



Opening statement

Statement by Dr Raphael Arndt, Chief Executive Officer of the Future Fund Management Agency, to the Senate Finance and Public Administration Committee

Budget Estimates, 31 May 2024, Parliament House, Canberra

Thank you for the opportunity to make some brief opening comments.

Over the past decade, the Future Fund has delivered a return of 8.6% per annum, exceeding its target of 6.8%. These strong results underscore the resilience and effectiveness of our long-term investment approach.

Since inception, the Future Fund has generated \$163 billion in investment returns, growing the value of the Fund to \$223 billion. Including the additional six public interest funds, the Board of Guardians now manages over \$285 billion.

Over the past year the global economy has remained resilient, outperforming expectations thanks to the strength of the U.S. economy.

Both consumers and businesses have adapted to higher inflation and interest rates. Yet, as we have been saying for some time, globally inflation remains sticky. While inflation remains above central banks' targets the risk is that rates will be held higher for longer.

Since the end of the March quarter, markets have experienced increased volatility as they price in this risk.

We remain alert to these uncertainties, maintaining a close to neutral risk setting. This allows us to seek attractive risk-adjusted returns while staying prepared for potential market shifts.

We look forward to welcoming the Hon Greg Combet AM as the new Chair of the Board next month and we thank Ms Mary Reemst for her contribution as Acting Chair.

I welcome your questions.