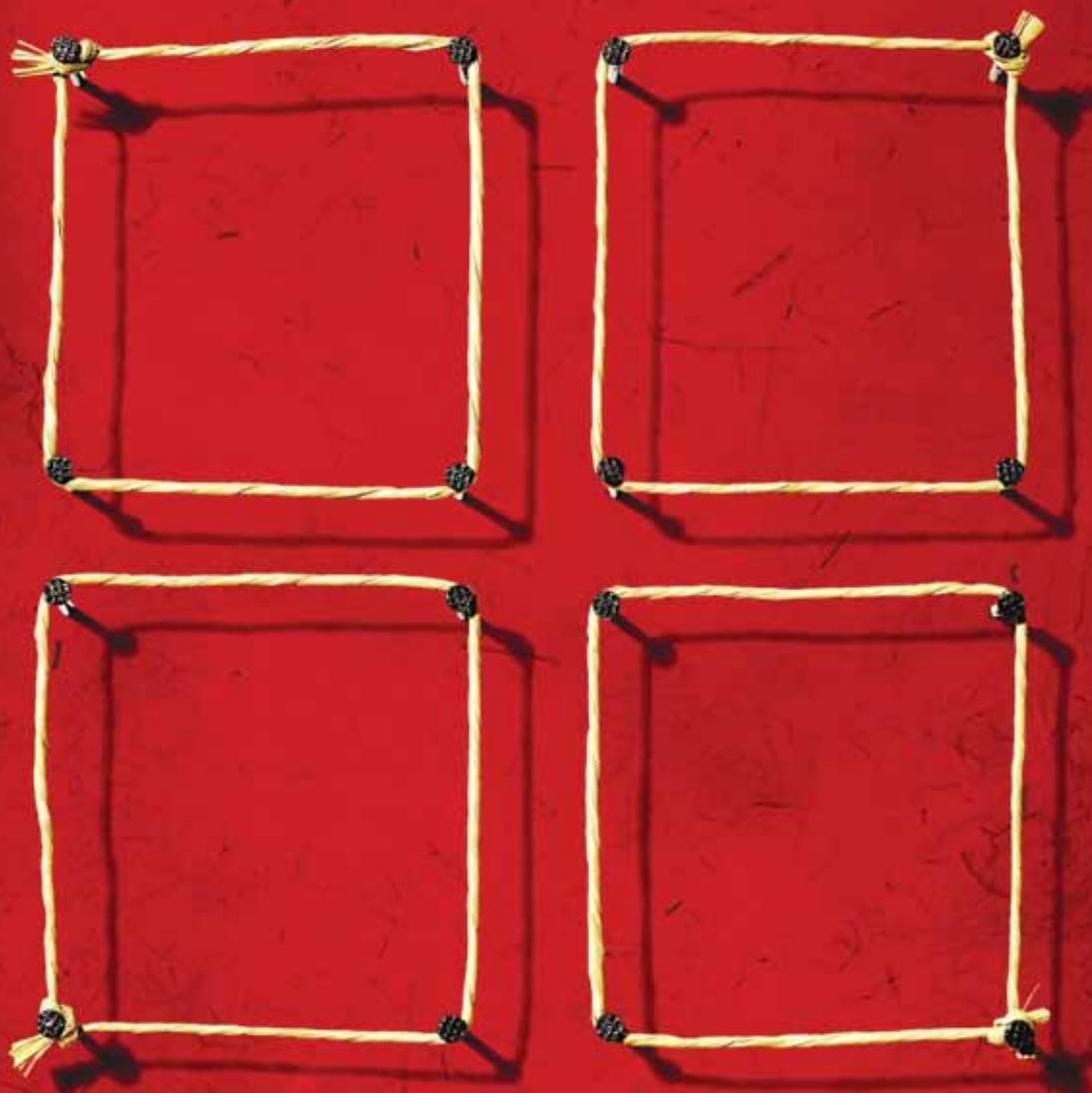




Statistics

Quarterly Superannuation Performance

June 2013 (issued 22 August 2013)



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Forthcoming issues

This publication will be released according to the timetable published on the APRA website.

Revisions

This publication includes revisions to previously published statistics when better source data becomes available or when compilation errors are uncovered. APRA identifies and quantifies significant revisions in its statistical publications.

APRA regularly analyses past revisions to identify potential improvements to the source data and statistical compilation techniques, in order to minimise the frequency and scale of any future revisions.

Updated data for the December 2011, March 2012, June 2012, September 2012, December 2012 and March 2013 quarter have been included in this publication.

Notation

Except where indicated, amounts are expressed in millions of Australian dollars. Both the Australian dollar denominated transactions and the Australian dollar equivalent of foreign-currency denominated transactions are included.

The symbol ' * ' indicates that the data have been masked to maintain confidentiality.

Rounding

Details on tables may not add up to totals due to rounding of figures.

Full time series

The PDF version of the *Quarterly Superannuation Performance* contains data from the past five quarters. The full time series from December 2004 is available in the Excel version which can be viewed by ungrouping the columns.

Explanatory notes and glossary

A set of explanatory notes is provided at the end of the publication to assist the reader in understanding the source and definitions of the data.

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Important notice

APRA's superannuation statistics provide policymakers, regulators, trustees and the community with information to assess the overall performance of the superannuation system.

APRA's quarterly and annual statistics provide data on earnings performance, fees, expenses and taxes. APRA's annual publication also provides data on membership profile, the number of investment options offered, the assets in the default investment option, and the composition of the default investment option.

Revisions

This edition of the Quarterly Superannuation Performance publication contains revised data.

Retirement Wrap revised how it compiles its statistical data and has resubmitted data to APRA. It has reclassified expenses data to APRA for the quarters December 2011 to March 2013.

Of the data Retirement Wrap reclassified and resubmitted to APRA, the following financial performance trend items changed by at least 10 per cent for the March 2013 reference period:

Table 1b:

- 'Investment management and asset consultant fees' for entities with at least \$50 million in assets revised from \$427 million to \$376 million; and
- 'Management fees (non-investment)' for entities with at least \$50 million in assets revised from \$301 million to \$352 million.

Table 4d:

- 'Investment management and asset consultant fees' for retail funds revised from \$89 million to \$38 million; and
- 'Management fees (non-investment)' for retail funds revised from \$276 million to \$327 million.

The Australian Taxation Office (ATO) has also revised self-managed superannuation fund data from June 2011.

Information on rate of return

The rate of return (ROR) represents the net earnings of superannuation assets towards funding members' benefits, primarily for retirement.

The ROR measures the combined earnings of a superannuation fund's assets across all its products and investment options. The *Superannuation Industry (Supervision) Act 1993* (SIS Act) requires that superannuation trustees formulate, and give effect to, an investment strategy that has regard to the whole of the circumstances of the superannuation fund and is in the best interest of its members. APRA considers ROR a useful relative measure to assess a superannuation trustee's ability to deliver on the fund's investment strategy for the benefit of all members over time.

Many trustees provide individual members with the choice of a wide range of investment options and superannuation products, with different investment goals. APRA's statistics are not designed to provide individual members with information to compare the investment options offered. The Australian Securities and Investment Commission's MoneySmart website (www.moneysmart.gov.au) provides guidance on how to compare superannuation investment options and links to other sources of information for this purpose.

For more information on ROR, refer to the *Response to Submissions* paper on APRA's website:

<http://www.apra.gov.au/Super/Publications/Pages/superannuation-fund-level-publications.aspx>

Highlights

Industry overview

Total estimated superannuation assets increased to \$1.62 trillion in the June 2013 quarter. Over the 12 months to June 2013 there was a 15.5 per cent increase in total estimated superannuation assets.

During the June 2013 quarter, public sector funds' assets increased by 3.9 per cent, industry funds' assets increased by 3.8 per cent, corporate sector funds' assets increased by 2.2 per cent, retail funds' assets increased by 1.8 per cent and self-managed superannuation funds' assets increased by 0.8 per cent.

At 30 June 2013, self-managed superannuation funds held the largest proportion of superannuation assets accounting for 31.3 per cent of assets, followed by retail funds with 26.1 per cent of total assets. Industry funds accounted for 20.0 per cent of total assets, public sector funds 15.9 per cent and corporate funds 3.8 per cent. Small APRA funds held 0.1 per cent of total assets.

Entities with at least \$50 million in assets

The analysis and comments below are based on superannuation entities with at least \$50 million in assets as at the end of their previous year of income.

