



# Media Release

22 August 2025

## Super funds off to a strong start in FY26

After delivering a stellar 10.4% return for the 2024/25 financial year, super funds kicked off FY26 in strong fashion, with the median growth fund (61 to 80% in growth assets) up 1.5% in July. With share markets also up in August so far, Chant West estimates the median growth fund is up 2.7% over the first seven weeks of the new financial year.

Chant West Head of Super Investment Research, Mano Mohankumar, says share markets globally were up in July, as markets reacted positively to progress on trade negotiations between the US and several of its major trading partners ahead of the 1 August deadline. "During the month, the House of Representatives passed the One Big Beautiful Bill Act (President Trump's core tax and spending policies), which reduced some policy uncertainty. Healthy US corporate earnings results, particularly from most of the mega-cap technology companies, also supported share markets. While geopolitical risks remain, markets largely looked through the ongoing conflict in Ukraine and the Middle East.

"Over the month of July, developed international shares advanced 2% in hedged terms, but the depreciation of the Australian dollar (down from US\$0.65 to US\$0.64) pushed up the return in unhedged terms to 3.1%. Emerging markets outperformed developed markets delivering 3.8% in unhedged terms, while Australian shares were up 2.4% over the same period. However, Australian and international bonds had relatively flat months with returns of 0% and -0.2%, respectively."

The table below compares the median performance to the end of July 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 July 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	2.2	8.7	2.2	12.3	12.0	11.3	8.9	8.6	9.6
High Growth	81 – 95	1.8	6.9	1.8	11.0	10.7	10.5	8.4	8.4	9.1
Growth	61 – 80	1.5	5.7	1.5	9.7	9.1	8.5	7.0	7.1	7.9
Balanced	41 – 60	1.0	4.3	1.0	8.2	7.2	6.7	5.8	5.7	6.7
Conservative	21 – 40	0.6	2.8	0.6	6.6	5.4	4.6	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 11½ 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 2.7%, giving a real return of 5.3% 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% 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 July 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 about 25 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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