

Performance Summary

SA Metropolitan Fire Service Super Scheme - Members
December 2020



Funds SA is responsible for investing the assets of the SA Metropolitan Fire Service Superannuation Scheme. In this summary, Funds SA provides an overview of the performance of the investment options offered under the Scheme.

Performance

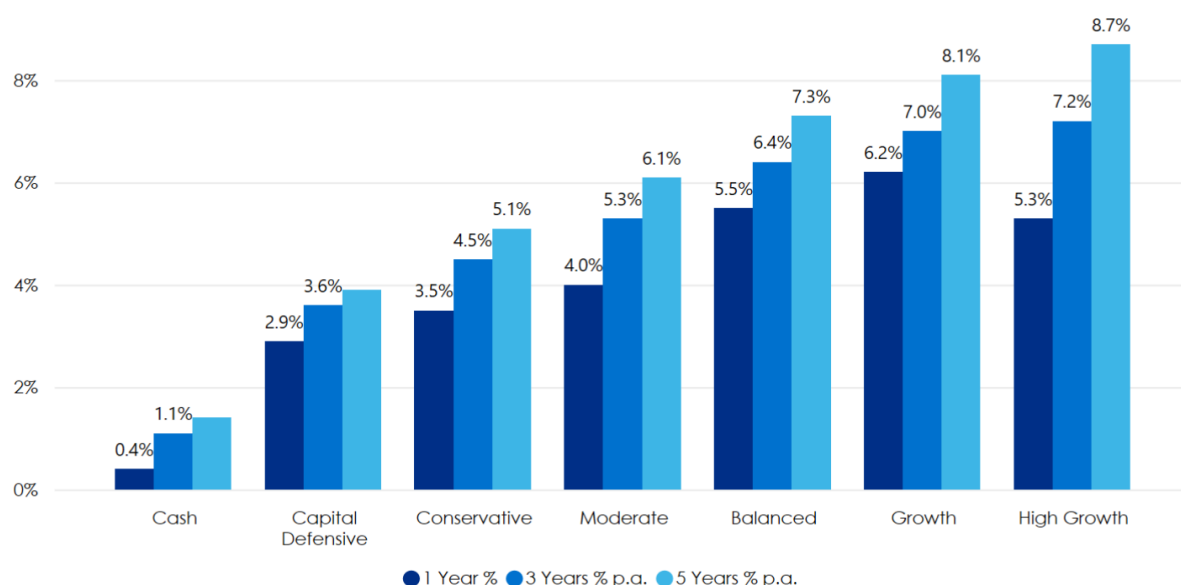
The table and chart below show Funds SA's Taxable investment option returns based on the post-tax unit pricing model.

Table 1: Taxable investment option returns, net of fees and tax to 31 December 2020

Investment option	1 mth %	3 mths %	FYTD %	1 Year %	3 Years % p.a.	5 Years % p.a.	7 Years % p.a.	10 Years % p.a.
Cash	0.0	0.0	0.1	0.4	1.1	1.4	1.6	2.2
Capital Defensive	1.0	2.8	3.9	2.9	3.6	3.9	3.9	4.6
Conservative	1.2	4.4	5.9	3.5	4.5	5.1	5.0	5.7
Moderate	1.4	5.7	7.7	4.0	5.3	6.1	6.0	6.4
Balanced	1.6	7.6	10.0	5.5	6.4	7.3	7.0	7.3
Growth	1.9	8.8	11.5	6.2	7.0	8.1	7.7	8.0
High Growth	1.9	8.9	11.8	5.3	7.2	8.7	8.2	8.5

The Taxable investment options were established in March 2005, with the exception of the Moderate investment option (established in June 2006).

Chart 1: Taxable investment option annualised returns, net of fees and tax to 31 December 2020



Key drivers of performance during December 2020:

- Strong markets resulted in positive returns for all investment options for the month.
- International equities were a key driver of our option returns, investment options with higher allocations to growth assets performing strongest; IT companies leading the market.
- Diversified Strategies Income benefited from investments held in equity markets, returning just under 4% for the month.
- Globally, developed markets bonds were flat or slightly down for the month, however, this was offset by the positive return in emerging markets bonds.

Asset Allocation

The asset allocation of the investment options is shown in the table below.

