

MEDIA RELEASE

24 August 2009

NEW FINANCIAL YEAR STARTS ON A HIGH - FIFTH STRAIGHT MONTH OF POSITIVE RETURNS



Highlights (Median Balanced Option)*

The month of July 2009	▲ 3.62%
3 Months ending 31 July 2009	▲ 5.19%
Financial year to 31 July 2009	▲ 3.62%
12 months ended 31 July 2009	▼ 8.64%
Rolling 3 year return to 31 July 2009	▼ 0.55% pa
Rolling 5 year return to 31 July 2009	▲ 5.00% pa
Rolling 7 year return to 31 July 2009	▲ 5.94% pa
Rolling 10 year return to 31 July 2009	▲ 5.14% 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 2009/2010 financial year started on a high for super members with July posting the fifth straight month of positive returns. This is a strong positive result for superannuants as their account balances slowly start to recover the losses that have previously been suffered.

Super members will soon start receiving their 30 June 2009 member statements from their funds and it will not be pretty reading with all members, except those that were in Cash options, receiving a hefty negative return. However, it is very important for these members to note the recent performance of their fund. In the past 5 months, the median Balanced option has added 10.87% and over 5 years the median Balanced option has returned 5.0% pa. For those members in an Australian Shares option, the median return has been an astonishing 27.4% over the last 5 months as the Australian sharemarket has started to recover from record losses of 2008 and 2009.



TOP 10 BALANCED INVESTMENT OPTIONS* OVER LAST 5 YEARS



Fund and Option Description	5 years to 31 July 2009 per annum compound returns
1 OSF Super – Mix 70	+ 6.8 %
2 Buss(Q) - Balanced Growth	+ 6.7 %
3 Catholic Super – Balanced	+ 6.7 %
4 Cbus - Core Strategy	+ 6.2 %
5 NGS Super – Diversified	+ 6.0 %
6 Local Super (SA/NT) – Growth Option	+ 6.0 %
7 AustralianSuper - Balanced Option	+ 6.0 %
8 Unisuper Accum (1) – Balanced	+ 6.0 %
9 Telstra Super Corp Plus - Balanced	+ 6.0 %
10 HOSTPLUS – Balanced	+ 5.9 %
Top Quartile	+ 5.7%
SuperRatings' Median Index	+ 5.0%
Bottom Quartile	+ 3.7%

*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.

The table below shows the highest and lowest results for the 12 months ended 31 July 2009 (taken from the respective SR Index for each option):

Option Type	Highest	Top Quartile	Median	Bottom Quartile	Lowest
Balanced (60%-76% Growth)	- 3.7%	- 6.7%	- 8.6%	- 11.0%	- 22.6%
Growth (77%-90% Growth)	- 3.8%	- 8.0%	- 9.9%	- 12.5%	- 17.4%
Australian Shares	- 0.3%	- 5.3%	- 7.7%	- 9.9%	- 17.0%
International Shares	- 5.1%	- 11.3%	- 14.6%	- 18.1%	- 23.7%
Capital Stable	3.0%	- 0.3%	- 1.7%	- 3.1%	- 17.5%
Property	- 4.9%	- 13.6%	- 28.9%	- 31.9%	- 36.7%
Cash	5.7%	4.3%	4.0%	3.2%	1.7%



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

Growth Options SuperRatings Index	- 2.0% p.a.
Australian Share Options SuperRatings Index	0.0% p.a.
International Share Options SuperRatings Index	- 8.2% p.a.
Property Options SuperRatings Index	-11.8% p.a.
Capital Stable Options SuperRatings Index	+ 2.2% p.a.
Cash Options SuperRatings Index	+ 4.8% p.a.

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

Growth Option SuperRatings Index	+ 4.5% p.a.
Australian Share Option SuperRatings Index	+ 8.4% p.a.
International Share Option SuperRatings Index	- 1.5% p.a.
Property Option SuperRatings Index	- 3.0% p.a.
Capital Stable Option SuperRatings Index	+ 4.8% p.a.
Cash Option SuperRatings Index	+ 4.8% p.a.

