Volatility in Australian and global markets

The coronavirus (COVID-19) pandemic has disrupted communities and businesses in a way never seen before in Australia. The Federal Government has indicated that the financial impact is likely be prolonged and severe.

Prime Super is closely monitoring recent volatility in global and Australian markets. Throughout this time we remain in close contact with our investment advisor and investment managers.

It is our view that the coronavirus outbreak is likely to weigh on Australia and weaken the global economy in the short term. We continue to review our portfolios and we are currently looking at new initiatives to help the MySuper/Balanced Option respond to ongoing market developments as the coronavirus unfolds.

Our cautious approach to risk in the current market is reflected in a lower exposure to listed equity than peers over the last 12 months for Prime Super’s MySuper/Balanced option.

The key to managing volatility is not to panic and to accept that superannuation is a long-term investment.

History has shown that the market should go up again over time. For example, between July 2015 and February 2016 the Australian share market fell considerably, but by 30 June 2016 it had mostly recovered, ending the year in positive.

Prime Super offers investment options to suit the needs of members. If you would like to discuss your investment strategy, investment timeframe and risk appetite, you can call us on 1800 675 839.

This article contains general information only and does not take account of your personal circumstances. You should obtain personal advice where appropriate. Please note that past performance is not a reliable indicator of future performance.

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