



SelectingSuper MEDIA Release

Super fund returns back below 4 pct

The Australian share market might have climbed 5 per cent in September but following four months of flat returns which in-turn followed share market returns falling 8 per cent in May, super fund median returns have delivered just 3.7 per cent for the 12 months to end September 2010.

The results are contained in the latest SelectingSuper crediting rates survey.

“The lackluster share market has dragged super fund returns down 6 percentage points in just three months from the 9.7 per cent they were delivering as recently as at end June,” said Alex Dunnin, director of research at Rainmaker Information.

Despite the disappointing returns, Dunnin said that 12 months ago at end September 2009 annual returns were even worse at an abysmal -0.2 per cent.

Dunnin said, “Super funds are riding a rollercoaster as just six months ago median returns were as high as 19 per cent. It makes for a ‘W’ shaped recovery which much be terribly confusing for super fund members who are also battling mortgage stress and rising interest rates.”

Dunnin said these poor annual results are holding back long term returns, driving them to a low -3.1 per cent per annum over three years, 2.9 per cent over five years, and 5.0 per cent over 10 years.

“Returns so low means super funds are struggling to match inflation even over the medium term. Over the longer term, while the results are higher they are still mediocre if we consider the high exposure super funds have to shares and other higher risk asset classes,” said Dunnin.

Dunnin said, “Another effect of slow share markets is that not-for-profit funds, which have lower exposure to the share market than retail funds, are reclaiming the lead over their commercial rivals. Not-for-profit funds are now averaging 4.4 per cent compared to retail funds averaging 2.6 per cent.”

The top five Workplace Super funds (by default options) over the 12 months are ANZ Staff with 8.4 per cent, CBA Officers with 7.3 per cent, Triple-S (SA) with 6.8 per cent, BUS(Q) with 6.5 per cent and ESI (Qld) with 6.1 per cent. Not-for-profit funds take out nine of the top 10 places.

Dunnin said despite the poor overall returns, some funds nonetheless did reasonably well and showed why selecting the right fund can pay off.

For example, the top growth fund was Vision Super delivering 17 per cent, the top balanced fund was ANZ Staff delivering 8 per cent, the top Australian shares fund was AMP Custom Super delivering 20 per cent, the top international shares fund was AGEST delivering 8.4 per cent, the top Australian fixed interest fund was AustSafe delivering 11 per cent and the top cash fund was TWU Super delivering 6 per cent.

-See following pages for league tables and a graph supporting this media release-

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Top 30 super funds, 30 September 2010