Contributions, rollovers and benefit payments

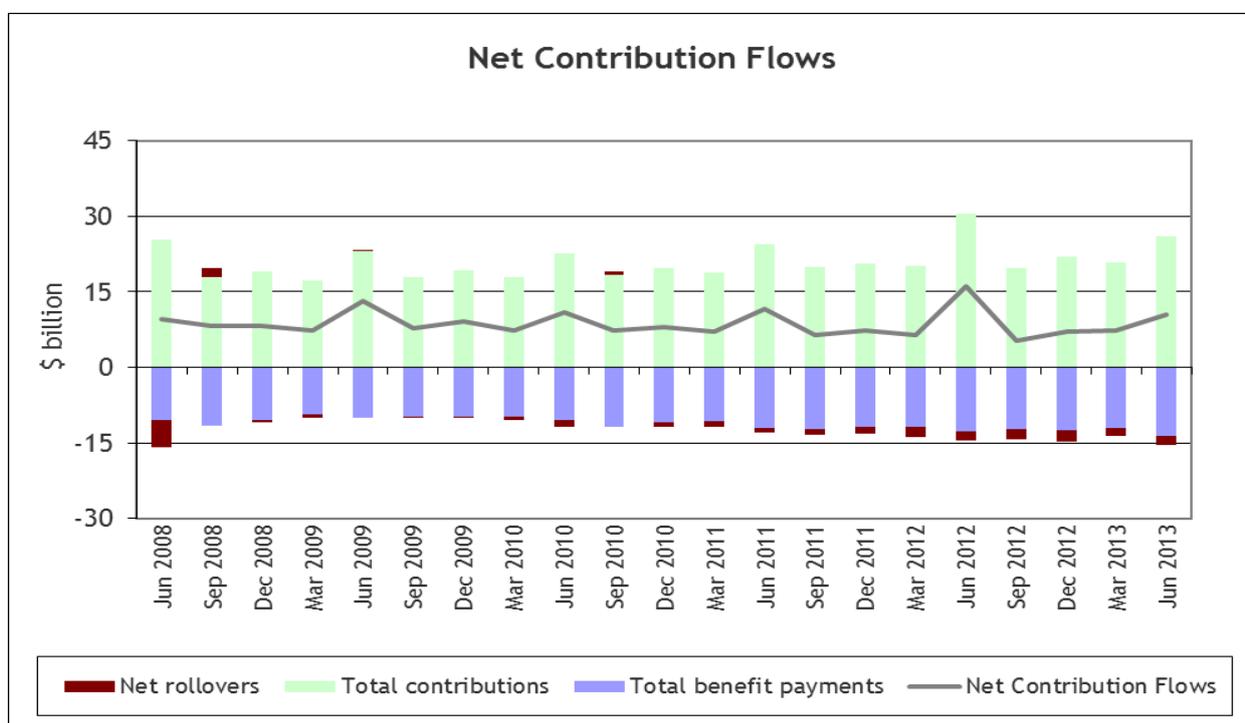
There were \$25.9 billion of contributions in the June 2013 quarter, comprising \$8.9 billion to retail funds, \$8.5 billion to industry funds, \$7.6 billion to public sector funds and \$0.9 billion to corporate funds.

During the quarter, 75.8 per cent (\$19.6 billion) of contributions was from employers, while member contributions accounted for 23.7 per cent (\$6.1 billion) of total contributions. Other contributions, which include spouse contributions and government co-contributions, accounted for 0.5 per cent (\$130 million) of total contributions.

Retail, industry, public sector and corporate funds recorded net outward rollovers of \$0.15 billion, \$0.35 billion, \$0.66 billion and \$0.63 billion respectively. Total benefit payments during the quarter was \$13.6 billion.

Net contribution flows (contributions plus net rollovers less benefit payments) totalled \$10.4 billion in the June 2013 quarter.

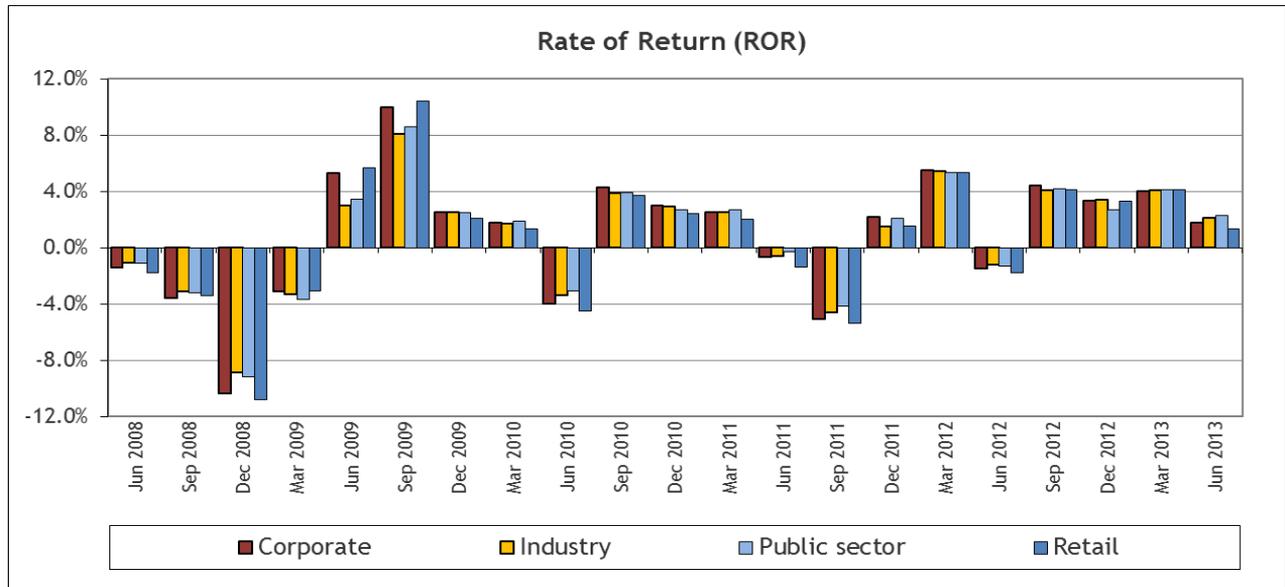
The graph below shows the composition of net contribution flows for each quarter from June 2008 to June 2013.



Financial performance and assets

The industry-wide Rate of Return (ROR) for quarterly reporting funds for the June 2013 quarter was 1.8 per cent. The ROR for each fund type for the June 2013 quarter was 2.3 per cent for public sector funds, 2.1 per cent for industry funds, 1.8 per cent for corporate funds and 1.3 per cent for retail funds.

The graph below shows the ROR for each quarter from June 2008 to June 2013.



At the end of the June 2013 quarter, 26.5 per cent of superannuation assets were invested in individually managed mandates, 23.5 per cent were held in wholesale trusts, and 15.8 per cent were invested in life office funds. Of the remaining assets, 10.6 per cent were directly invested, 9.0 per cent were held in pooled superannuation trusts, 8.1 per cent were in other investments, which includes funds placed with overseas investment managers and leased assets and 5.7 per cent were held in unlisted public offer unit trusts. The remaining 0.8 per cent of assets were receivables and deferred tax assets.

Public sector and industry funds held the largest portion of their assets in individually managed mandates. Retail funds held the largest portion of their assets in life office funds. Corporate funds held the largest portion in wholesale trusts.

Key statistics

Superannuation industry quarterly estimates

	Assets (\$ billion)					Number of entities				
	Jun 2012	Sep 2012	Dec 2012	Mar 2013	Jun 2013	Jun 2012	Sep 2012	Dec 2012	Mar 2013	Jun 2013
<i>By fund type</i>										
Corporate	56.1	58.3	57.8	60.4	61.7	122	119	119	114	108
Industry	267.3	281.2	294.7	311.4	323.2	56	56	56	54	52
Public sector	222.7	232.3	236.9	247.2	256.8	39	39	38	37	38
Retail	371.4	385.8	398.1	415.0	422.4	135	133	131	128	127
Sub total	917.4	957.5	987.5	1,034.0	1,064.1	352	347	344	333	325
Pooled superannuation trusts	87.6	90.8	92.9	96.9	99.3	67	67	67	66	61
Small APRA funds	1.8	1.8	1.8	1.7	1.7	3,201	3,216	3,242	3,251	2,950
Single-member ADFs	0.0	0.0	0.0	0.0	0.0	74	74	74	74	63
Self-managed super funds ^a	438.1	457.9	478.2	501.5	505.5	475,816	486,138	495,654	503,729	509,362
Balance of life office statutory funds	41.9	45.0	44.3	44.1	45.2					
Total ^b	1,399.3	1,462.2	1,511.9	1,581.4	1,616.5	479,510	489,842	499,381	507,453	512,761
Retirement savings accounts	1.8	1.8	1.8	1.8	1.9	9	9	9	9	9

Asset figures for June 2013, March 2013, December 2012 and September 2012 are estimated by applying June 2012 coverage ratios and growth rates. Growth rates for 2011-2012 have been applied to APRA-regulated small funds.

