



## SUPERRATINGS MEDIA RELEASE

Tuesday 18 August 2015

# ROLLER COASTER RIDE CONTINUES

	Accumulation Returns	Pension Returns
<b>Month of July 2015</b>	<b>▲ 2.2%</b>	<b>▲ 2.5%</b>
Financial Year return to 31 July 2015	▲ 2.2%	▲ 2.5%
Rolling 1 year return to 31 July 2015	▲ 10.8%	▲ 11.7%
Rolling 3 year return to 31 July 2015	▲ 13.1% p.a.	▲ 14.1% p.a.
Rolling 5 year return to 31 July 2015	▲ 9.6% p.a.	▲ 10.6% p.a.
Rolling 7 year return to 31 July 2015	▲ 6.8% p.a.	▲ 7.5% p.a.
Rolling 10 year return to 31 July 2015	▲ 6.7% p.a.	▲ 7.1% p.a.

\*Median Balanced Option refers to "Balanced" options with exposure to growth style assets of between 60% and 76%. Approximately 60% to 70% of Australians in our major funds are invested in their fund's default investment option, which in most cases is the balanced investment option. Returns are calculated and are expressed net of all fees and taxes.

\*Returns in this release are based off figures available to SuperRatings at 5pm on the 17<sup>th</sup> of August 2015.

### BALANCED FUNDS UP 2.2% IN JULY

Superannuation returns rallied again in July with the median Balanced Fund up 2.2 per cent for the month, a significant turnaround from last month's 2.0 per cent fall.

However, investment markets continue to be extremely volatile with losses in August, to date, already wiping out the July gains.

"The markets took a welcome upturn in July, with rising local and international shares adding strong returns for most super funds," SuperRatings founder Jeff Bresnahan said.

"However, the relief has been short lived. So far in August we estimate the median Balanced Fund to be down 2.4 per cent, cancelling out the healthy July result.

"Just what the remainder of the month has in store will soon unfold, however, the diversification of most super options is keeping most people insulated against heavier losses in several key asset classes," Mr Bresnahan said.

To date in August, Australian shares have fallen about 6 per cent, the listed property market is down about 2.9 per cent and a recent gain in the value of the Australian dollar looks set to reduce returns from international shares.

SuperRatings welcome media enquiries regarding any of our research or information held in our database.

We are also able to provide commentary and customised tables/graphs for your use.

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## LONGER TERM OUTLOOK

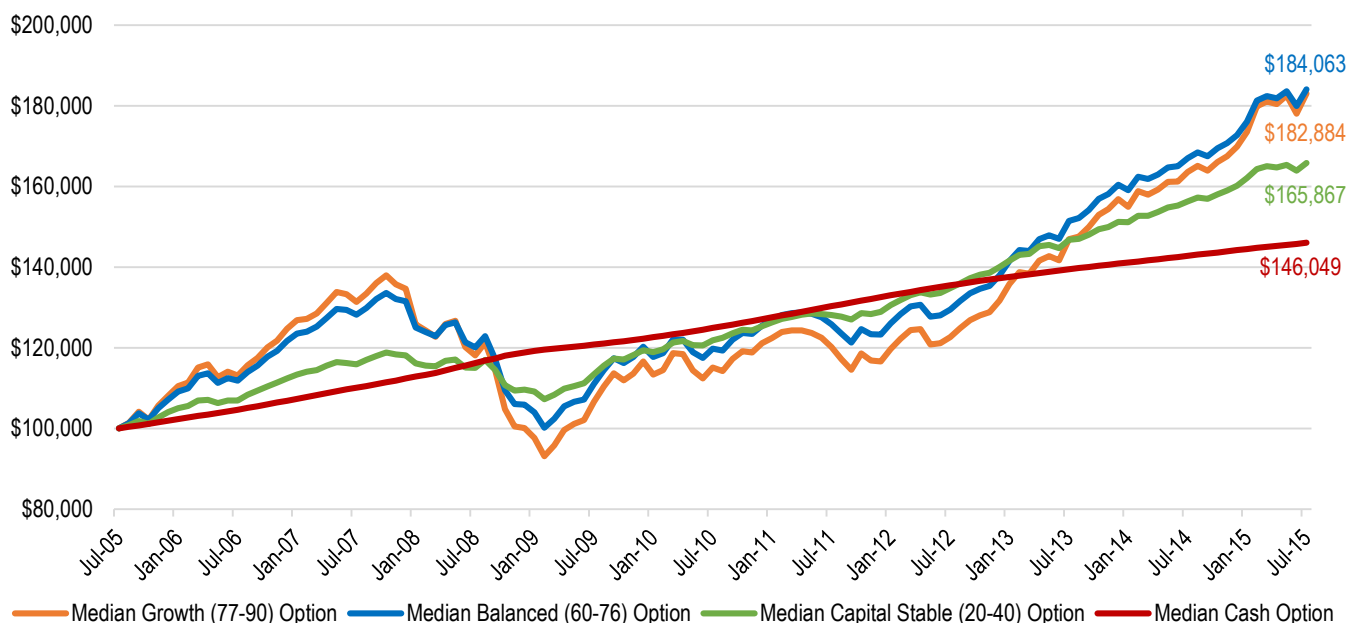
Despite the short term volatility the performance of most super funds remains above their long term goals. The median Balanced Fund produced an average return of 6.7 per cent a year during the past ten years, above a common CPI + 3.5 per cent benchmark. This is set to improve even further as the heavy toll from the global financial crisis is gradually worked through.

Balanced Fund returns during the past five years are also an impressive 9.6 per cent per annum.

It's also interesting to see the performance benefits from the Balanced Option compared with other investment option types. According to our analysis \$100,000 invested in the median Balanced Option in July 2005 is now worth \$184,063. This compares with \$182,884 for the higher risk, median Growth Option and \$146,049 for the median Cash Option, during the same period.

## \$100,000 THEN AND NOW

Growth of \$100,000 Over 10 Years



Source: SuperRatings

## PENSION FUNDS

The median Balanced Pension Fund also had strong returns in July, up 2.5 per cent for the month. Pension fund returns are slightly higher than accumulation super funds because of the more favorable tax treatment of investment returns.

However, like most funds, pension returns in August are also likely to have dipped, in line with the fall in most investments markets to date this month.

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## Release Ends

### ADDITIONAL RETURN AND DATABASE INFORMATION

We believe our database to be the largest in Australia dealing with multi-employer superannuation funds, where the great majority of Australians have their retirement benefits invested. We update our website monthly to show the Top 10 performing funds together with the medians over all time periods for the following investment options: Balanced, MySuper, Growth, Australian Shares, International Shares, Capital Stable, Property, Conservative Balanced, High Growth, Secure, Diversified Fixed Interest and Cash.

#### About SuperRatings

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