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Super rebound for AustralianSuper members against difficult economic backdrop

AustralianSuper members have seen their super balances rebound solidly with the Balanced investment option returning 8.22% for the 2023 financial year.

Chief Investment Officer, Mark Delaney, said the strong annual result was achieved despite the Fund being defensively positioned in preparation for ongoing global economic challenges and write downs in some key unlisted assets as a result of difficult global investment conditions.

'The rebound in investment performance this financial year is an important reminder to look past short-term investment returns and focus on consistent long-term performance,' Mr Delaney said.

AustralianSuper's Balanced option has returned an average of 8.23% a year over three years, 6.72% a year over five years, 8.6% a year over 10 years and 7.11% a year over 15 years to 30 June 2023.

'The recovery in returns has been driven by strong growth in equity markets globally, with the performance of the technology sector a key driver,' Mr Delaney said.

'Overall, investment market returns have been better than we expected and economic growth has proved relatively resilient with consumer spending holding up well over the year.

'But as we look forward, we still believe there are significant challenges ahead in the global economy and have positioned the portfolio to respond to these and to take advantage of opportunities that will likely present themselves as we progress through the cycle.

'Over the year, we have also responded to a variety of significant investment challenges, including write downs in some property assets to account for falling values.'

AustralianSuper's return announcement, coincided with the Fund reaching $300 billion in member assets under management. The Fund is forecast to reach over $500 billion in the next four to five years with more than 1200 Australians joining the Fund every day. The annual net inflow of members' retirement savings was more than $20 billion over the past 12 months.

As the Fund looks to the future, it remains focused on leveraging this size and scale to help members to achieve their best financial position in retirement.

Consistent with this, Mr Delaney stressed that the key focus for members should remain on long-term performance rather than year-on-year results.

'There are challenges ahead in the higher interest rate environment and there are headwinds to economic growth, and while inflation is abating it still remains above central bank targets," Mr Delaney said.

‘Our overall outlook suggests that we will continue to see weaker economic growth, continued volatility in investment markets and moderate returns over the next few years. This will benefit patient investors like AustralianSuper who can invest across the long-term economic cycle,’ Mr Delaney said.

If a member had invested $100,000 in AustralianSuper’s Balanced option for the past 20 years to 30 June 2023, they would have more than quadrupled their retirement savings. $100,000 invested with the Balanced option 20 years ago would now be worth more than $475,000[1]. More than 90% of Fund members are invested in the Balanced option.

Returns for all options and those in the retirement phase are available here.

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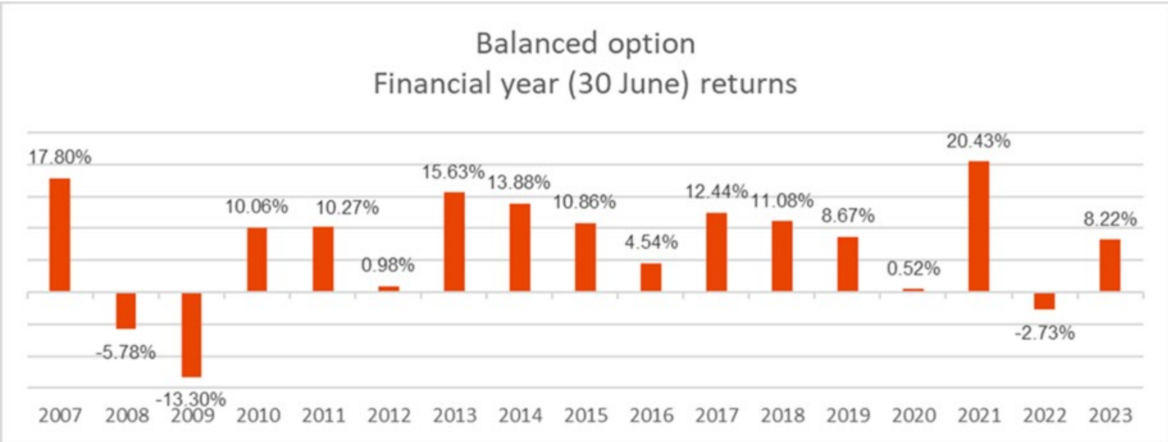

Investment returns aren’t guaranteed. Past performance is not a reliable indicator of future returns.

[1] AustralianSuper investment returns are based on crediting rates, which are returns less investment fees and costs, transaction costs, the percentage-based administration fee deducted from returns from 1 April 2020 to 2 September 2022 and taxes. Returns don’t include all administration, insurance and other fees and costs that are deducted from account balances. Returns from equivalent investment options of the ARF and STA super funds are used for periods before 1 July 2006.

About AustralianSuper
AustralianSuper manages more than A$300 billion in members’ retirement savings on behalf of more than 3.1 million members from more than 448,000 businesses.