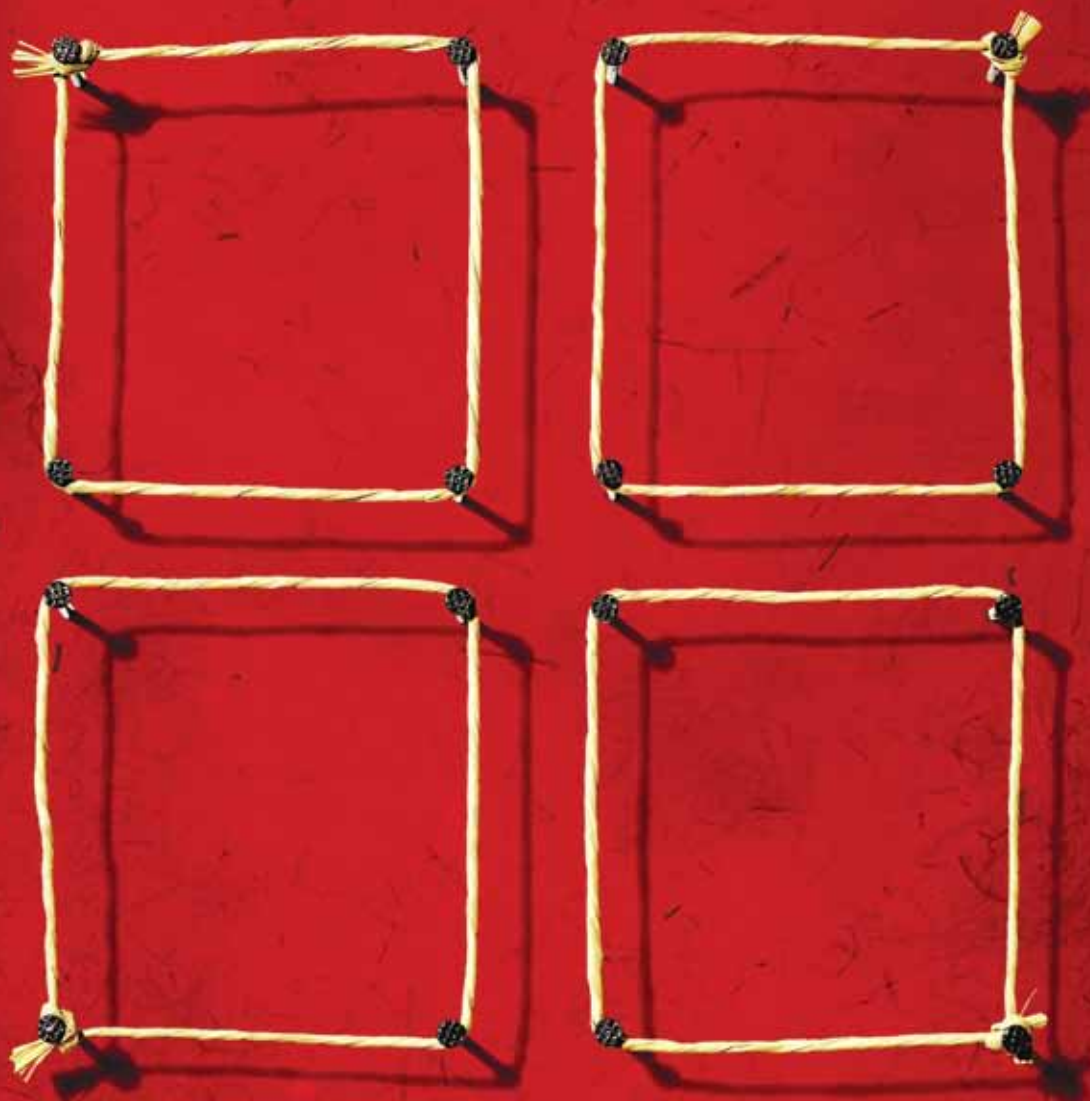




Statistics

Quarterly Superannuation Performance

March 2012 (issued 7 June 2012)



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Forthcoming issues

This publication will be released according to the timetable published on the APRA website.

Revisions

Updated data for the December 2011 quarter have been included in this publication.

The Australian Taxation Office (ATO) has also revised self-managed superannuation fund data from June 2009.

Notation

Except where indicated, amounts are expressed in millions of Australian dollars. Both the Australian dollar denominated transactions and the Australian dollar equivalent of foreign-currency denominated transactions are included.

The symbol ' * ' indicates that the data have been masked to maintain confidentiality.

Rounding

Details on tables may not add up to totals due to rounding of figures.

Full time series

The PDF version of the *Quarterly Superannuation Performance* contains data from the past five quarters. The full time series from December 2004 is available in the Excel version which can be viewed by ungrouping the columns.

Explanatory notes and glossary

A set of explanatory notes is provided at the end of the publication to assist the reader in understanding the source and definitions of the data.

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Important notice

APRA's superannuation statistics provide policymakers, regulators, trustees and the community with information to assess the overall performance of the superannuation system.

APRA's quarterly and annual statistics provide data on earnings performance, fees, expenses and taxes. APRA's annual publication also provides data on membership profile, the number of investment options offered, the assets in the default investment option, and the composition of the default investment option.

Information on rate of return

The rate of return (ROR) represents the net earnings of superannuation assets towards funding members' benefits, primarily for retirement.

The ROR measures the combined earnings of a superannuation fund's assets across all its products and investment options. The *Superannuation Industry (Supervision) Act 1993* (SIS Act) requires that superannuation trustees formulate, and give effect to, an investment strategy that has regard to the whole of the circumstances of the superannuation fund and is in the best interest of its members. 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.

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. The Australian Securities and Investment Commission's MoneySmart website (www.moneysmart.gov.au) provides guidance on how to compare superannuation investment options and links to other sources of information for this purpose.

Highlights

Industry overview

Total estimated superannuation assets increased to \$1.38 trillion in the March 2012 quarter. Over the 12 months to March 2012 there was a 3.6 per cent increase in total estimated superannuation assets.

During the March 2012 quarter, industry funds' assets increased by 7.3 per cent, corporate funds' assets increased by 6.4 per cent, public sector funds' assets increased by 6.3 per cent, retail funds' assets increased by 5.2 per cent and self-managed superannuation funds' assets increased by 4.9 per cent.

At 31 March 2012, self-managed superannuation funds held the largest proportion of superannuation assets accounting for 30.3 per cent of assets, followed by retail funds with 27.4 per cent of total assets. Industry funds accounted for 19.2 per cent of total assets, public sector funds 15.9 per cent and corporate funds 4.1 per cent. Small APRA funds held 0.1 per cent of total assets.

Entities with at least \$50 million in assets

The analysis and comments below are based on superannuation entities with at least \$50 million in assets as at the end of their previous year of income.

Contributions, rollovers and benefit payments

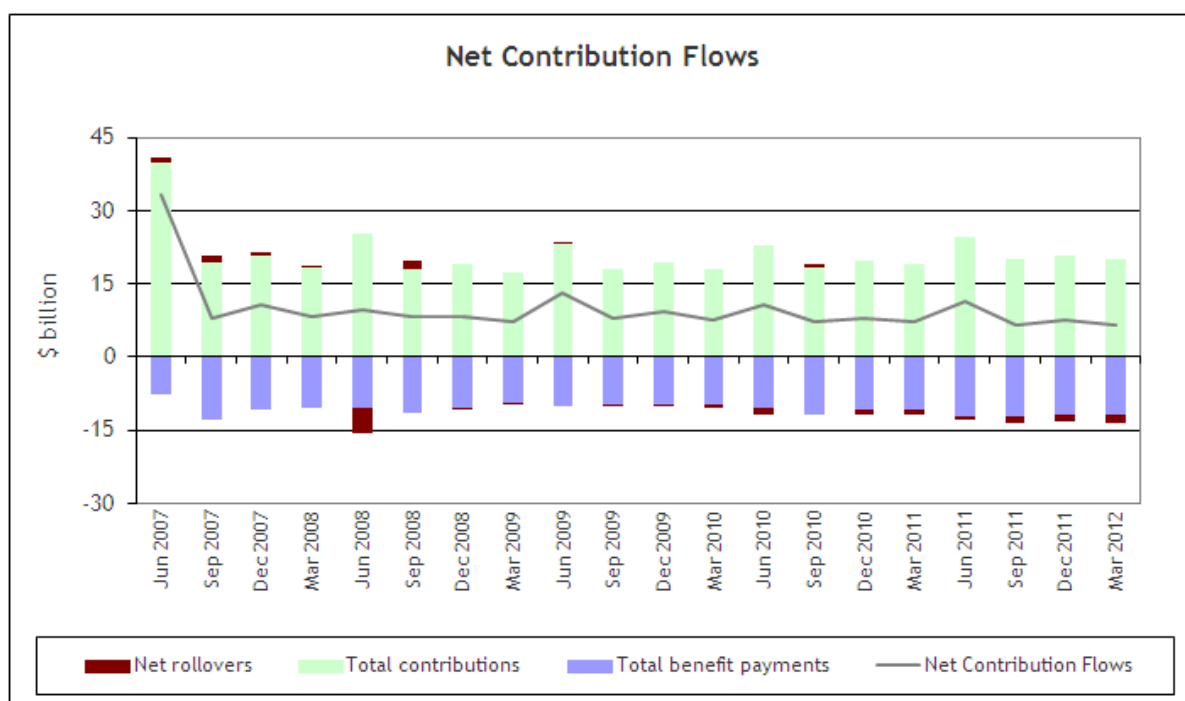
There were \$20.1 billion of contributions in the March 2012 quarter, comprising \$6.6 billion to industry funds, \$6.5 billion to public sector funds, \$6.3 billion to retail funds and \$0.9 billion to corporate funds.

