

Question No.	Member	Question	Response										
AS129QON	Mulino	Estimate how much extra, in dollar terms, would the average income earner have in their retirement balance, based on your MySuper product account performance versus the median?	<p>Analysis as follows:¹</p> <table border="1"> <thead> <tr> <th>Returns</th> <th>Return % pa</th> <th>42 Year Working Life²</th> </tr> </thead> <tbody> <tr> <td>AustralianSuper³</td> <td>8.50 %</td> <td rowspan="3" style="text-align: center;">\$316,000</td> </tr> <tr> <td>Median Fund⁴</td> <td>7.07 %</td> </tr> <tr> <td>Investment Return Differential</td> <td>1.43%</td> </tr> </tbody> </table> <p>For the average earner, the difference in performance between AustralianSuper and the median fund is an additional \$316,000 (results in today's dollars) in their retirement savings as a result of the Fund's outperformance.</p>	Returns	Return % pa	42 Year Working Life ²	AustralianSuper ³	8.50 %	\$316,000	Median Fund ⁴	7.07 %	Investment Return Differential	1.43%
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		What's the impact of fees having come down on the retirement balance of an average earner?	<p>Analysis as follows:</p> <table border="1"> <thead> <tr> <th colspan="2">Fees Differential</th> <th rowspan="2" style="text-align: center;">\$105,000</th> </tr> </thead> <tbody> <tr> <td>AustralianSuper (2009 fees)</td> <td>8.03%⁵</td> </tr> </tbody> </table> <p>For the average earner, the reduction in fees has resulted in projected member retirement account balances being \$105,000 higher (in today's dollars).</p>	Fees Differential		\$105,000	AustralianSuper (2009 fees)	8.03% ⁵					
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¹ General assumptions:

- Member commences at age 25 with a zero-account balance
- Salaries increase at 3.5%pa
- AustralianSuper admin fees (\$2.25 per week and 4bps of assets PYS Fee)
- SG contributions increasing from 9.5% to 12% of salary in line with future legislated increases
- Retirement at age 67
- No career breaks (full time participation), and member remains in one fund throughout
- Results expressed in today's dollars by discounting at the assumed salary increase rate of 3.5%pa

² Based on the scenario of a member over a full working lifetime with no career breaks from age 25 to 67, being a 42-year working life

³ We have used 10-year returns (net of investment fees and tax) as recently disclosed in SuperRatings' October 2020 report, being #1 - Over 10 years to 31 October 2020 (8.50% p.a., 143bp above the median).

⁴ The Median fund returned 7.07% pa (net of investment fees and taxes) to 31 October 2020, being 143bps below the AustralianSuper return

⁵ In 2009, MER = 84 basis points; Administration fee of \$1.50 per week. In 2020, MER = 37 basis points; Administration fee of \$2.25 per week. The basis point difference is 84 - 37 = 47bps. To model the impact of this reduction, we assume that if the fee had not reduced AustralianSuper's long term return would be 47bps lower = 8.50% less 0.47% = 8.03%pa. We also model on an admin fee of \$1.50 per week (as this applied in 2009), and no 4bps PYS Fee (as this did not apply in 2009).