

# Investment report

## Market overview

As at 20 April 2026

### **Geopolitical shock rekindles market volatility**

Volatility returned to financial markets in March as the conflict between the US, Israel and Iran, and the resulting surge in oil and gas prices, cast a shadow over the outlook for inflation and economic growth.

### **Energy supply disruptions drive inflation risks**

The conflict has effectively closed the Strait of Hormuz, through which around 20% of global oil production is shipped, as well as a significant proportion of liquified natural gas and other critical inputs such as fertilisers. This caused crude oil and European and Asian gas prices to jump by over 50% by the end of March, with the inflationary impact likely to lower household purchasing power and potentially weigh on consumer spending in many economies. In addition, the shortage of energy and other commodities, if prolonged, could eventually constrain other activity that relies on these as inputs, adding further risk to global growth.

### **Share markets retreat as growth concerns intensify**

Share markets sold off sharply as a result, with the MSCI All Country World Index declining more than 6% in March, while the US S&P 500 price index fell by around 5% (though the peak-to-trough decline was close to 10%). Most other share markets fared worse, particularly in Europe and Asia, given the greater exposure to imported energy in many of these regions' economies.

### **Central banks reassess the path of interest rates**

The prospect of higher inflation also saw markets repricing expectations for central bank policy rates. In the US, markets had previously been factoring in two rate cuts by the Fed by the end of the year. Over the course of March, markets pivoted to an expectation that US rates would remain on hold for the year, despite the Fed's projections continuing to signal one rate cut this year.

### **In Australia, inflation pressures prompt further tightening**

With core inflation already above target in Australia prior to the conflict, the RBA followed up February's hike with another 0.25 percentage point rate rise in March, bringing the cash rate to 4.10%. With high oil prices posing a further risk to the inflation outlook, markets are now pricing in two further rate hikes in Australia over the remainder of the year.

### **Bond markets under pressure amid policy uncertainty**

Accordingly, government bonds sold off in the month as government bond yields jumped higher (bond prices move inversely to bond yields). Government bonds have also been particularly volatile since the outbreak of the conflict, given the unpredictability surrounding the conflict and its potential consequences for oil prices, inflation and the growth outlook.

### **Markets and policymakers navigate a more complex environment**

Despite this, market-based measures of long-term inflation expectations have remained anchored, suggesting that markets so far continue to see any inflation spike as temporary. This contrasts with the experience in 2022 during the outbreak of the Ukraine/Russia war when long-term inflation expectations jumped materially, prompting central banks to raise rates rapidly.

It is still early days however, with many potential price impacts of the conflict still to flow through to end consumers. The effects of the conflict and closure of the Strait of Hormuz continue to pose upside risks to inflation and downside risks to growth, leaving a complex environment for central banks and an uncertain backdrop for financial markets.

## Investment performance

### Accumulation investment options as at 31 March 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>	-4.29%	-3.84%	-3.33%	-2.31%	-1.14%	0.31%	-6.83%	-0.68%	-3.63%	-3.88%	-2.59%
<b>FYTD</b>	2.50%	2.51%	2.57%	2.31%	1.98%	2.62%	0.20%	1.81%	-0.03%	2.54%	5.17%
<b>1 year</b>	8.55%	8.12%	7.57%	6.13%	4.48%	3.66%	8.87%	3.27%	5.67%	8.88%	6.93%
<b>3 years p.a.</b>	9.37%	8.47%	7.67%	6.26%	4.81%	3.93%	8.10%	3.86%	13.06%	9.39%	3.01%
<b>5 years p.a.</b>	7.54%	-	6.31%	4.74%	3.42%	2.78%	-	-	-	-	-
<b>7 years p.a.</b>	8.58%	-	6.96%	5.29%	3.73%	2.15%	-	-	-	-	-
<b>10 years p.a.</b>	9.42%	-	7.74%	-	4.30%	1.99%	-	-	-	-	-

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.