Investment update

December 2024 quarter

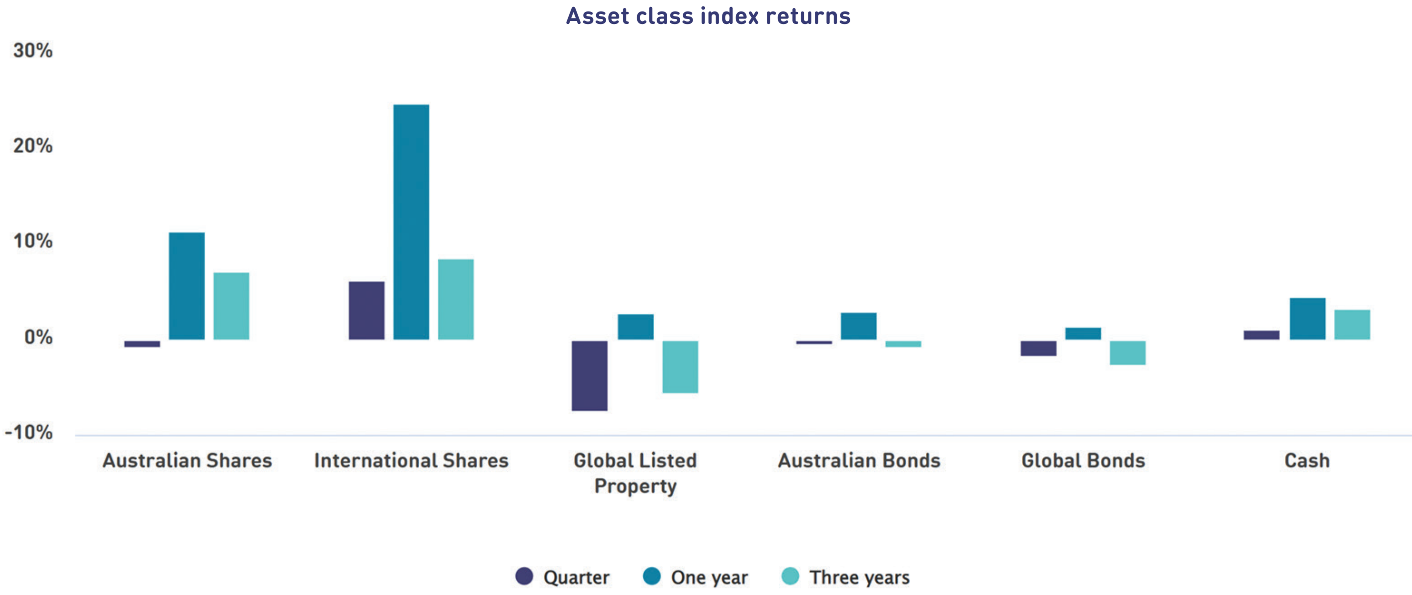
Learn more about market trends and how our investment plans for your GESB Super, West State Super or Retirement Income account performed over the quarter ending 31 December 2024.

Highlights:

- International Shares, supported by a resilient US economy, generated a strong 6.1% return while most other major asset class returns fell
- Australian Shares declined 0.8%, Australian Bonds fell 0.3% and Global Bonds dropped 1.7%
- My GESB Super returned 2.10% and My West State Super returned 2.07%
- RI Allocated Pension Conservative returned 1.08%

Investment market returns: short and medium term

International Shares performed well over all three time periods shown below. Australian Shares were negative over the quarter but performed well over one and three years. Global Listed Property and Bond returns were negative over the quarter and three-year period but positive over one-year periods. 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

Reasons for recent investment market returns

- **International Shares returns driven by resilient U.S. economy**

  Expectations of expansionary fiscal policies and a domestically oriented trade agenda supported International Share returns. Gains were primarily driven by the consumer discretionary, telecommunication services and information technology sectors including strong performance from several 'Magnificent Seven' stocks.