During the quarter, 84.1 per cent (\$16.9 billion) of contributions was from employers, while member contributions accounted for 15.3 per cent (\$3.1 billion) of total contributions. Other contributions, which include spouse contributions and government co-contributions, accounted for 0.7 per cent (\$137 million) of total contributions.

Over the March 2012 quarter, industry, corporate, public sector and retail funds had negative net rollovers of \$17 million, \$342 million, \$698 million and \$839 million respectively. Total benefit payments during the quarter was \$11.9 billion.

Net contribution flows (contributions plus net rollovers less benefit payments) totalled \$6.4 billion in the March 2012 quarter.

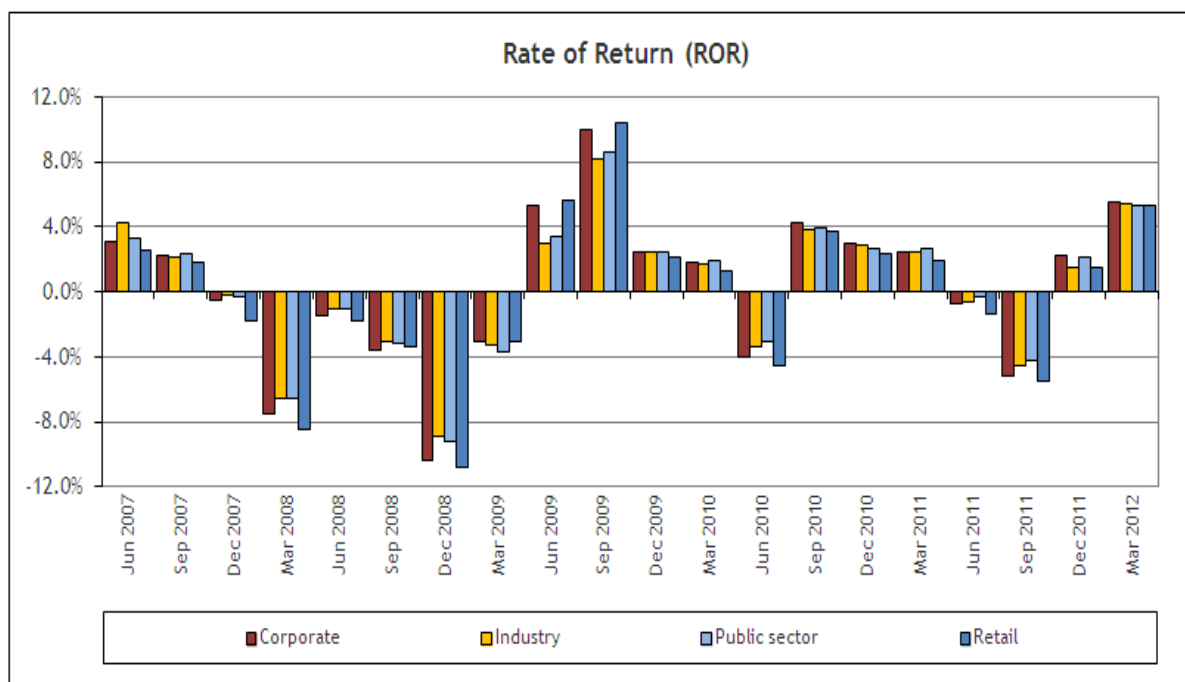
The graph below shows the composition of net contribution flows for each quarter from June 2007 to March 2012.



Financial performance and assets

The quarterly rate of return (ROR) for the March 2012 quarter was 5.4 per cent. The quarterly rate of return for corporate funds was 5.5 per cent, industry funds 5.4 per cent, retail funds 5.3 per cent and public sector funds 5.3 per cent.

The graph below shows the ROR for each quarter from June 2007 to March 2012.



At the end of the March 2012 quarter, 25.3 per cent of superannuation assets were invested in wholesale trusts, 25.2 per cent were held in individually managed mandates and 17.2 per cent were invested in life office funds. Of the remaining assets, 9.5 per cent were directly invested and 8.9 per cent were held in pooled superannuation trusts. 7.2 per cent were in other investments, which includes funds placed with overseas investment managers and leased assets and 5.7 per cent were held in unlisted public offer unit trusts. The remaining 0.9 per cent of assets were held in receivables and deferred tax assets.

Public sector and industry funds held the largest portion of their assets in individually managed mandates. Retail funds held the largest portion of their assets in life office funds. Corporate funds had the largest portion of their assets in wholesale trusts.

Key statistics

Superannuation industry quarterly estimates

	Assets (\$ billion)					Number of entities				
	Mar 2011	Jun 2011	Sep 2011	Dec 2011	Mar 2012	Mar 2011	Jun 2011	Sep 2011	Dec 2011	Mar 2012
<i>By fund type</i>										
Corporate	62.7	58.4	53.9	53.6	57.0	146	143	139	128	123
Industry	257.3	250.7	241.8	246.7	264.5	61	61	60	58	56
Public sector	191.9	210.6	200.9	205.2	218.1	39	39	39	39	39
Retail	369.4	369.7	352.4	358.1	376.9	143	143	143	137	136
Sub total	881.2	889.5	849.1	863.5	916.5	389	386	381	362	354
Pooled superannuation trusts	86.3	86.8	88.5	90.3	95.8	77	77	73	70	67
Small APRA funds	2.0	2.0	2.0	2.0	2.0	3,521	3,519	3,497	3,191	3,199
Single-member ADFs	0.0	0.0	0.0	0.0	0.0	92	91	89	74	74
Self-managed super funds ^a	404.4	405.6	388.8	396.9	416.4	435,004	442,076	452,349	461,039	468,133
Balance of life office statutory funds	41.1	35.9	39.6	40.5	41.2					
Total ^b	1,328.7	1,333.1	1,279.5	1,302.9	1,376.1	439,083	446,149	456,389	464,736	471,827
Retirement savings accounts	1.5	1.6	1.6	1.7	1.7	9	9	9	9	9

Asset figures for March 2012, December 2011 and September 2011 are estimated by applying June 2011 coverage ratios and growth rates. Asset figures for March 2011 are estimated by applying June 2010 coverage ratios. Growth rates for 2010-2011 have been applied to APRA-regulated small funds.

The number of superannuation entities is accurate as at the end of the reporting period. These data include registered registrable superannuation entities (RSEs) and unregistered RSEs. The unregistered RSEs are currently in the process of winding up or transferring trusteeship to an RSE Licensee.

^a Estimated data on self-managed superannuation funds are provided by the Australian Taxation Office (ATO).

^b Total assets does not include pooled superannuation trusts.

