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Australian Securities & Investments Commission's financial tips & safety checks

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Long-term performance figures for typical super fund investment options

FIDO's comment on super fund returns

It's important to remember that a super fund's investment performance will change from year to year. Your super will grow over the long term, but you might experience some years of low and even negative returns. This is generally normal.

The chart below shows average super fund returns over time. Because super is a long-term investment, 5 and 10-year performance figures have been used to smooth out short-term results. This provides you with some perspective on current year over-performance or under-performance.

Past performance is not a reliable predictor of future performance, but longer-term historical data can be useful in assessing the relevance of current year returns to your retirement savings goals.

After you've looked at these tables, you may want to read more about choosing the right investment strategy: see www.fido.gov.au/super.

5 and 10 year average returns to members of Australian superannuation funds (after management costs)

	Growth	Balanced	Capital stable	Capital guaranteed
As at 30 June 2008				
5 years	7.75 - 9.9%	6.77 – 9.22%	5.1 – 6.7%	4.35 – 4.8%
10 years	5.26 - 7.57%	4.85 – 7.29%	4.34 – 5.68%	4.11 – 5.4%
As at 30 June 2007				
5 years	9.5 - 11.5%	8.2 - 10.8%	6.3 - 7.5%	4.7 - 5.3 %
10 years	7.2 - 9.0%	6.3 - 8.6%	5.2 - 5.8%	4.8 - 5.2%
As at 30 June 2006				
5 years	5.7 - 7.5%	5.1 - 7.4%	4.8 - 5.9%	3.7 - 4.3%
10 years	7.6 - 9.4%	6.8 - 9.3%	5.7 - 7.3%	4.2 - 5.9%

As at 30 June 2005				
5 years	3.7 - 5.6%	3.6 - 5.3%	4.2 - 5.5%	3.7 - 4.4%
10 years	7.0 - 8.7%	6.5 - 8.8%	5.6 - 7.2%	5.1 - 5.8%
As at 30 June 2004				
5 years	3.6 - 5.4%	3.0 - 5.3%	3.7 - 6.2%	3.8 - 5.2%
10 years	6.4 - 7.9%	6.2 - 8.0%	5.5 - 6.7%	4.9 - 5.7%

About the information

This leaflet has been prepared by ASIC. ASIC acknowledges with thanks data supplied by the following agencies that rate super funds: Morningstar, SelectingSuper and SuperRatings. These agencies remain responsible for the data and we have not independently verified it.

Why 5 and 10-year averages?

Your super fund's investment performance may change every year. Because super is a long-term investment, we use 5 and 10-year figures to smooth out short-term results. For example, if you were in a growth fund for 5 years, even if one year had negative returns, the other four years may have had positive returns high enough to give you the equivalent of a 5% to 7% return every year.

Why two figures in each column?

We show the lowest and highest average returns reported by the ratings agencies. Each ratings agency may rate a different range of funds. Some agencies specialise more in 'public offer' funds while others specialise more in 'industry' funds. To find out which agencies follow your fund, or for more detailed information, please visit the ratings agency websites.

Funds covered

The agencies survey a wide sample of investment performance across retail, industry and large corporate funds. Self-managed funds and defined benefit funds are not included.

Investment strategy labels

Across different funds, labels can vary. Our data is organised on the following basis:

- 'Growth' invests 70% to 80% in shares or property.
- 'Balanced' invests 60% up to 70% in shares or property, the rest in fixed interest and cash.
- 'Capital stable' invests 60-70% in fixed interest and cash, although some is invested in shares or property.
- 'Capital guaranteed', by law, invests 100% in deposits with Australian deposit taking institutions or in a capital guaranteed life insurance policy.

Effect of fees and costs

This data takes account of investment management costs, but does not include the effects of contribution, termination and other fees you might be charged. Extra fees will reduce your account balance.

Calculation of 'average returns'

The average returns are weighted according to the value of funds being managed by each fund within each category ('asset-weighted'). For example, if superfund A has 50 per cent of the assets in the balanced fund category, and superfund B has 10 per cent, then superfund A's return will account for a greater weighting in the calculation of the balanced fund category average return.