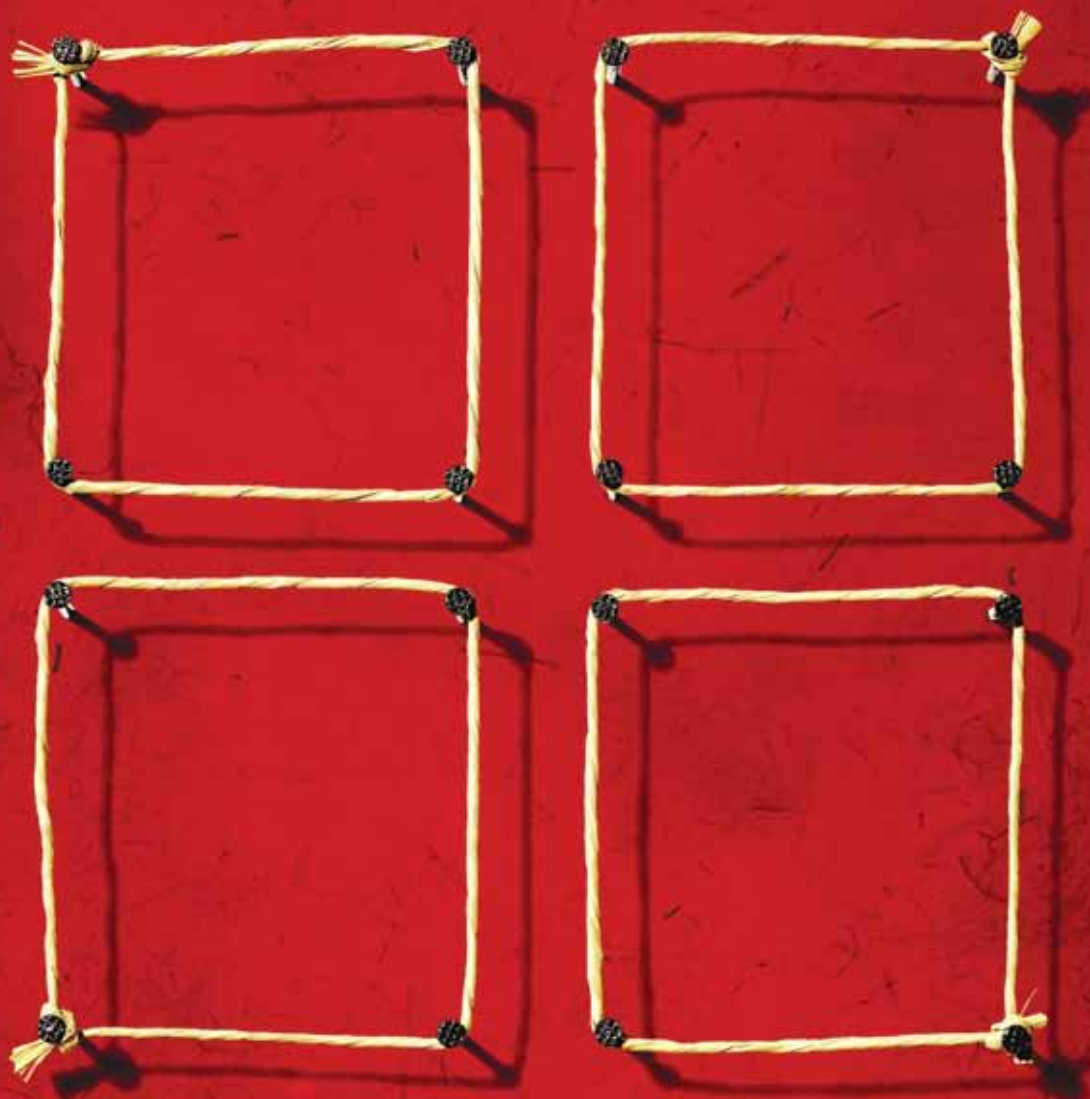




Statistics

Quarterly Superannuation Performance

June 2009 (issued 24 September 2009)



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Forthcoming issues

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

Revisions

Updated data for the March 2009 quarter has been included in this publication.

The Australian Taxation Office (ATO) has also revised self-managed superannuation fund data from June 2008.

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.

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.

Enquiries

For more information about the statistics in this publication:

e-mail statistics@apra.gov.au

or write to Manager, Superannuation Statistics
Australian Prudential Regulation Authority
GPO Box 9836
Sydney NSW 2001

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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 provides 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.

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. The Australian Securities and Investment Commission's FIDO website (www.fido.gov.au) provides guidance on how to compare superannuation investment options and links to other sources of information for this purpose.

Change from return on assets to rate of return

APRA previously used a return on assets (ROA) measure; however APRA will use ROR for future superannuation statistical publications.

ROR is a better measure than ROA for calculating compound returns. It is a closer approximation to the Global Investment Performance Standards (GIPS) total return, as published by the Chartered Financial Analyst Institute (CFA Institute, 2005). The relative position of superannuation fund returns does not change if ordered by ROR or ROA. APRA's previous research and statistical findings remain valid under both return calculation methods.

Due to the change to ROR there have been some minor changes to the financial performance tables and the entity ratios by fund type table.

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

www.apra.gov.au/Statistics/Superannuation-Fund-Level-Publications.cfm

Highlights

Industry overview

Total estimated superannuation assets increased by 6.4 per cent in the June 2009 quarter to \$1.08 trillion. Over the 12 months to June 2009, there has been a 5.7 per cent decrease.

During the June 2009 quarter, self-managed superannuation funds' assets increased by 8.0 per cent. Retail funds' assets increased by 7.1 per cent. Industry funds' assets increased by 6.1 per cent, corporate funds' assets increased by 5.5 per cent and public sector funds' assets increased by 4.8 per cent.

At 30 June 2009, self-managed superannuation funds held the largest proportion of superannuation assets accounting for 30.9 per cent of assets, followed by retail funds with 28.4 per cent of total assets. Industry funds accounted for 17.7 per cent of total assets, public sector funds 14.1 per cent and corporate funds 5.1 per cent. Small APRA funds held 0.2 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 in their prior year annual return (excluding small APRA funds and single-member approved deposit funds). These entities are required to lodge quarterly returns to APRA.

Contributions, rollovers and benefit payments

There were \$23.0 billion of contributions in the June 2009 quarter, comprising \$9.3 billion to retail funds, \$7.1 billion to industry funds, \$5.3 billion to public sector funds and \$1.3 billion to corporate funds.

