

Australian Retirement Trust protects members' retirement savings despite market volatility

Long-term returns remain strong, 9% per year for ten years to 30 June 2022

Australian Retirement Trust, the \$200 billion dollar superannuation fund formed by the recent merger of Sunsuper and QSuper, has recorded a return of -0.96% for its *Super Savings* Balanced option for the 2021-22 financial year.

The Fund's Chief Investment Officer, Ian Patrick, said that although there has been significant market volatility in the second half of the financial year due to the war in Ukraine, inflationary pressures and rising interest rates, this result is a good outcome for members in what has been a difficult economic environment. This good outcome is further underscored by the fact that some industry commentators have estimated that the average balanced fund will have a return of around -3.0% for the financial year.

"Reflecting on the financial year, the June quarter delivered particularly poor performance for share market investments," Mr Patrick said.

"Share markets valuations in some countries fell in excess of 15% with the technology sector particularly negatively impacted. In line with our valuation policy, as we approached quarter end, a review of our unlisted asset valuations was conducted resulting in a downward adjustment to certain private equity investments to better reflect our current view of their underlying values.

"It has been a challenging year with share market conditions remaining volatile, but our diversified portfolios have weathered the storm better than most, with the *Super Savings* and QSuper Balanced options among the best performing products this financial year. As a profit-for-members fund, our investment team has remained focused on delivering the best outcomes for our two million-plus members in this tough market environment.

"It is important to remember that super is the longest-term investment any of us will ever have. During market downturns with low returns, it's natural for members to worry, but it is worth remembering that the *Super Savings* Balanced option delivered a return of 20.7% in the previous financial year. Also, with challenges comes opportunities and the compensation for tolerating short-term market volatility is generally higher long-term returns, and our *Super Savings* and QSuper account Balanced option returns remain strong over the long-term," he said.

Australian Retirement Trust's *Super Savings* Balanced option, a continuation of Sunsuper's Balanced option, returned 9.0% per year and the QSuper account Balanced option returned 7.8% per year over ten years to 30 June 2022, both well above their long-term return objectives.

"We know that every crisis, every downturn, and every recession comes to an end, bar none. Before they end, they often provide opportunities for investment managers to acquire quality assets at attractive prices. That is the focus of Australian Retirement Trust and our investment managers," Mr Patrick added.



“We’ve recently participated in a number of exciting investment deals both domestically and internationally that we believe will deliver strong long-term returns for our members – and we are always focused on the long-term outcomes.

“We understand though that these challenging market conditions can be unnerving for members, and at Australian Retirement Trust we genuinely believe in the power of financial advice and the impact it can have on people’s lives. If members are concerned about their investment performance or unsure if they’re in the right option for their needs and risk appetite, we encourage them to call us or to speak to their own financial adviser before switching investment options or they could potentially lock in market losses and miss the upside when the market recovers.

“As one of Australia’s largest super funds and a fund that not only works in members’ best interests, but places members’ financial wellbeing in retirement at the centre of all that we do, we’ll continue to use our scale and expertise to invest members’ savings to help them live their best retirement.”

Australian Retirement Trust’s *Super Savings* Balanced option has outperformed the industry average over one, three, five, seven and ten years to 31 May 2022.¹

Australian Retirement Trust’s QSuper Accumulation account Balanced option ranked first in return-for-risk-taken against other balanced options over 1, 3, 5, 7 and 10 years, as well as having the lowest risk (smoothest ride), in the SuperRatings’ survey as at 31 May 2022.¹

The Australian Retirement Trust QSuper Accumulation account Balanced option returned a one-year return of -1.06%.

Returns for other options are available on our websites <https://www.australianretirementtrust.com.au/performance> and <https://qsuper.qld.gov.au/investments/performance>.

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About Australian Retirement Trust

Australian Retirement Trust is the super fund formed through the merger of Sunsuper and QSuper on 28 February 2022.

We are one of Australia's largest super funds, proud to take care of over \$200 billion in retirement savings for more than two million members.

As a fund that works for members, not shareholders, we work in members' best interests and commit to returning profits to them as lower fees and better services.

¹ Source: SuperRatings Fund Crediting Rate Volatility Survey and Risk-Adjusted Return Survey - SRSO Balanced (60-76) Index, May 2022. Past performance is not a reliable indicator of future performance. The rating is issued by SuperRatings Pty Ltd ABN 95 100 192 283 AFSL 311880 (SuperRatings). Ratings are general advice only and have been prepared without taking account of your objectives, financial situation or needs. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. The rating is not a recommendation to purchase, sell or hold any product. Ratings are subject to change without notice and SuperRatings assumes no obligation to update. SuperRatings uses objective criteria and receives a fee for publishing awards. Visit superratings.com.au for ratings information and to access the full report. © 2022 SuperRatings. All rights reserved.