



SUPERRATINGS MEDIA RELEASE

Wednesday 18 November 2015

SUPER FUNDS BOUNCE BACK

	Accumulation Returns	Pension Returns
Month of October 2015	▲ 3.0%	▲ 3.4%
Financial Year return to 31 October 2015	▲ 1.3%	▲ 1.3%
Rolling 1 year return to 31 October 2015	▲ 8.1%	▲ 8.0%
Rolling 3 year return to 31 October 2015	▲ 11.0% p.a.	▲ 11.9% p.a.
Rolling 5 year return to 31 October 2015	▲ 8.6% p.a.	▲ 9.4% p.a.
Rolling 7 year return to 31 October 2015	▲ 7.8% p.a.	▲ 8.9% p.a.
Rolling 10 year return to 31 October 2015	▲ 6.2% p.a.	▲ 6.9% 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.

*Returns in this release are based off figures available to SuperRatings at 5pm on the 17th of November 2015.

MEDIAN BALANCED FUNDS UP 3.0% IN OCTOBER

Superannuation funds bounced back in October with the median Balanced Option up 3.0 per cent, helping to offset the losses from August and September. Median returns for the financial year to date now sit at 1.3 per cent.

International shares were the main driver of the strong returns with the MSCI World Ex-Australia Index increasing 8.0 per cent for the month. However, currency movements, as the Australian dollar increased in value against the US dollar, wiped out some of the international share market gains.

Australian investment markets also performed well with the ASX200 Accumulation Index rising 4.4 per cent and Australian Listed Property up 4.9 per cent for the month.

Returns from Fixed Interest and Cash remained subdued with the median Diversified Fixed Interest and median Cash Option increasing just 0.4 per cent and 0.2 per cent respectively in October.

SuperRatings welcomes media enquiries regarding our research and information held in our database.

We can also provide commentary and customised tables/graphs for your use.

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MARKET COMMENTARY - GOOD NEWS SHORT LIVED

“Strong performances in overseas and local markets made October a highly successful month for super funds, allowing members to regain most of their losses experienced in August and September,” SuperRatings founder Jeff Bresnahan said.

“Despite the strong bounce back, negative market conditions have returned with falls across several key asset classes recently. We estimate the median Balanced Option to be down 0.6 per cent for November, to date,” Mr Bresnahan said.

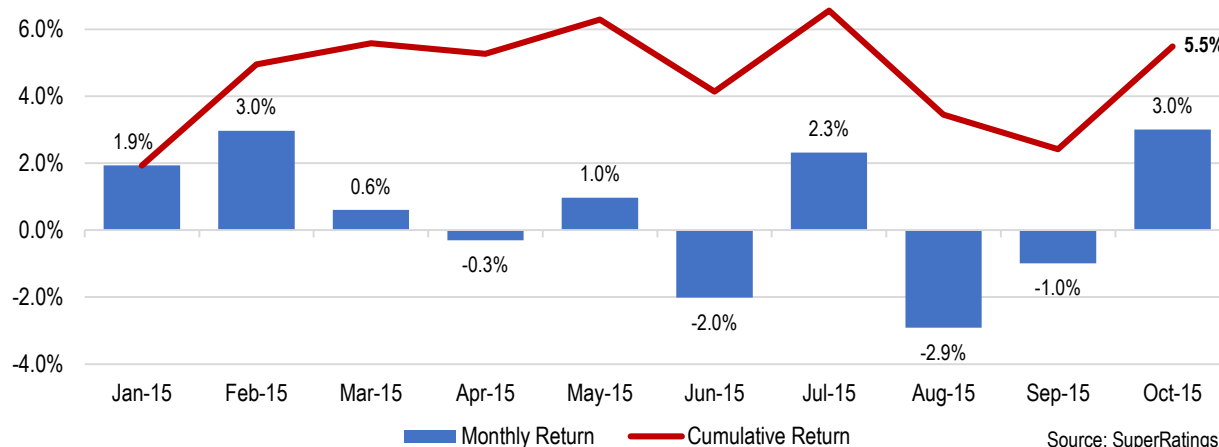
“With no let up to ongoing financial volatility, super funds will continue to face challenging market conditions in the short term. Diversification will be a crucial factor in protecting super fund balances,” Mr Bresnahan said.

2015 TO DATE

Unstable investment markets have made the calendar year challenging for most funds with negative returns in four out of 10 months during 2015. Despite the ups and downs, the median Balanced Option return for 2015 to date is 5.5 per cent, only slightly below the 5.7 per cent at this time last year — however, both years are well below the 13.7 per cent to date in 2013.

The graph below summarises calendar year returns to date for 2015:

Median Balanced Option Returns (Jan-15 to Oct-15)



LONG-TERM PERFORMANCE

Longer-term returns remain robust with the median Balanced Option providing an average return of 6.2 per cent per annum over the last 10 years, closely tracking a common CPI + 3.5 per cent objective.

The median Balanced Option has also averaged an 8.6 per cent annual return during the last five years and 7.8 per cent over seven years.

PENSION FUNDS

The median Balanced Pension Option also bounced back from recent losses, increasing 3.4 per cent in October and taking the calendar year returns to date to 5.8 per cent. Preferential tax treatment of investment earnings by pension funds means they outperform accumulation funds during positive market conditions.



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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

SuperRatings Pty Ltd ABN 95 100 192 283 AFSL No. 311880 (SuperRatings) is a superannuation research house with specialist areas of expertise that was originally established in 2002. From 1 July 2011, SuperRatings became a fully owned subsidiary of the entity currently registered as Lonsec Fiscal Holdings Pty Ltd, a privately owned and independent entity with a multi-brand strategy of providing leading financial services research and investment execution. SuperRatings believes that professional financial services institutions and members need informed opinions on the best superannuation and pension financial products. To meet this need, SuperRatings has in place an experienced research team, which draws on a robust research process to undertake in-depth assessment of superannuation financial products. No fee is paid by superannuation and pension funds to SuperRatings for reviewing and rating superannuation and pension financial products.

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