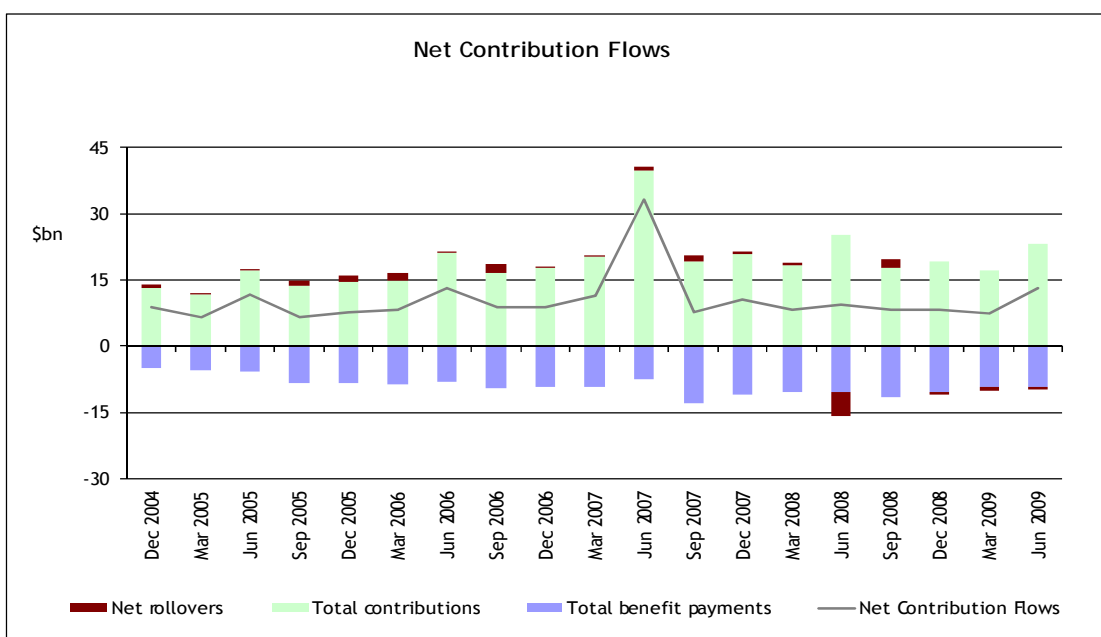
During the quarter, 74.6 per cent (\$17.2 billion) of contributions was from employers, while member contributions accounted for 24.3 per cent (\$5.6 billion) of total contributions. Other contributions, which include spouse contributions and government co-contributions, accounted for 1.0 per cent (\$238 million) of total contributions.

Industry funds received \$311 million of net rollovers and retail funds received \$70 million. Corporate funds and public sector funds recorded negative net rollovers of \$607 million and \$260 million respectively.

Total benefit payments during the quarter was \$9.3 billion.

Net contribution flows (contributions plus net rollovers less benefit payments) totalled \$13.2 billion in the June 2009 quarter.

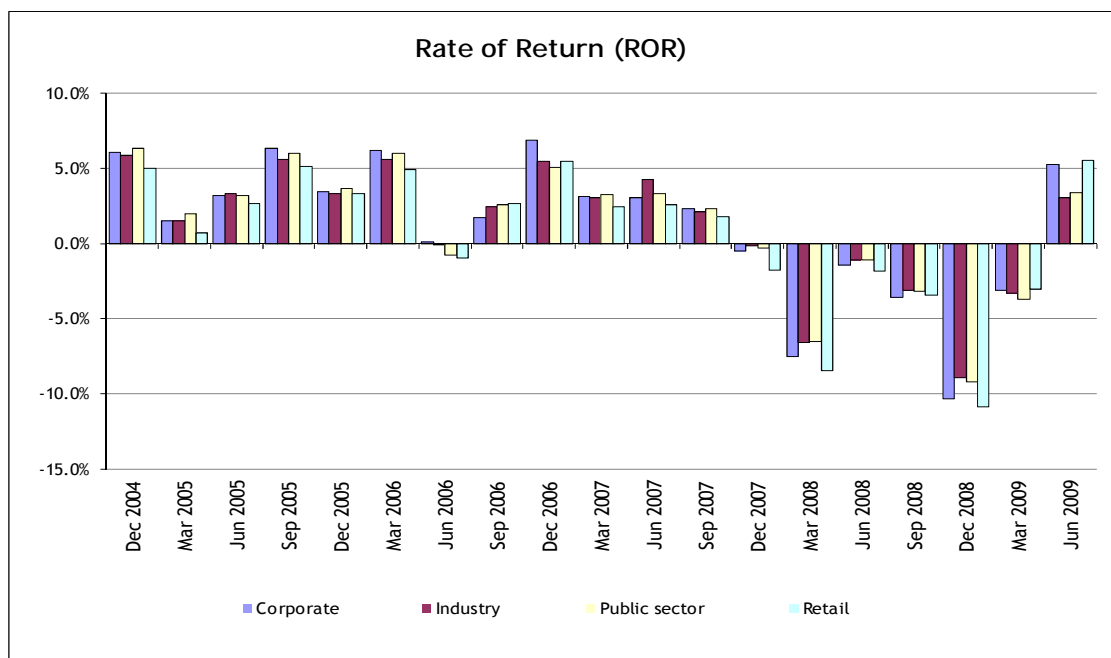
The graph below shows the composition of net contribution flows for each quarter from December 2004 to June 2009.



Financial performance and assets

The rate of return (ROR) for the June 2009 quarter was 4.4 per cent. Retail funds generated a ROR of 5.5 per cent, corporate funds 5.2 per cent, public sector funds 3.1 per cent and industry funds 3.1 per cent.

The graph below shows the ROR for each quarter from December 2004 to June 2009.



At the end of the June 2009 quarter, 29.7 per cent of superannuation assets were invested in wholesale trusts, 21.1 per cent were held in individually managed mandates and 19.8 per cent were invested in life office funds. Of the remaining assets, 8.7 per cent were held in pooled superannuation trusts, 7.1 per cent were directly invested, 6.3 per cent were held in unlisted public offer unit trusts and 5.7 per cent were in other investments, which includes funds placed with overseas investment managers and leased assets. 1.6 per cent of assets were held in receivables and deferred tax assets.

