

APRA Quarterly Performance

March 2024

May 2024



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Summary

The latest statistics show that total superannuation assets rose by 4.2% in the March quarter to \$3.9 trillion and were 11% higher than a year ago.

Among the sectors, industry funds recorded the strongest growth in the March quarter with funds under management (FUM) up \$77.5 billion (6.1%) to \$1.35 trillion. The retail sector, public sector and self-managed super funds also grew, with the retail sector growing \$39.7 billion (5.6%) to \$753 billion, SMSFs growing \$24.6 billion (2.7%) to \$933 billion, and the public sector growing \$13.5 billion (1.9%) to \$712 billion. FUM in the corporate sector fell in the March quarter, down \$0.6 billion (-1.2%) to \$47 billion.

Net returns for entities with more than six members were 4.9% in the quarter and 10.9% over the past year. This high quarterly return was driven by strong growth in financial markets, particularly in domestic and international equities which closed the quarter at near record highs.

All sectors (for entities with 6 members or more) recorded positive net returns for the March quarter, with the retail sector recording the strongest net returns in the quarter and over the past year (5.2% in the quarter and 11.9% for the year). Public sector funds recorded net returns of 4.9% in the quarter (11.2% over the year), industry funds followed with 4.7% in the quarter (10.3% over the year) and while corporate funds had net returns of 4.2% in the quarter (9.1% over the year).

Net contribution flows (contributions plus net benefit transfers less benefit payments) for the year to March 2024 were \$59.8 billion, compared to \$62.3 billion for the year to March 2023. Quarter by quarter analysis of sector net contribution flows showed industry funds continued to record stronger net flow position (more contribution inflows than benefit payments) compared to other sectors (see slides 7-10).

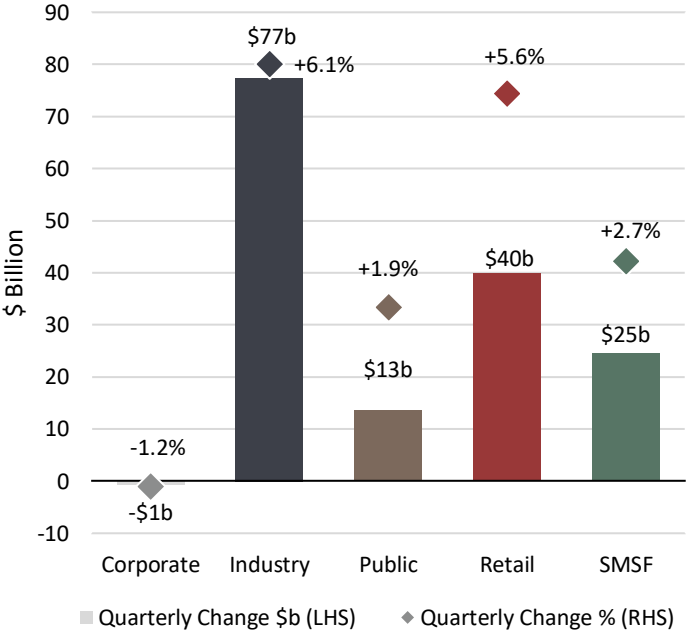
Since the December quarter 2017, around \$70 billion has flown into industry funds, mostly from retail funds. However, net benefit transfers were only +\$0.2 billion in the March quarter 2024 and +\$2.9 billion over the past year.

Analysis of sector level asset allocation data and MySuper products will no longer be available in this slide deck following APRA's adoption of its new reporting standards. This information will be reported under the new Quarterly Superannuation Product Statistics (QSPS).

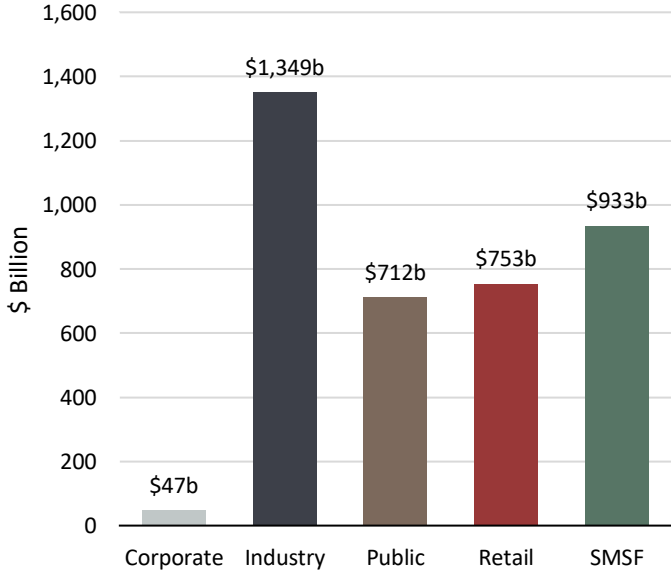
The latest statistics showed quarterly net returns stay in positive territory after being negative back in the September quarter last year. This is against a backdrop of continued challenging economic conditions and geopolitical tensions.

