



STATISTICS

Quarterly Superannuation Performance

March 2018 (released 29 May 2018)

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Forthcoming issues

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

Revisions

This edition of the publication contains revisions to previously published statistics. Significant revisions, if any, are identified and quantified in the 'Important notice'.

This publication will include revisions to previously published statistics if better source data becomes available or if compilation errors are uncovered.

APRA regularly analyses past revisions to identify potential improvements to the source data and statistical compilation techniques, in order to minimise the frequency and scale of any future revisions.

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.

Items which are blank indicate that either nothing was reported for the relevant period, item is not applicable or that the data cannot be calculated.

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.

Full time series

The full time series from September 2004 is available in the Excel version of the publication and can be viewed by ungrouping the columns.

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 of the data.

A glossary to assist the reader in understanding the definitions of the data in this publication is available on the *Quarterly Superannuation Performance Statistics* web page:

<http://www.apra.gov.au/Super/Publications/Pages/quarterly-superannuation-performance.aspx>

Enquiries

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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 Superannuation Performance* publication contains key statistics for the superannuation industry, as well as financial performance, financial position, key ratios and asset allocation for entities with more than four members, and asset allocation for MySuper products.

Streamlined PDF versions of statistical publications

This edition of the *Quarterly Superannuation Performance publication* contains a streamlined PDF of the publication which contains the following sections:

- Important notice;
- Highlights;
- Key statistics, and;
- Explanatory notes.

Please refer to the Excel version of the publication for additional tables and time series. Should users have any feedback on Statistical Publications, APRA welcomes this via email at:

DataAnalytics@apra.gov.au

Revisions

This edition of the *Quarterly Superannuation Performance* publication contains revised data due to resubmissions from entities or compilation errors. Please refer to the 'Revisions' tab of the Microsoft Excel version of the *Quarterly Superannuation Performance* publication for further details.

Highlights

Industry overview

Superannuation assets totalled \$2.6 trillion at the end of the March 2018 quarter. Over the 12 months from March 2017 there was a 6.8 per cent increase in total superannuation assets (Chart 1).

Over the March 2018 quarter there was a decrease of 0.2 per cent in total superannuation assets, comprised of an increase of 0.2 per cent in APRA-regulated assets, a decrease of 1.2 per cent in self-managed super fund assets an increase of 0.1 per cent in exempt public sector superannuation schemes assets and an increase of 0.2 per cent in balance of life office statutory fund assets.

Total assets in MySuper products totalled \$641.8 billion at the end of the March 2018 quarter. Over the 12 months from March 2017 there was a 15.6 per cent increase in total assets in MySuper products (Chart 2).

Chart 1: Assets of superannuation entities

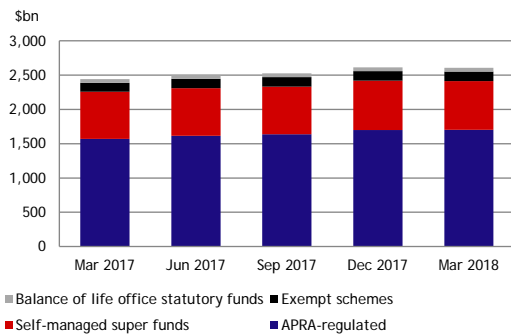
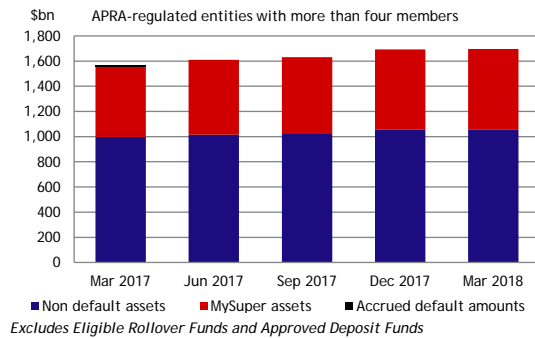


Chart 2: MySuper products and accrued default amounts



Entities with more than four members

The comments below are based on superannuation entities with more than four members.