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

Superannuation industry quarterly estimates

	Assets (\$ billion)					Number of entities				
	Jun 2008	Sep 2008	Dec 2008	Mar 2009	Jun 2009	Jun 2008	Sep 2008	Dec 2008	Mar 2009	Jun 2009
<i>By fund type</i>										
Corporate	62.1	59.7	53.6	51.9	54.8	226	219	199	199	190
Industry	197.0	196.9	182.6	180.0	191.1	70	70	67	68	68
Public sector	170.6	164.7	149.4	144.7	151.6	40	40	40	40	40
Retail	343.3	332.9	293.4	285.6	306.0	169	168	168	168	165
Sub total	773.0	754.3	679.0	662.2	703.4	505	497	474	475	463
Pooled superannuation trusts	78.7	76.8	68.2	66.3	70.1	90	87	86	84	82
Small APRA funds	2.9	2.8	2.6	2.5	2.4	5,539	4,974	4,434	4,305	4,277
Single-member ADFs	0.1	0.1	0.1	0.1	0.1	136	128	119	114	112
Self-managed super funds ^a	330.1	320.8	302.5	307.8	332.3	383,633	391,948	398,546	404,503	410,318
Balance of life office statutory funds	36.1	40.9	43.2	39.2	38.6					
Total ^b	1142.2	1118.8	1027.4	1011.8	1076.7	389,903	397,634	403,659	409,481	415,252
Retirement savings accounts	1.2	1.2	5.8	6.0	6.2	8	8	9	9	10

Asset figures for June 2009, March 2009, December 2008 and September 2008 are estimated by applying June 2008 coverage ratios and growth rates. Asset figures for June 2008 have been sourced from June 2008 annual APRA returns. Growth rates for 2007-2008 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. These 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 2008			Jun 2009	
	> \$50 million (actual)	All entities (actual)	Coverage ratio	> \$50 million (actual)	All entities (estimated)
<i>By fund type (\$b)</i>					
Corporate	59.7	62.1	96.17%	52.7	54.8
Industry	196.8	197.0	99.91%	190.9	191.1
Public sector	170.5	170.6	99.93%	151.5	151.6
Retail	340.9	343.3	99.32%	303.9	306.0
Pooled superannuation trusts	77.9	78.7	99.00%	69.4	70.1

Growth rates 2007-2008

Other entities

	Jun 2008 (actual)	Jun 2007 (actual)	Growth	Jun 2009 (estimated)
	<i>By fund type (\$m)</i>			
Small APRA funds	2,947	3,646	-19.2%	2,382
Single-member ADFs	81	107	-23.7%	62

Table 1a Financial performance by fund type

Entities with at least \$50 million in assets
June 2009
(\$ million)

	Corporate	Industry	Public sector	Retail	Total
Net assets at the beginning of the quarter	48,809	177,144	143,490	282,658	652,101
Contributions					
Employer	1,193	6,074	4,398	5,501	17,165
Member	108	1,026	789	3,675	5,599
Other	4	36	108	89	238
Total contributions	1,306	7,136	5,295	9,265	23,001
Contribution tax and surcharge	179	939	380	880	2,377
Rollovers					
Inward	252	1,681	636	7,519	10,088
Outward	859	1,370	895	7,449	10,574
Net rollovers	-607	311	-260	70	-486
Benefit payments					
Lump sums	189	1,295	969	2,364	4,817
Pensions 111		334	2,297	1,780	4,522
Total benefit payments	300	1,630	3,266	4,144	9,339
Net contribution flows	399	5,817	1,769	5,191	13,176
Death and disability insurance					
Total proceeds on insurance policies	13	142	26	173	354
Cost of member benefit insurance	17	280	62	414	773
Net flows	216	4,741	1,354	4,070	10,381
Investment Income					
Investment income after doubtful debts	718	1,802	1,171	1,551	5,242
Total capital gains/losses on investments	2,039	5,104	3,975	14,834	25,953
Total investment income	2,757	6,906	5,146	16,385	31,195
Investment expenses					
Investment management and asset consultant fees	24	141	85	72	322
Custodian fees	4	12	7	1	23
Property maintenance costs	6	20	3	0	29
Other investment expenses	2	10	6	3	22
Total investment expenses	36	183	100	76	396
Net investment income	2,721	6,723	5,046	16,309	30,799
Operating expenses					
Management fees (non-investment)	9	14	2	165	191
Administration fees	26	149	97	241	514
Directors/trustees fees and expenses	1	24	1	88	114
Other operating expenses	10	73	8	76	167
Total operating expenses	46	260	109	570	985
Other income	3	127	19	64	213
Net earnings	2,677	6,590	4,956	15,803	30,026
Tax expense on earnings	115	1,105	-42	117	1,295
Net earnings after tax	2,562	5,486	4,998	15,687	28,732
Net operating performance after tax	2,778	10,227	6,351	19,757	39,113
Other changes	0	-5	4	-8	-10
Net assets at the end of the quarter	51,587	187,366	149,845	302,407	691,205
Number of entities	77	62	39	112	290