Table 2: Asset allocation as at 31 December 2020

Asset class	Cash %	Capital Defensive %	Conservative %	Moderate %	Balanced %	Growth %	High Growth %
Cash	100.0	15.1	10.5	8.3	3.2	3.3	2.2
Short-Term Fixed Interest	0.0	29.4	17.3	6.3	1.2	0.0	0.0
Long-Term Fixed Interest	0.0	5.0	5.0	9.0	6.0	0.0	0.0
Inflation-Linked Securities Taxable	0.0	15.4	15.4	11.4	5.4	0.0	0.0
Diversified Strategies Income	0.0	17.4	18.4	12.4	8.3	12.3	12.3
Property Taxable	0.0	5.1	8.2	9.0	11.1	13.0	15.1
Australian Equities Taxable	0.0	5.2	10.9	16.7	25.4	27.2	26.2
International Equities Taxable	0.0	7.4	14.4	20.4	29.6	32.4	32.4
Diversified Strategies Growth Taxable	0.0	0.0	0.0	6.6	9.7	11.8	11.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Note that due to rounding, the sum of the individual numbers within the table may not equal the totals quoted.

Financial Market Snapshot

The table below summarises financial market performance.

Table 3: Major market index returns to 31 December 2020

Market Index	1 mth %	3 mths %	FYTD %	1 Year %	3 Years % p.a.	5 Years % p.a.	7 Years % p.a.	10 Years % p.a.
Cash and Fixed Income								
Australian Cash	0.0	0.0	0.0	0.4	1.3	1.5	1.8	2.4
Australian Government	-0.4	-0.6	0.2	4.1	5.6	4.6	5.1	5.4
Australian Inflation-Linked	1.2	1.7	5.3	6.9	6.3	4.8	5.7	6.5
Global Treasuries	0.2	0.2	0.7	4.9	4.6	4.4	5.2	5.8
Global Inflation-Linked	0.7	1.6	2.9	9.0	5.4	6.3	6.3	6.6
Credit								
Global Credit	0.4	2.3	3.9	6.7	5.5	5.9	5.9	6.7
Global High-Yield	1.9	6.5	10.0	3.5	4.0	7.4	6.1	8.1
Emerging Market Debt	1.8	5.5	7.9	5.9	4.9	6.8	5.8	6.0
Property								
Australian Listed Property	0.6	13.2	21.6	-4.0	5.8	7.4	11.0	11.3
Equities								
Australian Equities	1.3	13.8	13.7	1.7	6.9	8.8	7.4	7.7
Global Equities	3.5	12.4	19.9	13.5	10.2	11.6	9.9	10.6
US Equities	3.8	12.1	22.2	18.4	14.2	15.2	12.9	13.9
European Equities	2.2	10.3	10.6	-2.2	2.7	5.6	5.4	6.3
Japanese Equities	3.0	12.1	17.5	8.2	2.6	5.5	7.0	9.5
Asia (ex Japan) Equities	6.0	16.1	27.1	22.4	8.2	12.7	9.2	7.1
Emerging Market Equities	6.1	16.1	26.3	19.5	8.5	13.0	9.1	7.0
Global Small Companies	7.0	23.7	33.0	16.2	8.1	11.7	8.7	9.9
Currency								
Australian Dollar vs Developed Market Basket	3.9	5.9	9.0	7.4	-0.9	0.5	-1.5	-2.3

Note:

Returns hedged to the Australian Dollar: Global Treasuries, Global Inflation-Linked, Global Credit, Global High-Yield.

Equity returns are expressed in local currency.

Emerging Market Debt is hedged to the US Dollar.

Currency: A positive number represents appreciation of the Australian Dollar. A negative number represents a depreciation of the Australian Dollar.

Financial Market Commentary

Financial markets

Market sentiment was positive due to vaccine announcements, Trump's approval of the \$900b fiscal package, and the UK/EU Brexit agreement.

Investor sentiment was boosted as the US and the UK started to vaccinate. However, the UK is now struggling to contain the new strain of the virus which is more contagious, and the US is back to record daily numbers.

Bank shares in the US jumped when the Fed announced that it will allow the nation's largest banks to resume share buybacks in the first quarter of 2021. This signalled to the market that they believe the balance sheets of the larger banks are strong.

In Australia, the ASX was up for the month, led by technology and materials sectors. Iron ore prices hit 9-year highs, and this helped continue the Australian Dollar strength. Domestic bond yields slightly increased due to positive economic data and exports increasing.

While a positive end to a volatile year, we maintain our conviction on having disciplined risk management by holding portfolios diversified across the asset classes.

Disclaimer

The information within this report has been prepared in good faith by Funds SA. However, Funds SA does not warrant the accuracy of the information and to the extent permitted by law, disclaims responsibility for any loss or damage of any nature whatsoever which may be suffered by any person directly or indirectly through relying upon it whether that loss or damage is caused by any fault or negligence of Funds SA or otherwise. The information is not intended to constitute advice and persons should seek professional advice before relying on the information.