- **Australian Shares decline on economic headwinds**

  Australian Shares faced headwinds during the quarter due to weaker than expected domestic economic data and a sluggish economic recovery in China. Additionally, concerns over potential US tariffs on China, which in turn could affect Australia's economy, also weighed on Australian Share returns.

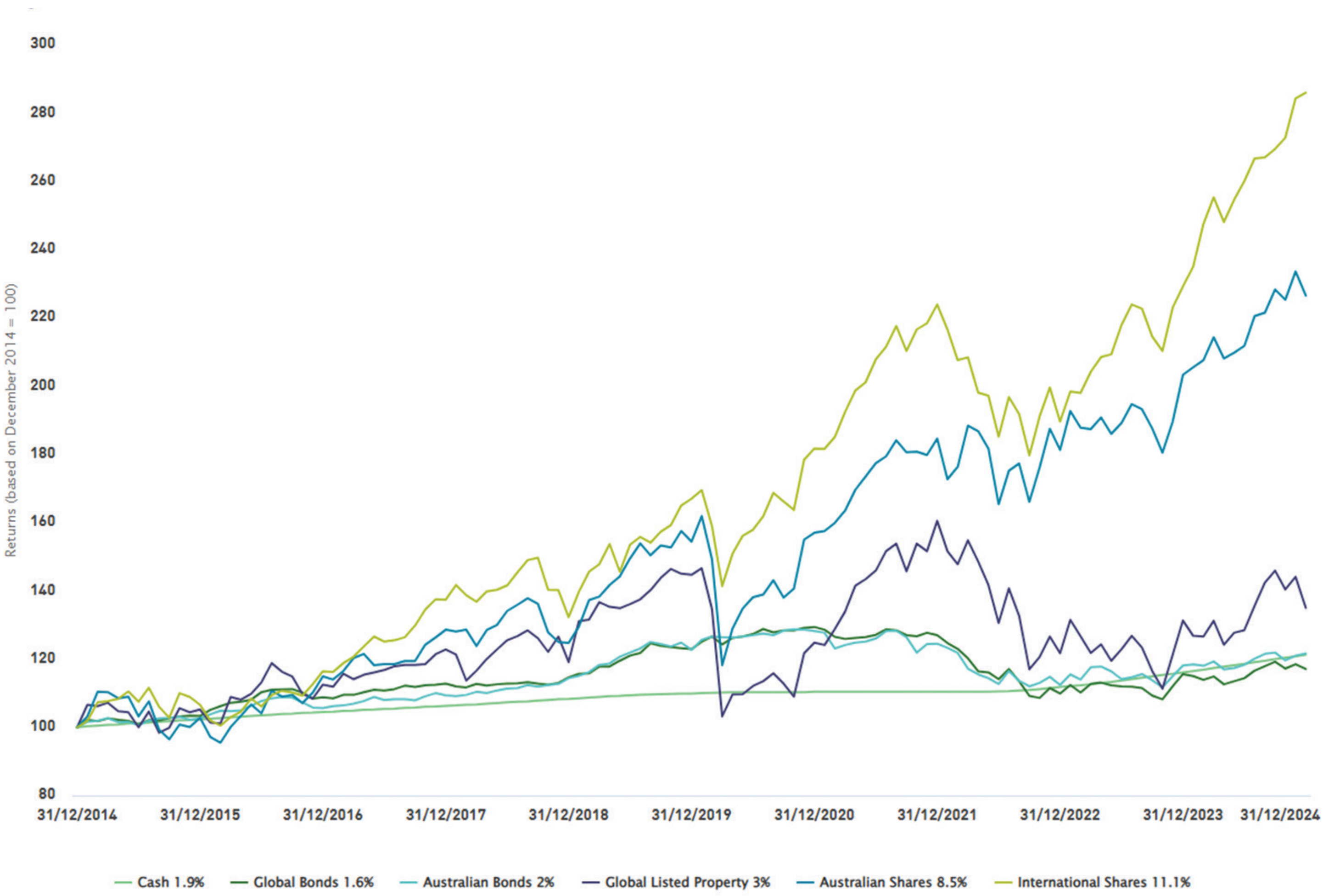
- **Rising Bond yields**

  The US Federal Reserve delivered a third rate cut in December, lowering the federal funds rate range to between 4.25% and 4.50%. However, markets were focused on Federal Reserve projections in December, which forecasted a stronger US economy and projected only 0.5% of cuts in 2025 (down from 1% in September) owing to potentially inflationary policies from the incoming US administration. This caused Bond yields to rise, resulting in negative Bond and Global Listed Property returns.

