



INVESTMENT UPDATE SEPTEMBER QUARTER 2015

- » Growth asset classes came under pressure in the September quarter as equity markets saw their worst quarter since 2012. Share market falls in China and the US Federal Reserve's decision to leave interest rates unchanged saw global shares fall 7.7% in local currency terms but for Australian investors the currency depreciation supported a 0.4% Australian dollar return.
- » Defensive asset classes provided diversification in the risk off environment, with Australian Bonds (2.2%) and Global Bonds (1.9%) the strongest performing asset classes.
- » China's troubles impacted commodity prices and subsequently Australian resource companies with the ASX Energy (-8.1%) and Materials (-3.5%) sectors lower over the quarter.

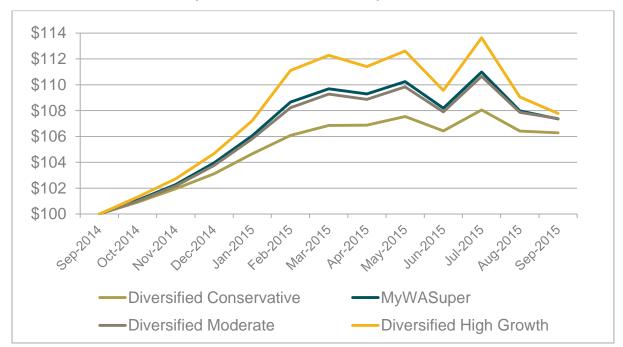


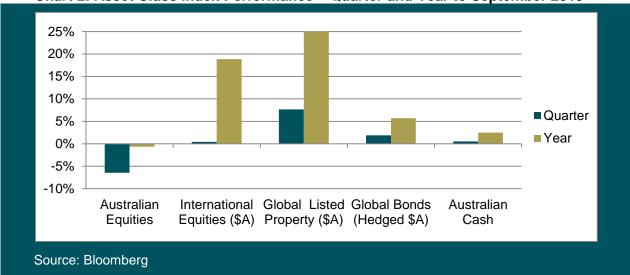
Chart 1: WA Super Diversified Investment Options - Growth of \$100

Source: WA Super

The MyWASuper option and the other diversified options are pre-mixed 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 (7.8%) 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 September quarter (-1.6%) as growth assets retraced.
- The MyWASuper option (7.4%) and the Diversified Moderate option (7.4%) were also strong performers for the past year with higher allocations to growth assets than defensive assets.
- The Diversified Conservative option (6.3%) performed well but lagged the strong performances of the options with higher exposure to growth assets in early 2015. However, the Diversified Conservative Option was the best performer over the June quarter (-0.1%) as its allocation to defensive assets performed their role of cushioning this plan from growth asset downturns.

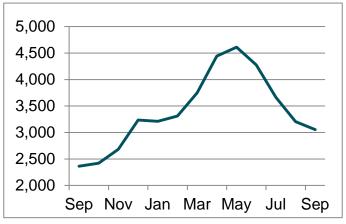
Chart 2: Asset Class Index Performance – Quarter and Year to September 2015



September Quarter Insights

- The beginning of the quarter was dominated by headlines about Greece as it reached a deal with its creditors. This was positive news for markets as the likelihood of a "Grexit" from the Eurozone decreased In the near term.
- The initial trigger for market volatility over the quarter was China where the government's management of the bursting of the country's stock market bubble and devaluation of the Renminbi in August left investors worried.
- Fears over China's slowdown and subsequent falling demand for raw materials resources led to further falls in resource prices, with commodities the worst performing asset class of the quarter.
- In September, the Federal Open Market Committee decided to leave interest rates unchanged, despite unemployment falling from 5.6% at the start of the year to 5.1% in August. The central bank was concerned about recent global economic developments placing downward pressure on inflation.

Chart 3: Shanghai Composite Index - Last 12 Months



Source: Bloomberg

Chart 4: US Unemployment Rate



Source: US Bureau of Labor Statistics

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.