ACA
AUSTRALIAN CRICKETERS' ASSOCIATION

April 2025 ACRA Investment Update -
Staying the Course Through Market Ups and Downs

The ACRA Diversified Portfolio has delivered very strong returns of over 10% per year for the previous 2 years to 31 December 2024, which has helped grow the value of the fund in connection with the ACRA investment objectives. While it's been great to enjoy those gains, it's also important to acknowledge that this year has started off on a more challenging note, with markets experiencing a dip. From the beginning of 2025 to the 8th of April, the benchmarks to measure ACRA performed as such - S&P500 was down 15%, the ASX300 was down 10.6% and the MSCI World Index was down 12.5%. Each of these indices have bounced back from their lows, with the S&P500 up 7.7%, the ASX300 up 5.2% and the MSCI up 7% in the following week. This brings the year-to-date performance of the indices 8.7%, 5.9% and 6.5% down. The ACRA Diversified Fund was down 5.1% to 8 April 2025 and has subsequently recovered to be down just over 4% for the calendar year to date.

This kind of short-term market movement isn't unusual and there is further volatility expected. We've seen it before, and we'll likely see it again. What's important to remember is that the ACRA Diversified Fund has been designed to withstand short term market volatility. This is done through the investment strategy and asset allocation of ACRA which is focussed on a 3–5-year time horizon. The fund is well diversified, meaning the fund isn't invested all in one place. It holds a good mix of assets including cash, fixed income (like bonds) and alternative investments, which help cushion the impact when equities markets fall. Even within the equities exposure a disciplined approach to investing has diversified the impact of any particular geography or sector. This 5-year outlook approach is designed to keep the fund value in line with the investment strategy and performance outcomes, even when markets become somewhat unpredictable.

In all investments, seeing fund balances dip at any time can be unsettling. However, investing is a mid to long-term journey. Markets will go through ups and downs, but history shows that staying invested – even during tough times – is key. Some of the biggest gains often come shortly after market drops (we are currently experiencing that) and missing just a few of these "bounce-back" days can have a big impact on mid to long-term returns. This is why we remain diligent in seeking opportunities during these volatile periods, while still staying disciplined with our prudent approach that aims to 'protect and grow' the portfolio under our stewardship. So, while this period may feel uncomfortable, it's part of the natural rhythm of investing.

The Perpetual Private Team