The number of superannuation entities is accurate as at the end of the reporting period. These data include registered registrable superannuation entities (RSEs) and unregistered RSEs. The unregistered RSEs are currently in the process of winding up or transferring trusteeship to an RSE Licensee.

^a Estimated data on self-managed superannuation funds are provided by the Australian Taxation Office (ATO).

^b Total assets does not include pooled superannuation trusts.

Coverage ratios used to estimate total assets

Entities with greater than four members

	Jun 2012			Jun 2013	
	> \$50 million (actual)	All entities (actual)	Coverage ratio	> \$50 million (actual)	All entities (estimated)
<i>By fund type (\$b)</i>					
Corporate	55.2	56.1	98.53%	60.8	61.7
Industry	267.2	267.3	99.98%	323.2	323.2
Public sector	222.7	222.7	100.00%	256.8	256.8
Retail	370.3	371.4	99.71%	421.2	422.4
Pooled superannuation trusts	87.2	87.6	99.59%	98.9	99.3

Growth rates 2011-2012

Other entities

	Jun 2011 (actual)	Jun 2012 (actual)	Growth	Jun 2013 (estimated)
	<i>By fund type (\$m)</i>			
Small APRA funds	1,999	1,829	-8.5%	1,674
Single-member ADFs	46	39	-15.7%	33

Table 1a Financial performance by fund type

Entities with at least \$50 million in assets
June 2013
(\$ million)

	Corporate	Industry	Public sector	Retail	Total
Net assets at the beginning of the quarter	57,681	305,397	236,844	412,641	1,012,563
Contributions					
Employer	788	7,227	6,300	5,307	19,622
Member	115	1,246	1,235	3,526	6,121
Other	6	37	21	67	130
Total contributions	909	8,510	7,555	8,900	25,873
Contribution tax and surcharge	120	1,078	559	842	2,599
Rollovers					
Inward	380	2,954	1,067	11,140	15,541
Outward	1,007	3,300	1,726	11,286	17,318
Net rollovers	-627	-347	-659	-145	-1,777
Benefit payments					
Lump sums	208	2,125	1,617	3,319	7,268
Pensions	131	637	3,260	2,351	6,379
Total benefit payments	339	2,762	4,877	5,670	13,647
Net contribution flows	-57	5,402	2,019	3,085	10,449
Death and disability insurance					
Total proceeds on insurance policies	18	334	56	282	689
Cost of member benefit insurance	27	511	110	703	1,352
Net flows	-185	4,146	1,405	1,821	7,187
Investment Income					
Investment income after doubtful debts	454	2,678	2,013	2,626	7,770
Total capital gains/losses on investments	697	4,899	4,039	3,391	13,025
Total investment income	1,150	7,577	6,051	6,017	20,795
Investment expenses					
Investment management and asset consultant fees	41	312	142	40	535
Custodian fees	5	14	7	11	37
Property maintenance costs	7	8	3	0	18
Other investment expenses	2	24	23	1	50
Total investment expenses	56	358	174	52	640
Net investment income	1,094	7,219	5,877	5,965	20,155
Operating expenses					
Management fees (non-investment)	7	18	3	407	435
Administration fees	30	298	105	364	797
Directors/trustees fees and expenses	1	26	2	133	162
Other operating expenses	-2	54	41	47	139
Total operating expenses	37	395	150	951	1,534
Other income	2	2	1	74	79
Net earnings	1,059	6,826	5,727	5,088	18,700
Tax expense on earnings	17	326	221	-149	416
Net earnings after tax	1,042	6,501	5,506	5,236	18,285
Net operating performance after tax	856	10,646	6,912	7,058	25,472
Other changes	0	0	0	-3	-2
Net assets at the end of the quarter	58,537	316,043	243,756	419,696	1,038,033
Number of entities	50	49	35	79	213

Table 1b Financial performance - trends

 Entities with at least \$50 million in assets
 (\$ million)

	Quarter end					Year end Jun 2012	Year end Jun 2013
	Jun 2012	Sep 2012	Dec 2012	Mar 2013	Jun 2013		
Net assets at the beginning of the period	895,986	894,737	934,226	968,274	1,012,563	867,456	894,737
Contributions							
Employer	24,710	15,878	17,933	16,869	19,622	74,714	70,302
Member	5,745	3,644	3,636	3,769	6,121	15,723	17,170
Other	143	120	357	132	130	789	738
Total contributions	30,598	19,642	21,926	20,770	25,873	91,226	88,210
Contribution tax and surcharge	3,395	2,042	2,240	2,162	2,599	9,829	9,043
Rollovers							
Inward	11,901	15,268	24,567	12,688	15,541	60,897	68,065
Outward	13,701	17,381	26,711	14,118	17,318	67,161	75,529
Net rollovers	-1,800	-2,113	-2,144	-1,430	-1,777	-6,264	-7,464
Benefit payments							
Lump sums	6,675	6,781	6,965	6,609	7,268	26,913	27,623
Pensions	6,034	5,497	5,650	5,509	6,379	21,713	23,035
Total benefit payments	12,710	12,279	12,616	12,117	13,647	48,626	50,659
Net contribution flows	16,088	5,250	7,166	7,222	10,449	36,336	30,088
Death and disability insurance							
Total proceeds on insurance policies	627	608	620	580	689	2,217	2,497
Cost of member benefit insurance	1,243	1,270	1,294	1,285	1,352	4,652	5,200
Net flows	12,078	2,546	4,253	4,355	7,187	24,072	18,341
Investment Income							
Investment income after doubtful debts	10,121	7,079	4,240	5,636	7,770	28,663	24,725
Total capital gains/losses on investments	-22,031	32,293	28,315	37,498	13,025	-20,351	111,131
Total investment income	-11,911	39,372	32,555	43,134	20,795	8,312	135,856
Investment expenses							
Investment management and asset consultant fees	444	342	394	376	535	1,438	1,647
Custodian fees	31	34	39	36	37	120	145
Property maintenance costs	28	15	16	14	18	71	63
Other investment expenses	34	44	43	51	50	123	188
Total investment expenses	537	435	492	477	640	1,752	2,044
Net investment income	-12,448	38,937	32,063	42,657	20,155	6,560	133,812
Operating expenses							
Management fees (non-investment)	330	316	333	352	435	1,173	1,436
Administration fees	637	666	753	711	797	2,592	2,926
Directors/trustees fees and expenses	133	126	130	131	162	489	549
Other operating expenses	162	113	185	143	139	527	581
Total operating expenses	1,262	1,221	1,401	1,337	1,534	4,780	5,493
Other income	113	87	94	86	79	375	346
Net earnings	-13,597	37,803	30,756	41,406	18,700	2,155	128,665
Tax expense on earnings	-371	963	949	1,467	416	-1,455	3,795
Net earnings after tax	-13,225	36,840	29,807	39,939	18,285	3,610	124,870
Net operating performance after tax	-1,147	39,386	34,059	44,294	25,472	27,682	143,211
Other changes	-101	104	-12	-5	-2	-400	84
Net assets at the end of the period	894,737	934,226	968,274	1,012,563	1,038,033	894,737	1,038,033
Number of entities	230	222	221	215	213	230	213

This table does not include pooled superannuation trusts as their assets are captured by other superannuation entity categories.

Table 2a Financial position by fund type

Entities with at least \$50 million in assets
June 2013
(\$ million)

	Corporate	Industry	Public sector	Retail	Total
Assets					
Receivables	341	2,150	1,393	2,051	5,935
Investments					
Direct	6,197	38,446	26,952	40,701	112,297
Individually managed mandates	16,955	125,523	127,993	11,068	281,539
Pooled superannuation trusts	3,257	18,181	34,612	39,165	95,215
Wholesale trusts	22,812	74,043	40,554	112,508	249,917
Life office funds	3,250	3,045	1,074	160,613	167,981
Unlisted public offer unit trusts	209	6,069	259	53,801	60,338
Other investments	7,567	55,022	23,243	19	85,851
Deferred tax assets	172	682	685	1,275	2,813
Total assets	60,760	323,160	256,764	421,201	1,061,885
Liabilities					
Direct holdings of derivative financial instruments	*	2,607	*	21	13,849
Borrowings	*	0	*	1	515
Current tax liabilities	159	1,417	1,180	798	3,554
Deferred tax liabilities	144	1,325	642	28	2,140
Payables and creditors	335	1,768	1,035	674	3,811
Total liabilities	2,222	7,117	13,008	1,522	23,870
Net assets to pay benefits	58,537	316,043	243,756	419,696	1,038,033
<i>Of which:</i>					
Liability for allocated accrued benefits	58,410	313,356	241,843	419,239	1,032,848
Reserves (unallocated benefits)	*	2,633	*	457	5,107
Excess/deficiency of assets	*	55	*	0	78
Number of entities	50	49	35	79	213

