



SUPERRATINGS' MEDIA RELEASE

Monday, 21 July 2014

BEST SUPER FUNDS FOR 2013/14 FINANCIAL YEAR NAMED

	Accumulation Returns	Pension Returns
Financial Year to 30 June 2014	12.7%	13.5%
Month of June 2014	▲ 0.2% p.a.	▲ 0.2% p.a.
Rolling 3 year return to 30 June 2014	▲ 9.1% p.a.	▲ 10.2% p.a.
Rolling 5 year return to 30 June 2014	▲ 9.2% p.a.	▲ 10.6% p.a.
Rolling 7 year return to 30 June 2014	▲ 3.7% p.a.	▲ 4.0% p.a.
Rolling 10 year return to 30 June 2014	▲ 6.8% p.a.	▲ 7.3% 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 funds' default investment option, which in most cases is the balanced investment option. Returns are based on reported fund returns as at 18 July 2014 and are expressed net of all fees and taxes.

Telstra Super Best Performing Fund in 2013/14

Australian superannuation funds had another strong 2013/14 Financial Year, with the median Balanced option delivering a 12.7% return over the period. Telstra Super was the best performing superannuation fund over the 2013/14 Financial Year, recording a 15.8% return to members. Intrust Super and UniSuper rounded out the top three, with returns of 14.0% and 13.9% respectively.

The median Balanced option return of 12.7% for the 2013/14 Financial Year marks the seventh highest return on record since the introduction of compulsory superannuation in 1992. Following on from last financial year's near record 14.7% return, this means that Australian superannuation funds have delivered their second consecutive year of double digit growth for members and returned more than 29% over the past two years.

SuperRatings' founder, Jeff Bresnahan, said "Over a 22 year period since the introduction of compulsory superannuation, Australian funds have returned 7.2% per annum. This is a real positive for members and goes to show that, despite all the peaks and troughs we've seen since 1992, superannuation funds have generally succeeded in providing returns to members of over 3.5% above inflation".

He went on to say "While superannuation funds should be commended for this great result, there remains work to be done to ensure members have the best possible chance to achieve their retirement goals. There is increasing recognition across the industry that some members have been faced with poorer outcomes due to the timing of their retirement or poorly performing products.

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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"As a result, it is pleasing to see that there is a greater discussion of different member's needs, particularly those members around retirement, emerging. Going forward, it is vital that superannuation funds continue to better understand the different needs of their members and it is pleasing to see many funds challenging the status quo in this regard. A case in point is the need for a greater focus on retirement outcomes, which was highlighted prominently in the interim Financial System Inquiry handed down recently from Chairman David Murray. We're increasingly seeing funds begin to develop strategies to promote better retirement outcomes for members and this more than anything, will drive the success of the Australian superannuation system going forward."

Top 20 Balanced Investment Options* for 2013/14

Fund and Option Description

1 Year to 30
June 2014

Telstra Super - Balanced	15.8%
Intrust Super – Balanced **	14.0%
UniSuper - Balanced	13.9%
AustralianSuper - Balanced	13.9%
Vision Super - Balanced Growth	13.7%
VicSuper FutureSaver - Balanced Option	13.7%
HOSTPLUS – Balanced **	13.6%
Energy Super - Balanced Option	13.5%
Cbus – Growth **	13.5%
Club Plus Super – MySuper **	13.4%
equip Corp - Balanced Growth	13.4%
First State Super - Diversified	13.3%
REST - Core Strategy	13.3%
Sunsuper for Life - Balanced	13.3%
HESTA - Core Pool	13.2%
GESB Super - Balanced Growth Plan	13.2%
Plum - Pre-mixed Moderate	12.9%
CareSuper - Balanced	12.8%
Aon Master Trust - Balanced Growth - Active	12.8%
Local Government Super - Balanced Growth	12.7%
Top Quartile	13.3%
SuperRatings Median Index	12.7%
Bottom Quartile	11.7%

*SR50 Balanced Index Investment Options with between 60% and 76% of assets in growth style investments. All results are net of fees and tax. ** Denotes Interim Return