Table 1b Financial performance - trends

Entities with at least \$50 million in assets (\$ million)							
	Quarter end					Year end Jun 2008	Year end Jun 2009
	Jun 2008	Sep 2008	Dec 2008	Mar 2009	June 2009		
Net assets at the beginning of the period	757,492	756,088	736,850	669,055	652,101	791,864	756,088
Contributions							
Employer	17,475	13,628	15,272	14,259	17,165	57,133	60,324
Member	7,535	4,059	3,292	2,832	5,599	25,158	15,781
Other	285	139	475	198	238	1,327	1,050
Total contributions	25,295	17,826	19,039	17,289	23,001	83,619	77,156
Contribution tax and surcharge	2,493	1,775	1,922	1,847	2,377	7,713	7,921
Rollovers							
Inward	11,830	15,513	9,794	8,905	10,088	68,047	44,300
Outward	17,099	13,642	10,311	9,503	10,574	70,624	44,030
Net rollovers	-5,269	1,871	-518	-598	-486	-2,577	269
Benefit payments							
Lump sums	6,019	6,959	5,866	5,026	4,817	28,145	22,668
Pensions	4,489	4,607	4,518	4,312	4,522	16,648	17,960
Total benefit payments	10,508	11,566	10,384	9,338	9,339	44,793	40,628
Net contribution flows	9,519	8,131	8,137	7,353	13,176	36,248	36,797
Death and disability insurance							
Total proceeds on insurance policies	336	308	324	324	354	1,088	1,311
Cost of member benefit insurance	647	791	735	775	773	2,509	3,075
Net flows	6,714	5,873	5,804	5,055	10,381	27,113	27,112
Investment Income							
Investment income after doubtful debts	14,052	7,708	3,675	3,834	5,242	36,650	20,459
Total capital gains/losses on investments	-27,363	-33,134	-80,530	-26,011	25,953	-101,324	-113,722
Total investment income	-13,311	-25,426	-76,855	-22,177	31,195	-64,673	-93,263
Investment expenses							
Investment management and asset consultant fees	433	293	306	310	322	1,434	1,231
Custodian fees	47	22	27	22	23	118	94
Property maintenance costs	39	16	20	26	29	76	90
Other investment expenses	9	30	15	13	22	85	80
Total investment expenses	528	360	368	370	396	1,713	1,495
Net investment income	-13,839	-25,786	-77,223	-22,547	30,799	-66,387	-94,758
Operating expenses							
Management fees (non-investment)	114	165	226	147	191	701	729
Administration fees	599	478	512	506	514	2,015	2,010
Directors/trustees fees and expenses	81	106	116	90	114	439	426
Other operating expenses	236	188	104	151	167	776	610
Total operating expenses	1,030	937	958	894	985	3,931	3,774
Other income	291	73	75	69	213	367	430
Net earnings	-14,578	-26,651	-78,106	-23,372	30,026	-69,951	-98,102
Tax expense on earnings	-3,618	-1,590	-4,511	-1,439	1,295	-6,042	-6,245
Net earnings after tax	-10,960	-25,060	-73,596	-21,933	28,732	-63,909	-91,857
Net operating performance after tax	-4,246	-19,188	-67,791	-16,879	39,113	-36,796	-64,745
Other changes	2,842	-51	-4	-75	-10	1,021	-139
Net assets at the end of the period	756,088	736,850	669,055	652,101	691,205	756,088	691,205
Number of entities	314	294	293	291	290	314	290

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 2009

(\$ million)

	Corporate	Industry	Public sector	Retail	Total
Assets					
Receivables	514	1,632	1,062	1,201	4,408
Investments					
Direct	3,630	18,263	7,159	20,665	49,716
Individually managed mandates	15,744	60,377	65,302	6,352	147,775
Pooled superannuation trusts	5,827	10,261	19,674	24,837	60,599
Wholesale trusts	16,290	68,069	46,644	76,434	207,438
Life office funds	3,366	1,291	921	132,658	138,235
Unlisted public offer unit trusts	185	3,704	610	39,803	44,302
Other investments	6,509	24,714	8,580	12	39,815
Deferred tax assets	605	2,574	1,565	1,917	6,661
Total assets	52,670	190,885	151,515	303,879	698,949
Liabilities					
Direct holdings of derivative financial instruments	*	1,149	*	0	1,667
Borrowings	*	0	*	0	8
Current tax liabilities	*	802	*	1,023	1,882
Deferred tax liabilities	29	137	319	1	486
Payables and creditors	804	1,431	1,019	448	3,702
Total liabilities	1,083	3,520	1,670	1,473	7,745
Net assets to pay benefits	51,587	187,366	149,845	302,407	691,205
<i>Of which:</i>					
Liability for allocated accrued benefits	51,602	187,210	149,814	302,069	690,694
Reserves (unallocated benefits)	-15	156	32	338	511
Excess/deficiency of assets	0	0	0	0	0
Number of entities	77	62	39	112	290

Table 2b Financial position - trends

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

	Jun 2008	Sep 2008	Dec 2008	Mar 2009	Jun 2009
Assets					
Receivables	9,123	3,830	3,192	3,299	4,408
Investments					
Direct	42,515	48,510	47,211	47,077	49,716
Individually managed mandates	155,463	149,538	133,574	131,725	147,775
Pooled superannuation trusts	67,674	65,615	59,822	58,278	60,599
Wholesale trusts	242,961	232,819	205,268	199,563	207,438
Life office funds	159,595	151,694	135,003	130,803	138,235
Unlisted public offer unit trusts	49,941	48,944	43,521	41,548	44,302
Other investments	38,165	45,188	41,175	38,764	39,815
Deferred tax assets	2,526	3,267	5,870	6,984	6,661
Total assets	767,964	749,406	674,635	658,041	698,949
Liabilities					
Direct holdings of derivative financial instruments	804	4,889	1,972	1,656	1,667
Borrowings	8	8	8	8	8
Current tax liabilities	3,654	2,569	-287	389	1,882
Deferred tax liabilities	1,082	759	329	265	486
Payables and creditors	6,328	4,332	3,558	3,621	3,702
Total liabilities	11,876	12,556	5,580	5,940	7,745
Net assets to pay benefits	756,088	736,850	669,055	652,101	691,205
<i>Of which:</i>					
Liability for allocated accrued benefits	753,608	738,400	675,181	661,790	690,694
Reserves (unallocated benefits)	1,710	-1,551	-6,126	-9,689	511
Excess/deficiency of assets	771	0	0	0	0
Number of entities	314	294	293	291	290