Coverage ratios used to estimate total assets

Entities with greater than four members

Growth rates 2010-2011

Other entities

	Jun 2011			Mar 2012			Growth rates 2010-2011			
	> \$50 million (actual)	All entities (actual)	Coverage ratio	> \$50 million (actual)	All entities (estimated)		Jun 2011 (actual)	Jun 2010 (actual)	Growth	Mar 2012 (estimated)
<i>By fund type (\$b)</i>						<i>By fund type (\$m)</i>				
Corporate	57.8	58.4	98.87%	56.3	57.0	Small APRA funds	1,999	1,969	1.5%	2,022
Industry	250.6	250.7	99.99%	264.5	264.5	Single-member ADFs	46	51	-10.2%	40
Public sector	210.6	210.6	99.98%	218.1	218.1					
Retail	367.9	369.7	99.50%	375.0	376.9					
Pooled superannuation trusts	86.0	86.8	99.06%	94.9	95.8					

Table 1a Financial performance by fund type

Entities with at least \$50 million in assets
March 2012
(\$ million)

	Corporate	Industry	Public sector	Retail	Total
Net assets at the beginning of the quarter	51,603	243,036	197,530	355,244	847,414
Contributions					
Employer	817	6,057	5,598	4,453	16,926
Member	52	438	831	1,751	3,072
Other	3	61	25	48	137
Total contributions	872	6,557	6,454	6,252	20,135
Contribution tax and surcharge	122	887	561	688	2,258
Rollovers					
Inward	201	2,261	869	8,225	11,556
Outward	543	2,278	1,567	9,064	13,453
Net rollovers	-342	-17	-698	-839	-1,896
Benefit payments					
Lump sums	202	2,005	1,479	3,020	6,706
Pensions	126	453	2,785	1,780	5,144
Total benefit payments	328	2,458	4,264	4,800	11,850
Net contribution flows	203	4,081	1,492	613	6,389
Death and disability insurance					
Total proceeds on insurance policies	19	267	51	225	561
Cost of member benefit insurance	25	440	94	586	1,145
Net flows	75	3,022	887	-436	3,547
Investment Income					
Investment income after doubtful debts	352	2,264	1,098	1,695	5,409
Total capital gains/losses on investments	2,751	12,481	9,817	17,933	42,981
Total investment income	3,103	14,745	10,915	19,628	48,391
Investment expenses					
Investment management and asset consultant fees	26	153	59	89	327
Custodian fees	3	16	9	5	32
Property maintenance costs	5	6	2	0	13
Other investment expenses	2	13	21	0	36
Total investment expenses	36	188	90	94	408
Net investment income	3,067	14,558	10,825	19,534	47,983
Operating expenses					
Management fees (non-investment)	6	16	2	236	260
Administration fees	23	226	89	301	639
Directors/trustees fees and expenses	1	19	1	100	121
Other operating expenses	4	36	24	41	105
Total operating expenses	34	297	116	677	1,125
Other income	1	16	23	51	91
Net earnings	3,034	14,277	10,732	18,907	46,949
Tax expense on earnings	172	1,111	204	-11	1,476
Net earnings after tax	2,861	13,165	10,528	18,918	45,472
Net operating performance after tax	2,936	16,187	11,415	18,482	49,020
Other changes	-40	0	0	0	-41
Net assets at the end of the quarter	54,499	259,222	208,945	373,726	896,393
Number of entities	54	53	38	85	230

Table 1b Financial performance - trends

Entities with at least \$50 million in assets
(\$ million)

	Quarter end					Year end Mar 2011	Year end Mar 2012
	Mar 2011	Jun 2011	Sep 2011	Dec 2011	Mar 2012		
Net assets at the beginning of the period	842,499	866,615	867,456	828,833	847,414	803,807	866,615
Contributions							
Employer	15,336	18,312	16,088	16,990	16,926	63,065	68,317
Member	3,391	5,998	3,690	3,217	3,072	15,621	15,978
Other	160	170	137	372	137	1,053	816
Total contributions	18,887	24,480	19,916	20,579	20,135	79,739	85,111
Contribution tax and surcharge	1,963	2,552	2,033	2,142	2,258	8,269	8,986
Rollovers							
Inward	17,899	31,763	25,282	12,096	11,556	73,704	80,697
Outward	18,953	32,661	26,409	13,472	13,453	76,472	85,995
Net rollovers	-1,054	-899	-1,127	-1,375	-1,896	-2,768	-5,298
Benefit payments							
Lump sums	6,061	6,713	7,113	6,444	6,706	24,713	26,976
Pensions	4,680	5,381	5,205	5,330	5,144	19,185	21,060
Total benefit payments	10,741	12,095	12,317	11,774	11,850	43,897	48,036
Net contribution flows	7,092	11,487	6,471	7,431	6,389	33,074	31,777
Death and disability insurance							
Total proceeds on insurance policies	451	529	500	530	561	1,848	2,120
Cost of member benefit insurance	981	1,054	1,142	1,122	1,145	3,821	4,463
Net flows	4,599	8,410	3,796	4,695	3,547	22,833	20,449
Investment Income							
Investment income after doubtful debts	5,253	14,827	7,986	5,081	5,409	23,142	33,304
Total capital gains/losses on investments	16,197	-21,723	-51,703	10,390	42,981	22,104	-20,054
Total investment income	21,449	-6,895	-43,716	15,472	48,391	45,246	13,251
Investment expenses							
Investment management and asset consultant fees	363	506	379	364	327	1,508	1,576
Custodian fees	32	34	27	30	32	126	123
Property maintenance costs	14	24	13	16	13	63	66
Other investment expenses	26	47	32	29	36	97	145
Total investment expenses	434	612	452	439	408	1,795	1,910
Net investment income	21,015	-7,507	-44,168	15,033	47,983	43,451	11,341
Operating expenses							
Management fees (non-investment)	247	286	245	252	260	982	1,042
Administration fees	623	632	673	643	639	2,337	2,587
Directors/trustees fees and expenses	116	120	121	114	121	456	476
Other operating expenses	105	203	109	130	105	544	546
Total operating expenses	1,091	1,241	1,147	1,139	1,125	4,319	4,652
Other income	85	85	81	85	91	338	341
Net earnings	20,009	-8,663	-45,234	13,979	46,949	39,470	7,031
Tax expense on earnings	522	-942	-2,629	94	1,476	-458	-2,000
Net earnings after tax	19,487	-7,721	-42,605	13,884	45,472	39,929	9,030
Net operating performance after tax	24,085	689	-38,810	18,580	49,020	62,762	29,479
Other changes	31	152	187	1	-41	46	299
Net assets at the end of the period	866,615	867,456	828,833	847,414	896,393	866,615	896,393
Number of entities	256	250	234	231	230	256	230

This table does not include pooled superannuation trusts as their assets are captured by other superannuation entity categories.

Table 2a Financial position by fund type

Entities with at least \$50 million in assets

March 2012

(\$ million)

	Corporate	Industry	Public sector	Retail	Total
Assets					
Receivables	277	1,170	1,111	836	3,393
Investments					
Direct	6,149	30,562	16,583	33,668	86,961
Individually managed mandates	16,195	92,186	112,576	9,437	230,395
Pooled superannuation trusts	4,307	14,940	26,256	35,874	81,377
Wholesale trusts	17,715	78,005	37,589	97,941	231,250
Life office funds	3,612	3,320	935	149,616	157,484
Unlisted public offer unit trusts	158	5,700	350	45,841	52,049
Other investments	7,550	37,009	21,448	19	66,026
Deferred tax assets	354	1,613	1,227	1,735	4,929
Total assets	56,318	264,505	218,074	374,967	913,863
Liabilities					
Direct holdings of derivative financial instruments	*	2,737	*	2	10,885
Borrowings	*	0	*	0	230
Current tax liabilities	*	815	*	698	2,050
Deferred tax liabilities	46	197	288	9	540
Payables and creditors	273	1,534	1,427	532	3,766
Total liabilities	1,819	5,283	9,129	1,240	17,470
Net assets to pay benefits	54,499	259,222	208,945	373,726	896,393
<i>Of which:</i>					
Liability for allocated accrued benefits	*	254,880	*	372,966	890,416
Reserves (unallocated benefits)	*	4,343	*	760	5,977
Excess/deficiency of assets	0	0	0	0	0
Number of entities	54	53	38	85	230

Table 2b Financial position - trends

Entities with at least \$50 million in assets
(\$ million)

	Mar 2011	Jun 2011	Sep 2011	Dec 2011	Mar 2012
Assets					
Receivables	4,063	7,965	3,700	2,694	3,393
Investments					
Direct	68,283	73,707	82,478	83,192	86,961
Individually managed mandates	222,743	224,696	204,687	213,724	230,395
Pooled superannuation trusts	75,114	73,957	74,614	77,018	81,377
Wholesale trusts	234,437	230,545	217,671	217,950	231,250
Life office funds	157,109	159,526	149,661	151,006	157,484
Unlisted public offer unit trusts	53,402	52,887	48,578	49,613	52,049
Other investments	59,259	59,007	58,453	59,464	66,026
Deferred tax assets	3,993	4,604	6,759	6,375	4,929
Total assets	878,402	886,893	846,600	861,036	913,863
Liabilities					
Direct holdings of derivative financial instruments	3,955	10,611	10,340	8,724	10,885
Borrowings	8	673	290	262	230
Current tax liabilities	3,110	3,602	2,935	1,491	2,050
Deferred tax liabilities	617	506	293	395	540
Payables and creditors	4,098	4,046	3,909	2,750	3,766
Total liabilities	11,787	19,437	17,767	13,622	17,470
Net assets to pay benefits	866,615	867,456	828,833	847,414	896,393
<i>Of which:</i>					
Liability for allocated accrued benefits	856,106	880,062	832,075	847,822	890,416
Reserves (unallocated benefits)	10,508	2,741	-3,241	-408	5,977
Excess/deficiency of assets	0	-15,347	0	0	0
Number of entities	256	250	234	231	230

This table does not include pooled superannuation trusts as their assets are captured by other superannuation entity categories.