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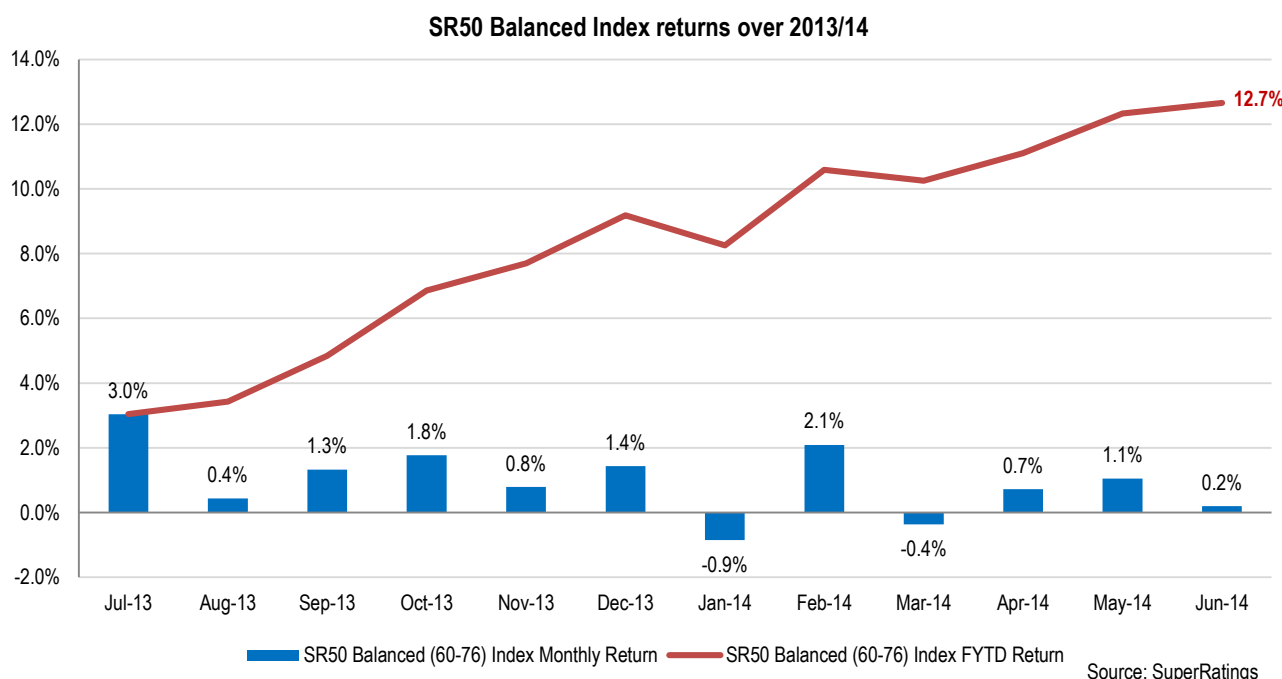
2013/14 Performance Summary

For the second year in a row, listed equities were again the key drivers of returns with sharemarkets, both in Australia and across the globe, continuing their strong performance over the 2013/14 Financial Year. This was driven by ongoing Central Bank support and continued positive news out of key developed market economies in the US and Europe also strengthened investor confidence.

The median superannuation Australian Shares option returned 16.8% for the year, compared to a 17.4% gain in the benchmark S&P/ASX 200 Accumulation Index over the same period. International Share returns were even stronger, with the median superannuation International Shares option returning 17.6% over the 2013/14 Financial Year, compared to a 20.7% return in the benchmark MSCI World Accumulation Index (in Australian Dollars).

All other asset classes also recorded a positive return over 2013/14, with the median superannuation Property option returning 9.1%, while the median superannuation Diversified Fixed Interest option returned 5.5%. Not surprisingly, Cash returns were subdued throughout the period given the low interest rate environment, with the median superannuation Cash option returning 2.4%.

With the median return over the month of June sitting at 0.2%, this resulted in superannuation fund Balanced options delivering positive returns in 10 out of the 12 months over 2013/14. The chart below shows the performance of the SR50 Balanced (60-76) Index over the 2013/14 Financial Year:

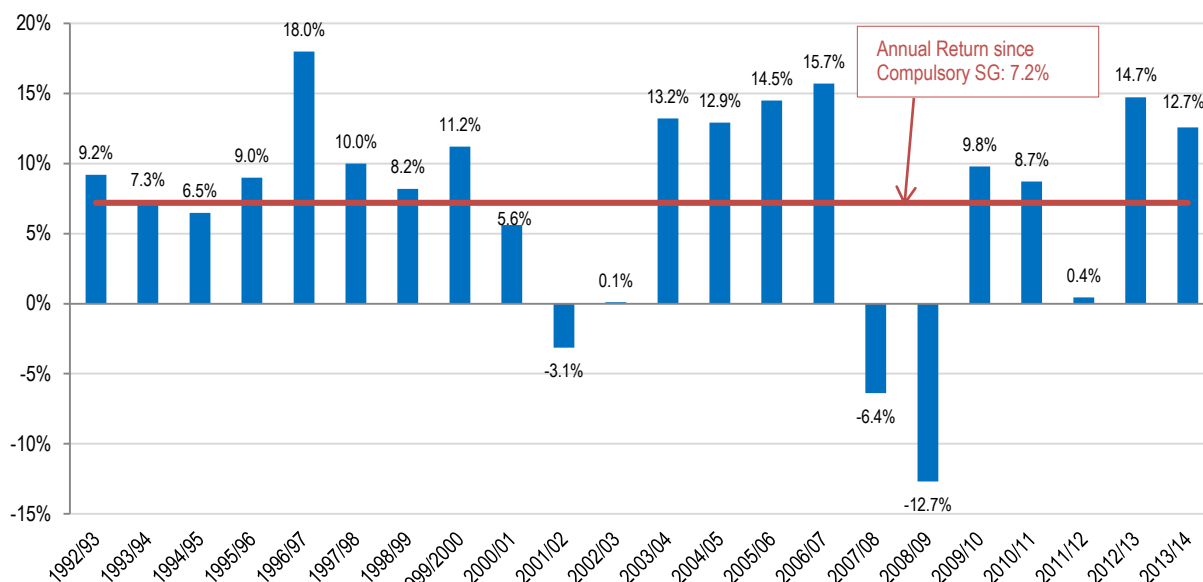


2013/14's Financial Year return of 12.7% is the seventh highest on record since the introduction of compulsory superannuation in 1992. The median Balanced option has returned 7.2% p.a. over this 22 year period, as the chart on the following page shows:

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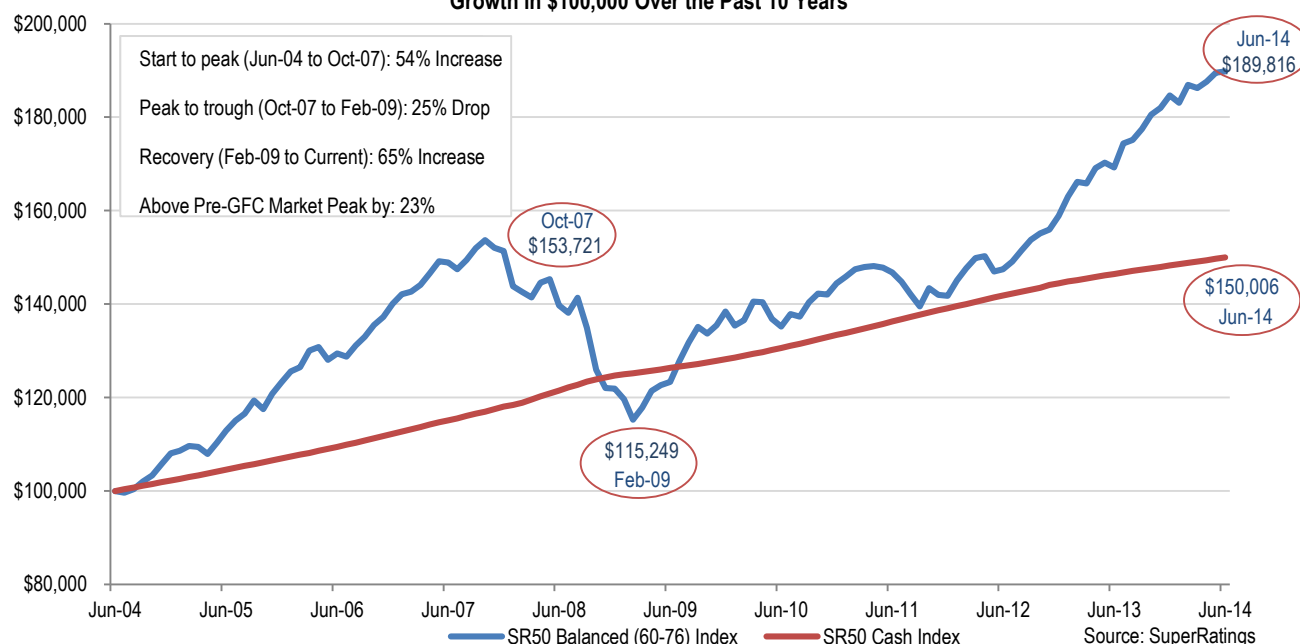
SR50 Balanced Index Financial Year Return Since the Introduction of Compulsory Super