FUM in the profit-to-member sector reaches \$2.1 trillion.

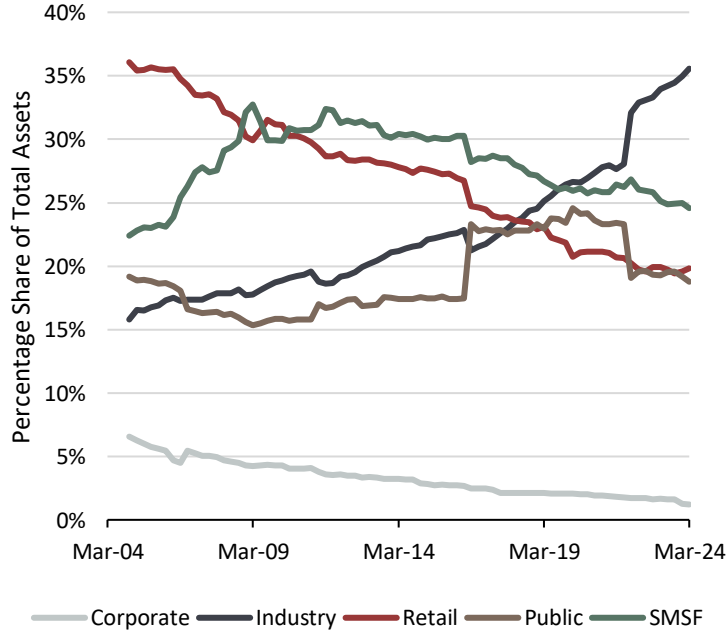
Quarterly Change in Total Assets by Sector
December 2023 - March 2024



