

# Investment report

## Market overview

As at 8 January 2025

### Fund performance

#### *Market update*

Global share markets made steady, if lacklustre, gains of only 1.4% in local currency terms during the three months to December, after a volatile September quarter.

It was the depreciation of the Australian currency (down over 10% against its US counterpart) that primarily drove global share market gains above 11% in Australian dollar terms. The US dollar started to appreciate from early October as markets began to price in a Trump election victory and the expectation that his trade and immigration policies are likely to be inflationary. A potential trade war with China also has knock-on effects for the commodities outlook and that contributed to the Australian dollar depreciation against most major currencies over the quarter.

Domestically, GDP for the September quarter was released just before the RBA's December Board meeting. Growth had slumped to 0.8% year-on-year, confirming that Australia is in the most prolonged economic slump since the 1990/91 recession. The Reserve Bank subsequently signaled that it was edging closer to cutting interest rates, with a cut now widely anticipated during the first half of 2025 – putting further downward pressure on our currency.

In more positive news for Australia's economic prospects, released subsequent to the year-end, jobs vacancies were up in November. This was the first increase since May 2022. Retail turnover also rose, by 0.8%, in November (seasonally adjusted), boosted by Black Friday sales.

#### *Outlook*

We remain constructive on the outlook for shares and retain a moderate overweight position. While valuations are elevated in certain markets, which has tempered our overall position somewhat, we remain positive on the growth outlook and are expressing some of the exposure via emerging markets. Emerging markets, should also benefit from an improvement in global growth but valuations are more attractive.

Following on from an active 2024, the infrastructure asset class is expected to remain strong in 2025 with a positive return outlook driven by continued demand for quality assets and desire for existing asset owners to recycle their respective portfolios.

## Monthly performance

### Accumulation Options – investment performance as at 31/12/2024

	High Growth	Growth Plus	Growth (MySuper) - Default	Conservative Growth	Conservative	Cash	Australian Shares	Diversified Fixed Interest	Overseas Shares	Indexed Diversified	Property
<b>1 month</b>	-0.31%	-0.24%	-0.18%	-0.07%	0.01%	0.35%	-2.87%	0.40%	2.08%	-0.71%	-3.00%
<b>6 months</b>	6.63%	6.03%	5.55%	4.41%	3.33%	2.11%	6.00%	3.20%	12.17%	6.68%	2.72%
<b>FYTD</b>	6.63%	6.03%	5.55%	4.41%	3.33%	2.11%	6.00%	3.20%	12.17%	6.68%	2.72%
<b>1 year</b>	13.78%	12.12%	10.77%	8.30%	5.98%	4.21%	10.86%	4.53%	25.06%	13.33%	0.68%

Returns are based on the crediting rate, which is returns minus investment fees, taxes and until 31 January 2020, the percentage-based administration fee. Excludes fees and costs that are deducted directly from members' accounts. Past performance is not a reliable indicator of future performance.