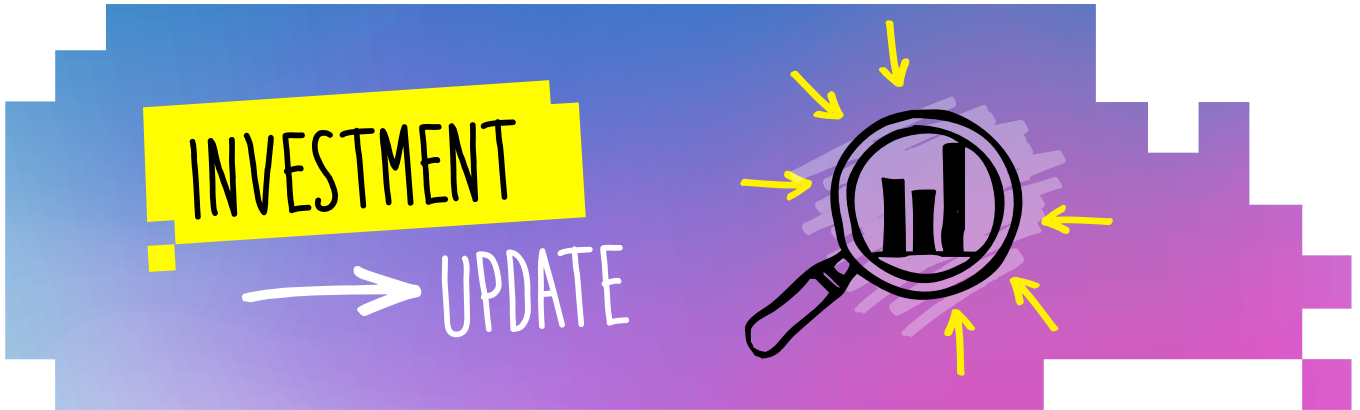


# ANZ Staff Super March Quarter 2023



## 2023 began with a positive start ...

Despite a bumpy ride for markets over the quarter, our International and Australian equities produced a positive absolute return of 9.4% and 3.9% respectively over the period.

This was a pleasing result; however market uncertainty continues to be an issue and we remained focused on long-term strategies to deliver enhanced returns. These strategies include ensuring there is sufficient diversity in our portfolios to help weather any potential downturn, while maintaining the ability for our portfolios to benefit if conditions improve.

### Market review

Even though inflation in Australia increased by 7% year-on-year in March, it appears to have peaked from its record high levels in 2022, indicating that inflationary pressures may be subsiding. The Reserve Bank of Australia (RBA) raised interest rates for the tenth consecutive period over the quarter and after a brief pause, announced on the 2 May an additional 0.25% increase.

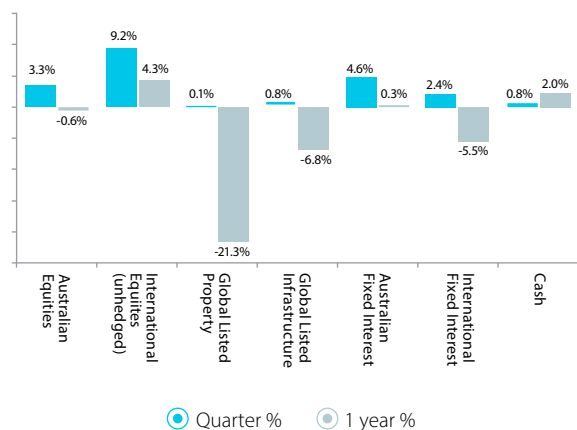
Business confidence was volatile over the quarter, driven by high borrowing costs and unstable markets. Concerns around the fragility of the global banking system led to a flight to safety by investors, dramatically reducing high quality bond yield levels, as well as a reduction in expectations for short term interest rates.

Globally, equity markets rallied in the first quarter of 2023 as headline inflation appeared to have tempered in most developed market economies, and the new calendar year started with more positive sentiment around the economic outlook. However, increasing core measures of CPI in several developed market economies reaffirmed that the path to a lower inflationary environment will take time.