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 2008	Year end Jun 2009
	Jun 2008	Sep 2008	Dec 2008	Mar 2009	Jun 2009		
Total							
Net investment income (\$m)	-13,839	-25,786	-77,223	-22,547	30,799	-66,387	-94,758
Other income (\$m)	291	73	75	69	213	367	430
Total operating expense (\$m)	1,030	937	958	894	985	3,931	3,774
Tax expense on earnings (\$m)	-3,618	-1,590	-4,511	-1,439	1,295	-6,042	-6,245
Net earnings after tax (\$m)	-10,960	-25,060	-73,596	-21,933	28,732	-63,909	-91,857
Cash flow adjusted net assets	760,849	759,025	739,752	671,582	657,292		
Rate of Return (%)	-1.4%	-3.3%	-9.9%	-3.3%	4.4%	-7.9%	-12.1%
Number of entities	314	294	293	291	290	314	290
Corporate							
Net investment income (\$m)	-1,041	-2,130	-6,250	-1,692	2,721	-5,006	-7,351
Other income (\$m)	0	1	3	1	3	11	8
Total operating expense (\$m)	51	34	42	30	46	158	152
Tax expense on earnings (\$m)	-239	-80	-502	-175	115	-509	-642
Net earnings after tax (\$m)	-854	-2,082	-5,787	-1,546	2,562	-4,644	-6,853
Cash flow adjusted net assets	59,952	58,304	55,884	50,333	48,917		
Rate of return (%)	-1.4%	-3.6%	-10.4%	-3.1%	5.2%	-7.2%	-11.8%
Number of entities	92	79	79	77	77	92	77
Industry							
Net investment income (\$m)	-2,380	-6,786	-19,413	-6,368	6,723	-12,946	-25,845
Other income (\$m)	62	16	12	13	127	88	167
Total operating expense (\$m)	242	227	254	240	260	840	981
Tax expense on earnings (\$m)	-463	-984	-2,561	-610	1,105	-1,948	-3,051
Net earnings after tax (\$m)	-2,097	-6,013	-17,095	-5,985	5,486	-11,749	-23,608
Cash flow adjusted net assets	191,581	193,497	191,308	181,499	179,515		
Rate of return (%)	-1.1%	-3.1%	-8.9%	-3.3%	3.1%	-5.9%	-12.1%
Number of entities	65	63	63	63	62	65	62
Public sector							
Net investment income (\$m)	-2,136	-5,551	-15,699	-5,886	5,046	-10,804	-22,090
Other income (\$m)	7	7	21	15	19	23	63
Total operating expense (\$m)	117	84	105	101	109	381	400
Tax expense on earnings (\$m)	-413	-317	-848	-496	-42	-1,162	-1,703
Net earnings after tax (\$m)	-1,833	-5,311	-14,935	-5,476	4,998	-10,000	-20,724
Cash flow adjusted net assets	167,947	167,050	162,536	148,621	144,167		
Rate of return (%)	-1.1%	-3.2%	-9.2%	-3.7%	3.5%	-5.7%	-12.4%
Number of entities	38	39	39	39	39	38	39
Retail							
Net investment income (\$m)	-8,281	-11,320	-35,861	-8,601	16,309	-37,630	-39,473
Other income (\$m)	221	49	39	40	64	244	192
Total operating expense (\$m)	620	593	556	522	570	2,552	2,241
Tax expense on earnings (\$m)	-2,504	-209	-599	-157	117	-2,423	-849
Net earnings after tax (\$m)	-6,176	-11,654	-35,779	-8,927	15,687	-37,515	-40,672
Cash flow adjusted net assets	341,370	340,173	330,024	291,128	284,693		
Rate of return (%)	-1.8%	-3.4%	-10.8%	-3.1%	5.5%	-10.1%	-11.9%
Number of entities	119	113	112	112	112	119	112

Table 4a Corporate funds - financial performance

Entities with at least \$50 million in assets (\$ million)							
	Quarter end					Year end Jun 2008	Year end Jun 2009
	Jun 2008	Sep 2008	Dec 2008	Mar 2009	June 2009		
Net assets at the beginning of the period	60,726	58,362	55,738	50,236	48,809	64,855	58,362
Contributions							
Employer	943	797	1,236	1,039	1,193	3,176	4,265
Member	125	88	75	74	108	526	345
Other	21	2	15	4	4	46	24
Total contributions	1,089	887	1,325	1,117	1,306	3,748	4,635
Contribution tax and surcharge	172	153	156	157	179	518	645
Rollovers							
Inward	359	232	228	145	252	1,429	857
Outward	2,425	664	724	569	859	5,334	2,816
Net rollovers	-2,066	-431	-496	-425	-607	-3,905	-1,959
Benefit payments							
Lump sums	267	271	245	213	189	1,227	918
Pensions	124	126	134	119	111	446	490
Total benefit payments	391	397	379	332	300	1,673	1,408
Net contribution flows	-1,369	59	450	360	399	-1,830	1,268
Death and disability insurance						0	0
Total proceeds on insurance policies	19	15	18	16	13	57	62
Cost of member benefit insurance	27	37	20	24	17	110	98
Net flows	-1,549	-115	292	195	216	-2,401	588
Investment Income							
Investment income after doubtful debts	1,000	482	303	237	718	3,378	1,741
Total capital gains/losses on investments	-1,994	-2,578	-6,494	-1,894	2,039	-8,199	-8,926
Total investment income	-994	-2,096	-6,191	-1,656	2,757	-4,821	-7,185
Investment expenses							
Investment management and asset consultant fees	34	23	47	27	24	139	121
Custodian fees	4	4	4	4	4	18	16
Property maintenance costs	9	5	7	5	6	23	22
Other investment expenses	0	2	2	1	2	5	7
Total investment expenses	47	34	59	36	36	186	165
Net investment income	-1,041	-2,130	-6,250	-1,692	2,721	-5,006	-7,351
Operating expenses							
Management fees (non-investment)	12	6	9	7	9	28	30
Administration fees	23	19	23	17	26	84	86
Directors/trustees fees and expenses	2	1	1	1	1	4	4
Other operating expenses	14	8	9	5	10	41	32
Total operating expenses	51	34	42	30	46	158	152
Other income	0	1	3	1	3	11	8
Net earnings	-1,092	-2,162	-6,289	-1,721	2,677	-5,154	-7,495
Tax expense on earnings	-239	-80	-502	-175	115	-509	-642
Net earnings after tax	-854	-2,082	-5,787	-1,546	2,562	-4,644	-6,853
Net operating performance after tax	-2,402	-2,198	-5,495	-1,351	2,778	-7,046	-6,265
Other changes	38	-425	-8	-76	0	552	-509
Net assets at the end of the period	58,362	55,738	50,236	48,809	51,587	58,362	51,587
Number of entities	92	79	79	77	77	92	77

