



SelectingSuper MEDIA Release

Just in time for Christmas: V-powered super

KEY POINTS

- Super funds are continuing their returns fightback as average returns are now +5 per cent for the 12 months to end October. It's the highest they have been in nearly two years.
- Returns over five years have dipped back to 4.7 per cent per annum. Returns over the decade are 5.7 per cent per annum.
- Not-for-profit funds have closed the gap between themselves and master trusts from 1.7 percentage points at end September to now be just 1 percentage point.

Consumers upset by some of the big banks playing scrooge this Christmas after they lifted mortgage interest rates way above the changes in the RBA benchmark rate should take a look in their Christmas stocking this year for the extra returns now being delivered by their super funds which continue to recover faster than anyone would have expected.

This great super fund news is contained in the latest SelectingSuper performance survey for October that shows super funds to be continuing their deep-V lightening fast recovery.

The returns bounce-back is so strong that by the end of October average rolling 12 month returns for default investment options were +5 per cent, the highest they have achieved in nearly two years.

Three year returns have however dipped back to -1.3 per cent per annum and five year returns have dipped back to 4.7 per cent per annum. Over 10 years returns are averaging 5.7 per cent per annum.

The recovery in rolling 12 month returns since Christmas last year when returns hit their record low of -22 per cent has now reached a staggering 27 percentage point turnaround, or almost 3 percentage points per month.

"At this rate super returns could be back to double-digits by the start of next year," said Alex Dunnin, executive director research and editorial at the Rainmaker Group, the research firm behind SelectingSuper.

Dunnin said, "The Christmas cheer in superannuation is now so widespread that the gap between master trusts and not-for-profit funds has contracted back to just 1 percentage point."

"But this gap was 1.7 percentage points at the end of September and it could be a sign of things to come if the master trust segment drops its guard," he said.

Even better for super fund members, only ten of the 87 funds in the performance survey are still posting negative rolling 12 month returns. "It's a massive improvement since the previous monthly survey when half the funds were posting negative returns," said Dunnin.

The top performing workplace funds (measured by their default options) are Progressive Super with 15.8 per cent, Holden Employees with 12.7 per cent, AustSafe with 11.1 per cent, Colonial FirstChoice with 10.6 per cent and ANZ Staff with 10.5 per cent.

The top performing personal funds are State Super NSW (measured by their best balanced option) with 12.1 per cent, IOOF and Mercer with 11.4 per cent, Colonial FirstChoice with 11.2 per cent and Asgard with 10.4 per cent.

But in a blow to advocates arguing that funds should merge, eight of the top ten funds are small funds. "It's not how big or small the fund is that counts, it's what they have invested in and what the fees are," said Dunnin.

According to Rainmaker and SelectingSuper, 48 per cent of all super is invested into the share market, 14 per cent is invested into bonds, 10 per cent is in property, 12 per cent is in cash and 16 per cent is in alternative investments.

-See over page for a league table and graph supporting this media release-

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Top 30 super funds, 31 October 2009

Workplace funds, defaults investment options

Fund name	Segment	Open to the public	Crediting rates, ie returns after fees and taxes									
			1 yr	rank	6 yrs	rank	5 yrs	rank	7 yrs	rank	10 yrs	rank
Progressive Superannuation Plan - Balanced	Corporate fund	Yes	15.8	1	3.7	1	8.4	1	9.0	1	8.4	1
Holden Employees Superannuation Fund - Balanced Option	Corporate fund	No	12.7	2	-1.9	50	4.7	40	6.2	34		
AustSafe Super - Balanced	Industry fund	No	11.1	3	-0.4	30	5.5	27	6.8	23		
FirstChoice ES - FirstChoice Moderate	Master trust	Yes	10.6	4	-2.0	53	3.4	68				
ANZ Australian Staff Super - Balanced Growth	Corporate fund	No	10.5	5	-2.4	63	4.4	47			5.0	28
VISSF - Balanced	Industry fund	No	10.3	6	-1.9	52	4.9	39				
AMIST - Balanced	Industry fund	Yes	10.2	7	-0.3	27	5.8	21	7.5	11	6.3	11
Rio Tinto Staff Super - Growth	Corporate fund	No	10.2	8	-0.7	35	5.2	32				
CBA Officers' Super Fund - Mix 70	Corporate fund	No	9.8	9	2.1	4	7.1	2	7.6	7		
Local Super - Defined Benefit and Growth	Industry fund	No	9.6	10	0.2	18	6.6	7	7.5	10		
Mercer CS - Mercer Growth	Master trust	Yes	9.2	11	-1.3	42	4.7	42				
Telstra Super - Balanced	Corporate fund	Yes	9.1	12	0.2	19	6.4	9	7.7	2	6.2	14
ASSET Super - Medium Growth	Industry fund	Yes	9.0	13	-1.8	46	4.3	49	5.5	42		
REST Industry Super - Core Strategy	Industry fund	Yes	8.9	14	2.1	5	6.7	4	7.6	4	7.5	2
Acumen CS - Core Strategy	Master trust	Yes	8.9	14	2.1	5	6.7	4	7.6	4	7.5	2
ING CS - Optimix Balanced	Master trust	Yes	8.9	16	-1.9	51	4.3	50	5.8	40		
TASPLAN - Balanced	Industry fund	Yes	8.7	17	0.7	12	6.1	13	6.7	25	6.0	16
AXA SDB - MM Balanced Portfolio	Master trust	Yes	8.7	18	-3.6	76	2.7	78				
Fiducian CS - Fiducian Balanced Fund	Master trust	Yes	8.6	19	-3.3	74	3.7	63	5.2	46	4.7	32
Integra SC - Optimix Balanced	Master trust	Yes	8.6	20	-2.1	56	4.0	56	5.4	44		
Super SA Triple S Scheme - Balanced*	Government fund	No	8.2	21	-2.2	57	5.1	33			5.9	17
Health Super Fund - Long-Term Growth	Industry fund	No	8.2	22	-1.3	41	5.8	18			5.0	29
Russell SSC - Russell Balanced	Master trust	Yes	8.0	23	-2.8	70	3.6	65				
NGS Super - Diversified Portfolio	Industry fund	Yes	8.0	24	1.7	7	6.4	8	7.6	6	6.5	8
Suncorp ES Employer - Balanced	Master trust	Yes	7.8	25	-3.0	72	4.1	54				
AUSCOAL Super - Aggressive	Industry fund	No	7.8	26	-2.4	61						
SUMMIT MTESS - Active Balanced	Master trust	Yes	7.8	27	-5.0	85	2.6	79				
ASGARD ESA - Model Choice Growth	Master trust	Yes	7.6	28	-4.0	79	3.3	72				
Club Plus Superannuation - Balanced	Industry fund	No	7.6	29	1.5	8	6.0	15				
RBF - Actively Managed Choice	Government fund	No	7.5	30	0.0	22	5.3	29	6.4	28		
Average			5.0		-1.3		4.7		6.6		5.7	
Number of funds				87		86		83		50		38

Source: Rainmaker

www.selectingsuper.com.au

Super fund returns - rolling 12 months



Source: Rainmaker

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