The collapse of Silicon Valley Bank and the abrupt takeover of Credit Suisse in mid-March saw significant volatility in global markets, although the prompt intervention of banking regulators provided investor confidence that the collapse would not become a global systemic banking crisis.

China's post-pandemic reopening at the end of 2022 sparked investor buoyancy going into the new calendar year, which paved the way for Chinese equities to rally over the first three months of 2023, with Chinese equities returning 8.1% over the period.

### Index returns for key market segments



This chart shows a performance turnaround in a number of the key market segments over the three months to 31 March (blue) compared to the full year (grey).

Source: Willis Towers Watson

## ANZ Staff Super investment returns

### Super and Pension investment options as at 31 March 2023

Period	Accumulation returns (%)				Pension returns (%)			
	Aggressive Growth	Balanced Growth	Cautious	Cash	Aggressive Growth	Balanced Growth	Cautious	Cash
10 years	8.7%	6.9%	4.4%	1.7%	9.3%	7.5%	4.9%	2.0%
5 years	6.8%	5.3%	3.4%	1.4%	7.3%	5.8%	3.7%	1.6%
3 years	10.2%	7.2%	3.6%	1.3%	11.0%	7.9%	3.9%	1.5%
1 year	-1.5%	-1.5%	0.0%	2.2%	-2.2%	-2.0%	-0.2%	2.6%
YTD Mar 23	2.9%	2.3%	2.0%	0.8%	3.3%	2.6%	2.3%	0.9%

Pension returns are generally higher than those for superannuation, as no tax is paid on earnings.

For more information on the investment objectives and strategies for our investment options, please refer to the ANZ Staff Super website or PDS.

For periods greater than 1 year, returns are compound annualised returns. Returns are net of tax and investment fees.

Past performance is not an indicator of future performance.

### Outlook

The economic outlook remains uncertain, with both central banks and markets closely watching key economic readings on inflation, growth and employment. Interest rates have risen significantly in many markets, including Australia, with the full impact of these rates yet to be felt. At this stage, inflation, while still high, appears to have peaked in most countries. As a result, the RBA paused in April, leaving interest rates unchanged for the first time since its April 2022 meeting. However, this pause proved temporary, with a further rate hike in May bringing the cash rate target to 3.85% as the RBA sought to keep downward pressure on inflation.

As the impacts of interest rate hikes flow through, it is expected that global economic growth will slow and central banks are expected to ease the pace of rate increases, with markets expecting both the US Fed and RBA to pivot and reduce rates in 2024, if not before. In the current higher interest rate environment, businesses will continue to be squeezed by higher borrowing costs and tightening access to credit, resulting in increased uncertainty in share markets. With this backdrop, we remain focused on ensuring that there is sufficient diversity in our portfolios to help weather any potential downturn, while maintaining the ability for our portfolios to benefit if conditions improve.

### Need help with your investment strategy?

No one can control the markets, but you can shape your own reactions and decide what to do with your money.

It is a good idea to review your investment strategy from time to time. If you need help reviewing your investment strategy, we recommend you get in touch with us and get advice from an **ANZ Staff Super financial adviser\***.

HELLO

TALK TO US,  
WE'RE HERE TO HELP

We're here to help you make the most of your super and create the future you want in retirement:

call us on **1800 000 086**

email us on **anzstaffsuper@superfacts.com**

\* Important note: The Trustee of ANZ Staff Super has entered into an agreement with Mercer Financial Advice (Australia) Pty Ltd under which Mercer's financial advisers have been engaged to provide members with general or limited personal financial advice about options available within ANZ Staff Super over the phone for no extra charge.

These financial planning services are provided by Mercer Financial Advice (Australia) Pty Ltd ABN 76 153 168 293, AFSL #41 1766. Any advice provided by Mercer's advisers is not provided or endorsed by the Trustee and is not provided under the Trustee's AFSL.

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