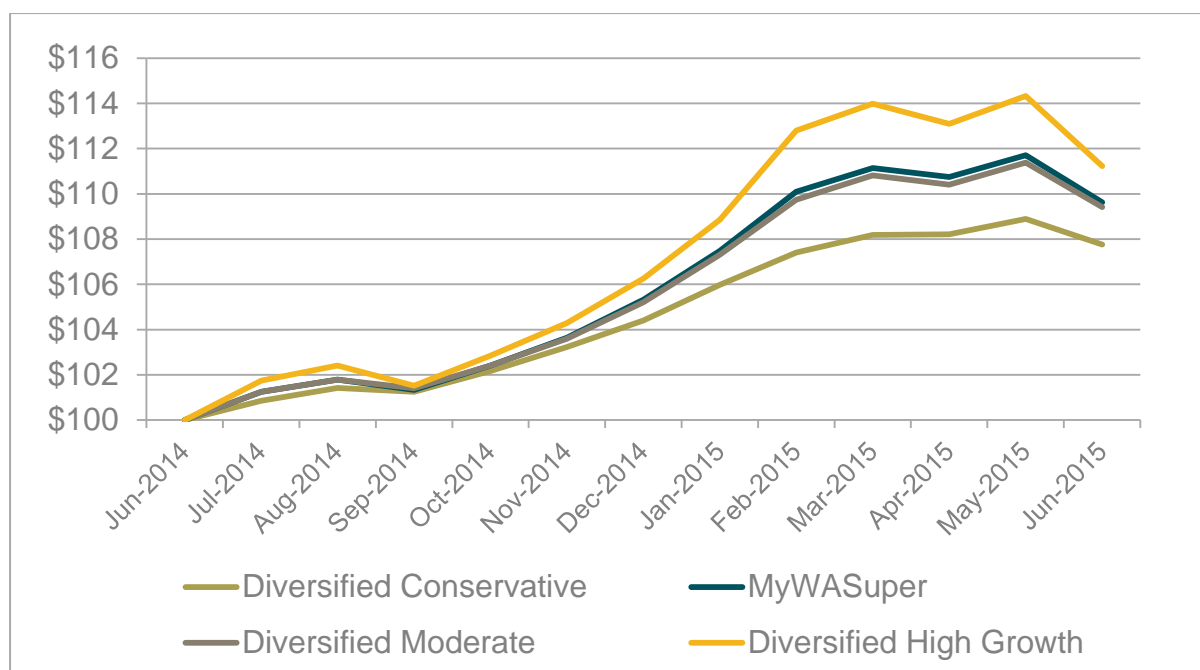


INVESTMENT UPDATE JUNE QUARTER 2015

- » Most asset classes fell over the June quarter as investors became nervous about the potential exit of Greece from the European Union. Shown in Chart 1, concerns surrounding the “Grexit” impacted markets firstly in April, and intensified in June as negotiation talks between Greece and its creditors broke down.
- » Cash (0.6%) was the strongest performing asset classes for the quarter as risk assets fell, such as Australian Equities (-6.2%), Global Property (-7.5%) and Global Equities (-0.1%).

Chart 1: WA Super Diversified Investment Options – Growth of \$100



Source: WA Super¹

The My WA Super option and the other diversified options are pre-built investment options where WA Super has chosen the asset allocation based on the return objective and appetite for risk. These options are automatically rebalanced and regularly reviewed.

- » The Diversified High Growth option (11.2%) has delivered the highest return over the past 12 months due to its higher allocation to growth assets, in particular shares which performed well in the first quarter of 2015. However, the Diversified High Growth option was the worst performer for the June quarter (-2.4%) as growth assets retraced.
- » The My WA Super option (9.6%) and the Diversified Moderate option (9.4%) were also strong performers for the past year with higher allocations to growth assets than defensive assets.
- » The Diversified Conservative option (7.8%) performed well but lagged the strong performances of the plans with higher exposure to growth assets in 2015. However, the Diversified Conservative Option was the best performer over the June quarter (-0.4%) as its allocation to defensive assets performed their role of cushioning this plan from growth asset downturns.

¹ Returns shown are for illustrative purposes and do not include any applicable fees, charges or taxes.

Chart 2: Asset Class Index Performance – Quarter and Year to June 2015

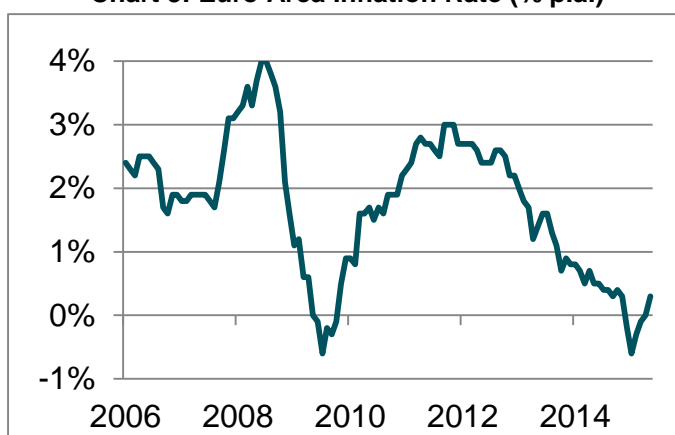


Source: Bloomberg

June Quarter Insights

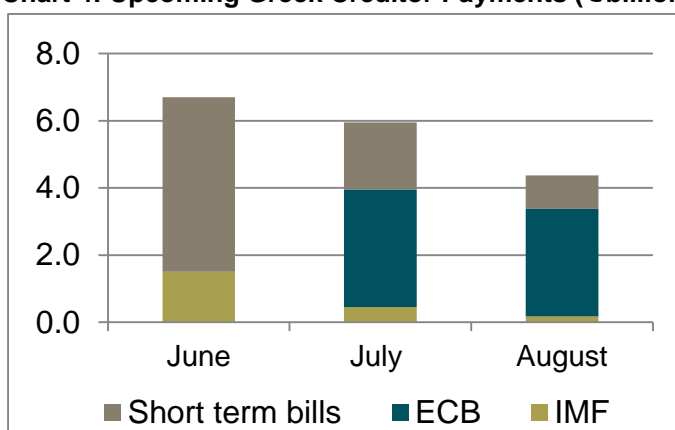
- » Asset classes returns were generally negative over the quarter, except for cash, but remain positive over a one year period (Chart 2)
- » In Europe, Euro Area inflation dipped into deflation territory in 2015 supporting the need for the ECB's recent quantitative easing program to encourage economic growth (Chart 3)
- » Markets suffered as bailout talks between Greek Prime Minister Alexis Tsipras's anti-austerity government and its creditors – the European Central Bank, European commission and the International Monetary Fund (IMF) – broke down again in June making a Greek debt default and subsequent exit from the Eurozone a real possibility
- » On 5 July a Greek referendum voted to reject the bailout terms. However, with further debt payments impending and a banking system facing collapse Athens was immediately forced back to the negotiating table (Chart 4)
- » With the referendum sidelined, Athens remains locked in talks with creditors who are demanding economic reforms in return for further bailout funds.

Chart 3: Euro Area Inflation Rate (% p.a.)



Source: European Central Bank

Chart 4: Upcoming Greek Creditor Payments (€billion)



Source: Bloomberg

The information provided is of general nature only. It has not been prepared taking into account your particular investment objectives, financial situation and particular needs. You should assess whether any advice is appropriate to your individual investment objectives, financial situation and particular needs before making any decision. You should also consider seeking the assistance of a professional adviser. Investment markets can fall as well as rise, so you shouldn't rely on past performances as a guarantee of what future performance may be.