

MEDIA RELEASE

26 May 2010

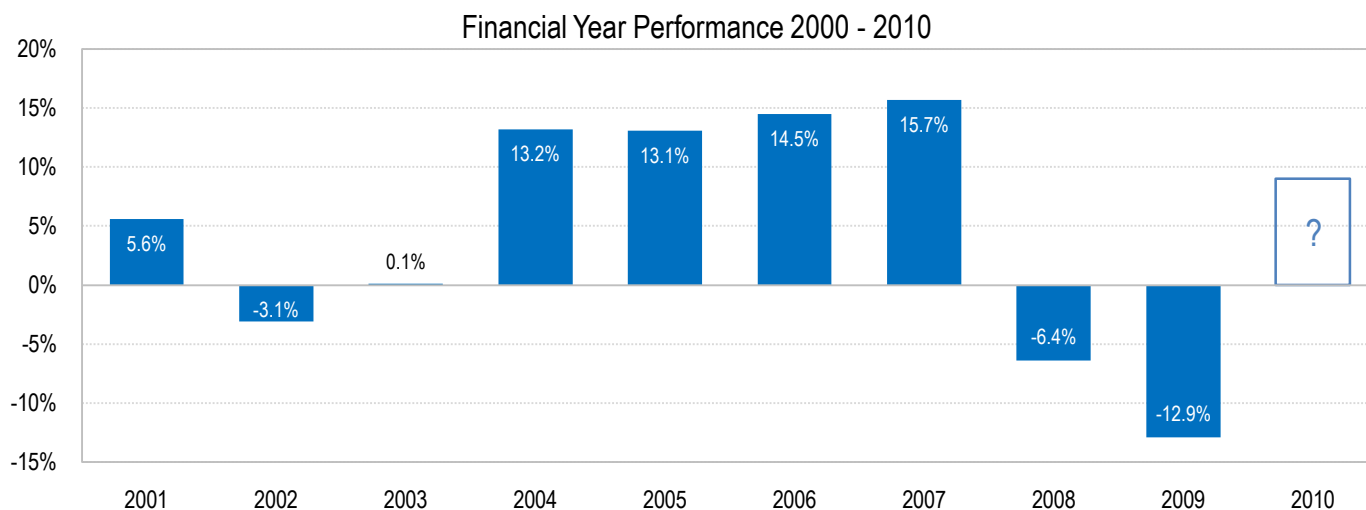
APRIL NUMBERS MASK MAY SUPER WOES AND VOLATILITY



Highlights (Median Balanced Option)*

Current for May 2010	▼ 4.10% estimate
The month of April 2010	▼ 0.08%
3 Months ending 30 April 2010	▲ 3.74%
Financial year to 30 April 2010	▲ 13.86% (estimated 9.8% as at 26 May)
12 months ended 30 April 2010	▲ 15.61%
Rolling 3 year return to 30 April 2010	▼ 1.98% pa
Rolling 5 year return to 30 April 2010	▲ 5.15% pa
Rolling 7 year return to 30 April 2010	▲ 6.99% pa
Rolling 10 year return to 30 April 2010	▲ 5.31% pa

*Median Option refers to "balanced" option with exposure to growth style assets of between 60% and 76%. Over 70% of Australians in our major employer sponsored 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.



Source: SuperRatings

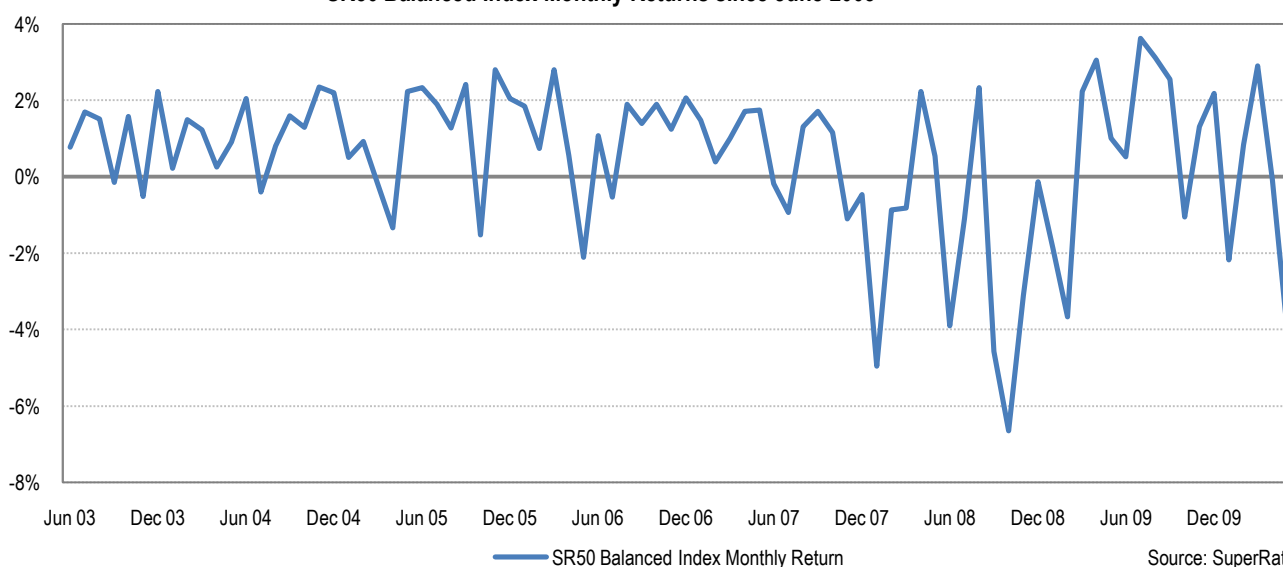
A key upshot of the Global Financial Crisis is that typical Australian super investors in balanced options are having to cope with more investment volatility than ever before. As super funds are intrinsically linked to listed share markets around the world, the incredibly volatile world markets have translated straight through to super fund returns, with the typical 2% monthly swings in returns between 2003 and 2007 being replaced repeatedly with 3% to 6% swings (see graph below) in just one month.