Table 3 Entity ratios by fund type

Entities with at least \$50 million in assets

	Quarter end					Year end	Year end
	Mar 2011	Jun 2011	Sep 2011	Dec 2011	Mar 2012	Mar 2011	Mar 2012
Total							
Net investment income (\$m)	21,015	-7,507	-44,168	15,033	47,983	43,450	11,341
Other income (\$m)	85	85	81	85	91	338	341
Total operating expense (\$m)	1,091	1,241	1,147	1,139	1,125	4,319	4,652
Tax expense on earnings (\$m)	522	-942	-2,629	94	1,476	-459	-2,000
Net earnings after tax (\$m)	19,487	-7,721	-42,605	13,884	45,472	39,928	9,030
Cash flow adjusted net assets	844,798	870,820	869,354	831,181	849,187		
Rate of Return (%)	2.3%	-0.9%	-4.9%	1.7%	5.4%	4.8%	1.0%
Number of entities	256	250	234	231	230	256	230
Corporate							
Net investment income (\$m)	1,552	-438	-3,044	1,172	3,067	3,448	756
Other income (\$m)	3	2	1	1	1	6	5
Total operating expense (\$m)	36	65	38	41	34	161	177
Tax expense on earnings (\$m)	79	-84	-247	23	172	213	-136
Net earnings after tax (\$m)	1,440	-417	-2,834	1,109	2,861	3,080	720
Cash flow adjusted net assets	57,798	58,103	55,149	50,690	51,641		
Rate of return (%)	2.5%	-0.7%	-5.1%	2.2%	5.5%	5.6%	1.6%
Number of entities	63	62	57	55	54	63	54
Industry							
Net investment income (\$m)	6,746	-1,962	-12,432	3,851	14,558	15,329	4,015
Other income (\$m)	10	21	10	12	16	53	59
Total operating expense (\$m)	267	344	293	283	297	1,096	1,217
Tax expense on earnings (\$m)	415	-827	-1,457	76	1,111	430	-1,097
Net earnings after tax (\$m)	6,074	-1,458	-11,258	3,504	13,165	13,857	3,954
Cash flow adjusted net assets	243,307	248,616	246,073	237,843	244,546		
Rate of return (%)	2.5%	-0.6%	-4.6%	1.5%	5.4%	5.9%	1.4%
Number of entities	58	57	53	53	53	58	53
Public sector							
Net investment income (\$m)	5,053	-373	-9,011	4,281	10,825	11,001	5,721
Other income (\$m)	18	-9	28	24	23	76	67
Total operating expense (\$m)	117	92	133	148	116	427	489
Tax expense on earnings (\$m)	52	178	-653	131	204	-320	-140
Net earnings after tax (\$m)	4,902	-652	-8,464	4,027	10,528	10,971	5,438
Cash flow adjusted net assets	183,891	194,675	200,160	192,876	197,974		
Rate of return (%)	2.7%	-0.3%	-4.2%	2.1%	5.3%	6.2%	2.6%
Number of entities	37	37	38	38	38	37	38
Retail							
Net investment income (\$m)	7,665	-4,734	-19,681	5,730	19,534	13,672	848
Other income (\$m)	54	71	42	47	51	202	210
Total operating expense (\$m)	671	741	683	668	677	2,636	2,768
Tax expense on earnings (\$m)	-23	-209	-273	-135	-11	-781	-628
Net earnings after tax (\$m)	7,070	-5,194	-20,050	5,244	18,918	12,021	-1,082
Cash flow adjusted net assets	359,802	369,425	367,972	349,772	355,026		
Rate of return (%)	2.0%	-1.4%	-5.4%	1.5%	5.3%	3.4%	-0.3%
Number of entities	98	94	86	85	85	98	85

Table 4a Corporate funds - financial performance

Entities with at least \$50 million in assets
(\$ million)

	Quarter end					Year end Mar 2011	Year end Mar 2012
	Mar 2011	Jun 2011	Sep 2011	Dec 2011	Mar 2012		
Net assets at the beginning of the period	57,863	59,213	56,576	50,886	51,603	58,921	59,213
Contributions							
Employer	880	941	911	930	817	3,699	3,599
Member	58	122	69	57	52	312	301
Other	13	9	2	8	3	39	22
Total contributions	951	1,072	982	995	872	4,050	3,922
Contribution tax and surcharge	132	142	135	138	122	554	537
Rollovers							
Inward	230	224	380	199	201	839	1,004
Outward	830	2,780	3,648	1,091	543	5,764	8,062
Net rollovers	-600	-2,556	-3,267	-892	-342	-4,925	-7,057
Benefit payments							
Lump sums	216	466	293	224	202	917	1,184
Pensions	126	131	133	127	126	505	517
Total benefit payments	342	597	426	351	328	1,421	1,701
Net contribution flows	9	-2,082	-2,711	-247	203	-2,296	-4,836
Death and disability insurance							
Total proceeds on insurance policies	14	26	14	14	19	66	73
Cost of member benefit insurance	22	23	23	21	25	101	92
Net flows	-131	-2,220	-2,855	-392	75	-2,885	-5,392
Investment Income							
Investment income after doubtful debts	384	1,347	499	305	352	2,108	2,502
Total capital gains/losses on investments	1,207	-1,737	-3,503	905	2,751	1,497	-1,585
Total investment income	1,590	-390	-3,005	1,210	3,103	3,605	917
Investment expenses							
Investment management and asset consultant fees	29	27	29	27	26	114	109
Custodian fees	4	4	3	3	3	15	13
Property maintenance costs	4	7	4	6	5	22	22
Other investment expenses	1	10	3	1	2	6	16
Total investment expenses	39	48	39	38	36	157	161
Net investment income	1,552	-438	-3,044	1,172	3,067	3,448	756
Operating expenses							
Management fees (non-investment)	5	12	5	7	6	24	30
Administration fees	25	23	27	25	23	97	98
Directors/trustees fees and expenses	1	1	1	1	1	4	4
Other operating expenses	4	29	5	8	4	36	45
Total operating expenses	36	65	38	41	34	161	177
Other income	3	2	1	1	1	6	5
Net earnings	1,519	-501	-3,081	1,132	3,034	3,293	584
Tax expense on earnings	79	-84	-247	23	172	213	-136
Net earnings after tax	1,440	-417	-2,834	1,109	2,861	3,080	720
Net operating performance after tax	1,309	-2,637	-5,689	717	2,936	195	-4,673
Other changes	41	0	-1	0	-40	97	-42
Net assets at the end of the period	59,213	56,576	50,886	51,603	54,499	59,213	54,499
Number of entities	63	62	57	55	54	63	54

Table 4b Industry funds - financial performance

Entities with at least \$50 million in assets
(\$ million)