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 lower but more stable returns. This is illustrated in the chart below.

10 year cumulative asset class index returns

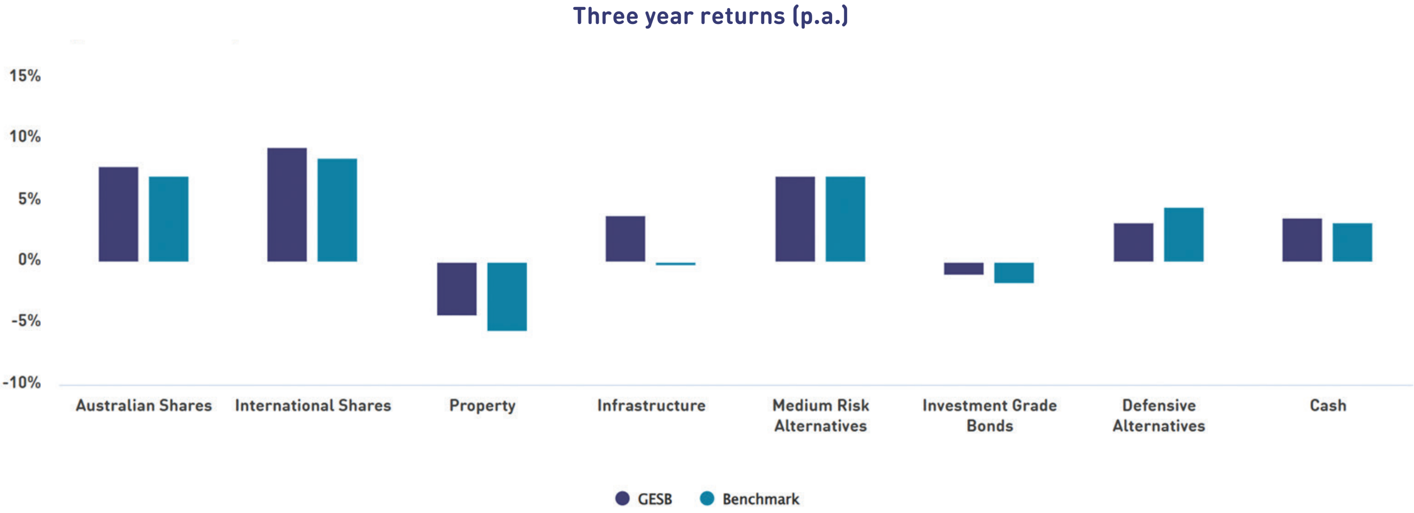


Note: the indices used to track the performance of the asset classes shown above are listed at the end of this update.

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 31 December 2024.



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 the benchmark in most asset classes over the past three years.

Performance of investment plans

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 2024	1 year	3 years	5 years	10 years
RI Allocated Pension Conservative plan [1]	1.08%	7.31%	3.03%	3.37%	4.10%
My West State Super [3]	2.07%	11.51%	4.54%	5.80%	6.47%
RI Allocated Pension Balanced plan [1]	1.58%	10.68%	4.61%	5.71%	6.42%
Transition to Retirement Pension Balanced plan [2]	1.57%	9.80%	4.28%	5.25%	–
RI Term Allocated Pension Balanced plan [1]	1.54%	10.50%	4.45%	5.56%	6.13%
My GESB Super [1]	2.10%	11.94%	5.31%	6.26%	6.64%
West State Super Growth plan [3]	2.92%	15.12%	6.29%	7.51%	7.69%

Returns greater than one year are annualised.

Despite market volatility in recent times, our diversified plans have delivered sound returns over the long term.

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.

How to contact us

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