Contributions, benefit transfers and benefit payments

There were \$25.8 billion of contributions in the March 2018 quarter, down 4.0 per cent from the March 2017 quarter (\$26.9 billion). Total contributions for the year ending March 2018 were \$116.2 billion. Outward benefit transfers exceeded inward benefit transfers by \$0.7 billion in the March 2018 quarter.

There were \$17.5 billion in total benefit payments in the March 2018 quarter, a decrease of 6.8 per cent from the March 2017 quarter (\$18.8 billion). Total benefit payments for the year ending March 2018 were \$73.0 billion. Lump sum benefit payments (\$8.6 billion) were 49.2 per cent and pension benefit payments (\$8.9 billion) were 50.8 per cent of total benefit payments in the March 2018 quarter. For the year ending March 2018, lump sum benefit payments (\$36.9 billion) were 50.5 per cent and pension payments (\$36.1 billion) were 49.5 per cent of total benefit payments (Chart 3).

Net contribution flows (contributions plus net benefit transfers less benefit payments) totalled \$7.8 billion in the March 2018 quarter, an increase of 4.2 per cent from the March 2017 quarter (\$7.5 billion). Net contribution flows for the year ending March 2018 were \$38.2 billion (Chart 4).

Chart 3: Benefit payments

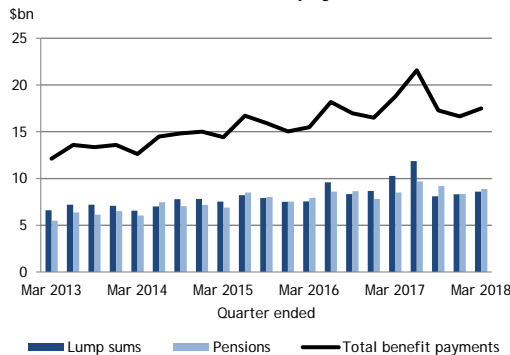
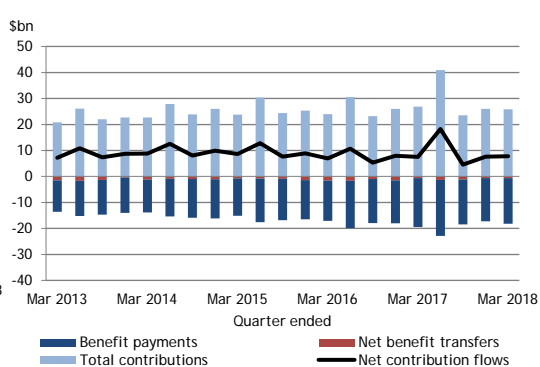


Chart 4: Net contribution flows



Financial performance, financial position and asset allocation

The annual industry-wide rate of return (ROR) for entities with more than four members for the year ending March 2018 was 6.0 per cent. The five year average annualised ROR to March 2018 was 7.6 per cent (Chart 5).

Over the March 2018 quarter, total assets increased by 0.2 per cent (or \$3.5 billion) to \$1.8 trillion. As at the end of the March 2018 quarter, 50.9 per cent of the \$1.6 trillion investments were invested in equities; with 22.6 per cent in Australian listed equities, 24.2 per cent in international listed equities and 4.0 per cent in unlisted equities. Fixed income and cash investments accounted for 32.1 per cent of investments; 21.1 per cent in fixed income and 11.0 per cent in cash. Property and infrastructure accounted for 13.4 per cent of investments and 3.7 per cent were invested in other assets, including hedge funds and commodities (Chart 6).

