

Market Update.

December 2023

BUSSQ's growth-oriented investment options had a strong quarter, with BUSSQ's Balanced Growth Super option returning 4.06% to be up 2.73% financial year to date. BUSSQ's Balanced Growth Income account option returned 4.79% for the quarter and 3.53% financial year to date.

Share markets fell almost 10% between August and October, but rallied sharply during November and December as investors were optimistic that the US Federal Reserve would begin to cut interest rates in 2024, given inflation was improving and it was expected that the US would avoid a recession.

Global share markets rose 11.5% over the December quarter and emerging market equities rose 7.9% (in US dollars)*. A stronger Australian dollar negatively impacted global returns when measured in Australian dollars.

Locally the S&P/ASX 300 Index rose 8.4% over the December quarter#. Australian shares also sold off early in the quarter but then rallied throughout November and December. The interest rate appears to have peaked in Australia, however it is unlikely the RBA will reduce interest rates until inflation falls within their target range of 2-3% (currently 4.3% based on November data^).

*Global share markets measured by the MSCI World Index and emerging market shares measured by the MSCI Emerging Markets Index. #Measured by the S&P DowJones.

^RBA Inflation Target.

Super – BUSSQ investment returns for the period ending 31 December 2023

| | FYTD | 1 year | 3 years† | 7 years† | 10 years† |
|---|-------|--------|----------|----------|-----------|
| Balanced Growth | 2.73% | 8.81% | 4.76% | 6.22% | 6.87% |
| Cash | 1.80% | 3.30% | 1.50% | 1.45% | 1.63% |
| Defensive | 2.21% | 5.37% | 2.69% | 3.80% | 4.42% |
| High Growth | 3.10% | 10.43% | 5.83% | 7.24% | 7.82% |
| Australian Shares | 5.60% | 12.75% | 5.77% | 7.88% | 8.01% |
| Australian (Small Companies) Shares | 4.30% | 11.28% | 4.84% | 8.67% | 8.83% |
| International Shares | 2.37% | 16.87% | 4.16% | 7.14% | 8.14% |
| International (Emerging Markets) Shares | 3.34% | 13.39% | 0.26% | 4.83% | 4.77% |

Income account – BUSSQ investment returns for the period ending 31 December 2023

| | FYTD | 1 year | 3 years† | 7 years† | 10 years† |
|---|-------|--------|----------|----------|-----------|
| Balanced Growth | 3.53% | 9.11% | 5.27% | 6.50% | 7.22% |
| Cash | 2.13% | 3.88% | 1.74% | 1.79% | 1.98% |
| Defensive | 2.84% | 6.35% | 3.39% | 4.34% | 4.99% |
| High Growth | 3.62% | 11.31% | 7.05% | 8.01% | 8.51% |
| Australian Shares | 6.49% | 15.07% | 6.60% | 9.01% | 9.13% |
| Australian (Small Companies) Shares | 4.89% | 12.40% | 4.87% | 9.97% | 10.07% |
| International Shares | 2.41% | 18.79% | 4.11% | 7.78% | 8.91% |
| International (Emerging Markets) Shares | 3.63% | 15.23% | -0.48% | 5.18% | 5.24% |

†3, 7 and 10 year figures are average compound annual returns for the period preceding 31 December 2023.