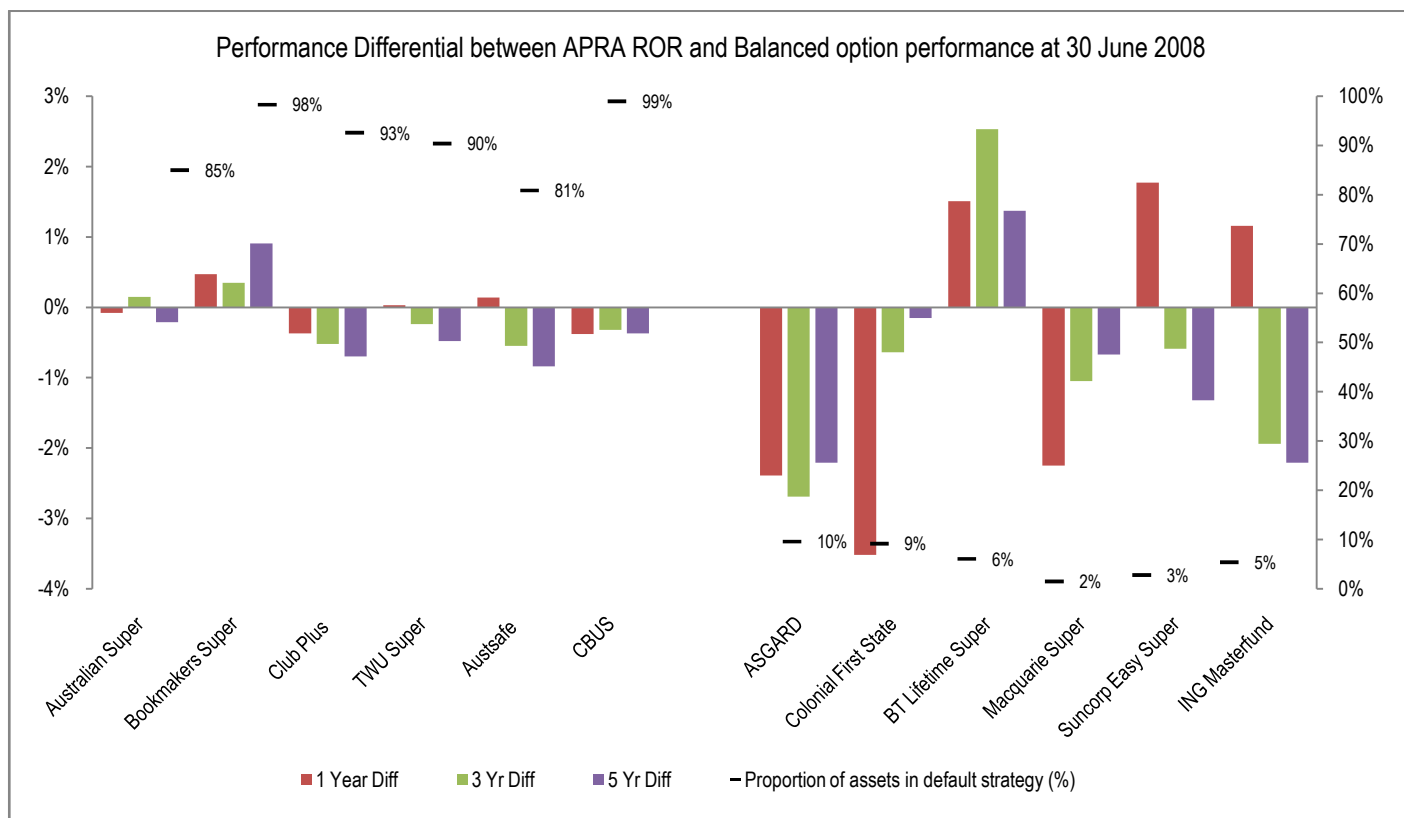
Comparison between APRA's Return on Asset and Default/Balanced option performance

Much was said last week about APRA's release of whole of fund performance information. Our opinion is that although it was a quality release of detailed information, it cannot, and should not, be used as a meaningful tool to compare super fund investment performance. The APRA tables completely ignore the huge variances in investment strategies and objectives held by the funds, risk profiles (options) selected by members and distorts performance where a fund has a significant number of investment options on offer.

APRA's release noted that, "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." Unfortunately, there are only a handful of funds in the table that have an individual investment strategy. The overwhelming majority of funds have a myriad of formal investment strategies designed for completely contradictory outcomes depending on the needs, risk profile and demographic of their members. The aggregating of the performance of these strategies to determine a rate of return has led to completely meaningless performance data.

APRA point to this issue in their release, "Many trustees provide individual members with the choice of a wide range of investment options and superannuation products, with different investment goals. APRA's statistics are not designed to provide individual members with information to compare the investment options offered." But investment options are what members choose...not whole of fund performance! Further, to include an entire Capital Guaranteed Fund (AMP Eligible Rollover Fund) in a table with a fund with 471 investment options (Colonial First State) and suggest that the performance of these two funds can be compared enhances the misleading nature of these tables for retail consumption.

The following chart highlights the difference between the fund performance calculated by APRA and the default option return for the same period for a selection of 12 funds (LHS). As can be seen, for funds that do not have a dominant default option the APRA return is widely different from the default option return and hence would not reflect the experience of members within the fund.



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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