Chart 5: Five year average annualised rate of return

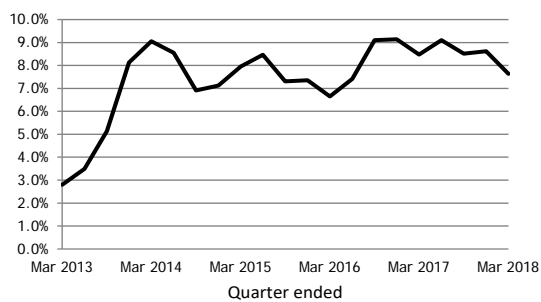
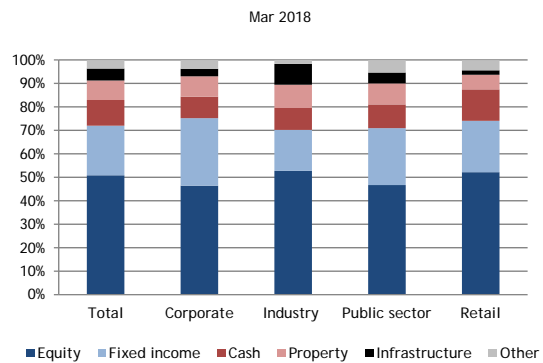


Chart 6: Asset allocation



Key statistics

Superannuation entities

	Assets (\$ billion)				
	Mar 2017	Jun 2017	Sep 2017	Dec 2017	Mar 2018
<i>APRA-regulated</i>					
Corporate	58.5	58.6	53.1	54.6	54.7
Industry	516.0	543.2	560.8	589.8	598.8
Public sector	413.7	425.0	430.2	439.0	443.4
Retail	579.9	587.8	590.8	612.9	602.6
Entities with more than four members	1,568.1	1,614.6	1,635.0	1,696.3	1,699.6
<i>of which:</i> Eligible rollover funds	4.5	4.4	4.3	4.2	4.1
Single-member ADFs	0.0	0.0	0.0	0.0	0.0
Small APRA funds	2.0	2.1	2.1	2.1	2.2
Total APRA-regulated	1,570.2	1,616.7	1,637.2	1,698.5	1,701.8
<i>of which:</i> Pooled superannuation trusts	131.8	136.3	139.6	147.1	149.7
<i>ATO-regulated</i>					
Self-managed super funds	686.7	692.9	695.8	720.7	712.0
<i>Other</i>					
Exempt schemes	129.1	135.5	137.1	138.6	138.8
Balance of life office statutory funds	54.6	53.7	54.7	53.5	53.6
Total	2,440.6	2,498.8	2,524.8	2,611.2	2,606.2
Retirement savings accounts	1.7	1.7	1.7	1.7	1.7
Number of entities					
	Mar 2017	Jun 2017	Sep 2017	Dec 2017	Mar 2018
<i>APRA-regulated</i>					
Corporate	27	26	24	24	24
Industry	40	40	40	40	40
Public sector	18	18	18	18	18
Retail	126	124	124	123	123
Entities with more than four members	211	208	206	205	205
<i>of which:</i> Eligible rollover funds	8	8	8	8	8
<i>of which:</i> Multi-member ADFs	3	3	3	3	3
Pooled superannuation trusts	40	40	39	39	39
Single-member ADFs	12	12	12	12	12
Small APRA funds	2,062	2,069	2,077	2,080	2,085
Total APRA-regulated	2,325	2,329	2,334	2,336	2,341
<i>ATO-regulated</i>					
Self-managed super funds	586,169	586,660	585,108	590,792	595,840
<i>Other</i>					
Exempt schemes	19	19	19	19	19
Total	588,513	589,008	587,461	593,147	598,200
RSE licensees	139	138	134	133	132
Retirement savings accounts	10	10	10	11	11

Key statistics (continued)

MySuper products and accrued default amounts

	Assets (\$ billion)				
	Mar 2017	Jun 2017	Sep 2017	Dec 2017	Mar 2018
MySuper products - generic	543.9	583.6	595.8	620.1	626.8
MySuper products - material goodwill	0.5	0.4	0.5	0.5	0.5
MySuper products - large employer	10.6	10.9	13.8	14.6	14.5
Total assets in MySuper products	555.0	594.9	610.1	635.2	641.8
<i>of which:</i> MySuper products with a lifecycle strategy	190.0	206.1	213.2	222.2	224.5
Proportion of assets in a MySuper product	35%	37%	37%	37%	38%
Total accrued default amounts	10.0	0.0	0.0	0.0	0.0
Proportion of assets in accrued default amounts	1%	0%	0%	0%	0%
	MySuper products				
	Mar 2017	Jun 2017	Sep 2017	Dec 2017	Mar 2018
MySuper products - generic	96	94	93	93	92
MySuper products - material goodwill	1	1	1	1	1
MySuper products - large employer	14	16	16	14	14
Total number of MySuper products	111	111	110	108	107
<i>of which:</i> number of MySuper products with a lifecycle strategy	30	31	31	31	31
Number of lifecycle stages	231	237	237	237	237
Number of entities offering a MySuper product	96	94	93	93	92
Proportion of entities offering a MySuper product	48%	48%	48%	48%	47%
Number of entities offering more than one MySuper product	6	7	7	6	6