Table 2b Financial position - trends

Entities with at least \$50 million in assets
(\$ million)

	Jun 2012	Sep 2012	Dec 2012	Mar 2013	Jun 2013
Assets					
Receivables	6,939	3,594	3,238	3,825	5,935
Investments					
Direct	91,654	98,277	96,985	99,303	112,297
Individually managed mandates	242,818	256,882	269,176	286,196	281,539
Pooled superannuation trusts	83,942	87,048	89,376	92,868	95,215
Wholesale trusts	213,714	224,240	233,582	244,121	249,917
Life office funds	154,499	159,123	161,218	166,204	167,981
Unlisted public offer unit trusts	51,409	53,925	55,530	58,842	60,338
Other investments	64,808	67,829	72,265	77,053	85,851
Deferred tax assets	5,712	4,557	4,121	3,493	2,813
Total assets	915,494	955,476	985,491	1,031,905	1,061,885
Liabilities					
Direct holdings of derivative financial instruments	11,229	13,002	10,055	9,651	13,849
Borrowings	927	511	505	493	515
Current tax liabilities	3,671	3,864	2,062	3,156	3,554
Deferred tax liabilities	585	644	1,448	2,161	2,140
Payables and creditors	4,346	3,228	3,147	3,882	3,811
Total liabilities	20,757	21,249	17,217	19,342	23,870
Net assets to pay benefits	894,737	934,226	968,274	1,012,563	1,038,033
<i>Of which:</i>					
Liability for allocated accrued benefits	908,487	926,532	957,806	997,700	1,032,848
Reserves (unallocated benefits)	2,588	7,686	10,454	14,835	5,107
Excess/deficiency of assets	-16,331	8	16	29	78
Number of entities	230	222	221	215	213

This table does not include pooled superannuation trusts as their assets are captured by other superannuation entity categories.

Table 3 Entity ratios by fund type

Entities with at least \$50 million in assets

	Quarter end					Year end Jun 2012	Year end Jun 2013
	Jun 2012	Sep 2012	Dec 2012	Mar 2013	Jun 2013		
Total							
Net investment income (\$m)	-12,448	38,937	32,063	42,657	20,155	6,560	133,812
Other income (\$m)	113	87	94	86	79	375	346
Total operating expense (\$m)	1,262	1,221	1,401	1,337	1,534	4,780	5,493
Tax expense on earnings (\$m)	-371	963	949	1,467	416	-1,455	3,795
Net earnings after tax (\$m)	-13,225	36,840	29,807	39,939	18,285	3,610	124,870
Cash flow adjusted net assets	902,025	896,010	936,353	970,452	1,016,195		
Rate of Return (%)	-1.5%	4.1%	3.2%	4.1%	1.8%	0.4%	13.9%
Number of entities	230	222	221	215	213	230	213
Corporate							
Net investment income (\$m)	-817	2,524	1,908	2,439	1,094	377	7,965
Other income (\$m)	7	1	2	1	2	10	6
Total operating expense (\$m)	47	37	43	37	37	159	154
Tax expense on earnings (\$m)	-58	138	69	169	17	-109	393
Net earnings after tax (\$m)	-799	2,351	1,797	2,234	1,042	337	7,424
Cash flow adjusted net assets	54,423	53,534	54,818	55,486	57,588		
Rate of return (%)	-1.5%	4.4%	3.3%	4.0%	1.8%	0.8%	14.2%
Number of entities	54	54	54	51	50	54	50
Industry							
Net investment income (\$m)	-3,558	11,871	10,239	13,326	7,219	2,412	42,655
Other income (\$m)	27	16	18	10	2	72	45
Total operating expense (\$m)	330	316	371	314	395	1,203	1,396
Tax expense on earnings (\$m)	-730	838	427	933	326	-1,000	2,524
Net earnings after tax (\$m)	-3,131	10,733	9,459	12,088	6,501	2,281	38,780
Cash flow adjusted net assets	261,478	262,758	278,166	291,715	307,470		
Rate of return (%)	-1.2%	4.1%	3.4%	4.1%	2.1%	0.8%	14.5%
Number of entities	53	52	52	50	49	53	49
Public sector							
Net investment income (\$m)	-1,609	8,837	6,617	9,731	5,877	4,553	31,061
Other income (\$m)	18	26	23	17	1	92	67
Total operating expense (\$m)	130	143	162	159	150	549	614
Tax expense on earnings (\$m)	923	-63	462	278	221	605	898
Net earnings after tax (\$m)	-2,645	8,783	6,016	9,311	5,506	3,491	29,616
Cash flow adjusted net assets	211,255	210,775	219,769	227,060	237,585		
Rate of return (%)	-1.3%	4.2%	2.7%	4.1%	2.3%	1.7%	14.0%
Number of entities	38	36	35	35	35	38	35
Retail							
Net investment income (\$m)	-6,464	15,705	13,300	17,162	5,965	-782	52,131
Other income (\$m)	62	45	52	58	74	201	229
Total operating expense (\$m)	755	725	825	827	951	2,870	3,329
Tax expense on earnings (\$m)	-507	51	-9	87	-149	-951	-19
Net earnings after tax (\$m)	-6,650	14,973	12,535	16,306	5,236	-2,499	49,050
Cash flow adjusted net assets	374,870	368,944	383,600	396,190	413,552		
Rate of return (%)	-1.8%	4.1%	3.3%	4.1%	1.3%	-0.7%	13.3%
Number of entities	85	80	80	79	79	85	79

Table 4a Corporate funds - financial performance

 Entities with at least \$50 million in assets
 (\$ million)

	Quarter end					Year end Jun 2012	Year end Jun 2013
	Jun 2012	Sep 2012	Dec 2012	Mar 2013	Jun 2013		
Net assets at the beginning of the period	54,491	53,555	55,915	55,518	57,681	56,576	53,555
Contributions							
Employer	930	785	874	713	788	3,586	3,161
Member	111	71	62	78	115	291	326
Other	6	2	8	4	6	20	20
Total contributions	1,047	858	945	796	909	3,898	3,507
Contribution tax and surcharge	140	118	129	106	120	535	473
Rollovers							
Inward	219	198	208	217	380	999	1,004
Outward	898	645	2,883	650	1,007	6,188	5,185
Net rollovers	-679	-447	-2,675	-432	-627	-5,188	-4,181
Benefit payments							
Lump sums	217	190	195	192	208	935	784
Pensions	140	137	134	122	131	526	524
Total benefit payments	357	326	329	315	339	1,461	1,309
Net contribution flows	11	84	-2,059	49	-57	-2,752	-1,982
Death and disability insurance							
Total proceeds on insurance policies	17	15	20	18	18	64	70
Cost of member benefit insurance	25	24	26	24	27	94	101
Net flows	-137	-43	-2,194	-64	-185	-3,317	-2,486
Investment Income							
Investment income after doubtful debts	969	336	364	332	454	2,125	1,486
Total capital gains/losses on investments	-1,744	2,227	1,587	2,145	697	-1,592	6,656
Total investment income	-775	2,563	1,951	2,478	1,150	533	8,142
Investment expenses							
Investment management and asset consultant fees	30	27	31	29	41	113	128
Custodian fees	3	4	4	4	5	12	17
Property maintenance costs	7	5	7	4	7	23	23
Other investment expenses	2	4	1	2	2	8	9
Total investment expenses	43	39	44	39	56	156	177
Net investment income	-817	2,524	1,908	2,439	1,094	377	7,965
Operating expenses							
Management fees (non-investment)	10	6	8	6	7	28	28
Administration fees	21	27	26	25	30	96	108
Directors/trustees fees and expenses	1	1	1	1	1	5	5
Other operating expenses	15	4	7	4	-2	31	14
Total operating expenses	47	37	43	37	37	159	154
Other income	7	1	2	1	2	10	6
Net earnings	-857	2,488	1,866	2,403	1,059	228	7,816
Tax expense on earnings	-58	138	69	169	17	-109	393
Net earnings after tax	-799	2,351	1,797	2,234	1,042	337	7,424
Net operating performance after tax	-936	2,308	-397	2,170	856	-2,980	4,937
Other changes	0	52	0	-7	0	-41	45
Net assets at the end of the period	53,555	55,915	55,518	57,681	58,537	53,555	58,537
Number of entities	54	54	54	51	50	54	50

Table 4b Industry funds - financial performance

 Entities with at least \$50 million in assets
 (\$ million)