Total Assets by Sector
March 2024



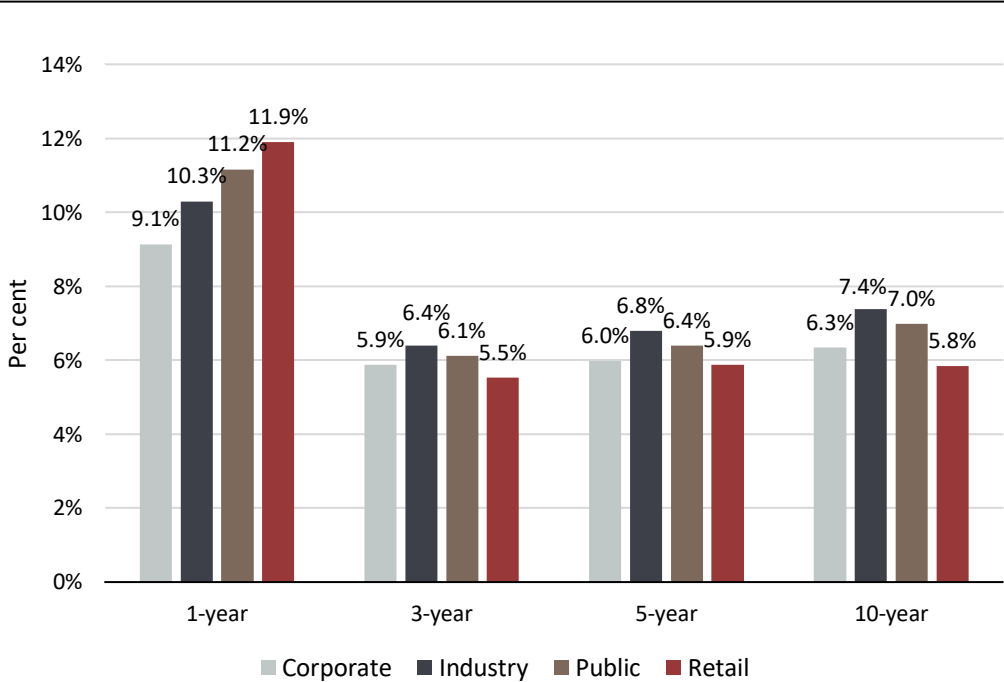
Market Share
December 2004 - March 2024



Source: SMC Analysis, APRA Statistics - Quarterly Superannuation Performance, March 2024 (and legacy publications), APRA Statistics - Annual Superannuation Bulletin June 2004 to June 2019.
 Note: Public sector shown here represent both APRA-regulated and APRA-exempt public sectors. Total asset values for (i) APRA-regulated public sector and (ii) Exempt public sector superannuation schemes are \$542.1b and \$169.6b respectively as of March quarter 2024. Market share percentages excludes Single-member ADFs, Small APRA funds and Balance of life office statutory funds. SMSF timeseries between Dec 2004 and Sep 2014 contains interpolated values based on annual figures provided by the annual bulletin. The jump in industry sector market share and the corresponding fall in the public sector market share in March quarter 2022 is due to the merger of QSuper (public) and Sunsuper (industry) to become Australian Retirement Trust (ART) (industry). Approximately \$138b of assets have been reclassified into the industry sector.

Retail sector outperformed short-term. PTM funds outperformed over longer horizons.

Average Annual Net Return by Sector - March 2024



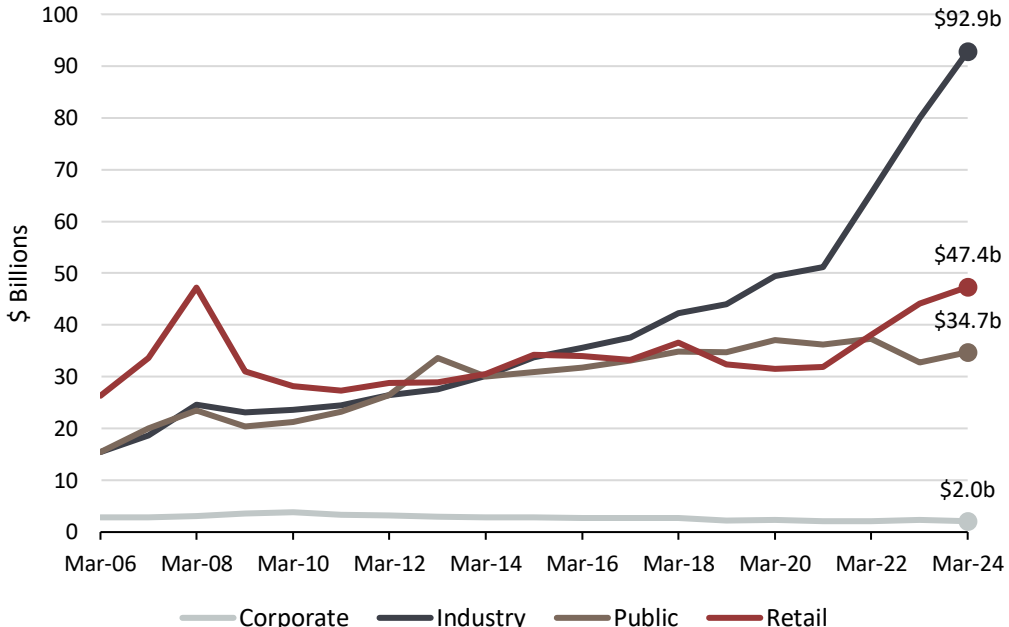
Comparison of Net Returns - March 2024

	Quarter	1yr	3yr	5yr	7yr	10yr	19.5yr
All	4.9%	10.9%	6.0%	6.4%	6.5%	6.6%	6.3%
Industry	4.7%	10.3%	6.4%	6.8%	7.0%	7.4%	7.1%
Retail	5.2%	11.9%	5.5%	5.9%	5.8%	5.8%	5.4%
Public	4.9%	11.2%	6.1%	6.4%	6.7%	7.0%	6.9%
Corporate	4.2%	9.1%	5.9%	6.0%	6.1%	6.3%	6.5%
Outperformance (Profit-to-member vs Retail)	-0.4%	-1.3%	0.7%	0.7%	1.1%	1.3%	1.6%
Outperformance (Industry vs Retail)	-0.5%	-1.6%	0.9%	0.9%	1.3%	1.5%	1.7%

