

Performance Summary

SA Metropolitan Fire Service Super Scheme - Members
April 2021



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

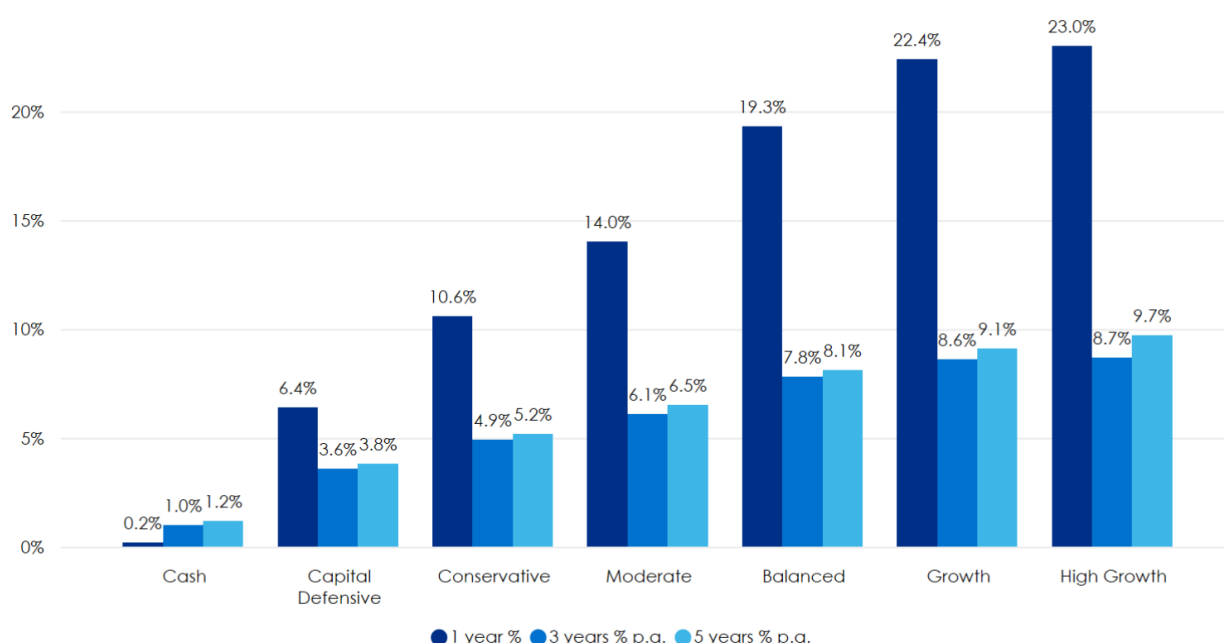
The table and chart below show Funds SA's Taxable investment option returns based on the post-tax unit pricing model.

Table 1: Taxable investment option returns, net of fees and tax to 30 April 2021

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	0.2	1.0	1.2	1.5	2.0
Capital Defensive	0.8	0.9	4.6	6.4	3.6	3.8	3.8	4.4
Conservative	1.2	2.2	7.9	10.6	4.9	5.2	5.0	5.6
Moderate	1.5	3.5	11.0	14.0	6.1	6.5	6.1	6.5
Balanced	2.0	5.4	15.6	19.3	7.8	8.1	7.4	7.6
Growth	2.2	6.3	18.1	22.4	8.6	9.1	8.2	8.3
High Growth	2.2	6.3	18.4	23.0	8.7	9.7	8.8	8.8

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 30 April 2021



Key drivers of performance during April 2021:

- Returns for April were positive across all investment options except the Cash investment option being flat.
- The growth-oriented investment options delivered stronger returns due to higher allocations to Australian Equities and International Equities, as equity markets continued to benefit from central bank support and the post-covid global economic rebound continues.
- Performance for the defensive-oriented investment options, such as Capital Defensive, Conservative, and Moderate, were driven by their allocations to Diversified Strategies Income, credit spreads narrowed providing positive returns for the asset class over the month.
- Private markets continued to experience improved valuations as economic conditions continue to recover.
- Given the RBA Cash Rate is very low and likely to be low for some time, it is expected the Cash investment option will return close to zero over the medium-term after fees and taxes.