Table 4b Industry funds - financial performance

Entities with at least \$50 million in assets (\$ million)							
	Quarter end					Year end Jun 2008	Year end Jun 2009
	Jun 2008	Sep 2008	Dec 2008	Mar 2009	June 2009		
Net assets at the beginning of the period	189,626	191,469	189,652	179,875	177,144	188,794	191,469
Contributions							
Employer	5,750	4,770	5,187	5,096	6,074	19,389	21,127
Member	1,304	450	482	421	1,026	3,721	2,380
Other	100	46	153	80	36	464	316
Total contributions	7,155	5,267	5,823	5,598	7,136	23,574	23,823
Contribution tax and surcharge	968	707	753	733	939	2,954	3,133
Rollovers							
Inward	2,806	3,175	1,699	2,237	1,681	9,496	8,792
Outward	3,308	1,707	1,458	2,112	1,370	8,910	6,648
Net rollovers	-502	1,467	241	125	311	586	2,144
Benefit payments							
Lump sums	1,440	1,500	1,539	1,256	1,295	5,431	5,591
Pensions	298	332	320	325	334	959	1,312
Total benefit payments	1,739	1,833	1,859	1,581	1,630	6,390	6,902
Net contribution flows	4,914	4,902	4,205	4,141	5,817	17,770	19,065
Death and disability insurance							
Total proceeds on insurance policies	176	133	145	146	142	465	565
Cost of member benefit insurance	211	272	284	304	280	886	1,140
Net flows	3,910	4,055	3,312	3,249	4,741	14,396	15,358
Investment Income							
Investment income after doubtful debts	2,682	2,405	1,426	1,476	1,802	10,612	7,109
Total capital gains/losses on investments	-4,803	-9,059	-20,693	-7,689	5,104	-22,851	-32,336
Total investment income	-2,121	-6,654	-19,267	-6,213	6,906	-12,240	-25,227
Investment expenses							
Investment management and asset consultant fees	219	97	116	117	141	571	470
Custodian fees	13	10	14	12	12	47	47
Property maintenance costs	27	7	10	18	20	41	55
Other investment expenses	0	18	7	9	10	48	45
Total investment expenses	259	132	146	156	183	706	617
Net investment income	-2,380	-6,786	-19,413	-6,368	6,723	-12,946	-25,845
Operating expenses							
Management fees (non-investment)	16	14	4	8	14	57	40
Administration fees	140	124	154	152	149	504	580
Directors/trustees fees and expenses	0	21	39	28	24	51	112
Other operating expenses	86	68	57	52	73	228	250
Total operating expenses	242	227	254	240	260	840	981
Other income	62	16	12	13	127	88	167
Net earnings	-2,560	-6,997	-19,656	-6,595	6,590	-13,697	-26,659
Tax expense on earnings	-463	-984	-2,561	-610	1,105	-1,948	-3,051
Net earnings after tax	-2,097	-6,013	-17,095	-5,985	5,486	-11,749	-23,608
Net operating performance after tax	1,813	-1,958	-13,783	-2,736	10,227	2,647	-8,250
Other changes	31	140	4,006	6	-5	29	4,146
Net assets at the end of the period	191,469	189,652	179,875	177,144	187,366	191,469	187,366
Number of entities	65	63	63	63	62	65	62

Table 4c Public sector funds - financial performance

	Entities with at least \$50 million in assets (\$ million)						
	Quarter end					Year end Jun 2008	Year end Jun 2009
	Jun 2008	Sep 2008	Dec 2008	Mar 2009	June 2009		
Net assets at the beginning of the period	167,135	167,043	161,868	148,274	143,490	172,947	167,043
Contributions							
Employer	4,914	4,100	4,583	4,003	4,398	16,896	17,084
Member	942	732	677	634	789	3,596	2,832
Other	52	25	180	37	108	290	351
Total contributions	5,908	4,858	5,440	4,675	5,295	20,782	20,266
Contribution tax and surcharge	370	302	340	322	380	1,157	1,343
Rollovers							
Inward	994	809	667	568	636	3,833	2,680
Outward	1,287	1,288	934	669	895	4,913	3,786
Net rollovers	-293	-479	-267	-101	-260	-1,080	-1,106
Benefit payments							
Lump sums	1,441	1,577	1,058	1,261	969	5,788	4,866
Pensions	2,142	2,443	2,390	2,256	2,297	8,677	9,385
Total benefit payments	3,583	4,020	3,448	3,517	3,266	14,465	14,251
Net contribution flows	2,033	358	1,725	1,057	1,769	5,236	4,909
Death and disability insurance							
Total proceeds on insurance policies	6	10	14	11	26	22	61
Cost of member benefit insurance	46	51	63	51	62	133	228
Net flows	1,623	15	1,336	695	1,354	3,969	3,400
Investment Income							
Investment income after doubtful debts	4,919	1,966	591	768	1,171	7,998	4,496
Total capital gains/losses on investments	-6,939	-7,422	-16,194	-6,551	3,975	-18,384	-26,191
Total investment income	-2,019	-5,456	-15,603	-5,783	5,146	-10,386	-21,695
Investment expenses							
Investment management and asset consultant fees	107	81	80	93	85	365	338
Custodian fees	7	6	8	5	7	27	27
Property maintenance costs	3	3	3	3	3	11	13
Other investment expenses	0	5	4	2	6	14	16
Total investment expenses	117	96	96	103	100	417	394
Net investment income	-2,136	-5,551	-15,699	-5,886	5,046	-10,804	-22,090
Operating expenses							
Management fees (non-investment)	1	2	1	1	2	5	7
Administration fees	102	76	81	91	97	337	344
Directors/trustees fees and expenses	3	1	1	1	1	8	5
Other operating expenses	11	6	22	8	8	31	44
Total operating expenses	117	84	105	101	109	381	400
Other income	7	7	21	15	19	23	63
Net earnings	-2,246	-5,628	-15,783	-5,972	4,956	-11,162	-22,427
Tax expense on earnings	-413	-317	-848	-496	-42	-1,162	-1,703
Net earnings after tax	-1,833	-5,311	-14,935	-5,476	4,998	-10,000	-20,724
Net operating performance after tax	-210	-5,296	-13,599	-4,781	6,351	-6,032	-17,324
Other changes	118	121	5	-3	4	128	127
Net assets at the end of the period	167,043	161,868	148,274	143,490	149,845	167,043	149,845
Number of entities	38	39	39	39	39	38	39