Source: SuperRatings

The chart below shows that an initial \$100,000 invested 10 years ago in 2004 would have increased by just over 56% by October 2007, to \$153,721, just prior to the onset of the GFC. From this point, a member's balance would have fallen by 25% to sit at \$115,249 at the lowest point of the GFC in February 2009. However, the recovery by super funds since this point has been an astounding 65%. A \$100,000 balance in 2004, accumulated purely by investment earnings (i.e. excluding contributions) would now sit some 90% higher at \$189,816 (see table 2 below), providing an annualised return of 6.7% per annum, more than 3.5% per annum above prevailing inflation. In contrast, a member who had remained invested in Cash throughout this period would have seen their account balance finish approximately 21% lower than a member invested in the median Balanced Option, at \$150,006.

Growth in \$100,000 Over the Past 10 Years





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Top 10 Balanced Investment Options* Over Past 5 Years

Fund and Option Description

5 yrs to
30 June 2014
(% p.a.)

Telstra Super - Balanced	10.7%
REST - Core Strategy	10.6%
GESB Super - Balanced Growth Plan	10.2%
Russell SuperSolutions - Russell Balanced Portfolio	10.1%
Commonwealth Bank Group Super - Mix 70	10.1%
AustralianSuper - Balanced	10.0%
Plum - Pre-mixed Moderate	10.0%
CareSuper - Balanced	9.9%
UniSuper - Balanced	9.9%
HESTA - Core Pool	9.8%

Top Quartile	9.7%
SuperRatings Median Index	9.2%
Bottom Quartile	8.8%

*SR50 Balanced Index Investment Options with between 60% and 76% of assets in growth style investments. All results are net of fees and tax.

** Denotes interim return

Best and Worst Performance Over Last 12 Months

When examining cash returns, please note that these figures are after tax, while Term Deposit Rates are quoted pre-tax.

Option Type	Highest	Median	Lowest
Balanced (60% -76% Growth)	15.8%	12.7%	8.4%
Growth (77%-90% Growth)	18.0%	14.0%	9.4%
Capital Stable (20%-40% Growth)	10.8%	7.3%	4.0%
Australian Shares	18.9%	16.8%	13.4%
International Shares	22.7%	17.6%	10.7%
Property	13.0%	9.1%	7.5%
Diversified Fixed Interest	7.0%	5.5%	2.4%
Cash	3.3%	2.4%	0.5%



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Top 10 Growth Investment Options* for 2013/14

Fund and Option Description

Year to 30 June 2014

Telstra Super - Growth	18.0%
AustralianSuper - High Growth	16.2%
Vision Super - Growth	16.0%
UniSuper - Growth	15.9%
First State Super - High Growth	15.7%
Tasplan - Longer Term Growth	15.5%
Energy Super - Growth Option	15.5%
HESTA - Shares Plus	15.4%
Plum - Pre-mixed Assertive	15.3%
CareSuper - Growth	15.3%
Top Quartile	15.0%
SuperRatings Median Index	14.0%
Bottom Quartile	12.7%

*SR50 Growth Index Investment Options with between 77% and 90% of assets in growth style investments. All results are net of fees and tax.

Top 10 Capital Stable Investment Options* for 2013/14

Fund and Option Description

Year to 30 June 2014

VicSuper FutureSaver - Capital Stable Option	10.8%
Telstra Super - Conservative	10.4%
AUSCOAL Super - AUSCOAL Stable	8.8%
UniSuper - Capital Stable	8.5%
Vision Super - Conservative	8.4%
Aon Master Trust - Moderate - Active	8.4%
AustralianSuper - Stable	8.3%
equip - Conservative	8.3%
HESTA - Conservative Pool	8.2%
Energy Super - Stable Option	8.1%
Top Quartile	8.0%
SuperRatings Median Index	7.3%
Bottom Quartile	6.7%

*SR50 Capital Stable Index Investment Options with between 20% and 40% of assets in growth style investments. All results are net of fees and tax.