	Quarter end					Year end Mar 2011	Year end Mar 2012
	Mar 2011	Jun 2011	Sep 2011	Dec 2011	Mar 2012		
Net assets at the beginning of the period	241,656	251,031	244,733	236,155	243,036	222,185	251,031
Contributions							
Employer	5,639	6,832	5,541	5,980	6,057	22,586	24,409
Member	535	1,194	482	472	438	2,463	2,586
Other	53	60	30	145	61	324	296
Total contributions	6,228	8,085	6,053	6,597	6,557	25,373	27,292
Contribution tax and surcharge	830	1,033	808	870	887	3,379	3,598
Rollovers							
Inward	2,790	5,052	2,041	1,993	2,261	10,832	11,347
Outward	2,703	14,407	1,941	1,904	2,278	9,681	20,530
Net rollovers	86	-9,355	100	90	-17	1,151	-9,183
Benefit payments							
Lump sums	1,683	1,942	1,979	1,867	2,005	6,157	7,793
Pensions	384	438	490	424	453	1,547	1,805
Total benefit payments	2,067	2,380	2,469	2,291	2,458	7,704	9,598
Net contribution flows	4,248	-3,650	3,684	4,396	4,081	18,820	8,511
Death and disability insurance							
Total proceeds on insurance policies	238	251	246	270	267	946	1,033
Cost of member benefit insurance	354	397	443	419	440	1,418	1,698
Net flows	3,302	-4,830	2,679	3,377	3,022	14,969	4,248
Investment Income							
Investment income after doubtful debts	2,040	5,297	3,020	1,862	2,264	9,190	12,444
Total capital gains/losses on investments	4,906	-6,959	-15,249	2,184	12,481	6,965	-7,543
Total investment income	6,945	-1,662	-12,229	4,046	14,745	16,155	4,901
Investment expenses							
Investment management and asset consultant fees	163	236	169	157	153	666	714
Custodian fees	15	16	12	15	16	61	58
Property maintenance costs	7	14	7	6	6	31	34
Other investment expenses	14	34	16	17	13	69	80
Total investment expenses	199	300	203	195	188	827	886
Net investment income	6,746	-1,962	-12,432	3,851	14,558	15,329	4,015
Operating expenses							
Management fees (non-investment)	14	10	13	14	16	56	54
Administration fees	200	244	228	206	226	799	904
Directors/trustees fees and expenses	21	4	19	18	19	86	60
Other operating expenses	32	86	32	45	36	155	199
Total operating expenses	267	344	293	283	297	1,096	1,217
Other income	10	21	10	12	16	53	59
Net earnings	6,489	-2,285	-12,714	3,580	14,277	14,287	2,858
Tax expense on earnings	415	-827	-1,457	76	1,111	430	-1,097
Net earnings after tax	6,074	-1,458	-11,258	3,504	13,165	13,857	3,954
Net operating performance after tax	9,376	-6,287	-8,578	6,881	16,187	28,826	8,202
Other changes	-1	-11	0	0	0	20	-11
Net assets at the end of the period	251,031	244,733	236,155	243,036	259,222	251,031	259,222
Number of entities	58	57	53	53	53	58	53

Table 4c Public sector funds - financial performance

Entities with at least \$50 million in assets
(\$ million)

	Quarter end					Year end Mar 2011	Year end Mar 2012
	Mar 2011	Jun 2011	Sep 2011	Dec 2011	Mar 2012		
Net assets at the beginning of the period	183,468	189,217	199,657	192,249	197,530	173,461	189,217
Contributions							
Employer	4,725	5,181	5,678	5,661	5,598	19,881	22,118
Member	946	1,067	913	784	831	3,644	3,594
Other	22	23	16	95	25	194	159
Total contributions	5,693	6,270	6,607	6,540	6,454	23,719	25,871
Contribution tax and surcharge	409	517	485	442	561	1,722	2,005
Rollovers							
Inward	860	10,605	2,332	807	869	3,607	14,612
Outward	1,298	1,208	3,123	1,220	1,567	4,887	7,118
Net rollovers	-437	9,397	-792	-413	-698	-1,279	7,494
Benefit payments							
Lump sums	1,380	1,287	1,535	1,420	1,479	5,015	5,721
Pensions	2,580	2,907	2,737	2,984	2,785	10,619	11,414
Total benefit payments	3,960	4,195	4,272	4,404	4,264	15,634	17,135
Net contribution flows	1,295	11,472	1,544	1,723	1,492	6,806	16,230
Death and disability insurance							
Total proceeds on insurance policies	38	37	44	50	51	147	182
Cost of member benefit insurance	77	75	97	78	94	268	344
Net flows	847	10,917	1,006	1,254	887	4,963	14,064
Investment Income							
Investment income after doubtful debts	985	3,780	1,947	1,374	1,098	4,681	8,198
Total capital gains/losses on investments	4,175	-4,006	-10,841	3,020	9,817	6,773	-2,010
Total investment income	5,160	-226	-8,894	4,394	10,915	11,454	6,188
Investment expenses							
Investment management and asset consultant fees	86	132	95	92	59	390	378
Custodian fees	8	9	7	7	9	31	32
Property maintenance costs	2	3	2	3	2	10	10
Other investment expenses	10	3	13	11	21	22	47
Total investment expenses	107	147	117	113	90	452	467
Net investment income	5,053	-373	-9,011	4,281	10,825	11,001	5,721
Operating expenses							
Management fees (non-investment)	3	4	1	2	2	12	9
Administration fees	95	61	108	112	89	303	370
Directors/trustees fees and expenses	1	2	1	1	1	5	6
Other operating expenses	19	24	23	33	24	107	104
Total operating expenses	117	92	133	148	116	427	489
Other income	18	-9	28	24	23	76	67
Net earnings	4,954	-474	-9,117	4,158	10,732	10,651	5,299
Tax expense on earnings	52	178	-653	131	204	-320	-140
Net earnings after tax	4,902	-652	-8,464	4,027	10,528	10,971	5,438
Net operating performance after tax	5,749	10,264	-7,457	5,281	11,415	15,934	19,502
Other changes	0	176	50	1	0	-178	227
Net assets at the end of the period	189,217	199,657	192,249	197,530	208,945	189,217	208,945
Number of entities	37	37	38	38	38	37	38

Table 4d Retail funds - financial performance

Entities with at least \$50 million in assets
(\$ million)

	Quarter end					Year end Mar 2011	Year end Mar 2012
	Mar 2011	Jun 2011	Sep 2011	Dec 2011	Mar 2012		
Net assets at the beginning of the period	359,512	367,154	366,490	349,543	355,244	349,241	367,154
Contributions							
Employer	4,091	5,359	3,959	4,419	4,453	16,900	18,190
Member	1,853	3,615	2,226	1,905	1,751	9,202	9,497
Other	72	79	88	123	48	495	339
Total contributions	6,016	9,053	6,273	6,447	6,252	26,596	28,025
Contribution tax and surcharge	593	860	605	692	688	2,614	2,846
Rollovers							
Inward	14,020	15,882	20,529	9,098	8,225	58,426	53,734
Outward	14,123	14,266	17,698	9,257	9,064	56,140	50,285
Net rollovers	-103	1,617	2,831	-160	-839	2,286	3,449
Benefit payments							
Lump sums	2,781	3,018	3,307	2,933	3,020	12,623	12,278
Pensions	1,591	1,905	1,844	1,795	1,780	6,514	7,324
Total benefit payments	4,372	4,923	5,151	4,728	4,800	19,137	19,602
Net contribution flows	1,540	5,746	3,954	1,559	613	9,744	11,872
Death and disability insurance							
Total proceeds on insurance policies	162	215	196	196	225	689	832
Cost of member benefit insurance	528	558	580	605	586	2,033	2,329
Net flows	580	4,544	2,965	457	-436	5,786	7,529
Investment Income							
Investment income after doubtful debts	1,844	4,404	2,521	1,541	1,695	7,163	10,160
Total capital gains/losses on investments	5,910	-9,021	-22,109	4,281	17,933	6,870	-8,916
Total investment income	7,754	-4,617	-19,588	5,822	19,628	14,032	1,244
Investment expenses							
Investment management and asset consultant fees	84	112	87	87	89	338	375
Custodian fees	5	5	5	5	5	20	19
Property maintenance costs	0	0	0	0	0	0	0
Other investment expenses	0	0	1	0	0	1	2
Total investment expenses	89	117	93	92	94	359	396
Net investment income	7,665	-4,734	-19,681	5,730	19,534	13,672	848
Operating expenses							
Management fees (non-investment)	226	260	225	228	236	890	950
Administration fees	303	304	310	300	301	1,138	1,214
Directors/trustees fees and expenses	93	112	100	94	100	360	406
Other operating expenses	50	64	49	45	41	246	198
Total operating expenses	671	741	683	668	677	2,636	2,768
Other income	54	71	42	47	51	202	210
Net earnings	7,048	-5,403	-20,322	5,109	18,907	11,240	-1,710
Tax expense on earnings	-23	-209	-273	-135	-11	-781	-628
Net earnings after tax	7,070	-5,194	-20,050	5,244	18,918	12,021	-1,082
Net operating performance after tax	7,651	-651	-17,085	5,701	18,482	17,807	6,448
Other changes	-9	-13	138	0	0	106	125
Net assets at the end of the period	367,154	366,490	349,543	355,244	373,726	367,154	373,726
Number of entities	98	94	86	85	85	98	85

