

MEDIA RELEASE

21 September 2009

SUPER FUNDS CONTINUE TO RALLY WITH THE SHARE AND PROPERTY MARKETS



Highlights (Median Balanced Option)*

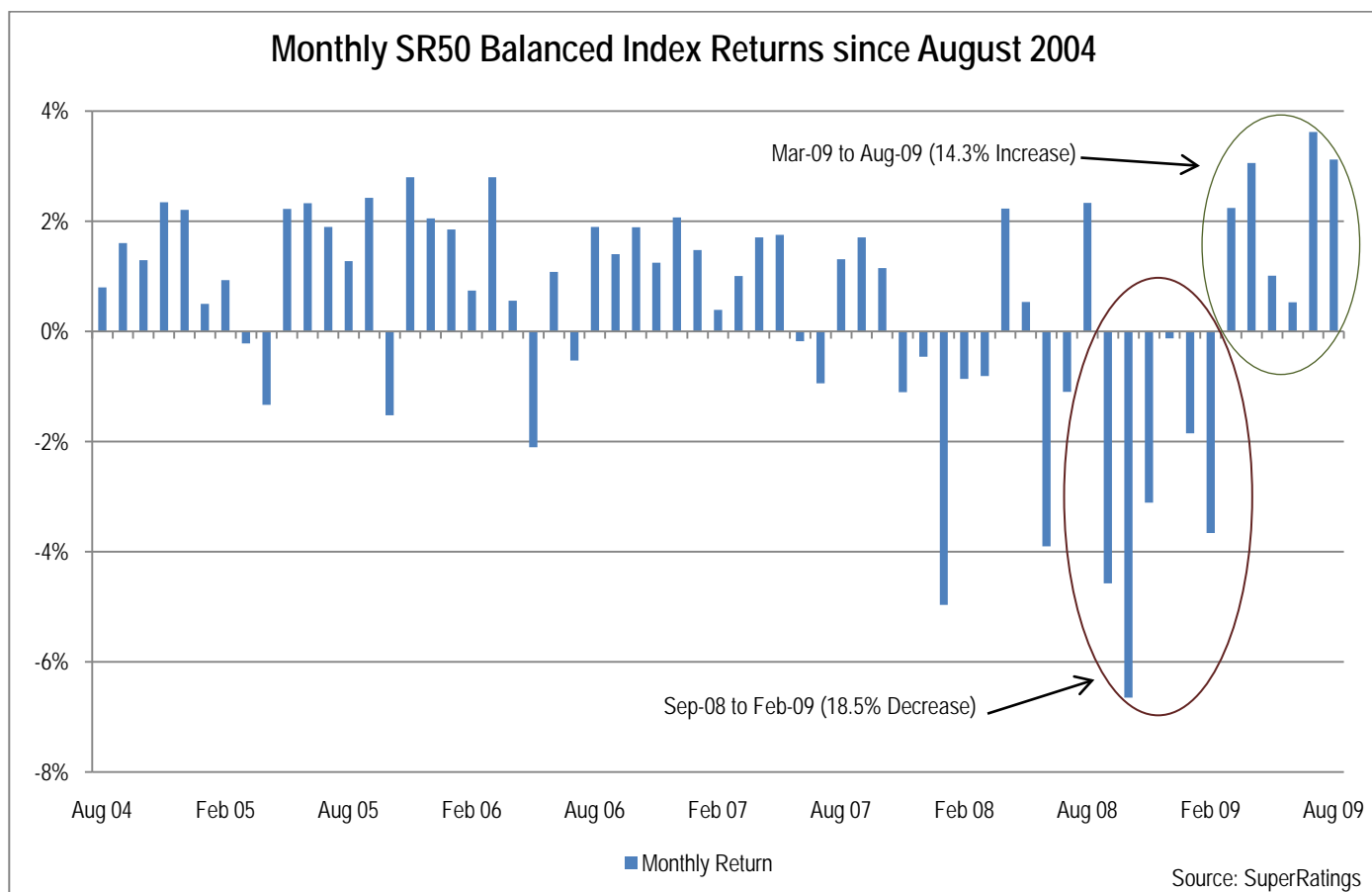
The month of August 2009	▲ 3.12%
3 Months ending 31 August 2009	▲ 7.49%
Financial year to 31 August 2009	▲ 6.80%
12 months ended 31 August 2009	▼ 7.93%
Rolling 3 year return to 31 August 2009	▼ 0.19% pa
Rolling 5 year return to 31 August 2009	▲ 5.41% pa
Rolling 7 year return to 31 August 2009	▲ 6.18% pa
Rolling 10 year return to 31 August 2009	▲ 5.40% pa

*Median Option refers to "balanced" option with exposure to growth style assets of between 60% and 76%. Approximately 80% of Australians in our major super funds are invested in their fund's default investment option which in most cases is the balanced investment option. Returns are net of fees and tax.

The surging Australian share market, including the listed property sector, sits behind a sustained superannuation fund rally which has now extended positive returns to the sixth straight month. This six month streak is the exact opposite to the previous six months, where six consecutive negative returns were recorded (see graph on page 2).