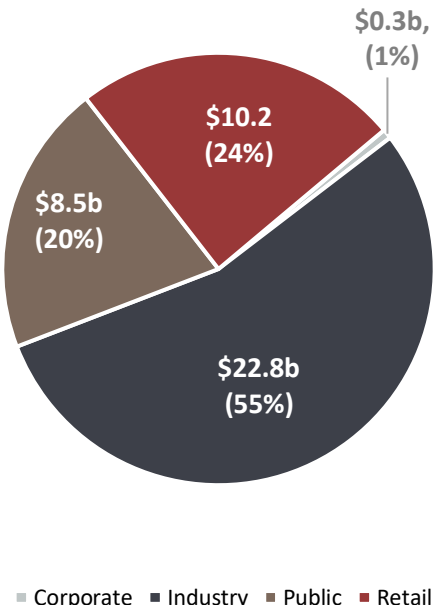
Source: SMC Analysis, APRA Statistics - Quarterly Superannuation Performance, March 2024
 Note: Returns are annualised for periods greater than 1-year.

The PTM sector accounts for the majority of super contributions.

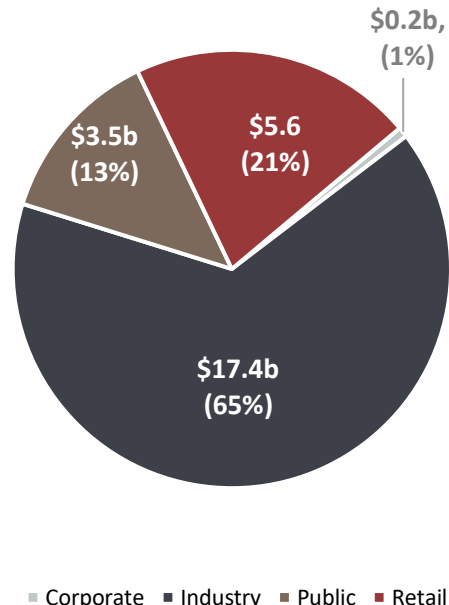
Growing Total Annual Contributions



Sector Share of Total Contributions (March Quarter 2024)



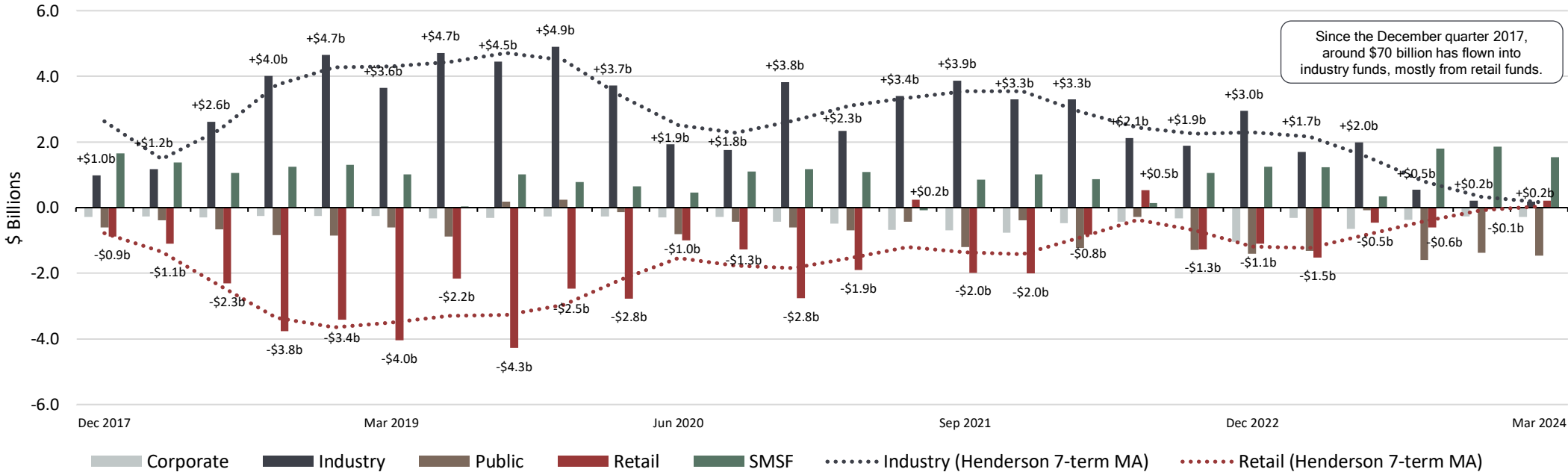
Sector Share of SG Contributions (March Quarter 2024)



Source: SMC Analysis, APRA Statistics - Quarterly Superannuation Performance, March 2024

Switching behaviour from retail funds to industry funds following the Banking Royal Commission.

