

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

1 June – 3 June 2010

Question: BET 87

Topic: Subprime Financial Crisis – Fund Rankings

Hansard Page: E13 (03/06/2010)

Senator BUSHBY asked:

Senator BUSHBY—In terms of the top quartile performance of large or large-ish funds, has there been any major movement in their ranking because they have had to bring to book major losses in their unlisted assets in particular?

Mr Chapman—We would have to take that on notice to give you a detailed answer.

Answer:

APRA's current statistical collection does not allow it to provide a definitive answer to this question. However, APRA's *Superannuation Fund-level Rates of Return* publication provides a summary of whole-of-fund rates of return, including three-year and five-year rates of return (ROR), of the 200 largest funds by asset size and eligible rollover funds. Tables 1 and 2 list the funds with the five highest and five lowest five-year per annum ROR to June 2009 and June 2008, respectively. Table 3 lists the five largest positive and five largest negative movements in position when the largest 200 funds are sorted by five-year per annum ROR to June 2008 and June 2009.

It is important to note that funds may have more than one default strategy, in which instance the largest default strategy is generally reported. Where there is no default strategy, funds may report the strategy of the largest option or the strategy of the whole fund. Unlisted assets may be reported in any category; however, funds generally report these assets in the 'Unlisted property' and 'Other' categories. 'Other' can also include assets in alternative investments such as hedge funds and assets not included in any other categories.

Table 1 - Five-year per annum ROR to June 2009

Fund name	Fund type	Per annum ROR (%)	Total assets (\$ million)	Proportion of total assets in default strategy (%)	Asset allocation of default strategy							
					Australian Equities (%)	International Equities (%)	Listed Property (%)	Unlisted Property (%)	Australian Fixed Interest (%)	International Fixed Interest (%)	Cash (%)	Other (%)
Highest ROR												
Goldman Sachs JBWere Superannuation Fund	Corporate	9.6	208.5	99.2	60.4	18.9	3.9	0.0	12.8	0.0	0.6	3.5
Worsley Alumina Superannuation Fund	Corporate	6.8	166.5	32.6	47.7	21.6	17.8	0.0	11.0	0.0	1.9	0.0
Officers' Superannuation Fund	Corporate	6.3	6,243.5	25.8	28.0	23.0	0.0	12.0	30.0	0.0	0.0	7.0
Australia Post Superannuation Scheme	Public Sector	6.2	5,717.5	17.9	0.0	0.0	0.0	0.0	0.0	0.0	100.0	0.0
Catholic Superannuation Fund	Industry	6.1	2,572.5	65.2	33.0	24.0	0.3	11.7	15.0	0.0	5.0	11.0
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Lowest ROR												
Tower Superannuation Fund	Retail	0.9	536.9	63.2	47.1	30.3	8.8	0.0	0.2	9.7	4.0	0.0
Australian Eligible Rollover Fund	Retail - ERF	0.6	816.2	97.7	24.2	19.3	10.6	0.0	9.6	9.9	11.2	15.3
Oasis Superannuation Master Trust	Retail	0.4	2,986.6	0.9	0.0	0.0	0.0	0.0	0.0	0.0	100.0	0.0
Premiumchoice Retirement Service	Retail	0.4	297.4	7.1	0.0	0.0	0.0	0.0	86.1	0.0	13.9	0.0
Pinnacle Superannuation Fund	Retail	-0.4	373.8	9.5	13.9	6.6	5.2	24.6	15.6	15.6	3.5	15.0

