



SUPERRATINGS MEDIA RELEASE

Wednesday 20 January 2016

TOP PERFORMING SUPER FUNDS IN 2015

MEDIAN BALANCED OPTION DELIVERS 5.6% IN 2015

The median Balanced Option recorded a 0.2% gain in December, taking the 2015 calendar year return to 5.6%. While this sits well below the 16.3% and 8.1% returns seen in 2013 and 2014, it is a solid result given volatile market conditions.

International Shares were again the key driver of returns in 2015, with the median International Shares Option increasing by 8.8%. This return was boosted by a 10.9% fall in the Australian Dollar against the US Dollar over the year. Australian Shares experienced modest growth in 2015, with the ASX200 Accumulation Index increasing by 2.6%.

Australian Listed Property was the best performing asset class, rising by 14.4% for the year. Returns on Cash remained low with the median Cash Option increasing by 2.0%, whilst Fixed Interest returns were even more modest, providing a median 1.6% return for the year.

“Subdued levels of growth across most major economies and volatile investment markets have made 2015 a challenging year for super funds, with returns across the main growth asset classes sitting well below what we have experienced in previous years” SuperRatings founder Jeff Bresnahan said.

“Despite tough market conditions, diversification and a falling Australian Dollar have helped superannuation funds cushion the bumpy ride for members and produce a fourth consecutive positive calendar year return” Mr Bresnahan said.

TOP PERFORMING BALANCED OPTIONS FOR 2015

Whilst the median return for the year was a respectable 5.6%, a number of the best performing funds had an excellent year, with MTAA Super taking out the top spot, providing an outstanding 9.5% return for its members over the calendar year. This was almost 1.0% ahead of the second best placed fund, BUSSQ, which returned 8.6% for the 12-months.

The top 10 funds comprised a range of large, medium and small funds, proving that size does not necessarily lead to better investment outcomes. The table below shows the top 10 performing Balanced Options in the SuperRatings SR50 Balanced (60-76) Index over the year to 31 December 2015.

Investment Option	2015 Return
MTAA Super - My AutoSuper	9.5%
BUSSQ - Balanced Growth	8.6%
UniSuper - Balanced	7.7%
AustralianSuper - Balanced	7.7%
Cbus MySuper - Growth	7.5%
Sunsuper - Balanced	7.3%
CareSuper - Balanced	7.1%
AustSafe Super - MySuper Balanced	7.0%
HOSTPLUS - Balanced	7.0%
Intrust Super - Balanced	7.0%

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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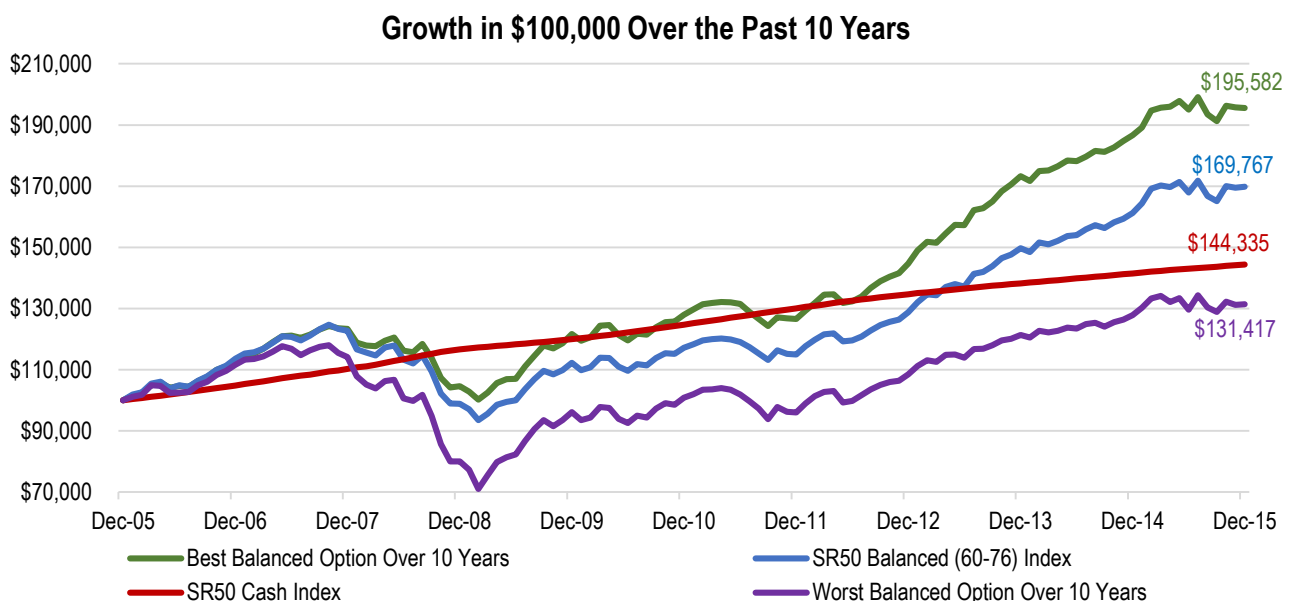
	Accumulation Returns	Pension Returns
Month of December 2015	▲ 0.2%	▲ 0.2%
Financial Year return to 31 December 2015	▲ 1.3%	▲ 1.1%
Rolling 1 year return to 31 December 2015	▲ 5.6%	▲ 5.4%
Rolling 3 year return to 31 December 2015	▲ 10.1% p.a.	▲ 10.8% p.a.
Rolling 5 year return to 31 December 2015	▲ 7.9% p.a.	▲ 8.8% p.a.
Rolling 7 year return to 31 December 2015	▲ 8.3% p.a.	▲ 9.3% p.a.
Rolling 10 year return to 31 December 2015	▲ 5.6% p.a.	▲ 6.0% 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 net of investment fees, tax and implicit asset-based administration fees.

LONG-TERM PERFORMANCE

Returns over the longer term remain solid with the median Balanced Option providing an average return of 5.6% per annum over the 10 years to 31 December 2015. The Median Balanced Option’s return over the 5 and 7 years to 31 December 2015 sits at 7.9% per annum and 8.3% per annum respectively, which is well above most funds’ long-term return targets of inflation plus 3.5% per annum.

While long-term performance numbers generally remain strong, SuperRatings continues to observe significant variation in returns between funds. The chart below illustrates this by summarising the accumulation of \$100,000 invested 10 years ago across the best and worst performing Balanced Options over a 10-year period as well as comparing this to a cash return over the same period.



Source: SuperRatings



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\$100,000 invested in the worst performing Balanced Option 10 years ago would have accumulated to \$131,417 at the end of December, which is \$38,350 less than the median Balanced Option and \$12,918 less than the median Cash Option. However, \$100,000 invested in the best performing Balanced Option 10 years ago would have accumulated to \$195,582, which sits \$25,815 above the median Balanced Option and \$51,247 above the median Cash Option.

2016 SO FAR.....

On the back of turmoil in Chinese markets, Australian markets have experienced sharp falls with the ASX 200 Index down 7.4% during the month of January so far. International markets have also experienced steep falls, however, a 5.9% fall in the Australian Dollar against the US Dollar has helped offset some of these losses. Overall, SuperRatings estimates that the median Balanced Option has fallen by 3.8% during the month of January to date.

“While Balanced Options have experienced reasonable losses in January, which have wiped out most of the 2015 calendar year return, these declines remain well below those experienced across share markets, once again highlighting the benefits of diversification across asset classes within Balanced Options”.

“In spite of short-term losses across many asset classes, super fund members are encouraged to take a long-term view of their superannuation investments” Mr Bresnahan said.

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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