Table 4e Pooled superannuation trusts - financial performance

Entities with at least \$50 million in assets
(\$ million)

	Quarter end					Year end Mar 2011	Year end Mar 2012
	Mar 2011	Jun 2011	Sep 2011	Dec 2011	Mar 2012		
Net assets at the beginning of the period	73,770	76,370	76,492	79,093	80,907	74,083	76,370
Units issued to unit holders	2,102	2,990	7,239	9,144	2,583	16,984	21,956
Payments to unit holders	1,435	2,311	2,453	7,916	2,035	18,599	14,716
Investment Income							
Investment income after doubtful debts	656	1,732	578	689	758	2,711	3,757
Total capital gains/losses on investments	1,492	-2,197	-3,361	99	3,743	1,830	-1,715
Total investment income	2,148	-465	-2,783	788	4,502	4,540	2,042
Investment expenses							
Investment management and asset consultant fees	51	56	47	48	47	192	197
Custodian fees	3	2	3	4	2	10	10
Property maintenance costs	0	0	0	0	0	0	0
Other investment expenses	1	3	1	1	1	6	6
Total investment expenses	55	61	51	52	49	209	213
Net investment income	2,093	-526	-2,834	737	4,452	4,332	1,829
Operating expenses							
Management fees (non-investment)	10	11	11	12	11	39	44
Administration fees	33	34	32	40	33	135	139
Directors/trustees fees and expenses	4	5	7	5	2	17	19
Other operating expenses	1	2	2	3	2	9	8
Total operating expenses	48	52	52	60	48	200	210
Other income	1	1	1	1	0	3	2
Net earnings	2,046	-577	-2,884	678	4,405	4,134	1,621
Tax expense on earnings	112	-4	-272	45	342	186	110
Net earnings after tax	1,933	-573	-2,612	632	4,063	3,949	1,511
Net operating performance after tax	2,600	107	2,173	1,860	4,611	2,335	8,751
Other changes	0	16	428	-46	0	-48	398
Net assets at the end of the period	76,370	76,492	79,093	80,907	85,518	76,370	85,518
Number of entities	43	42	40	39	39	43	39

Table 5a Corporate funds - financial position

Entities with at least \$50 million in assets
(\$ million)

	Mar 2011	Jun 2011	Sep 2011	Dec 2011	Mar 2012
Assets					
Receivables	263	883	489	174	277
Investments					
Direct	5,498	5,055	6,155	5,387	6,149
Individually managed mandates	18,744	17,771	14,943	15,638	16,195
Pooled superannuation trusts	4,724	4,427	4,051	4,133	4,307
Wholesale trusts	19,075	17,662	16,274	16,543	17,715
Life office funds	4,450	3,848	3,726	3,466	3,612
Unlisted public offer unit trusts	119	124	181	171	158
Other investments	8,015	7,647	6,926	6,948	7,550
Deferred tax assets	284	354	544	489	354
Total assets	61,172	57,770	53,289	52,950	56,318
Liabilities					
Direct holdings of derivative financial instruments	1,056	*	*	*	*
Borrowings	0	*	*	*	*
Current tax liabilities	204	*	*	*	*
Deferred tax liabilities	56	46	26	25	46
Payables and creditors	642	643	534	221	273
Total liabilities	1,958	1,194	2,403	1,347	1,819
Net assets to pay benefits	59,213	56,576	50,886	51,603	54,499
<i>Of which:</i>					
Liability for allocated accrued benefits	59,135	56,319	50,900	51,593	*
Reserves (unallocated benefits)	79	75	-13	10	*
Excess/deficiency of assets	0	182	0	0	0
Number of entities	63	62	57	55	54

Table 5b Industry funds - financial position

Entities with at least \$50 million in assets
(\$ million)

	Mar 2011	Jun 2011	Sep 2011	Dec 2011	Mar 2012
Assets					
Receivables	2,398	2,355	1,570	1,052	1,170
Investments					
Direct	26,904	30,164	30,213	30,400	30,562
Individually managed mandates	90,183	83,027	78,387	81,574	92,186
Pooled superannuation trusts	13,009	13,558	13,030	14,478	14,940
Wholesale trusts	77,708	74,483	73,655	73,729	78,005
Life office funds	2,880	4,694	3,396	3,370	3,320
Unlisted public offer unit trusts	5,038	5,102	5,237	5,639	5,700
Other investments	37,985	35,797	33,414	33,756	37,009
Deferred tax assets	1,091	1,464	2,881	2,619	1,613
Total assets	257,194	250,645	241,785	246,618	264,505
Liabilities					
Direct holdings of derivative financial instruments	1,948	1,815	2,428	1,666	2,737
Borrowings	0	493	0	0	0
Current tax liabilities	1,706	1,617	1,372	591	815
Deferred tax liabilities	426	253	123	154	197
Payables and creditors	2,083	1,734	1,707	1,172	1,534
Total liabilities	6,163	5,911	5,631	3,582	5,283
Net assets to pay benefits	251,031	244,733	236,155	243,036	259,222
<i>Of which:</i>					
Liability for allocated accrued benefits	241,744	243,499	240,658	245,053	254,880
Reserves (unallocated benefits)	9,287	1,234	-4,503	-2,018	4,343
Excess/deficiency of assets	0	0	0	0	0
Number of entities	58	57	53	53	53

Table 5c Public sector funds - financial position

Entities with at least \$50 million in assets
(\$ million)

	Mar 2011	Jun 2011	Sep 2011	Dec 2011	Mar 2012
Assets					
Receivables	668	1,233	830	441	1,111
Investments					
Direct	8,302	9,202	16,271	15,817	16,583
Individually managed mandates	105,042	115,358	102,688	107,621	112,576
Pooled superannuation trusts	24,209	24,688	23,864	24,391	26,256
Wholesale trusts	37,698	41,712	36,447	35,560	37,589
Life office funds	939	936	908	890	935
Unlisted public offer unit trusts	818	845	334	335	350
Other investments	13,250	15,529	18,086	18,740	21,448
Deferred tax assets	880	1,080	1,446	1,389	1,227
Total assets	191,806	210,584	200,873	205,184	218,074
Liabilities					
Direct holdings of derivative financial instruments	952	*	*	*	*
Borrowings	8	*	*	*	*
Current tax liabilities	614	*	*	*	*
Deferred tax liabilities	126	205	138	209	288
Payables and creditors	890	994	1,110	867	1,427
Total liabilities	2,590	10,928	8,624	7,653	9,129
Net assets to pay benefits	189,217	199,657	192,249	197,530	208,945
<i>Of which:</i>					
Liability for allocated accrued benefits	188,382	214,381	191,523	196,768	*
Reserves (unallocated benefits)	834	804	726	763	*
Excess/deficiency of assets	0	-15,528	0	0	0
Number of entities	37	37	38	38	38

Table 5d Retail funds - financial position

Entities with at least \$50 million in assets
(\$ million)

	Mar 2011	Jun 2011	Sep 2011	Dec 2011	Mar 2012
Assets					
Receivables	733	3,495	810	1,026	836
Investments					
Direct	27,580	29,285	29,839	31,587	33,668
Individually managed mandates	8,775	8,540	8,669	8,891	9,437
Pooled superannuation trusts	33,172	31,284	33,668	34,016	35,874
Wholesale trusts	99,956	96,687	91,294	92,118	97,941
Life office funds	148,841	150,048	141,631	143,279	149,616
Unlisted public offer unit trusts	47,427	46,816	42,826	43,468	45,841
Other investments	8	34	27	20	19
Deferred tax assets	1,738	1,705	1,888	1,878	1,735
Total assets	368,230	367,894	350,653	356,284	374,967
Liabilities					
Direct holdings of derivative financial instruments	0	0	4	13	2
Borrowings	0	0	0	0	0
Current tax liabilities	585	726	543	530	698
Deferred tax liabilities	9	3	6	7	9
Payables and creditors	482	675	557	490	532
Total liabilities	1,076	1,404	1,110	1,040	1,240
Net assets to pay benefits	367,154	366,490	349,543	355,244	373,726
<i>Of which:</i>					
Liability for allocated accrued benefits	366,846	365,862	348,994	354,408	372,966
Reserves (unallocated benefits)	308	628	550	836	760
Excess/deficiency of assets	0	0	0	0	0
Number of entities	98	94	86	85	85

Table 5e Pooled superannuation trusts - financial position

Entities with at least \$50 million in assets
(\$ million)