So, just as members receive their 2008/09 member statements, where balanced returns ranged from a best of minus 7.6% to a worst of minus 24.6%, the median fund has already recovered 6.8% in July and August alone. On a rolling 1 year basis (to the end of August), the median result is down just 7.9% whilst the 3 year rolling per annum result looks like it will finally break out of its negative position next month, with the result to the end of August holding at a marginal negative 0.19% per annum. So, with all of the doom and gloom of the past 2 years, are Australian superannuants out of the woods yet? The short answer is that for most pre-retirees they don't appear to be concerned, with just 3.3% of assets being moved from an aggressive portfolio to a more conservative portfolio in 2008. In contrast, retirees were much more active with over 12% of assets moving to conservative options in 2008. Retirees now hold around 14.5% of their super in cash options compared to just 3.7% for pre-retirees. So, in essence, these significant short term movements in markets certainly appear to be affecting retirees more so than those still generally apathetic pre-retirees, as poor market timing can significantly impact benefits.

As can be seen below, the six months from September 2008 to February 2009 inclusive yielded six consecutive negative returns, totaling losses of 18.5%. Since then, we have seen 6 consecutive positive months totaling gains of 14.3%. This continued volatility has no doubt played havoc with those who have tried to time movements in and out of cash and growth style assets.



What these continued gains have done however, is to bring many funds closer to their 5 year objective which for balanced option is traditionally somewhere between CPI + 3% or 3.5% per annum. The current 5 year rolling return is now CPI +2.7% or 5.4% per annum. The table below shows the highest and lowest results for the 12 months ended 31 August 2009 (taken from the respective SR Index for each option):

Option Type	Highest	Top Quartile	Median	Bottom Quartile	Lowest
Balanced (60%-76% Growth)	- 3.5%	- 5.8%	- 7.9%	- 10.4%	- 23.5%
Growth (77%-90% Growth)	- 3.3%	- 7.6%	- 9.1%	- 11.4%	- 18.4%
Australian Shares	2.9%	- 1.9%	- 5.0%	- 7.7%	- 15.6%
International Shares	- 4.8%	- 13.4%	- 15.9%	- 18.7%	- 26.5%
Capital Stable	2.8%	0.2%	- 1.1%	- 2.8%	- 18.2%
Property	- 5.1%	- 12.2%	- 24.4%	- 27.1%	- 32.9%
Cash	5.6%	4.0%	3.6%	2.9%	1.5%



TOP 10 BALANCED INVESTMENT OPTIONS* OVER LAST 5 YEARS

Fund and Option Description	5 years to 31 August 2009 per annum compound returns
1 OSF Super – Mix 70	+ 7.2 %
2 Catholic Super – Balanced	+ 7.2 %
3 Buss(Q) - Balanced Growth	+ 7.1 %
4 Local Super (SA/NT) – Growth Option	+ 6.6 %
5 Telstra Super Corp Plus - Balanced	+ 6.6 %
6 Cbus - Core Strategy	+ 6.5 %
7 NGS Super – Diversified	+ 6.5 %
8 AustralianSuper - Balanced Option	+ 6.5 %
9 CareSuper - Balanced	+ 6.5 %
10 Unisuper Accum (1) – Balanced	+ 6.4 %
Top Quartile	+ 6.2%
SuperRatings' Median Index	+ 5.4%
Bottom Quartile	+ 4.2%

*Balanced Fund Options with between 60% and 76% of assets in growth style investments.
All results are net of fees and tax. ^Interim Rate Returns.

Other key results in respect of the rolling three year results to 31 August 2009 include:

Growth Options SuperRatings Index	- 1.6% p.a.
Australian Share Options SuperRatings Index	1.2% p.a.
International Share Options SuperRatings Index	- 8.3% p.a.
Property Options SuperRatings Index	-10.4% p.a.
Capital Stable Options SuperRatings Index	+ 2.4% p.a.
Cash Options SuperRatings Index	+ 4.7% p.a.

Other key results in respect of the rolling five year results to 31 August 2009 include:

Growth Option SuperRatings Index	+ 5.1% p.a.
Australian Share Option SuperRatings Index	+ 9.4% p.a.
International Share Option SuperRatings Index	- 0.8% p.a.
Property Option SuperRatings Index	- 1.3% p.a.
Capital Stable Option SuperRatings Index	+ 5.1% p.a.
Cash Option SuperRatings Index	+ 4.7% p.a.

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 5 performing funds together with the medians over all time periods for the following investment options:

Balanced	Conservative Balanced
Growth	High Growth
Australian Shares	Secure
International Shares	Diversified Fixed Interest
Capital Stable	Cash
Property	

RELEASE ENDS

SUPERRATINGS

To encourage and where necessary create disclosure within the Superannuation industry.



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More Info?? Simply go to our website
www.superratings.com.au

Click on "Latest Investment Returns" to view the various tables. The "SuperRatings' Index" as shown in the tables is the median result of the largest funds. We welcome any Media enquiries regarding any of the information held on our database and where possible we will provide customised tables/graphs for your use.

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