

# Performance Summary



SA Metropolitan Fire Service Super Scheme – Members  
January 2024

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 to 31 January 2024**

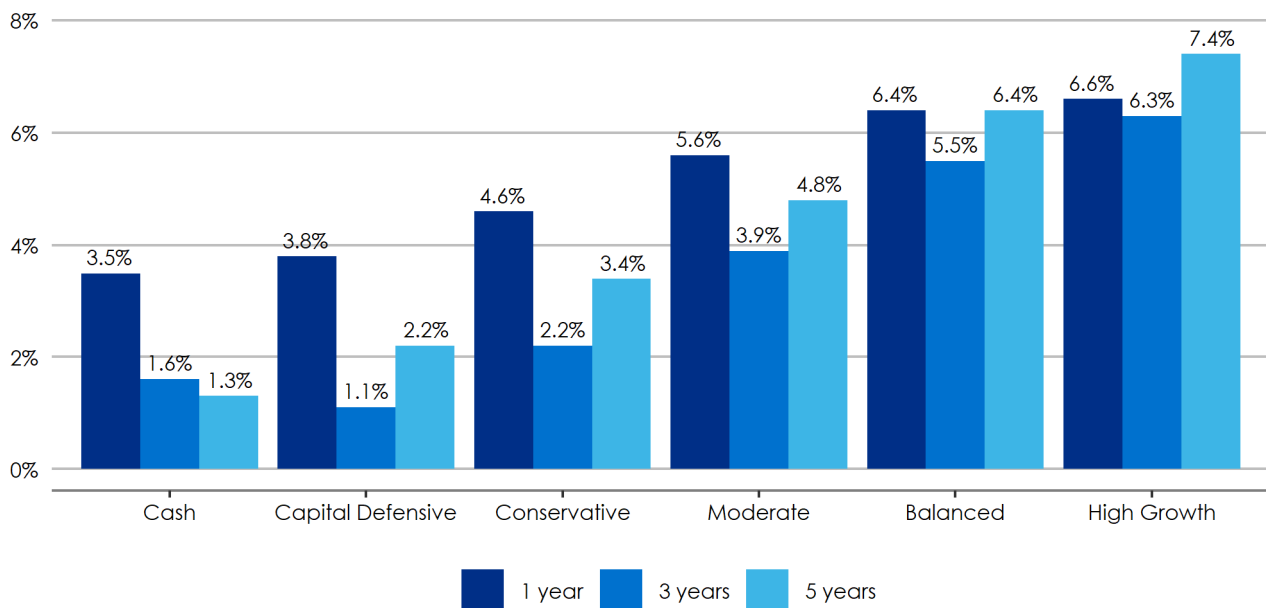
Returns are net of fees and tax

Investment option	1 month %	3 months %	FYTD %	1 year %	3 years % p.a.	5 years % p.a.	7 years % p.a.	10 years % p.a.
Cash	0.3	1.0	2.2	3.5	1.6	1.3	1.4	1.6
Capital Defensive	0.4	4.0	3.4	3.8	1.1	2.2	2.6	3.0
Conservative	0.5	4.9	3.7	4.6	2.2	3.4	3.7	4.2
Moderate	0.7	6.2	4.1	5.6	3.9	4.8	5.0	5.4
Balanced	0.9	7.0	4.4	6.4	5.5	6.4	6.4	6.6
High Growth	1.1	7.5	4.4	6.6	6.3	7.4	7.5	7.8

Note: 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 options annualised returns to 31 January 2024**

Returns are net of fees and tax



Key drivers of performance:

- All investment options had a positive month.
- The International Equities asset class was the strongest contributor to performance, largely driven by US and Japan equity markets. However, being underweight US Technology stocks and underweight the Japan equity market detracted from benchmark relative performance.
- The Australian Equities asset class also provided positive returns.
- Equities benefited from supportive economic data and optimism for interest rate cuts in 2024.
- The Australian Dollar was down against the USD to the end of January.

## Effective asset allocation

The effective asset allocation of the Funds SA Taxable investment options is shown in the table below.

**Table 2: Effective asset allocation as at 31 January 2024**

Asset class	Cash %	Capital Defensive %	Conservative %	Moderate %	Balanced %	High Growth %
Australian Equities	0.0	5.2	10.3	18.4	25.4	29.4
International Equities	0.0	5.7	12.2	20.0	26.0	31.3
Private Markets	0.0	1.1	2.0	3.0	5.0	6.9
Property	0.0	5.8	6.6	6.4	8.0	12.5
Infrastructure	0.0	4.6	4.1	3.5	5.1	5.0
Alternatives	0.0	3.8	3.8	2.8	1.9	0.0
Credit	0.0	3.1	7.0	7.1	6.0	7.1
Fixed Interest	0.0	52.3	37.2	25.0	13.1	0.0
Cash	100.0	18.4	16.7	13.8	9.4	7.9
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Foreign Currency</b>	<b>0.0</b>	<b>4.7</b>	<b>9.7</b>	<b>16.0</b>	<b>20.9</b>	<b>24.9</b>
<b>Foreign Currency Hedge*</b>	<b>0.0</b>	<b>1.1</b>	<b>2.7</b>	<b>4.4</b>	<b>5.4</b>	<b>6.8</b>

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

\* The partial foreign currency hedge is the exposure converted back into Australian Dollars from investing in International Equities to achieve the Foreign Currency strategic allocation.

All other asset classes that have international investments are typically fully currency hedged.

## Financial market snapshot

The table below summarises broad financial market performance.

**Table 3: Major market index returns to 31 January 2024**

Market Index	1 month %	3 months %	FYTD %	1 year %	3 years % p.a.	5 years % p.a.	7 years % p.a.	10 years % p.a.
Australian Equities	1.1	13.9	8.6	6.7	9.3	9.7	8.8	8.4
International Equities	3.9	10.2	8.6	22.5	11.5	12.4	12.0	11.6
Australian Unlisted Property	0.3	-3.0	-4.2	-7.1	3.5	2.7	5.0	7.0
Credit	0.0	6.3	6.3	7.7	0.8	2.4	2.8	4.1
Global Fixed Interest	-0.3	7.7	2.5	1.3	-4.6	-0.4	1.0	2.5
Australian Fixed Interest	0.4	3.5	4.5	4.7	0.6	1.6	1.9	2.3
Cash	0.4	1.1	2.5	4.0	1.8	1.4	1.6	1.8
Foreign Currency (AUD v. Developed Markets)	-2.7	2.9	-1.4	-7.0	-4.7	-2.6	-2.5	-2.1

Note:

Returns hedged to the Australian Dollar: Global Fixed Interest, Credit.

Equity returns are expressed in AUD.

## Financial market commentary

January was a strong month for international developed market equities. US equity markets rallied on the strong employment numbers and eased concerns off a US recession.

Economic data continued to indicate inflation was falling toward target levels, and economic growth while slowing, remains resilient. Investors have hope that a soft-landing scenario will eventuate, where the interest rate rises do not cause a deep recession.

The Australian Equity market rose but was tempered by RBA comments that 'a further increase in interest rates cannot be ruled out'. This also resulted in mixed outcomes for Fixed Interest markets with bond yields rising for longer dated bond and falling for shorter dated bonds.

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