	Quarter end					Year end Jun 2012	Year end Jun 2013
	Jun 2012	Sep 2012	Dec 2012	Mar 2013	Jun 2013		
Net assets at the beginning of the period	259,223	260,598	275,656	290,123	305,397	244,733	260,598
Contributions							
Employer	7,150	5,699	6,226	6,204	7,227	24,728	25,355
Member	1,130	539	583	645	1,246	2,522	3,014
Other	33	36	136	28	37	270	237
Total contributions	8,312	6,274	6,945	6,877	8,510	27,520	28,605
Contribution tax and surcharge	1,088	833	900	903	1,078	3,653	3,714
Rollovers							
Inward	2,075	3,776	11,065	2,360	2,954	8,369	20,156
Outward	2,037	2,122	9,398	2,410	3,300	8,160	17,230
Net rollovers	37	1,654	1,667	-49	-347	210	2,925
Benefit payments							
Lump sums	2,046	2,030	2,022	2,015	2,125	7,897	8,192
Pensions	563	568	506	550	637	1,930	2,260
Total benefit payments	2,608	2,597	2,528	2,565	2,762	9,826	10,451
Net contribution flows	5,741	5,330	6,084	4,263	5,402	17,904	21,079
Death and disability insurance							
Total proceeds on insurance policies	325	315	315	309	334	1,108	1,273
Cost of member benefit insurance	469	493	480	486	511	1,771	1,971
Net flows	4,510	4,319	5,020	3,183	4,146	13,588	16,668
Investment Income							
Investment income after doubtful debts	3,655	2,712	2,050	2,454	2,678	10,802	9,893
Total capital gains/losses on investments	-6,929	9,394	8,459	11,125	4,899	-7,513	33,877
Total investment income	-3,274	12,106	10,509	13,578	7,577	3,289	43,770
Investment expenses							
Investment management and asset consultant fees	235	195	232	208	312	724	946
Custodian fees	15	14	15	15	14	58	58
Property maintenance costs	18	8	7	7	8	37	29
Other investment expenses	16	17	17	24	24	58	81
Total investment expenses	284	235	270	253	358	878	1,115
Net investment income	-3,558	11,871	10,239	13,326	7,219	2,412	42,655
Operating expenses							
Management fees (non-investment)	14	20	12	18	18	58	69
Administration fees	251	238	267	219	298	912	1,022
Directors/trustees fees and expenses	19	21	21	20	26	75	88
Other operating expenses	45	38	70	56	54	158	217
Total operating expenses	330	316	371	314	395	1,203	1,396
Other income	27	16	18	10	2	72	45
Net earnings	-3,861	11,571	9,886	13,021	6,826	1,281	41,304
Tax expense on earnings	-730	838	427	933	326	-1,000	2,524
Net earnings after tax	-3,131	10,733	9,459	12,088	6,501	2,281	38,780
Net operating performance after tax	1,379	15,052	14,479	15,271	10,646	15,869	55,448
Other changes	-3	6	-12	3	0	-4	-3
Net assets at the end of the period	260,598	275,656	290,123	305,397	316,043	260,598	316,043
Number of entities	53	52	52	50	49	53	49

Table 4c Public sector funds - financial performance

 Entities with at least \$50 million in assets
 (\$ million)

	Quarter end					Year end Jun 2012	Year end Jun 2013
	Jun 2012	Sep 2012	Dec 2012	Mar 2013	Jun 2013		
Net assets at the beginning of the period	208,546	211,318	218,965	226,588	236,844	199,657	211,318
Contributions							
Employer	10,863	5,503	6,464	5,777	6,300	27,800	24,044
Member	1,030	908	927	987	1,235	3,554	4,057
Other	37	15	89	29	21	173	153
Total contributions	11,929	6,426	7,481	6,792	7,555	31,527	28,254
Contribution tax and surcharge	1,309	494	551	535	559	2,797	2,139
Rollovers							
Inward	681	870	914	953	1,067	4,750	3,805
Outward	1,402	3,474	1,562	1,771	1,726	7,394	8,533
Net rollovers	-721	-2,604	-648	-818	-659	-2,644	-4,728
Benefit payments							
Lump sums	1,356	1,484	1,450	1,520	1,617	5,766	6,071
Pensions	3,076	2,907	3,154	2,923	3,260	11,582	12,244
Total benefit payments	4,432	4,391	4,604	4,443	4,877	17,349	18,316
Net contribution flows	6,776	-568	2,229	1,531	2,019	11,534	5,211
Death and disability insurance							
Total proceeds on insurance policies	48	41	55	47	56	193	198
Cost of member benefit insurance	97	66	127	97	110	366	400
Net flows	5,418	-1,088	1,606	946	1,405	8,565	2,870
Investment Income							
Investment income after doubtful debts	2,713	2,377	85	1,196	2,013	7,185	5,670
Total capital gains/losses on investments	-4,158	6,575	6,661	8,669	4,039	-2,152	25,944
Total investment income	-1,446	8,951	6,747	9,866	6,051	5,032	31,615
Investment expenses							
Investment management and asset consultant fees	137	83	95	102	142	384	422
Custodian fees	8	5	9	6	7	31	27
Property maintenance costs	3	3	3	2	3	11	11
Other investment expenses	15	23	23	25	23	54	94
Total investment expenses	164	114	130	135	174	480	553
Net investment income	-1,609	8,837	6,617	9,731	5,877	4,553	31,061
Operating expenses							
Management fees (non-investment)	3	2	2	1	3	7	7
Administration fees	77	108	113	124	105	386	450
Directors/trustees fees and expenses	3	1	2	1	2	7	6
Other operating expenses	48	32	45	33	41	149	151
Total operating expenses	130	143	162	159	150	549	614
Other income	18	26	23	17	1	92	67
Net earnings	-1,722	8,720	6,478	9,589	5,727	4,096	30,514
Tax expense on earnings	923	-63	462	278	221	605	898
Net earnings after tax	-2,645	8,783	6,016	9,311	5,506	3,491	29,616
Net operating performance after tax	2,773	7,696	7,622	10,257	6,912	12,056	32,486
Other changes	0	-49	0	0	0	-394	-49
Net assets at the end of the period	211,318	218,965	226,588	236,844	243,756	211,318	243,756
Number of entities	38	36	35	35	35	38	35

Table 4d Retail funds - financial performance

 Entities with at least \$50 million in assets
 (\$ million)

	Quarter end					Year end Jun 2012	Year end Jun 2013
	Jun 2012	Sep 2012	Dec 2012	Mar 2013	Jun 2013		
Net assets at the beginning of the period	373,726	369,265	383,690	396,045	412,641	366,490	369,265
Contributions							
Employer	5,768	3,891	4,369	4,175	5,307	18,599	17,743
Member	3,474	2,126	2,063	2,059	3,526	9,356	9,773
Other	67	67	123	71	67	327	328
Total contributions	9,309	6,084	6,555	6,305	8,900	28,282	27,844
Contribution tax and surcharge	859	597	660	618	842	2,844	2,717
Rollovers							
Inward	8,927	10,423	12,380	9,157	11,140	46,778	43,100
Outward	9,364	11,139	12,868	9,289	11,286	45,420	44,581
Net rollovers	-437	-716	-488	-131	-145	1,358	-1,481
Benefit payments							
Lump sums	3,056	3,078	3,299	2,881	3,319	12,315	12,576
Pensions	2,256	1,886	1,856	1,913	2,351	7,675	8,007
Total benefit payments	5,312	4,964	5,155	4,794	5,670	19,990	20,583
Net contribution flows	3,560	404	912	1,380	3,085	9,650	5,780
Death and disability insurance							
Total proceeds on insurance policies	237	238	231	206	282	852	956
Cost of member benefit insurance	651	687	662	677	703	2,422	2,729
Net flows	2,287	-642	-179	290	1,821	5,236	1,290
Investment Income							
Investment income after doubtful debts	2,783	1,655	1,740	1,654	2,626	8,551	7,675
Total capital gains/losses on investments	-9,200	14,097	11,608	15,558	3,391	-9,094	44,654
Total investment income	-6,417	15,752	13,348	17,212	6,017	-543	52,329
Investment expenses							
Investment management and asset consultant fees	41	37	36	38	40	217	151
Custodian fees	5	10	11	11	11	19	43
Property maintenance costs	0	0	0	0	0	0	0
Other investment expenses	0	0	2	1	1	2	4
Total investment expenses	46	47	48	50	52	238	198
Net investment income	-6,464	15,705	13,300	17,162	5,965	-782	52,131
Operating expenses							
Management fees (non-investment)	303	288	311	327	407	1,080	1,333
Administration fees	288	294	346	342	364	1,198	1,346
Directors/trustees fees and expenses	109	103	105	109	133	403	451
Other operating expenses	55	40	63	49	47	189	199
Total operating expenses	755	725	825	827	951	2,870	3,329
Other income	62	45	52	58	74	201	229
Net earnings	-7,157	15,024	12,526	16,393	5,088	-3,450	49,031
Tax expense on earnings	-507	51	-9	87	-149	-951	-19
Net earnings after tax	-6,650	14,973	12,535	16,306	5,236	-2,499	49,050
Net operating performance after tax	-4,363	14,331	12,355	16,596	7,058	2,737	50,340
Other changes	-98	94	0	0	-3	39	91
Net assets at the end of the period	369,265	383,690	396,045	412,641	419,696	369,265	419,696
Number of entities	85	80	80	79	79	85	79

