

# Investment report

## Market overview

**As at 20 March 2026**

Geopolitics continued to make headlines in February, though resilient economic data underpinned further gains in global shares. Markets had closed for the month, before the outbreak of hostilities in Iran triggered renewed market volatility.

### **US tariff uncertainty weighs on markets**

In the US, the Supreme Court ruled that President Trump could not use emergency powers to impose trade tariffs. This struck down Trump's reciprocal tariffs imposed after last April's "Liberation Day" (and some other additional tariffs on China, Canada and Mexico). For the time being, this will result in a lower effective tariff rate, even after Trump responded with a new worldwide tariff of 10% under a different legal authority, which will last for 150 days. However, the Trump administration is also conducting trade investigations which may enable them to impose tariffs under alternative authorities, leaving the tariff outlook highly uncertain.

Despite the prospect of some modest tariff relief, and a strong earnings backdrop, US shares declined in February, with the S&P 500 index falling 0.9% and the tech-heavy NASDAQ Composite index down 3.4%, contrasting with positive performance across other developed markets. The moves reflect a continued rotation away from the US, in favour of other developed market shares, as well as persistent trepidation over the potential return on AI-related capital investment by major US technology companies.

### **Political stability boosts Japanese markets following snap election**

Japan's share market advanced particularly strongly, rising over 10% in February as the snap election victory of Prime Minister Sanae Takaichi led her party to a two-thirds supermajority in Japan's House of Representatives. The election lifted expectations for political stability and eases the path for Takaichi to implement a range of pro-growth policies.

### **RBA resumes tightening cycle amid reaccelerating inflation**

In Australia, the Reserve Bank of Australia (RBA) pivoted back to a tightening cycle in February, raising the cash rate by 0.25 percentage points (ppt) to 3.85% just six months after the last rate cut in August 2025. The move follows a material reacceleration in core inflation over the second half of 2025, with trimmed mean inflation having only briefly dipped below 3% before trending back up again. Explaining the decision, the RBA noted that private demand was growing more quickly than expected, capacity pressures had been greater than they previously assessed, and that there were uncertainties about the extent to which monetary policy had been restrictive. Crucially, the RBA also noted that even after the rate hike, inflation was still expected to remain above target for some time, with core inflation forecast to remain above 3% for the rest of this year.

### **Geopolitical tensions elevate inflation risks**

The outlook for inflation was further complicated heading into March with the outbreak of hostilities between the US, Israel and Iran. Oil and gas prices have jumped as Iran has launched attacks on a number of major oil and gas-producing neighbours, while the Strait of Hormuz, through which around 20% of global oil production is shipped, has effectively closed.

The increase in oil and gas prices comes as inflation remains above target in many economies. Yet the rise in energy prices and potential supply shortage could also weigh on growth, which may complicate the picture for central banks. If the conflict ends soon and energy flows and prices normalise, then any inflation impact should be short-lived with minimal effect on growth. But the longer the conflict continues, the greater the risks will be to both inflation and growth.

## Investment performance

### Accumulation investment options as at 28 February 2026

	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>	1.07%	1.01%	0.94%	0.76%	0.56%	0.27%	2.65%	0.59%	-0.93%	1.24%	3.13%
<b>FYTD</b>	7.09%	6.61%	6.11%	4.73%	3.16%	2.31%	7.55%	2.51%	3.74%	6.68%	7.97%
<b>1 year</b>	10.52%	9.95%	9.21%	7.35%	5.16%	3.68%	12.53%	3.89%	5.31%	10.13%	8.53%
<b>3 years p.a.</b>	11.54%	10.42%	9.36%	7.53%	5.69%	3.92%	10.76%	4.69%	15.89%	11.47%	3.40%
<b>5 years p.a.</b>	8.99%	-	7.42%	5.49%	3.79%	2.72%	-	-	-	-	-
<b>7 years p.a.</b>	9.39%	-	7.62%	5.80%	4.05%	2.13%	-	-	-	-	-
<b>10 years p.a.</b>	10.17%	-	8.32%	-	4.52%	1.97%	-	-	-	-	-

*The crediting rate is based on investment returns minus investment fees and costs, transaction costs and investment-related taxes. Excludes fees and costs that are deducted directly from members' accounts. Past performance is not a reliable indicator of future performance. Media Super merged with Cbus on 9 April 2022 and as a result, pre-existing Media Super investment options were closed and Media Super members were transferred to equivalent Media Super branded investment options under United Super Pty Ltd. The historical performance displayed prior to this date relates to Cbus investment options and does not incorporate the performance of Media Super. Media Super members received a Successor Fund Transfer Exit Statement prior to merging with Cbus, detailing the performance of their Media Super investment options.*