



# Media Release

19 February 2025

## Super funds off to a flyer in January

Super funds got off to a flying start in 2025 with the median growth fund (61 to 80% in growth assets) up 2.2% in January, despite share market jitters late in the month. That strong start to the year of course comes on the back of last year's tremendous median result of 11.4%.

Chant West Senior Investment Research Manager, Mano Mohankumar, says the January return was driven by strong domestic and international share markets which in aggregate account for about 55% of the typical growth option. "In terms of international shares, Europe led the way in January with the US lagging most developed regions. Donald Trump officially took over as President for his second stint in mid-January and sentiment in the US continued to be buoyed by his 'America First' policy agenda. However, his tariff threats shook markets at the end of the month. In late January, we also saw the US tech sector take a hit on the back of claims that Chinese start-up, DeepSeek, had trained its generative AI capability to produce results comparable to the market leaders at a fraction of the cost.

"Over the full month, developed international shares returned 3.4% and 2.7% in hedged and unhedged terms, respectively. Australian shares fared even better, surging 4.5% given its low weighting to AI-related companies and higher exposure to financials. The ongoing tariff threats weighed on emerging markets shares which underperformed developed markets with a return of 1%. Bond markets were relatively flat with Australian and international returning 0.2% and 0.4%, respectively."

With share markets performing so strongly over the month, higher risk options fared better. The table below compares the median performance to the end of January 2025 for each of the traditional diversified risk categories in Chant West's Super Fund Performance Survey, ranging from All Growth to Conservative. All risk categories have generally met their typical long-term return objectives, which generally range from CPI + 1.5% for Conservative funds to CPI + 4.25% for All Growth.

### Traditional Diversified Fund Performance (Results to 31 January 2025)

Risk Category	Growth Assets (%)	1 Mth (%)	3 Mths (%)	FYTD (%)	1 Yr (%)	3 Yrs (% pa)	5 Yrs (% pa)	7 Yrs (% pa)	10 Yrs (% pa)	15 Yrs (% pa)
All Growth	96 – 100	3.1	5.9	11.4	18.2	9.0	8.7	9.2	9.2	9.4
High Growth	81 – 95	2.7	5.4	9.9	15.3	8.1	8.1	8.4	8.5	8.9
Growth	61 – 80	2.2	4.4	8.1	12.7	6.8	6.7	7.0	7.3	7.9
Balanced	41 – 60	1.7	3.5	6.7	9.7	5.5	5.1	5.7	5.8	6.6
Conservative	21 – 40	1.1	2.5	5.0	7.1	3.9	3.6	4.2	4.3	5.2

**Note:** Performance is shown net of investment fees and tax. It is before administration fees.

Source: Chant West



## Long-term performance remains above target

MySuper products have been operating for just over 11 years, so when considering performance, Mohankumar says it's important to remember that super is a much longer-term proposition.

“Since the introduction of compulsory super in July 1992, the median growth fund has returned 8% p.a. The annual CPI increase over the same period is 2.6%, giving a real return of 5.4% p.a. – well above the typical 3.5% target. Even looking at the past 20 years, which includes three major share market downturns – the GFC in 2007-2009, COVID-19 in 2020, and the high inflation and rising interest rates in 2022 – super funds have returned 7.2% p.a., which is still comfortably ahead of the typical objective.”

The chart below shows that for most of the time, the median growth fund has exceeded its return objective over rolling 10-year periods, which is a commonly used timeframe consistent with the long-term focus of super. The exceptions are two periods between mid-2008 and late-2017, when it fell behind. This is because of the devastating impact of the 16-month GFC period (end-October 2007 to end-February 2009) during which growth funds lost about 26% on average.

### Growth Funds – Rolling 10 Year Performance (Returns – % pa)



Source: Chant West

**Note:** The CPI figure for January 2025 is an estimate.

Source: Chant West

**Chant West philosophy:** to ensure we capture an accurate picture of the market in any given month, we publish our monthly performance data once we've received responses from at least 80% of our growth fund universe.



### About Chant West

Senior Investment Research Manager Mano Mohankumar and General Manager Ian Fryer are available to discuss this release. Please call Darlene White on 0438 041 032 to arrange a time.



#### Mano Mohankumar

Mano has over 20 years of experience in the finance industry and regularly provides media comment on superannuation and investment matters.



#### Ian Fryer

Ian has worked in the superannuation industry for about 25 years in a range of research, consulting, actuarial and administration roles.

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