	Mar 2011	Jun 2011	Sep 2011	Dec 2011	Mar 2012
Assets					
Receivables	406	1,780	492	569	602
Investments					
Direct	20,644	21,927	23,757	24,789	26,155
Individually managed mandates	16,687	16,490	16,739	16,415	17,833
Pooled superannuation trusts	796	1,023	1,078	1,013	*
Wholesale trusts	19,083	17,761	18,363	18,510	19,495
Life office funds	8,800	8,757	8,479	8,608	*
Unlisted public offer unit trusts	11,148	10,228	10,429	10,064	10,664
Other investments	7,452	7,363	7,552	8,625	9,326
Deferred tax assets	643	693	828	897	719
Total assets	85,659	86,022	87,715	89,490	94,942
Liabilities					
Direct holdings of derivative financial instruments	8,879	8,859	8,277	8,305	8,979
Borrowings	1	0	0	0	0
Current tax liabilities	95	194	-77	-175	-30
Deferred tax liabilities	179	211	199	196	205
Payables and creditors	135	265	223	257	269
Total liabilities	9,289	9,530	8,622	8,583	9,423
Net assets	76,370	76,492	79,093	80,907	85,518
Number of entities	43	42	40	39	39

Explanatory notes

Structure

The *Quarterly Superannuation Performance* comprises statistics on superannuation entities that are required to report quarterly to APRA. Funds are required to report quarterly when they had at least \$50 million in assets in their prior year annual return and are not a small APRA fund or single-member approved deposit fund. In the March 2012 quarter this captures 269 superannuation entities, comprising 251 APRA-regulated superannuation entities and 18 exempt public sector schemes.

Statistics on the whole superannuation industry are published once a year in the *Annual Superannuation Bulletin*. APRA also produces the *Superannuation Fund-level Rates of Return* and the *Superannuation Fund-level Profiles and Financial Performance* publications which provide disaggregated data in relation to all APRA-regulated superannuation funds (excluding pooled superannuation trusts, exempt public sector superannuation schemes, small APRA funds and single-member approved deposit funds).

Source

The statistics in this publication have been prepared from the following sources:

- superannuation returns submitted to APRA under the *Financial Sector (Collection of Data) Act 2001* and from exempt public sector schemes that report to APRA under a Heads of Government agreement between the Commonwealth and each of the State and Territory Governments;
- data provided by the ATO on self-managed superannuation funds (SMSFs);
- returns submitted to APRA under the *Life Insurance Act 1995* by registered life companies in Australia; and
- returns submitted to APRA by retirement savings account providers under the *Retirement Savings Account Act 1997*.

Classification of entities

Data in this publication have been broken down by the regulatory classifications under the *Superannuation Industry (Supervision) Act 1993 (SIS Act)* and the funds' functional description. Regulatory classifications under the SIS Act are subject to different prudential and legislative requirements, whereas the functional classifications are determined by APRA and indicates how the superannuation fund operates. APRA reviewed the classification of superannuation entities in 2005 and details of this review can be found on APRA's website. An annual review of funds classifications takes place as part of the production of the *Annual Superannuation Bulletin*. Funds may be re-classified and as a result impact the aggregate statistics. This should be considered when making inferences and conclusions about the data.

Information on expenses and tax

Information on expenses and taxes included in this publication should be used for indicative purposes only.

Expenses are generally understated by funds within this publication for the following reasons:

- indirect investment expenses are generally not reported as this information is not separately identifiable in most cases;
- not all funds are able to provide complete information on entry and exit fees; and
- current data collected does not adequately capture some expenses, such as front-end and ongoing commissions.

Funds also have different approaches to recognise future tax liabilities and assets.

Other notes

Pooled superannuation trusts (PSTs) have not been included in financial aggregates because PST assets are from other superannuation funds and are reported elsewhere. Retirement saving accounts (RSAs) are not included in financial aggregates as much of the information is not included in the collections.

Unless specified, all ratios stated have not been annualised.

Comparison with *Annual Superannuation Bulletin*

Figures published in the *Quarterly Superannuation Performance* and the *Annual Superannuation Bulletin*, whilst relatively close, will not match for the following reasons:

- **Different populations** - the population of the quarterly publication comprises funds with at least \$50m in total assets and is a subset of the population of the annual publication which comprises all superannuation funds.
- **Different fund reporting periods** - not all funds have the same end date for their year of income, although for the majority of funds it is 30 June. The *Quarterly Superannuation Performance* uses funds' year to date data as at the end of each quarter. The *Annual Superannuation Bulletin* uses audited annual accounts that correspond to the funds' year of income. The time periods these two publications cover are not perfectly matched, but are similar since the majority of funds have the same end date for their year of income.
- **Different reporting basis** - investments in individually managed mandates and investments with overseas managers are reported differently in the annual and quarterly publications. In the *Quarterly Superannuation Performance*, investments in individually managed mandates are published as a separate item and investments with overseas investment managers are included in other investments. The *Annual Superannuation Bulletin* looks through to the underlying investments of individually managed mandates and investments with overseas managers and the investments are reported in the underlying investment categories.
- **Fund classifications** - a fund's functional classification may change over time. The publications use funds' functional classifications as at the end of the reporting period. Therefore when a change has occurred a fund's classification for all four quarters of the year may not match the classification used in the *Annual Superannuation Bulletin*.

Glossary

Accumulation funds are superannuation entities where all members receive benefits based on defined contributions (accumulated benefits). The assets of the fund are invested and any earnings (or losses) are credited (or debited) to the member's account less any taxes and charges such as administration fees and insurance premiums. Members bear the full effect of fluctuation in investment earnings.

Administration fees are fees paid/payable by the superannuation entity for any administration service provided to the entity. These include internal and outsourced administration services, employee costs and fees paid to the employer sponsor for administration services.

Approved deposit funds (ADFs) can receive, hold and invest certain types of rollovers until such funds are withdrawn or a condition of release is satisfied (depending on the preservation status of the assets). ADFs can be either single member or multi member.

Asset consultant fees are expenses for fees paid/payable to asset consultants engaged by the *trustee* in relation to the management of the superannuation entity's investment portfolios. This includes fees paid to independent third parties as well as related entities of the superannuation entity.

Balance of life office statutory funds refers to assets held for superannuation or retirement purposes in statutory funds of life insurance companies, excluding the assets held in *life office statutory funds* by superannuation entities. The balance of life office funds includes annuities and assets backing non-policyholder liabilities. These products are regulated under the *Life Insurance Act 1995*.

Borrowings include securities sold under agreements to repurchase, drawn down balance of overdraft facilities, and short-term loans or borrowings.

Cash flow adjusted net assets is the sum of *net assets* at the beginning of the period and half of *net flows*.

Contributions tax and surcharge represents tax expenses in relation to taxable contributions made to the superannuation entity during the period (contributions tax) and contributions surcharge tax.

Corporate funds are regulated superannuation entities with more than four members established for the benefit of employees of a particular entity or a group of related entities, with joint member and employer control.

Custodian fees are expenses incurred in relation to custodial services rendered to the superannuation entity. A custodian is an entity that holds title of the assets on behalf of the superannuation entity, but where the powers of investment management remain with the *trustee*.

Deferred tax assets refers to amounts of income taxes recoverable in future reporting periods.

Defined benefit funds are superannuation entities where all members are entitled to receive defined benefits. In defined benefit funds, a member's benefits are calculated based on a formula specified in the trust deed. Usually the member's final benefit depends on years of service with an employer (or years of membership of the fund) and level of salary near retirement.

Directly invested assets includes investments that are made by the superannuation entity in its own name as part of the internal investment management function. It includes investments such as cash and deposits, placements and loans, equities and property holdings.

Director/trustee fees and expenses are fees paid/payable by the superannuation entity to the directors/trustee(s) for carrying out the functions of a trustee/director, including any consulting or administration services provided.

Eligible rollover funds (ERFs) are superannuation funds or *approved deposit funds* which are eligible to receive benefits automatically rolled over from other funds. ERFs typically accept superannuation monies from other funds where the member has become 'lost'.

Employer contributions are contributions received from employers and includes (but is not limited to) all mandated employer contributions (such as Superannuation Guarantee amounts), salary sacrifice contributions and voluntary employer contributions, less any *repatriation to employer sponsors*. Appropriations for major Commonwealth public sector superannuation schemes where benefits were paid directly from Commonwealth Consolidated Revenue are classified in employer contributions.

Excess/deficiency of assets is reported by defined benefit funds when the entity has had formal actuarial valuation as at the end of the reporting period and the actuary's report is available by the reporting due date.