Table 4e Pooled superannuation trusts - financial performance

Entities with at least \$50 million in assets
(\$ million)

	Quarter end					Year end Jun 2012	Year end Jun 2013
	Jun 2012	Sep 2012	Dec 2012	Mar 2013	Jun 2013		
Net assets at the beginning of the period	85,518	86,637	89,744	91,749	95,683	76,492	86,637
Units issued to unit holders	5,141	2,196	3,152	2,176	3,653	24,107	11,177
Payments to unit holders	3,149	2,228	4,472	1,762	4,520	15,554	12,982
Investment Income							
Investment income after doubtful debts	1,088	584	734	813	1,017	3,114	3,149
Total capital gains/losses on investments	-2,025	2,943	2,848	3,089	1,783	-1,544	10,663
Total investment income	-937	3,527	3,583	3,902	2,800	1,570	13,812
Investment expenses							
Investment management and asset consultant fees	55	49	43	33	42	197	167
Custodian fees	4	4	3	4	4	11	16
Property maintenance costs	0	0	0	0	0	0	0
Other investment expenses	4	2	1	2	2	6	7
Total investment expenses	63	54	48	39	49	215	190
Net investment income	-1,000	3,473	3,535	3,863	2,752	1,356	13,622
Operating expenses							
Management fees (non-investment)	12	12	12	13	13	45	50
Administration fees	34	35	38	37	36	139	146
Directors/trustees fees and expenses	7	5	8	7	11	21	32
Other operating expenses	6	2	7	3	3	12	14
Total operating expenses	59	55	65	59	63	217	242
Other income	3	0	0	1	1	5	3
Net earnings	-1,055	3,419	3,470	3,804	2,689	1,143	13,383
Tax expense on earnings	-181	193	146	284	167	-67	790
Net earnings after tax	-874	3,226	3,325	3,520	2,522	1,210	12,593
Net operating performance after tax	1,119	3,194	2,004	3,934	1,656	9,763	10,788
Other changes	0	-86	0	0	0	382	-86
Net assets at the end of the period	86,637	89,744	91,749	95,683	97,339	86,637	97,339
Number of entities	39	37	37	37	37	39	37

Table 5a Corporate funds - financial position

Entities with at least \$50 million in assets
(\$ million)

	Jun 2012	Sep 2012	Dec 2012	Mar 2013	Jun 2013
Assets					
Receivables	546	261	200	280	341
Investments					
Direct	5,900	6,448	5,429	5,695	6,197
Individually managed mandates	15,733	16,128	18,185	19,123	16,955
Pooled superannuation trusts	4,178	4,396	3,403	3,452	3,257
Wholesale trusts	17,436	18,390	19,523	20,593	22,812
Life office funds	3,572	3,683	2,919	3,014	3,250
Unlisted public offer unit trusts	149	184	167	180	209
Other investments	7,281	7,561	6,853	6,962	7,567
Deferred tax assets	447	366	275	173	172
Total assets	55,243	57,416	56,953	59,474	60,760
Liabilities					
Direct holdings of derivative financial instruments	*	*	*	*	*
Borrowings	*	*	*	*	*
Current tax liabilities	134	135	103	149	159
Deferred tax liabilities	52	74	80	131	144
Payables and creditors	550	325	349	581	335
Total liabilities	1,688	1,501	1,435	1,792	2,222
Net assets to pay benefits	53,555	55,915	55,518	57,681	58,537
<i>Of which:</i>					
Liability for allocated accrued benefits	53,447	55,854	55,435	57,559	58,410
Reserves (unallocated benefits)	87	61	83	123	*
Excess/deficiency of assets	21	0	0	0	*
Number of entities	54	54	54	51	50

Table 5b Industry funds - financial position

Entities with at least \$50 million in assets
(\$ million)

	Jun 2012	Sep 2012	Dec 2012	Mar 2013	Jun 2013
Assets					
Receivables	2,526	1,453	1,197	1,747	2,150
Investments					
Direct	32,240	34,070	35,101	36,894	38,446
Individually managed mandates	101,958	110,017	116,987	126,471	125,523
Pooled superannuation trusts	15,273	15,883	16,806	17,425	18,181
Wholesale trusts	65,719	68,010	69,795	70,852	74,043
Life office funds	3,415	3,350	3,142	2,966	3,045
Unlisted public offer unit trusts	5,748	6,069	5,453	5,800	6,069
Other investments	38,104	40,733	45,285	48,634	55,022
Deferred tax assets	2,262	1,522	914	607	682
Total assets	267,244	281,108	294,680	311,396	323,160
Liabilities					
Direct holdings of derivative financial instruments	2,965	2,480	2,167	2,197	2,607
Borrowings	320	0	0	0	0
Current tax liabilities	1,060	1,303	719	1,230	1,417
Deferred tax liabilities	211	245	349	911	1,325
Payables and creditors	2,089	1,424	1,322	1,661	1,768
Total liabilities	6,646	5,452	4,557	5,999	7,117
Net assets to pay benefits	260,598	275,656	290,123	305,397	316,043
<i>Of which:</i>					
Liability for allocated accrued benefits	259,091	269,022	281,846	292,923	313,356
Reserves (unallocated benefits)	1,507	6,633	8,280	12,474	2,633
Excess/deficiency of assets	0	0	0	0	55
Number of entities	53	52	52	50	49

Table 5c Public sector funds - financial position

Entities with at least \$50 million in assets
(\$ million)

	Jun 2012	Sep 2012	Dec 2012	Mar 2013	Jun 2013
Assets					
Receivables	1,686	1,104	774	899	1,393
Investments					
Direct	17,415	19,710	17,242	16,570	26,952
Individually managed mandates	115,717	120,611	123,564	129,577	127,993
Pooled superannuation trusts	29,602	30,910	31,955	33,203	34,612
Wholesale trusts	36,519	38,194	40,580	42,806	40,554
Life office funds	931	971	995	1,046	1,074
Unlisted public offer unit trusts	242	254	281	297	259
Other investments	19,405	19,516	20,107	21,441	23,243
Deferred tax assets	1,143	1,019	1,401	1,387	685
Total assets	222,661	232,289	236,899	247,225	256,764
Liabilities					
Direct holdings of derivative financial instruments	*	*	*	*	*
Borrowings	*	*	*	*	*
Current tax liabilities	1,956	1,936	870	1,201	1,180
Deferred tax liabilities	319	319	1,011	1,108	642
Payables and creditors	1,155	1,004	941	1,059	1,035
Total liabilities	11,342	13,323	10,311	10,381	13,008
Net assets to pay benefits	211,318	218,965	226,588	236,844	243,756
<i>Of which:</i>					
Liability for allocated accrued benefits	227,087	218,382	224,943	235,049	241,843
Reserves (unallocated benefits)	590	575	1,629	1,766	*
Excess/deficiency of assets	-16,352	8	16	29	*
Number of entities	38	36	35	35	35

Table 5d Retail funds - financial position

Entities with at least \$50 million in assets
(\$ million)

	Jun 2012	Sep 2012	Dec 2012	Mar 2013	Jun 2013
Assets					
Receivables	2,180	777	1,067	900	2,051
Investments					
Direct	36,098	38,048	39,213	40,144	40,701
Individually managed mandates	9,409	10,126	10,440	11,024	11,068
Pooled superannuation trusts	34,889	35,860	37,212	38,788	39,165
Wholesale trusts	94,040	99,647	103,684	109,870	112,508
Life office funds	146,581	151,119	154,162	159,178	160,613
Unlisted public offer unit trusts	45,270	47,418	49,629	52,565	53,801
Other investments	18	19	20	16	19
Deferred tax assets	1,860	1,650	1,531	1,326	1,275
Total assets	370,346	384,664	396,958	413,811	421,201
Liabilities					
Direct holdings of derivative financial instruments	4	1	0	2	21
Borrowings	1	1	1	1	1
Current tax liabilities	521	491	370	576	798
Deferred tax liabilities	3	6	7	11	28
Payables and creditors	552	475	535	581	674
Total liabilities	1,081	974	914	1,170	1,522
Net assets to pay benefits	369,265	383,690	396,045	412,641	419,696
<i>Of which:</i>					
Liability for allocated accrued benefits	368,861	383,273	395,583	412,169	419,239
Reserves (unallocated benefits)	404	417	462	472	457
Excess/deficiency of assets	0	0	0	0	0
Number of entities	85	80	80	79	79