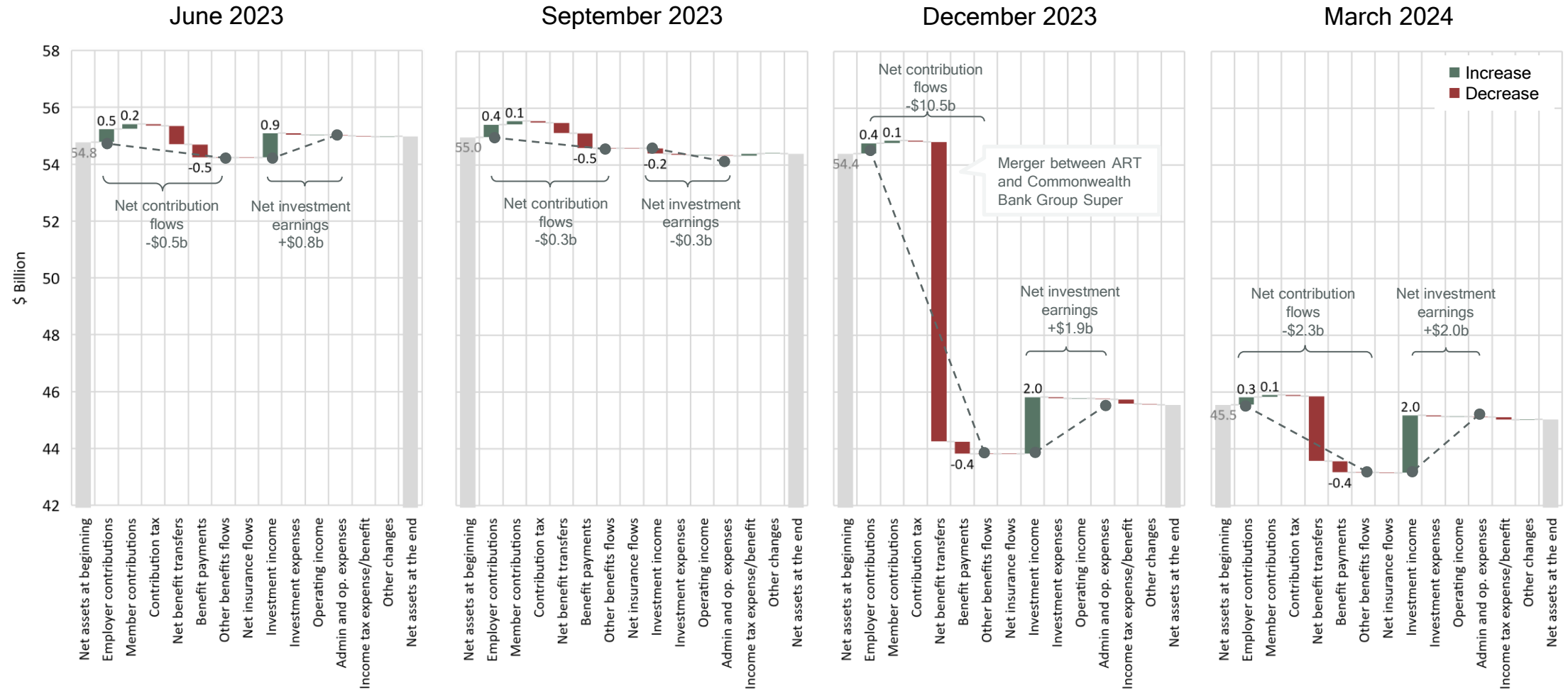
Quarterly Net Benefit Transfers



Source: SMC Analysis, APRA Statistics - Quarterly Superannuation Performance, March 2024. Net benefit transfer is the difference between inward rollovers and outward rollovers.
 Note: The estimated effect of cross-sector merger activity has been removed from the following quarters: Mar 2018 (IRIS/HESTA), Dec 2018 (DuluxGroup/Sunsuper, Nationwide/Russell Investments), June 2019 (CBH/Sunsuper, State Plus/First State), Dec 2019 (Dow/EquipSuper), June 2020 (United Technologies/Sunsuper), Dec 2020 (IAG&NRMA/Sunsuper), Jun 2021 (Toyota/EquipSuper), Sep 2021 (Energy/LGIA), Dec 2021 (BOC/EquipSuper), Jun 2022 (APSS/ART), Dec 2022 (Mercy/HESTA, Christian/Aus Ethical), Jun 2023 (SPSL/Brighter), Aug 2023 (ART/Woolworth & Endeavour), Nov 2023 (ART/Commonwealth Bank Group Super). Only significant cross-sector mergers have been included in this analysis.

Corporate sector contribution flows and investment performance

Corporate Sector Quarterly Financial Performance

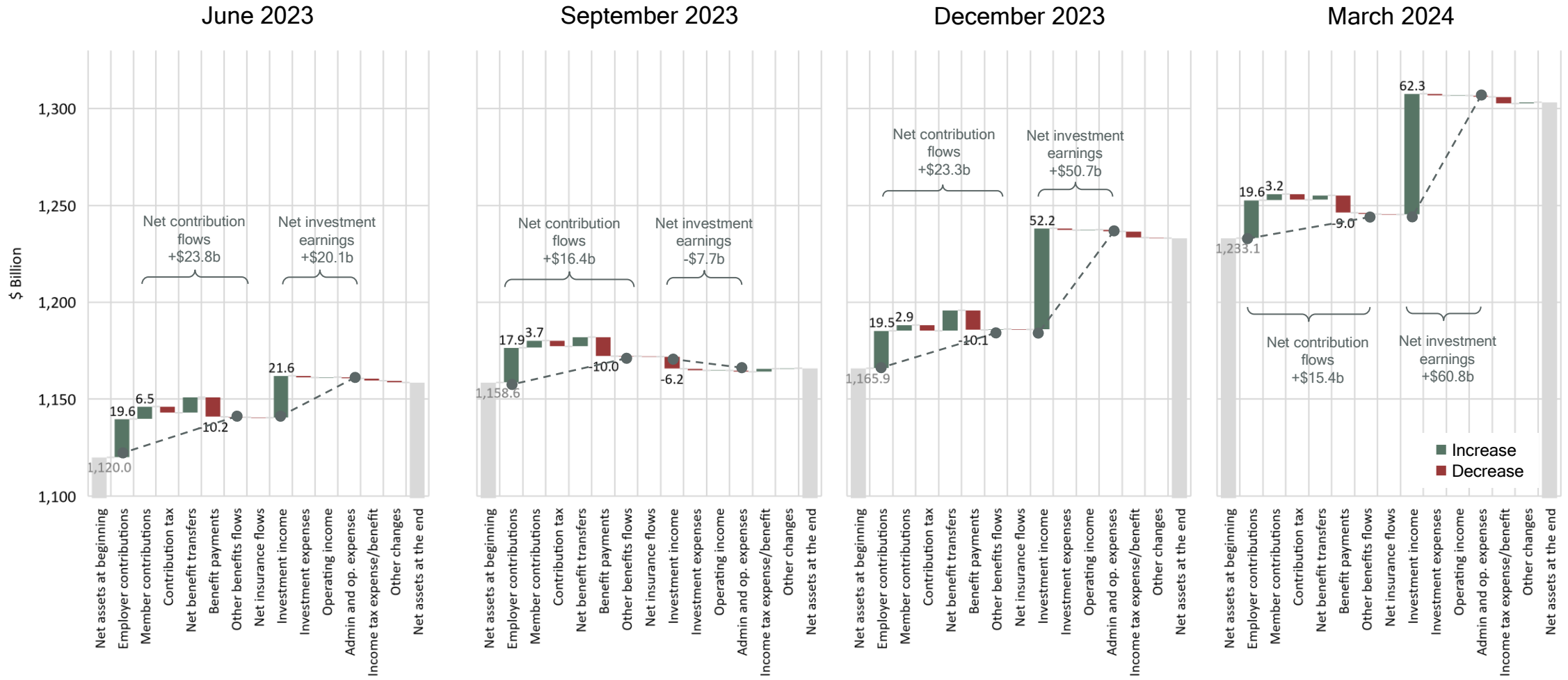


Source: SMC Analysis, APRA Statistics - Quarterly Superannuation Performance, March 2024

Note: Net contribution flows excludes contribution tax and surcharges. Net investment earnings excludes income tax expense/benefit and other changes.

