut interest rates given subdued economic activity and cooling inflation. The US Federal Reserve kept its official cash rate unchanged and stated there has been 'modest further progress' towards its inflation objective. The Reserve Bank of Australia held rates steady at their June meeting but alluded to the possibility of rate rises this year. Market expectations are that interest rate cuts will start in 2025.

## 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 low but most stable returns. This is illustrated in the chart below.

**10 year cumulative asset class index returns**



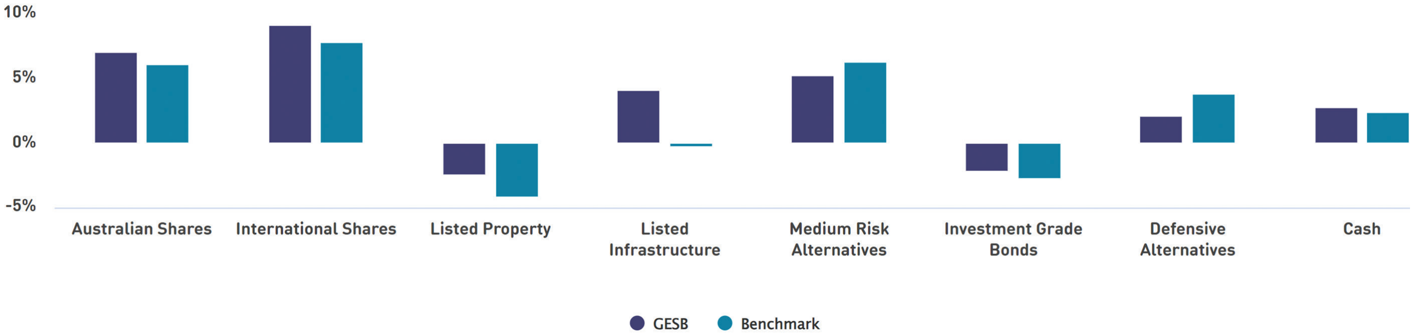

**Note:** the indices used to track the performance of the asset classes shown above are listed at the end of this update.

## 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 2024.

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 2024 | 1 year | 3 years (p.a.) | 5 years (p.a.) | 10 years (p.a.) |
|---|---|---|---|---|---|
| RI Allocated Pension Conservative plan[1] | 0.66% | 7.03% | 2.32% | 3.05% | 4.05% |
| My West State Super[3] | 0.87% | 10.02% | 4.12% | 5.54% | 6.43% |
| RI Allocated Pension Balanced plan[1] | 0.62% | 9.61% | 4.16% | 5.44% | 6.37% |
| Transition to Retirement Pension Balanced plan[2] | 0.75% | 8.71% | 4.01% | 5.01% | N/A |
| RI Term Allocated Pension Balanced plan[1] | 0.57% | 9.43% | 4.00% | 5.28% | 6.07% |
| My GESB Super[1] | 0.90% | 10.36% | 5.04% | 5.98% | 6.56% |
| West State Super Growth plan[3] | 1.01% | 12.71% | 5.99% | 7.12% | 7.56% |

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 incepted 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 All Country World ex-Australia Net Index (partially hedged); 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.

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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