

# Investment report

## Market overview

As at 20 February 2026

Financial markets saw a modest rise in volatility in January as geopolitical events dominated headlines, most notably the US operation to remove Venezuelan President Maduro and President Trump's threats to impose tariffs on several European countries that opposed his plans to acquire Greenland.

### **A strong month for non-US shares**

Nonetheless, share markets advanced in most major markets, with performance continuing to broaden out away from US large caps and tech indices. Small caps outperformed in the US, while share markets in the UK, Japan and Australia also outperformed the major US indices, and emerging market shares outperformed developed markets.

Amidst the geopolitical flashpoints, investors were reassured by data showing continued signs of economic resilience across most economies, which is likely to underpin further corporate earnings growth. On the other hand, the positive growth backdrop kept most central banks on the sidelines in January and early February, including the US Federal Reserve (the Fed), who kept rates unchanged following a 0.25 percentage point (ppt) rate cut in December.

In late January, President Trump announced his nomination of Kevin Warsh to replace Jerome Powell as the next Fed Chair. While Warsh has signalled a desire to see lower rates in the US, he is also seen as one of the more market-friendly choices among the candidates who were reported to have been under consideration, and there was little bond market reaction to the announcement.

### **Australia bucks global trend on interest rates**

In Australia, inflation and interest rates have diverged from most other major economies. With data showing underlying inflation was back above 3%, the RBA decided to raise the cash rate from 3.60% to 3.85% at the first meeting of the year in early February. The move marks a swift change of course in policy by the RBA, coming just six months after the RBA's last rate cut in August 2025 and follows a notable reacceleration in core inflation over the same period.

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.

If growth and inflation evolve in line with the RBA's latest forecasts, then at least one further rate hike is expected this year. More broadly, Australia's experience may be an early indicator of where policy may eventually head in other major economies. A number of economies (such as the euro area and New Zealand) have likely completed their monetary easing cycles, while other countries that still appear to be on an easing journey, such as the UK and US, appear to be close to the end, with only modest further easing expected. With global growth likely to remain resilient this year, investors could begin to contemplate what the next monetary cycles may look like, with an eventual return to tightening a possibility.

## Investment performance

### Accumulation investment options as at 31 January 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>	0.44%	0.49%	0.51%	0.43%	0.28%	0.28%	1.49%	0.27%	-2.01%	0.30%	1.57%
<b>FYTD</b>	5.96%	5.54%	5.12%	3.94%	2.58%	2.04%	4.77%	1.91%	4.71%	5.37%	4.70%
<b>1 year</b>	7.89%	7.66%	7.26%	6.15%	4.72%	3.73%	5.66%	4.17%	6.20%	7.59%	6.29%
<b>3 years p.a.</b>	10.95%	9.87%	8.86%	7.10%	5.31%	3.91%	9.21%	4.14%	16.65%	10.73%	1.80%
<b>5 years p.a.</b>	9.03%	-	7.37%	5.35%	3.55%	2.67%	-	-	-	-	-
<b>7 years p.a.</b>	9.73%	-	7.81%	5.93%	4.11%	2.11%	-	-	-	-	-
<b>10 years p.a.</b>	10.03%	-	8.22%	-	4.49%	1.96%	-	-	-	-	-

*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.*