Table 4d Retail funds - financial performance

Entities with at least \$50 million in assets (\$ million)							
	Quarter end					Year end Jun 2008	Year end Jun 2009
	Jun 2008	Sep 2008	Dec 2008	Mar 2009	June 2009		
Net assets at the beginning of the period	340,005	339,215	329,592	290,671	282,658	365,268	339,215
Contributions							
Employer	5,868	3,961	4,266	4,120	5,501	17,671	17,848
Member	5,163	2,788	2,059	1,702	3,675	17,315	10,224
Other	112	66	128	78	89	528	360
Total contributions	11,143	6,814	6,452	5,900	9,265	35,514	28,431
Contribution tax and surcharge	982	613	673	635	880	3,084	2,801
Rollovers							
Inward	7,672	11,297	7,199	5,955	7,519	53,289	31,970
Outward	10,079	9,983	7,195	6,152	7,449	51,467	30,780
Net rollovers	-2,407	1,314	4	-198	70	1,822	1,191
Benefit payments							
Lump sums	2,871	3,610	3,025	2,295	2,364	15,699	11,294
Pensions	1,924	1,707	1,673	1,612	1,780	6,565	6,773
Total benefit payments	4,795	5,317	4,698	3,908	4,144	22,264	18,067
Net contribution flows	3,941	2,811	1,758	1,795	5,191	15,072	11,555
Death and disability insurance							
Total proceeds on insurance policies	135	151	147	151	173	544	622
Cost of member benefit insurance	363	431	368	395	414	1,381	1,609
Net flows	2,730	1,918	864	915	4,070	11,150	7,767
Investment Income							
Investment income after doubtful debts	5,451	2,855	1,355	1,352	1,551	14,663	7,113
Total capital gains/losses on investments	-13,628	-14,076	-37,149	-9,878	14,834	-51,889	-46,268
Total investment income	-8,176	-11,221	-35,794	-8,525	16,385	-37,226	-39,155
Investment expenses							
Investment management and asset consultant fees	73	93	64	73	72	359	302
Custodian fees	23	1	1	1	1	27	3
Property maintenance costs	0	0	0	0	0	1	0
Other investment expenses	9	4	3	2	3	18	12
Total investment expenses	105	98	67	76	76	404	318
Net investment income	-8,281	-11,320	-35,861	-8,601	16,309	-37,630	-39,473
Operating expenses							
Management fees (non-investment)	85	144	212	131	165	611	652
Administration fees	334	259	254	246	241	1,089	1,000
Directors/trustees fees and expenses	75	84	74	60	88	376	306
Other operating expenses	126	106	16	85	76	476	283
Total operating expenses	620	593	556	522	570	2,552	2,241
Other income	221	49	39	40	64	244	192
Net earnings	-8,681	-11,863	-36,378	-9,084	15,803	-39,938	-41,522
Tax expense on earnings	-2,504	-209	-599	-157	117	-2,423	-849
Net earnings after tax	-6,176	-11,654	-35,779	-8,927	15,687	-37,515	-40,672
Net operating performance after tax	-3,447	-9,736	-34,915	-8,011	19,757	-26,365	-32,906
Other changes	2,656	114	-4,006	-1	-8	312	-3,902
Net assets at the end of the period	339,215	329,592	290,671	282,658	302,407	339,215	302,407
Number of entities	119	113	112	112	112	119	112

Table 4e Pooled superannuation trusts - financial performance

	Entities with at least \$50 million in assets (\$ million)						Year end Jun 2008	Year end Jun 2009
	Quarter end							
	Jun 2008	Sep 2008	Dec 2008	Mar 2009	June 2009			
Net assets at the beginning of the period	74,989	72,834	70,122	63,368	61,216	74,326	72,834	
Units issued to unit holders	3,564	2,474	3,495	1,805	2,347	11,286	10,122	
Payments to unit holders	4,660	3,436	3,222	1,312	1,608	11,704	9,577	
Investment Income								
Investment income after doubtful debts	2,230	623	421	434	675	4,775	2,153	
Total capital gains/losses on investments	-3,526	-2,654	-7,872	-3,144	2,056	-10,241	-11,613	
Total investment income	-1,296	-2,030	-7,451	-2,710	2,731	-5,466	-9,461	
Investment expenses								
Investment management and asset consultant fees	58	51	20	44	41	235	156	
Custodian fees	2	2	2	2	2	9	8	
Property maintenance costs	0	0	0	0	0	0	0	
Other investment expenses	0	2	0	1	2	3	5	
Total investment expenses	60	56	22	47	45	247	170	
Net investment income	-1,355	-2,086	-7,473	-2,757	2,685	-5,712	-9,631	
Operating expenses							0	
Management fees (non-investment)	10	9	10	10	9	35	38	
Administration fees	37	32	32	28	34	144	126	
Directors/trustees fees and expenses	5	5	4	3	3	17	15	
Other operating expenses	1	2	1	1	1	11	6	
Total operating expenses	54	48	47	43	47	207	184	
Other income	-1	1	0	0	1	4	3	
Net earnings	-1,410	-2,133	-7,521	-2,799	2,640	-5,916	-9,812	
Tax expense on earnings	-351	-176	-512	-154	192	-638	-650	
Net earnings after tax	-1,060	-1,957	-7,009	-2,645	2,448	-5,277	-9,162	
Net operating performance after tax	-2,155	-2,918	-6,735	-2,152	3,188	-5,696	-8,617	
Other changes	0	206	-19	0	0	4,205	186	
Net assets at the end of the period	72,834	70,122	63,368	61,216	64,404	72,834	64,404	
Number of entities	55	50	50	50	50	55	50	

Table 5a Corporate funds - financial position

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

	Jun 2008	Sep 2008	Dec 2008	Mar 2009	Jun 2009
Assets					
Receivables	1,100	697	663	527	514
Investments					
Direct	3,584	3,518	3,442	3,556	3,630
Individually managed mandates	15,499	15,900	14,220	14,334	15,744
Pooled superannuation trusts	7,016	6,441	5,706	5,400	5,827
Wholesale trusts	20,341	19,074	16,709	15,882	16,290
Life office funds	5,365	3,545	3,249	3,227	3,366
Unlisted public offer unit trusts	365	289	235	223	185
Other investments	6,311	7,742	6,735	6,085	6,509
Deferred tax assets	163	245	547	697	605
Total assets	59,746	57,452	51,506	49,933	52,670
Liabilities					
Direct holdings of derivative financial instruments	*	161	*	*	*
Borrowings	*	0	*	*	*
Current tax liabilities	*	187	*	*	*
Deferred tax liabilities	113	79	27	29	29
Payables and creditors	1,061	1,286	1,184	970	804
Total liabilities	1,384	1,713	1,270	1,124	1,083
Net assets to pay benefits	58,362	55,738	50,236	48,809	51,587
<i>Of which:</i>					
Liability for allocated accrued benefits	57,739	55,716	50,253	48,841	51,602
Reserves (unallocated benefits)	60	22	-18	-32	-15
Excess/deficiency of assets	563	0	0	0	0
Number of entities	92	79	79	77	77