Explanatory notes

Background

The *Quarterly Superannuation Performance* publication was revised to incorporate changes to the superannuation reporting framework arising from the Stonger Super reporting reforms, with the enhanced publication commencing from the March 2015 edition. Details of the consultation on the changes, including APRA's response to submissions, can be found on APRA's website at:

<http://www.apra.gov.au/Super/Pages/superannuation-consultation-packages-archived.aspx>

Structure

The Quarterly Superannuation Performance publication comprises statistics on two different populations of superannuation entities. From September 2004 to June 2013, data are for entities that had at least \$50 million in assets in their prior year annual return and were not a small APRA fund or single member approved deposit fund. From September 2013 onwards, data are for all superannuation entities with more than four members. In the March 2018 quarter this captures 224 superannuation entities, comprising 205 APRA-regulated superannuation entities and 19 exempt public sector schemes.

However, entities with more than \$50 million in assets accounted for 99.7 per cent of assets held by superannuation entities with more than four members in June 2013. The time series in this publication therefore represents a sufficiently consistent population and can be used to compare data for the period from September 2004 to March 2018.

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 Accounts Act 1997*.

Changes in reporting framework

APRA released a new reporting framework in June 2013. For most RSEs, the first quarterly forms applied from the quarter ending September 2013 and the first annual forms to the year ending 30 June 2014. Therefore from September 2004 to June 2013, data was collected under the old reporting framework. From September 2013 onwards data is collected under the new reporting framework.

There have been a number of additional items included in this publication based on the new reporting framework, including data on aggregate investment allocation and additional MySuper data. Items that have had significant changes to their definitions between the old and new reporting frameworks have been shown with a series break, with the old item ending in June 2013 and the new items beginning in September 2013.

Fund type

The *Quarterly Superannuation Performance* publication includes segmentation of certain statistics by fund type (corporate, industry, public sector and retail). On 19 February 2015, APRA finalised the segmentation of superannuation statistics to be publicly released by APRA. Details are available in the paper Segmentation of superannuation entities at:

http://www.apra.gov.au/Super/Publications/Documents/1502_Segmentation_of_super_entities.pdf

Information on expenses and taxes

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 adopt different approaches to recognise future tax liabilities and assets, consistent with accounting standards.

Information on rate of return

The rate of return (ROR) represents the net earnings on superannuation assets and measures the combined earnings of a superannuation fund's assets across all its products and investment options.

ROR is calculated as net earnings after tax over cash flow adjusted net assets. Five year RORs are calculated as the geometric average of the most recent five year period (equivalent to the most recent twenty quarters).

For example, the five year annualised rate of return is calculated as:

$$5 \text{ year annualised ROR} = [(1 + \text{ROR}_{t-4}) \times (1 + \text{ROR}_{t-3}) \times (1 + \text{ROR}_{t-2}) \times (1 + \text{ROR}_{t-1}) \times (1 + \text{ROR}_t)]^{1/5} - 1$$

where t equals the current year-end.

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 performance and positions aggregate statistics as the information is not required to be reported as part of APRA's data collections.

Unless specified, all ratios stated have not been annualised.

In tables 1d, 2d, 3d, 4d, 5d and 6a the values of the top level asset classes may not equal the sum of the detailed component level asset classes. This is because some entities have not been able to source information on the asset domicile type and/or listing type of their investments and have reported 'Not applicable' for these items.



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