Asset Allocation

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

Table 2: Asset allocation as at 30 April 2021

Asset class	Cash %	Capital Defensive %	Conservative %	Moderate %	Balanced %	Growth %	High Growth %
Cash	100.0	16.4	11.9	9.5	4.6	3.5	3.6
Short-Term Fixed Interest	0.0	29.1	16.9	6.0	1.0	0.0	0.0
Long-Term Fixed Interest	0.0	4.7	4.6	8.7	5.7	0.0	0.0
Inflation-Linked Securities Taxable	0.0	14.8	14.7	10.8	4.8	0.0	0.0
Diversified Strategies Income	0.0	17.2	18.1	12.1	8.1	11.9	11.8
Property Taxable	0.0	4.5	7.5	8.5	10.5	14.1	14.1
Australian Equities Taxable	0.0	6.1	12.0	18.0	27.0	27.6	27.6
International Equities Taxable	0.0	7.3	14.2	20.9	29.9	32.3	32.3
Diversified Strategies Growth Taxable	0.0	0.0	0.0	5.6	8.7	10.7	10.7
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 30 April 2021

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	0.1	0.1	1.1	1.4	1.7	2.3
Australian Government	0.6	-2.7	-3.1	-2.9	4.3	3.4	4.2	4.8
Australian Inflation-Linked	1.6	-1.3	2.9	6.7	5.4	4.2	4.9	5.8
Global Treasuries	0.0	-2.0	-2.0	-2.0	3.6	2.9	4.3	5.3
Global Inflation-Linked	0.8	-1.1	1.0	3.7	5.0	5.1	5.4	5.9
Credit								
Global Credit	0.6	-1.8	1.3	4.2	5.2	4.4	4.9	6.1
Global High-Yield	1.4	1.2	11.3	19.0	4.6	6.2	5.6	7.6
Emerging Market Debt	1.9	-1.7	4.7	14.0	5.0	4.7	4.6	5.4
Property								
Australian Listed Property	3.1	6.9	24.6	31.8	7.5	6.0	10.0	11.1
Equities								
Australian Equities	3.7	7.6	22.8	31.6	9.7	10.4	8.1	8.3
Global Equities	4.0	11.3	32.4	41.9	14.0	14.1	11.2	11.0
US Equities	5.3	13.0	36.6	46.0	18.7	17.4	14.3	14.2
European Equities	2.4	11.2	21.8	30.6	5.9	8.4	6.3	6.7
Japanese Equities	-2.8	5.9	24.8	32.9	5.1	9.7	9.6	10.6
Asia (ex Japan) Equities	1.8	1.4	34.6	43.5	9.6	14.2	10.2	7.4
Emerging Market Equities	1.6	1.8	33.5	43.3	9.8	13.7	10.1	7.4
Global Small Companies	4.1	11.3	50.2	65.1	12.5	13.9	10.3	10.1
Currency								
Australian Dollar vs Developed Market Basket	0.7	1.3	10.0	15.9	0.7	0.3	-1.9	-2.6

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

Equity markets globally continue to move higher as central banks and governments around the world continue to provide record levels of fiscal and monetary support. The S&P500 (the largest 500 companies in the US) increased 5.2% over the month as US President Biden's continues to spend big, announcing a further US\$1.8 trillion to assist American families, on top of the US\$1.9 trillion stimulus package and US\$2.3 trillion infrastructure package announced in March.

Developing nations, particularly India, are now at the forefront of the COVID-19 battle. Vaccine rollouts in the US, UK, and Europe are progressing quickly, lifting sentiment as hopes for sustained reopening of their economies increases.

The Australian equity market increased by 3.7% over the month led largely by technology and financials.

During April, business conditions and confidence (as measured by the NAB Business Survey) reached new highs ahead of the May Federal Budget and the expected wave of policy stimulus, and an increase in national income driven by higher commodity prices, notable iron ore. The Government and the Reserve Bank of Australia (RBA) continue to be focused on boosting growth and driving the unemployment rate lower.

The RBA held the official cash rate at 0.10%, in line with the central bank's stance on interest rates and market expectations. Governor Philip Lowe noted the RBA will not increase the cash rate until actual inflation is sustainably within the 2 to 3 percent target range. The US Federal Reserve (the Fed) continued to signal they will not lift interest rates until after 2023, which is likely to continue to support equity markets.

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