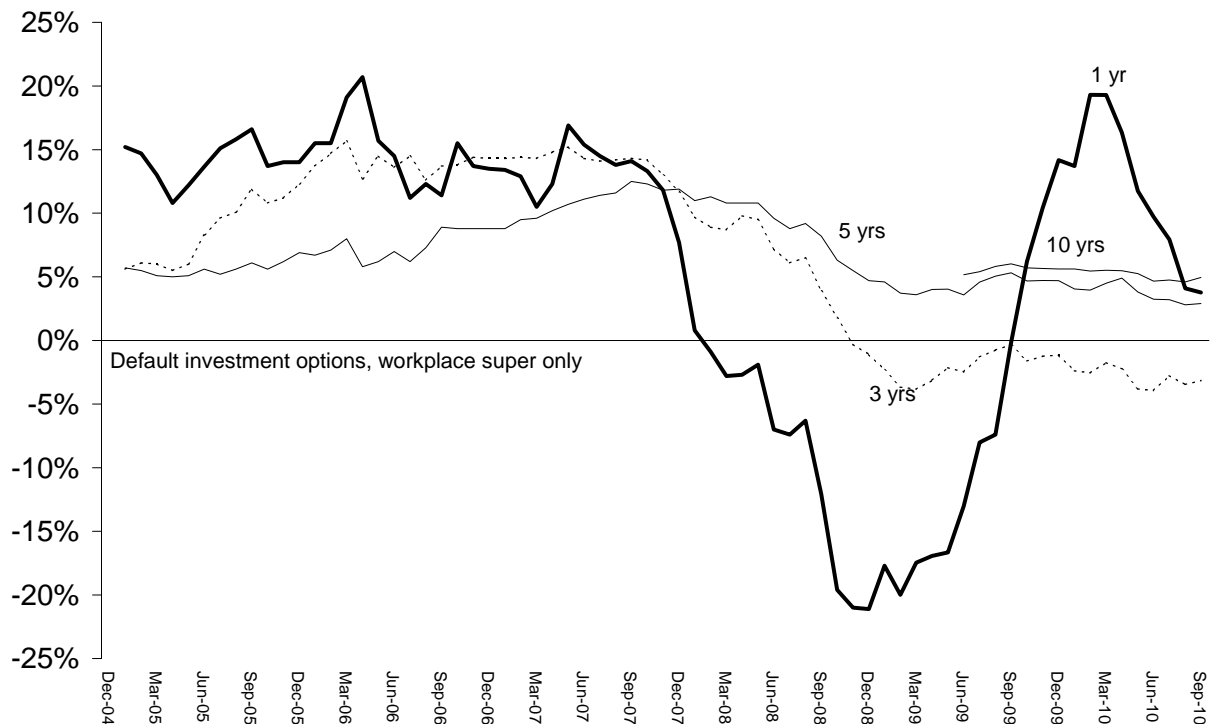
Workplace funds, defaults investment options

Fund name	Segment	Open to the public	Crediting rates, ie returns after fees and taxes									
			1 yr	rank	3 yrs	rank	5 yrs	rank	7 yrs	rank	10 yrs	rank
ANZ Australian Staff Super - Balanced Growth	Corporate fund	No	8.4	1	-3.4	45	2.9	41			4.8	26
CBA Officers' Super Fund - Mix 70	Corporate fund	No	7.3	2	0.5	3	5.7	1	7.8	3		
Super SA Triple S Scheme - Balanced*	Government fund	No	6.8	3	-4.1	54	3.2	33			5.2	21
BUSS(Q) Employer - Balanced Growth	Industry fund	Yes	6.5	4	-1.8	17	4.8	5	7.9	2	6.5	5
ESI Super - Balanced	Industry fund	Yes	6.1	5	-2.6	27	3.2	32	6.7	21	5.0	24
HESTA - Core Pool	Industry fund	Yes	6.0	6	-2.2	23	3.7	19	6.8	20	6.0	10
TWUSUPER - Balanced Option	Industry fund	Yes	5.8	7	-2.8	34	3.6	28				
AustralianSuper - Balanced	Industry fund	Yes	5.8	8	-2.9	35	4.1	15	7.3	8	6.1	7
Local Super - Defined Benefit and Growth	Industry fund	No	5.7	9	-1.7	16	4.2	12	7.3	12		
AMIST - Balanced	Industry fund	Yes	5.6	10	-2.7	29	3.7	22	7.4	7	6.1	8
VISSF - Balanced	Industry fund	No	5.6	11	-3.1	42	3.0	39	6.5	27		
LGS - Balanced Growth	Government fund	No	5.5	12	-4.6	64	1.8	61				
CareSuper - Balanced^	Industry fund	Yes	5.5	13	-1.2	10	4.4	11			6.8	4
AUSCOAL Super - Aggressive	Industry fund	No	5.4	14	-5.4	70						
ARIA PSSap - Trustee Choice	Government fund	No	5.4	14	-2.5	24	3.7	21				
ESSSuper - Growth	Government fund	No	5.4	16	-1.0	7	4.1	14	7.2	15	5.4	18
QSuper - QSuper Balanced	Government fund	No	5.3	17	-1.2	11	3.7	19	7.3	8	5.1	22
HOSTPLUS - Balanced	Industry fund	Yes	5.3	18	-2.9	36	3.7	18	6.9	18	6.0	9
AustSafe Super - Balanced	Industry fund	No	5.2	19	-3.0	38	3.6	24	6.6	26		
Rio Tinto Staff Super - Growth	Corporate fund	No	5.2	20	-2.7	31	3.3	30				
Vision Super - Balanced Growth	Industry fund	Yes	5.1	21	-2.8	32	3.0	40	6.0	33	4.5	28
NGS Super - Diversified Portfolio	Industry fund	Yes	5.0	22	-1.1	9	4.8	6	7.3	13	5.8	11
REST Industry Super - Core Strategy	Industry fund	Yes	5.0	23	0.2	4	5.5	2	7.6	4	7.2	2
Acumen CS - Core Strategy	Master trust	Yes	5.0	23	0.2	4	5.5	2	7.6	4	7.2	2
UniSuper - Balanced	Industry fund	No	4.8	25	-1.5	14	4.2	12	7.3	11	5.6	16
Maritime Super - Growth	Industry fund	No	4.6	26	-6.7	77	1.7	62	5.9	36	4.2	34
Telstra Super - Balanced	Corporate fund	Yes	4.4	27	-2.5	26	4.4	9	7.5	6	5.8	12
EISS - Diversified	Government fund	No	4.4	28	-4.4	60	1.9	60			3.5	38
Intrust Super - Balanced	Industry fund	Yes	4.4	28	-3.0	37	3.7	22	7.0	16		
TASPLAN - Balanced	Industry fund	Yes	4.3	30	-1.0	8	4.4	10	6.9	19	5.2	20
Average			3.7		-3.1		2.9		6.6		5.0	
Number of funds				83		83		81		51		47