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Top 10 Australian Share Investment Options* for 2013/14

Fund and Option Description

Year to 30 June 2014

Telstra Super - Australian Shares	18.9%
REST - Australian Shares	18.4%
IOOF Employer Super - IOOF MultiMix Australian Shares Trust **	18.2%
RBF - RBF Australian Shares	17.6%
AUSCOAL Super - Australian Shares	17.6%
HOSTPLUS - Australian Shares **	17.6%
GESB Super - Australian Shares	17.5%
AustralianSuper - Australian Shares	17.4%
Energy Super - Australian Shares	17.2%
Club Plus Super - Australian Shares Option **	17.2%
Top Quartile	17.1%
SuperRatings Median Index	16.8%
Bottom Quartile	15.6%

*SR50 Australian Shares Index Options. All results are net of fees and tax. ** Denotes interim return

Top 10 International Share Investment Options* for 2013/14

Fund and Option Description

Year to 30 June 2014

AMP SignatureSuper - Future Directions Hedged International Share	22.7%
Intrust Super - International Shares**	22.5%
LUCRF Super - International Shares **	20.8%
Vision Super - International Equities	20.5%
Energy Super - International Shares	20.4%
Telstra Super - International Shares	19.9%
REST - Overseas Shares	19.6%
UniSuper - International Shares	19.2%
equip - Overseas Shares	19.0%
Plum - Vanguard International Shares Index Fund	18.8%
Top Quartile	18.7%
SuperRatings Median Index	17.6%
Bottom Quartile	16.5%

*SR50 International Shares Index Investment. All results are net of fees and tax. ** Denotes interim return



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Top 10 Cash Investment Options* for 2013/14

Fund and Option Description

Year to 30 June 2014

RBF - RBF Cash	3.3%
Intrust Super – Cash**	3.3%
AustSafe Super - Cash	3.1%
Aust Catholic Super & Retirement Fund - Cash	2.9%
Vision Super - Cash	2.9%
Sunsuper for Life - Cash	2.9%
AUSCOAL Super - Cash	2.8%
Christian Super - Ethical Cash	2.8%
First Super - Cash	2.8%
NGS Super - Cash & Term Deposits	2.7%
Top Quartile	2.7%
SuperRatings Median Index	2.4%
Bottom Quartile	2.1%

*SR50 Cash Index Investment Options. All results are net of fees and tax. ** Denotes interim return.

SuperRatings Index Returns for the Period Ended 30 June 2014

Each index is calculated based on a selected universe of funds whose asset sizes represent the largest investment options in that option space (50 or 25), hence covering the vast majority of Australians in our major super funds. It works similarly to major share indices and provides a consistent and reliable measurement for super funds and consumers.

SuperRatings Index	1yr Return	3yr Return p.a.	5yr Return p.a.	7yr Return p.a.	10yr Return p.a.
SR25 High Growth Index	15.8%	10.3%	10.3%	2.1%	6.4%
SR50 Growth Index	14.0%	10.0%	10.0%	3.1%	6.5%
SR50 Balanced Index	12.7%	9.1%	9.2%	3.7%	6.8%
SR25 Conservative Balanced Index	9.6%	7.4%	8.1%	4.1%	6.0%
SR50 Capital Stable Index	7.3%	6.5%	7.1%	4.5%	5.8%
SR25 Secure Index	2.9%	3.6%	3.9%	3.7%	4.2%
SR50 Australian Shares Index	16.8%	9.7%	10.7%	3.0%	8.9%
SR50 International Shares Index	17.6%	13.2%	10.4%	1.3%	3.4%
SR25 Property Index	9.1%	9.0%	11.1%	0.7%	4.7%
SR25 Diversified Fixed Interest Index	5.5%	6.5%	7.0%	6.4%	5.8%
SR50 Cash Index	2.4%	3.2%	3.4%	3.9%	4.2%
SR50 MySuper Index	12.7%	9.4%	9.5%	4.0%	7.1%



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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 now 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, Growth, Australian Shares, International Shares, Capital Stable, Property, Conservative Balanced, High Growth, Secure, Diversified Fixed Interest and Cash.

Release Ends

About SuperRatings

SuperRatings Pty Ltd ABN: 95 100 192 283 AFSL 311800 (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 advisers need informed opinions on the best superannuation and pension financial products to provide real value for their clients. 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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