May is yet again another example of the ongoing volatility in a typical balanced option. Whilst Australian super funds did little in April with just a 0.1% loss (and a resultant financial year to date gain of 13.9%) May has the potential to pull the year to date result below 10% with the month to date loss estimated to be 4% as of today. However, whilst the volatility continues to increase, super funds continue to show surprisingly good long term resilience to the Global Financial Crisis, with the 5 and 7 year performance sitting strongly at 5.2% and 7.0% per annum respectively.

All of this lends itself to the old adage, don't worry about short terms results and look at the 5 to 7 year performance only. Which is fine and very true if you're not transacting on your super fund account. However, this increased volatility is critical for those seeking to switch funds or investment options within funds. The statutory maximum period for switching between funds is 30 days and in many cases switching between options within funds can also be 30 days. Both of these time delays could easily result in active Australian investors seeing significant losses on their super through no fault of their own. A 6% monthly swing could mean a difference of \$18,000 on a \$300,000 account balance. This in some cases will translate to a typical full year's income once someone is in a retirement phase. So for consumers, it is essential that if they are looking to transact on their super fund, they make sure they understand the terms. Some funds will switch investments in 24 hours, whilst others will take 30 days. The difference could be significant.

So, with this increased volatility, it will be interesting to see whether super funds themselves will seek to reduce the level of risk held within their default options or whether they will seek to stick with the more volatile, yet potentially higher performing strategies of between 60% to 80% of assets in growth style assets, that have historically served them so well.

SR50 Balanced Index Monthly Returns since June 2003





The table below shows just how varied the levels of performance have been by funds over the past 12 months, with some Balanced and Capital Stable options failing to capitalise on the upturn in the markets over this period.

BEST AND WORST FUND OPTION PERFORMANCE OVER LAST 12 MONTHS

Option Type	Highest	Top Quartile	Median	Bottom Quartile	Lowest
Balanced (60%-76% Growth)	22.1%	18.0%	15.6%	13.2%	0.2%
Growth (77%-90% Growth)	25.4%	22.0%	18.6%	16.5%	12.3%
Australian Shares	37.4%	31.9%	29.9%	28.9%	20.8%
International Shares	28.3%	19.5%	13.4%	7.2%	3.6%
Capital Stable	16.1%	12.3%	11.0%	9.4%	1.7%
Property	48.9%	33.8%	18.2%	- 0.4%	- 9.6%
Cash	5.7%	3.7%	3.1%	2.9%	1.2%

The top performing balanced investment options over the past five years have been:

TOP 10 BALANCED INVESTMENT OPTIONS* OVER LAST 5 YEARS

Fund and Option Description	5 years to 30 April 2010 per annum compound returns
1 OSF Super – Mix 70	+ 7.3 %
2 Buss(Q) - Balanced Growth	+ 6.9 %
3 NGS Super – Diversified	+ 6.8 %
4 Catholic Super – Balanced	+ 6.6 %
5 Telstra Super Corp Plus - Balanced	+ 6.6 %
6 Club Plus Super - Balanced Option	+ 6.4 %
7 AustralianSuper – Balanced Option	+ 6.3 %
8 Cbus - Core Strategy	+ 6.3 %
9 Local Super – Growth Option	+ 6.3 %
10 CareSuper - Balanced	+ 6.2 %
Top Quartile	+ 6.0%
SuperRatings' Median Index	+ 5.2%
Bottom Quartile	+ 3.9%

*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.

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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