Table 5e Pooled superannuation trusts - financial position

Entities with at least \$50 million in assets
(\$ million)

	Jun 2012	Sep 2012	Dec 2012	Mar 2013	Jun 2013
Assets					
Receivables	898	671	622	527	1,254
Investments					
Direct	17,271	21,130	22,527	23,640	23,963
Individually managed mandates	20,910	12,271	12,790	13,720	13,080
Pooled superannuation trusts	*	*	*	*	*
Wholesale trusts	18,164	24,424	25,156	26,396	26,932
Life office funds	*	*	*	*	*
Unlisted public offer unit trusts	10,381	10,731	9,822	10,035	9,602
Other investments	8,987	10,537	10,694	10,970	12,582
Deferred tax assets	869	827	704	519	481
Total assets	87,245	90,460	92,560	96,548	98,893
Liabilities					
Direct holdings of derivative financial instruments	178	101	107	117	229
Borrowings	0	0	0	0	0
Current tax liabilities	-118	-20	-7	122	51
Deferred tax liabilities	274	285	304	343	431
Payables and creditors	274	350	407	283	844
Total liabilities	608	716	812	865	1,554
Net assets	86,637	89,744	91,749	95,683	97,339
Number of entities	39	37	37	37	37

Explanatory notes

Structure

The *Quarterly Superannuation Performance* comprises statistics on superannuation entities that are required to report quarterly to APRA. Funds are required to report quarterly when they had at least \$50 million in assets in their prior year annual return and are not a small APRA fund or single-member approved deposit fund. In the June 2013 quarter this captures 250 superannuation entities, comprising 233 APRA-regulated superannuation entities and 17 exempt public sector schemes.

Statistics on the whole superannuation industry are published once a year in the *Annual Superannuation Bulletin*. APRA also produces the *Superannuation Fund-level Rates of Return* and the *Superannuation Fund-level Profiles and Financial Performance* publications which provide disaggregated data in relation to all APRA-regulated superannuation funds (excluding pooled superannuation trusts, exempt public sector superannuation schemes, small APRA funds and single-member approved deposit funds).

Source

The statistics in this publication have been prepared from the following sources:

- superannuation returns submitted to APRA under the *Financial Sector (Collection of Data) Act 2001* and from exempt public sector schemes that report to APRA under a Heads of Government agreement between the Commonwealth and each of the State and Territory Governments;
- data provided by the ATO on self-managed superannuation funds (SMSFs);
- returns submitted to APRA under the Life Insurance Act 1995 by registered life companies in Australia; and
- returns submitted to APRA by retirement savings account providers under the Retirement Savings Account Act (1997).

Classification of entities

Data in this publication have been broken down by the regulatory classifications under the *Superannuation Industry (Supervision) Act 1993 (SIS Act)* and the funds' functional description. Regulatory classifications under the SIS Act are subject to different prudential and legislative requirements, whereas the functional classifications are determined by APRA and indicates how the superannuation fund operates. APRA reviewed the classification of superannuation entities in 2005 and details of this review can be found on APRA's website. An annual review of funds classifications takes place as part of the production of the *Annual Superannuation Bulletin*. Funds may be re-classified and as a result impact the aggregate statistics. This should be considered when making inferences and conclusions about the data.

Information on expenses and tax

Information on expenses and taxes included in this publication should be used for indicative purposes only.

Expenses are generally understated by funds within this publication for the following reasons:

- indirect investment expenses are generally not reported as this information is not separately identifiable in most cases;
- not all funds are able to provide complete information on entry and exit fees; and
- current data collected does not adequately capture some expenses, such as front-end and ongoing commissions.

Funds also have different approaches to recognise future tax liabilities and assets.

Other notes

Pooled superannuation trusts (PSTs) have not been included in financial aggregates because PST assets are from other superannuation funds and are reported elsewhere. Retirement saving accounts (RSAs) are not included in financial aggregates as much of the information is not included in the collections.

Unless specified, all ratios stated have not been annualised.

Comparison with *Annual Superannuation Bulletin*

Figures published in the *Quarterly Superannuation Performance* and the *Annual Superannuation Bulletin*, whilst relatively close, will not match for the following reasons:

- **Different populations** - the population of the quarterly publication comprises funds with at least \$50m in total assets and is a subset of the population of the annual publication which comprises all superannuation funds.
- **Different fund reporting periods** - not all funds have the same end date for their year of income, although for the majority of funds it is 30 June. The *Quarterly Superannuation Performance* uses funds' year to date data as at the end of each quarter. The *Annual Superannuation Bulletin* uses audited annual accounts that correspond to the funds' year of income. The time periods these two publications cover are not perfectly matched, but are similar since the majority of funds have the same end date for their year of income.
- **Different reporting basis** - investments in individually managed mandates and investments with overseas managers are reported differently in the annual and quarterly publications. In the *Quarterly Superannuation Performance*, investments in individually managed mandates are published as a separate item and investments with overseas investment managers are included in other investments. The *Annual Superannuation Bulletin* looks through to the underlying investments of individually managed mandates and investments with overseas managers and the investments are reported in the underlying investment categories.
- **Fund classifications** - a fund's functional classification may change over time. The publications use funds' functional classifications as at the end of the reporting period. Therefore when a change has occurred a fund's classification for all four quarters of the year may not match the classification used in the *Annual Superannuation Bulletin*.

Glossary

Accumulation funds are superannuation entities where all members receive benefits based on defined contributions (accumulated benefits). The assets of the fund are invested and any earnings (or losses) are credited (or debited) to the member's account less any taxes and charges such as administration fees and insurance premiums. Members bear the full effect of fluctuation in investment earnings.

Administration fees are fees paid/payable by the superannuation entity for any administration service provided to the entity. These include internal and outsourced administration services, employee costs and fees paid to the employer sponsor for administration services.

Approved deposit funds (ADFs) can receive, hold and invest certain types of rollovers until such funds are withdrawn or a condition of release is satisfied (depending on the preservation status of the assets). ADFs can be either single member or multi member.

Asset consultant fees are expenses for fees paid/payable to asset consultants engaged by the *trustee* in relation to the management of the superannuation entity's investment portfolios. This includes fees paid to independent third parties as well as related entities of the superannuation entity.

Balance of life office statutory funds refers to assets held for superannuation or retirement purposes in statutory funds of life insurance companies, excluding the assets held in *life office statutory funds* by superannuation entities. The balance of life office funds includes annuities and assets backing non-policyholder liabilities. These products are regulated under the Life Insurance Act (1995).

Borrowings include securities sold under agreements to repurchase, drawn down balance of overdraft facilities, and short-term loans or borrowings.

Cash flow adjusted net assets is the sum of *net assets* at the beginning of the period and half of *net flows*.

Contributions tax and surcharge represents tax expenses in relation to taxable contributions made to the superannuation entity during the period (contributions tax) and contributions surcharge tax.

Corporate funds are regulated superannuation entities with more than four members established for the benefit of employees of a particular entity or a group of related entities, with joint member and employer control.

Custodian fees are expenses incurred in relation to custodial services rendered to the superannuation entity. A custodian is an entity that holds title of the assets on behalf of the superannuation entity, but where the powers of investment management remain with the *trustee*.

Deferred tax assets refers to amounts of income taxes recoverable in future reporting periods.

Defined benefit funds are superannuation entities where all members are entitled to receive defined benefits. In defined benefit funds, a member's benefits are calculated based on a formula specified in the trust deed. Usually the member's final benefit depends on years of service with an employer (or years of membership of the fund) and level of salary near retirement.

Directly invested assets includes investments that are made by the superannuation entity in its own name as part of the internal investment management function. It includes investments such as cash and deposits, placements and loans, equities and property holdings.

Director/trustee fees and expenses are fees paid/payable by the superannuation entity to the directors/trustee(s) for carrying out the functions of a trustee/director, including any consulting or administration services provided.

Eligible rollover funds (ERFs) are superannuation funds or *approved deposit funds* which are eligible to receive benefits automatically rolled over from other funds. ERFs typically accept superannuation monies from other funds where the member has become 'lost'.

Employer contributions are contributions received from employers and includes (but is not limited to) all mandated employer contributions (such as Superannuation Guarantee amounts), salary sacrifice contributions and voluntary employer contributions, less any *repatriation to employer sponsors*. Appropriations for major Commonwealth public sector superannuation schemes where benefits were paid directly from Commonwealth Consolidated Revenue are classified in employer contributions.