Table 2 - Five-year per annum ROR to June 2008

Fund name	Fund type	Per annum ROR (%)	Total assets (\$ million)	Proportion of total assets in default strategy (%)	Asset allocation of default strategy							
					Australian Equities (%)	International Equities (%)	Listed Property (%)	Unlisted Property (%)	Australian Fixed Interest (%)	International Fixed Interest (%)	Cash (%)	Other (%)
Highest ROR												
Goldman Sachs JBWere Superannuation Fund	Corporate	14.0	237.3	98.5	60.2	12.8	3.2	0.0	21.0	0.0	0.1	2.6
MTAA Superannuation Fund	Industry	12.8	6,275.0	87.3	26.5	24.5	0.0	0.0	0.0	0.0	1.0	48.0
Australia Post Superannuation Scheme	Public Sector	12.5	6,884.8	11.9	0.0	0.0	0.0	0.0	0.0	0.0	100.0	0.0
National Australia Bank Group Superannuation	Corporate	11.5	3,102.6	62.5	32.2	21.2	0.0	17.2	5.7	9.0	2.4	12.5
Officers' Superannuation Fund	Corporate	11.2	6,978.9	23.8	28.0	23.0	0.0	12.0	30.0	0.0	0.0	7.0
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Lowest ROR												
Ford Employees Superannuation Fund	Corporate	3.9	387.2	82.6	35.4	24.4	3.1	0.0	15.5	20.5	1.1	0.0
National Preservation Trust	Retail - ERF	3.9	374.3	92.7	7.7	8.3	5.9	0.0	30.2	10.2	37.7	0.0
National Mutual Tailored Superannuation Fund	Retail	3.8	594.0	41.1	0.0	0.0	0.0	0.0	35.1	0.0	33.3	31.7
Tower Master Fund	Retail	3.7	445.2	7.5	27.0	14.1	8.0	0.0	20.3	14.9	15.7	0.0
Macquarie ADF Superannuation Fund	Retail	3.3	812.4	100.0	0.0	0.0	0.0	0.0	99.8	0.0	0.2	0.0

Source: APRA's *Superannuation Fund-level Rates of Return* publication, issued March 2010.

Table 3 - Funds with the largest movement in position when largest 200 are sorted by five-year per annum ROR

Position to June 2008	Position to June 2009	Fund name	Fund type	Per annum ROR (%)	Total assets (\$ million)	Proportion of total assets in default strategy (%)	June 2009							
							Asset allocation of default strategy							
							Australian Equities (%)	International Equities (%)	Listed Property (%)	Unlisted Property (%)	Australian Fixed Interest (%)	International Fixed Interest (%)	Cash (%)	Other (%)
Largest positive movement in position														
181	37	Challenger Retirement Fund	Retail	4.5	360.2	0.0	DNR	DNR	DNR	DNR	DNR	DNR	DNR	DNR
175	34	Newcastle Permanent Superannuation Plan	Retail	4.6	197.3	94.9	0.0	0.0	0.0	0.0	0.0	0.0	100.0	0.0
186	57	AMP Eligible Rollover Fund	Retail - ERF	4.1	1,463.7	100.0	6.0	0.0	0.0	0.0	0.0	27.0	0.0	67.0
191	84	Macquarie ADF Superannuation Fund	Retail	3.4	733.3	100.0	0.0	0.0	0.0	0.0	99.7	0.0	0.3	0.0
166	81	SuperTrace Eligible Rollover Fund	Retail - ERF	3.5	1,491.4	99.9	8.6	6.9	6.9	2.4	22.3	15.5	34.6	2.8
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Largest negative movement in position														
83	144	OAMPS Super Fund	Retail	2.1	243.5	70.8	37.0	25.0	2.3	6.8	4.2	3.8	16.0	5.0
29	95	Boc Gases Superannuation Fund	Corporate	3.1	425.8	83.4	30.0	31.0	12.0	0.0	4.0	5.0	3.0	15.0
2	69	MTAA Superannuation Fund	Industry	3.7	5,195.6	81.0	16.3	13.7	0.0	14.2	0.7	0.7	1.9	52.6
49	120	Local Government Superannuation Scheme - Pool B	Public Sector	2.6	2,495.0	77.3	33.8	30.4	3.1	0.0	1.8	2.6	4.4	23.9
18	112	Westscheme	Industry	2.8	2,569.0	86.9	26.0	15.5	0.0	0.0	3.5	1.5	8.5	45.0

Note: DNR - Did not report

Source: APRA's *Superannuation Fund-level Rates of Return* publication, issued March 2010.