Table 5b Industry funds - financial position

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

	Jun 2008	Sep 2008	Dec 2008	Mar 2009	Jun 2009
Assets					
Receivables	2,429	1,359	1,149	1,485	1,632
Investments					
Direct	15,675	18,183	18,155	17,416	18,263
Individually managed mandates	56,529	55,017	49,772	49,888	60,377
Pooled superannuation trusts	9,981	10,803	10,642	10,350	10,261
Wholesale trusts	80,612	76,031	68,635	67,915	68,069
Life office funds	2,630	2,444	1,579	1,362	1,291
Unlisted public offer unit trusts	4,726	4,663	4,304	3,746	3,704
Other investments	23,845	27,402	25,766	24,636	24,714
Deferred tax assets	411	867	2,433	3,049	2,574
Total assets	196,838	196,769	182,436	179,846	190,885
Liabilities					
Direct holdings of derivative financial instruments	*	*	1,550	1,198	1,149
Borrowings	*	*	0	0	0
Current tax liabilities	*	*	-257	97	802
Deferred tax liabilities	534	226	143	157	137
Payables and creditors	2,820	1,344	1,126	1,250	1,431
Total liabilities	5,369	7,117	2,562	2,702	3,520
Net assets to pay benefits	191,469	189,652	179,875	177,144	187,366
<i>Of which:</i>					
Liability for allocated accrued benefits	190,198	191,892	186,642	187,176	187,210
Reserves (unallocated benefits)	*	-2,240	-6,767	-10,032	156
Excess/deficiency of assets	*	0	0	0	0
Number of entities	65	63	63	63	62

Table 5c Public sector funds - financial position

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

	Jun 2008	Sep 2008	Dec 2008	Mar 2009	Jun 2009
Assets					
Receivables	1,538	1,040	696	751	1,062
Investments					
Direct	5,955	7,435	8,041	7,345	7,159
Individually managed mandates	75,988	70,531	63,518	61,485	65,302
Pooled superannuation trusts	22,514	21,294	19,586	19,257	19,674
Wholesale trusts	55,051	52,132	46,344	45,004	46,644
Life office funds	1,072	1,061	967	911	921
Unlisted public offer unit trusts	707	683	665	645	610
Other investments	7,137	9,756	8,632	8,031	8,580
Deferred tax assets	499	617	873	1,167	1,565
Total assets	170,462	164,549	149,321	144,594	151,515
Liabilities					
Direct holdings of derivative financial instruments	*	*	*	*	*
Borrowings	*	*	*	*	*
Current tax liabilities	*	*	*	*	*
Deferred tax liabilities	404	433	154	77	319
Payables and creditors	1,778	1,258	856	1,004	1,019
Total liabilities	3,420	2,681	1,048	1,104	1,670
Net assets to pay benefits	167,043	161,868	148,274	143,490	149,845
<i>Of which:</i>					
Liability for allocated accrued benefits	167,031	161,843	*	143,447	149,814
Reserves (unallocated benefits)	57	24	*	43	32
Excess/deficiency of assets	-45	0	0	0	0
Number of entities	38	39	39	39	39

Table 5d Retail funds - financial position

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

	Jun 2008	Sep 2008	Dec 2008	Mar 2009	Jun 2009
Assets					
Receivables	4,056	733	684	536	1,201
Investments					
Direct	17,300	19,374	17,573	18,760	20,665
Individually managed mandates	7,447	8,091	6,063	6,019	6,352
Pooled superannuation trusts	28,163	27,076	23,889	23,271	24,837
Wholesale trusts	86,958	85,583	73,579	70,763	76,434
Life office funds	150,528	144,644	129,207	125,303	132,658
Unlisted public offer unit trusts	44,142	43,309	38,317	36,934	39,803
Other investments	872	288	42	12	12
Deferred tax assets	1,452	1,538	2,016	2,070	1,917
Total assets	340,918	330,636	291,371	283,668	303,879
Liabilities					
Direct holdings of derivative financial instruments	4	*	*	2	0
Borrowings	0	*	*	0	0
Current tax liabilities	1,000	*	*	608	1,023
Deferred tax liabilities	30	20	4	3	1
Payables and creditors	670	444	393	398	448
Total liabilities	1,704	1,044	701	1,010	1,473
Net assets to pay benefits	339,215	329,592	290,671	282,658	302,407
<i>Of which:</i>					
Liability for allocated accrued benefits	338,641	328,949	*	282,326	302,069
Reserves (unallocated benefits)	*	643	*	332	338
Excess/deficiency of assets	*	0	0	0	0
Number of entities	119	113	112	112	112

Table 5e Pooled superannuation trusts - financial position

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

	Jun 2008	Sep 2008	Dec 2008	Mar 2009	Jun 2009
Assets					
Receivables	1,745	561	264	309	471
Investments					
Direct	19,891	21,105	19,338	18,757	19,322
Individually managed mandates	*	*	*	*	*
Pooled superannuation trusts	*	*	*	*	*
Wholesale trusts	14,687	13,393	13,274	12,885	13,906
Life office funds	6,842	6,639	6,039	5,879	6,210
Unlisted public offer unit trusts	12,864	13,265	9,861	9,298	10,124
Other investments	6,079	6,691	5,048	4,846	4,418
Deferred tax assets	512	332	483	750	864
Total assets	77,861	75,983	67,524	65,641	69,360
Liabilities					
Direct holdings of derivative financial instruments	4,231	*	4,577	4,703	4,829
Borrowings	1	*	0	0	0
Current tax liabilities	119	-217	-746	-529	-241
Deferred tax liabilities	231	125	106	12	25
Payables and creditors	445	492	218	239	344
Total liabilities	5,027	5,861	4,156	4,425	4,957
Net assets	72,834	70,122	63,368	61,216	64,404
Number of entities	55	55	50	50	50

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 2009 quarter this captures 340 superannuation entities, comprising 322 APRA-regulated superannuation entities and 18 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. From time to time, 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 greater than \$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*.

Comparison with *Superannuation Trends*

The quarterly publication together with the *Annual Superannuation Bulletin* replaced the previous publication, *Superannuation Trends*. *Superannuation Trends* was a quarterly publication containing information on the superannuation industry. It was based on data from the Survey (comprising funds with greater than \$60 million in assets) and estimates were calculated for the rest of the industry.

Details on the methodology behind the current publications are outlined in the article 'Methodology behind APRA's new superannuation publications' on APRA's website.

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 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.

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.

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.

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).

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.

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

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

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 APRA-regulated superannuation funds (non public offer) are superannuation funds regulated by APRA that have more than four members but are not open to the public.

Other changes are calculated using residual analysis based on 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 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. The 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 funds regulated by APRA with less than five members that have an Extended Public Offer Entity Licence.

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.



Telephone
1300 13 10 60

Email
contactapra@apra.gov.au

Website
www.apra.gov.au

Mail
GPO Box 9836
In all capital cities
(except Hobart and Darwin)