Excess/deficiency of assets is reported by defined benefit funds when the entity has had formal actuarial valuation as at the end of the reporting period and the actuary's report is available by the reporting due date.

Exempt public sector superannuation schemes (EPSSSs) are public sector superannuation schemes that choose not to be regulated by APRA. However, for statutory purposes, a number of EPSSSs report to APRA under an agreement between the Commonwealth Government and each of the State and Territory Governments. Schedule 1AA of the SIS regulations contains a list of EPSSSs.

Fees and commissions are income earned by the superannuation entity in the form of a fee or a commission. These typically include income for *scrip lending* and *underwriting activities*. This item is incorporated in *other income*.

Fund reporting period is the end date of a fund's year of income.

Fund type is the functional classification determined by APRA. For more information on APRA's classifications, refer to the Classification of superannuation entities on APRA's website: <http://www.apra.gov.au/Super/Publications/Pages/Super-statistics.aspx>

Hybrid funds are superannuation entities that have a combination of both *accumulation* and *defined benefit* members.

Industry funds are regulated superannuation entities with more than four members which historically have provided for employees working in the same industry or group of related industries. Many industry funds are now *public offer funds* and offer membership to members of the public.

Investment expenses are all expenses which are associated with the generation of income on the investment portfolio of the superannuation entity.

Investment income is income generated from the investment portfolio of the superannuation entity.

Investment management fees are expenses which relate to the management of the superannuation entity's investment portfolios.

Investments placed with an investment manager are those that are not directly held, such as individually managed mandates, *wholesale trusts* and *pooled superannuation trusts*. Data for superannuation assets placed with investment managers are sourced from the ABS prior to 2003.

Inward rollovers refer to member's benefits that have been rolled over or transferred in from another superannuation entity and may include assets transferred from life insurance offices and *retirement savings accounts* (RSAs).

Leased assets are those assets which fall under a financial lease for the superannuation entity. This item is incorporated in other investments.

Life office statutory funds include monies associated with investment in insurance or life policies. Superannuation assets invested in life office statutory funds are sourced from life insurance returns submitted to APRA under the Life Insurance Act (1995).

Lump sum benefit payments are benefit payments paid as a lump sum and includes (but is not limited to) retrenchment, redundancies, resignation and disability benefit payments. This item does not include lump sum rollovers or *pension benefit payments*.

Management fees (non-investment) are fees paid by the superannuation entity for management services provided by the superannuation entity. Consulting fees and trailing commissions are included in this item.

Member contributions are contributions received from members and include (but are not limited to) member post-tax contributions and self-employed contributions. This item does not include rollovers or transfers from other superannuation entities.

Net assets are *total assets* less *total liabilities*.

Net assets at the beginning of the period are assets at the end of the previous period.

Net contribution flows is total contributions plus *net rollovers* less benefit payments and are gross of *contributions tax and surcharge*. Some entities are unable to provide a breakdown of net contributions flows into contributions, rollovers and benefit payments. Net contribution flows is not dependent upon these breakdowns and is correct within reasonable bounds of statistical accuracy.

Net cost of member benefit insurance represents members' death and/ or disability insurance premiums expense less rebates received or accrued from insurers in relation to insurance premiums.

Net earnings after tax are *net earnings* generated during the period less *tax expense on earnings*.

Net earnings are the sum of *net investment income* and *other income* less *operating expenses*.

Net flows is used in the calculation of *rate of return (ROR)*. It is derived as *net contribution flows* less *contribution tax and surcharge* plus *total proceeds on insurance policies* less *net cost of member benefit insurance*.

Net investment income is *investment income* (including unrealised gains/losses) less *investment expenses*.

Net operating performance after tax is *net flows* plus *net earnings after tax*.

Net rollovers is the difference between *inward rollovers* and *outward rollovers*.

Number of entities is the number of active superannuation entities in the period.

Operating expenses include expenses incurred which are not ordinarily directly associated with the generation of *investment income* (i.e. expenses that are not directly related to the investment portfolio of the superannuation entity, but more toward the administration of the superannuation entity).

Other changes are calculated using the residual of net assets at the beginning and end of the quarter and *net operating performance after tax*. This item includes other reconciling items and changes in the quarterly population.

Other contributions refer to contributions other than *employer or member contributions* and include spouse contributions and government co-contributions.

Other income includes amounts that do not fall into the specified income categories.

Other investments include all investments not separately disclosed in the specified investment categories. For the purpose of this publication it includes *securities purchased under agreement to resell*, *leased assets* and investments with overseas managers.

Other operating expenses include *operating expenses* not included in other categories as well as actuary fees and fees paid to audit firms for the provision of both audit and non-audit services.

Outward rollovers are those monies which are transferred from the superannuation entity to another superannuation entity.

Pension benefit payments refer to benefits paid to members in the form of a pension and includes complying pensions, allocated pensions and annuity payments.

Pooled superannuation trusts (PSTs) are trusts in which regulated superannuation funds, *approved deposit funds* and other PSTs invest. Pooled superannuation trusts are not included in *total assets* as their assets are captured in other superannuation entity categories.

Property maintenance costs are all costs relating to an investment in property including (but not limited to) repairs and maintenance, valuation fees and stamp duty.

Public offer superannuation funds (public offer) are superannuation entities regulated by APRA that offer or intend to offer superannuation interests to the public.

Public sector funds are superannuation entities with more than four members that provide benefits largely for government employees or employees of statutory authorities, or are schemes established by a Commonwealth, State or Territory law. Benefits payments and contributions for public sectors funds include both funded and unfunded amounts from the State and Commonwealth government.

Rate of return is *net earnings after tax* divided by *cash flow adjusted net assets*. Year ended rates of return are calculated by geometrically linking the quarterly RORs,

$$\text{i.e. Year ended ROR} = (1 + \text{ROR}_{t-3}) \times (1 + \text{ROR}_{t-2}) \times (1 + \text{ROR}_{t-1}) \times (1 + \text{ROR}_t) - 1$$

Registrable superannuation entity (RSE) is a *superannuation entity*, not including *self-managed superannuation funds*. From 1 July 2006, all trustees operating APRA-regulated superannuation entities were required to hold a RSE Licence and register their superannuation entities with APRA.

Repatriation to employer sponsor is the payment of a surplus to the employer sponsor of a superannuation entity. The circumstances under which this occurs are usually set out in the superannuation entities' trust deed.

Reserves relates to unallocated reserves of the superannuation entity (for example, income or losses that have not been specifically allocated against member accounts).

Retail funds are superannuation entities with more than four members that offer superannuation products to the public on a commercial basis. All *ERFs* and multi-member *ADFs* are classified as retail funds in this publication.

Retirement savings accounts (RSAs) are licensed authorised deposit taking institutions, life insurance companies and prescribed financial institutions that offer a capital guaranteed product for retirement savings.

Scrip lending refers to the situation where the superannuation entity buys/borrows securities from another party in exchange for cash. The superannuation entity agrees to return the securities to the other party in the future for the return of the cash (plus an additional amount of earnings, fees or commissions).

Securities purchased under agreement to resell are assets where the superannuation entity buys/borrows securities from another party in exchange for cash. The superannuation entity agrees to return the securities to the other party in the future in exchange for the return of the cash (plus interest).

Self-managed superannuation funds (SMSFs) are superannuation entities regulated by the Australian Taxation Office that have less than five members, all of whom are trustees or directors of the corporate trustee. No member can be an employee of another member unless they are related.

Small APRA funds (SAFs) are superannuation entities regulated by APRA with less than five members.

Superannuation entity is a regulated superannuation fund, an *approved deposit fund* or a *pooled superannuation trust*.

Tax expense on earnings represents the tax associated with operating performance. It includes the tax on investment earnings but excludes *contributions tax and surcharge*.

Total assets are the sum of the resources held by a trustee on behalf of a fund. These include cash, investments and receivables.

Total liabilities include direct holdings of derivative financial instruments, total borrowings, deferred and current tax liabilities and sundry creditors.

Total proceeds on insurance policies are the proceeds received from insurers including proceeds received due to the death of a member and proceeds received in relation to disability of members.

Trustee is a person or company acting for the benefit of another party, with fiduciary and legal responsibilities, and is responsible for managing assets of beneficiaries.

Underwriting activities are guarantees to underwrite the issue of securities provided by a superannuation entity.

Unlisted public offer unit trusts are collective investments established under a trust deed open to retail investors. They are not listed on an organised stock exchange, and include unlisted retail/public offer cash management unit trusts.

Wholesale trusts are collective investments established under a trust deed. They are usually only open to institutional investors and have a high entry level. An information memorandum is usually issued rather than a product disclosure statement.



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