Exempt public sector superannuation schemes (EPSSSs) are public sector superannuation schemes that choose not to be regulated by APRA. However, for statutory purposes, a number of EPSSSs report to APRA under an agreement between the Commonwealth Government and each of the State and Territory Governments. Schedule 1AA of the SIS regulations contains a list of EPSSSs.

Fees and commissions are income earned by the superannuation entity in the form of a fee or a commission. These typically include income for *scrip lending* and *underwriting activities*. This item is incorporated in *other income*.

Fund reporting period is the end date of a fund's year of income.

Fund type is the functional classification determined by APRA. For more information on APRA's classifications, refer to the Classification of superannuation entities on APRA's website: <http://www.apra.gov.au/Statistics/Superannuation-Institutions-Statistics.cfm>.

Hybrid funds are superannuation entities that have a combination of both *accumulation* and *defined benefit* members.

Industry funds are regulated superannuation entities with more than four members which historically have provided for employees working in the same industry or group of related industries. Many industry funds are now *public offer funds* and offer membership to members of the public.

Investment expenses are all expenses which are associated with the generation of income on the investment portfolio of the superannuation entity.

Investment income is income generated from the investment portfolio of the superannuation entity.

Investment management fees are expenses which relate to the management of the superannuation entity's investment portfolios.

Investments placed with an investment manager are those that are not directly held, such as individually managed mandates, *wholesale trusts* and *pooled superannuation trusts*. Data for superannuation assets placed with investment managers are sourced from the ABS prior to 2003.

Inward rollovers refer to member's benefits that have been rolled over or transferred in from another superannuation entity and may include assets transferred from life insurance offices and *retirement savings accounts* (RSAs).

Leased assets are those assets which fall under a financial lease for the superannuation entity. This item is incorporated in other investments.

Life office statutory funds include monies associated with investment in insurance or life policies. Superannuation assets invested in life office statutory funds are sourced from life insurance returns submitted to APRA under the Life Insurance Act (1995).

Lump sum benefit payments are benefit payments paid as a lump sum and includes (but is not limited to) retrenchment, redundancies, resignation and disability benefit payments. This item does not include lump sum rollovers or *pension benefit payments*.

Management fees (non-investment) are fees paid by the superannuation entity for management services provided by the superannuation entity. Consulting fees and trailing commissions are included in this item.

Member contributions are contributions received from members and include (but are not limited to) member post-tax contributions and self-employed contributions. This item does not include rollovers or transfers from other superannuation entities.

Net assets are *total assets* less *total liabilities*.

Net assets at the beginning of the period are assets at the end of the previous period.

Net contribution flows is total contributions plus *net rollovers* less benefit payments and are gross of *contributions tax and surcharge*. Some entities are unable to provide a breakdown of net contributions flows into contributions, rollovers and benefit payments. Net contribution flows is not dependent upon these breakdowns and is correct within reasonable bounds of statistical accuracy.

Net cost of member benefit insurance represents members' death and/ or disability insurance premiums expense less rebates received or accrued from insurers in relation to insurance premiums.

Net earnings after tax are *net earnings* generated during the period less *tax expense on earnings*.

Net earnings are the sum of *net investment income* and *other income* less *operating expenses*.

Net flows is used in the calculation of *rate of return* (ROR). It is derived as *net contribution flows* less *contribution tax and surcharge* plus *total proceeds on insurance policies* less *net cost of member benefit insurance*.

Net investment income is *investment income* (including unrealised gains/losses) less *investment expenses*.

Net operating performance after tax is *net flows* plus *net earnings after tax*.

Net rollovers is the difference between *inward rollovers* and *outward rollovers*.

Number of entities is the number of active superannuation entities in the period.

Operating expenses include expenses incurred which are not ordinarily directly associated with the generation of *investment income* (i.e. expenses that are not directly related to the investment portfolio of the superannuation entity, but more toward the administration of the superannuation entity).

Other changes are calculated using the residual of net assets at the beginning and end of the quarter and *net operating performance after tax*. This item includes other reconciling items and changes in the quarterly population.

Other contributions refer to contributions other than *employer* or *member contributions* and include spouse contributions and government co-contributions.

Other income includes amounts that do not fall into the specified income categories.

Other investments include all investments not separately disclosed in the specified investment categories. For the purpose of this publication it includes *securities purchased under agreement to resell*, *leased assets* and investments with overseas managers.

Other operating expenses include *operating expenses* not included in other categories as well as actuary fees and fees paid to audit firms for the provision of both audit and non-audit services.

Outward rollovers are those monies which are transferred from the superannuation entity to another superannuation entity.

Pension benefit payments refer to benefits paid to members in the form of a pension and includes complying pensions, allocated pensions and annuity payments.

Pooled superannuation trusts (PSTs) are trusts in which regulated superannuation funds, *approved deposit funds* and other PSTs invest. Pooled superannuation trusts are not included in *total assets* as their assets are captured in other superannuation entity categories.

Property maintenance costs are all costs relating to an investment in property including (but not limited to) repairs and maintenance, valuation fees and stamp duty.

Public offer superannuation funds (public offer) are superannuation entities regulated by APRA that offer or intend to offer superannuation interests to the public.

Public sector funds are superannuation entities with more than four members that provide benefits largely for government employees or employees of statutory authorities, or are schemes established by a Commonwealth, State or Territory law. Benefits payments and contributions for public sectors funds include both funded and unfunded amounts from the State and Commonwealth government.

Rate of return is *net earnings after tax* divided by *cash flow adjusted net assets*. Year ended rates of return are calculated by geometrically linking the quarterly RORs,

$$\text{i.e. Year ended ROR} = (1 + \text{ROR}_{t-3}) \times (1 + \text{ROR}_{t-2}) \times (1 + \text{ROR}_{t-1}) \times (1 + \text{ROR}_t) - 1$$

Registrable superannuation entity (RSE) is a *superannuation entity*, not including *self-managed superannuation funds*. From 1 July 2006, all trustees operating APRA-regulated superannuation entities were required to hold a RSE Licence and register their superannuation entities with APRA.

Repatriation to employer sponsor is the payment of a surplus to the employer sponsor of a superannuation entity. The circumstances under which this occurs are usually set out in the superannuation entities' trust deed.

Reserves relates to unallocated reserves of the superannuation entity (for example, income or losses that have not been specifically allocated against member accounts).

Retail funds are superannuation entities with more than four members that offer superannuation products to the public on a commercial basis. All *ERFs* and multi-member *ADFs* are classified as retail funds in this publication.

Retirement savings accounts (RSAs) are licensed authorised deposit taking institutions, life insurance companies and prescribed financial institutions that offer a capital guaranteed product for retirement savings.

Scrip lending refers to the situation where the superannuation entity buys/borrows securities from another party in exchange for cash. The superannuation entity agrees to return the securities to the other party in the future for the return of the cash (plus an additional amount of earnings, fees or commissions).

Securities purchased under agreement to resell are assets where the superannuation entity buys/borrows securities from another party in exchange for cash. The superannuation entity agrees to return the securities to the other party in the future in exchange for the return of the cash (plus interest).

Self-managed superannuation funds (SMSFs) are superannuation entities regulated by the Australian Taxation Office that have less than five members, all of whom are trustees or directors of the corporate trustee. No member can be an employee of another member unless they are related.

Small APRA funds (SAFs) are superannuation entities regulated by APRA with less than five members.

Superannuation entity is a regulated superannuation fund, an *approved deposit fund* or a *pooled superannuation trust*.

Tax expense on earnings represents the tax associated with operating performance. It includes the tax on investment earnings but excludes *contributions tax and surcharge*.

Total assets are the sum of the resources held by a trustee on behalf of a fund. These include cash, investments and receivables.

Total liabilities include direct holdings of derivative financial instruments, total borrowings, deferred and current tax liabilities and sundry creditors.

Total proceeds on insurance policies are the proceeds received from insurers including proceeds received due to the death of a member and proceeds received in relation to disability of members.

Trustee is a person or company acting for the benefit of another party, with fiduciary and legal responsibilities, and is responsible for managing assets of beneficiaries.

Underwriting activities are guarantees to underwrite the issue of securities provided by a superannuation entity.

Unlisted public offer unit trusts are collective investments established under a trust deed open to retail investors. They are not listed on an organised stock exchange, and include unlisted retail/public offer cash management unit trusts.

Wholesale trusts are collective investments established under a trust deed. They are usually only open to institutional investors and have a high entry level. An information memorandum is usually issued rather than a product disclosure statement.



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