Source: Rainmaker

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Super returns - rolling 1, 3, 5, 10 yrs





Top 5 Workplace super fund options in each asset class

Crediting rates, ie returns after fees and taxes

Growth	1 yr	5 yrs	10 yrs
Vision Super	16.6	5.5	4.1
QSuper	7.2	1.8	2.7
AUSCOAL Super	7.0	3.7	4.9
BUSS(Q) Employer Sponsored Plan	6.9	5.4	6.5
Commonwealth Bank Officers' Superannuation Fund	6.5	5.6	

Balanced	1 yr	5 yrs	10 yrs
ANZ Australian Staff Superannuation Scheme	8.4	2.9	4.8
AUSCOAL Super	7.9	4.9	5.3
AustralianSuper	7.3		
Commonwealth Bank Officers' Superannuation Fund	7.3	5.7	
Vision Super	6.9	4.2	4.5

Aust eq	1 yr	5 yrs	10 yrs
AMP CustomSuper	20.4	7.7	7.3
AMP SignatureSuper	15.6	4.5	
Mercer Super Trust (Corporate Super Division)	11.5	4.8	
Colonial First State - FirstChoice Employer Super	8.0	4.3	
Fiducian Corporate Superannuation	7.8	3.3	10.7

Int eq	1 yr	5 yrs	10 yrs
AGEST Super	8.4		
AustSafe Super	7.3	-0.8	
Commonwealth Bank Officers' Superannuation Fund	7.2		
Aon Master Trust - Corporate	7.0	-2.9	
UniSuper	6.8		

Aust fixed	1 yr	5 yrs	10 yrs
AustSafe Super	11.4	6.5	
Retirement Benefits Fund Board	10.6	6.2	
LifeTrack Corporate Superannuation	10.5		
Commonwealth Bank Officers' Superannuation Fund	9.7		
IOOF Portfolio Service Corporate Superannuation	8.7	5.9	

Cash	1 yr	5 yrs	10 yrs
TWUSUPER	5.8	5.2	
IOOF Portfolio Service Corporate Superannuation	5.8	5.2	
Vision Super	4.6	5.2	4.9
Emergency Services and State Super	4.6	4.5	4.5
Electricity Supply Industry Superannuation (Qld)	4.6	4.6	

Source: Rainmaker

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