Industry sector contribution flows and investment performance

Industry Sector Quarterly Financial Performance

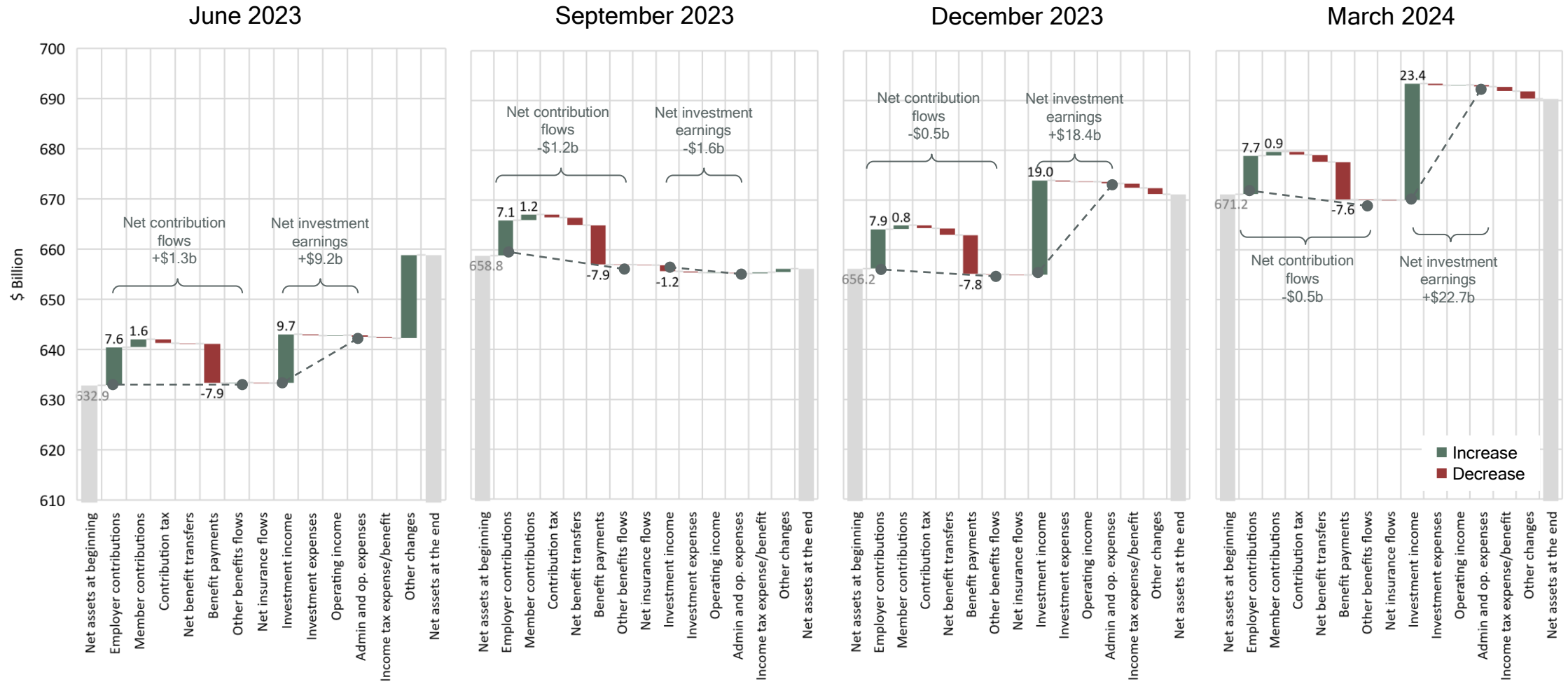


Source: SMC Analysis, APRA Statistics - Quarterly Superannuation Performance, March 2024

Note: Net contribution flows excludes contribution tax and surcharges. Net investment earnings excludes income tax expense/benefit and other changes.

Public sector contribution flows and investment performance

Public Sector Quarterly Financial Performance

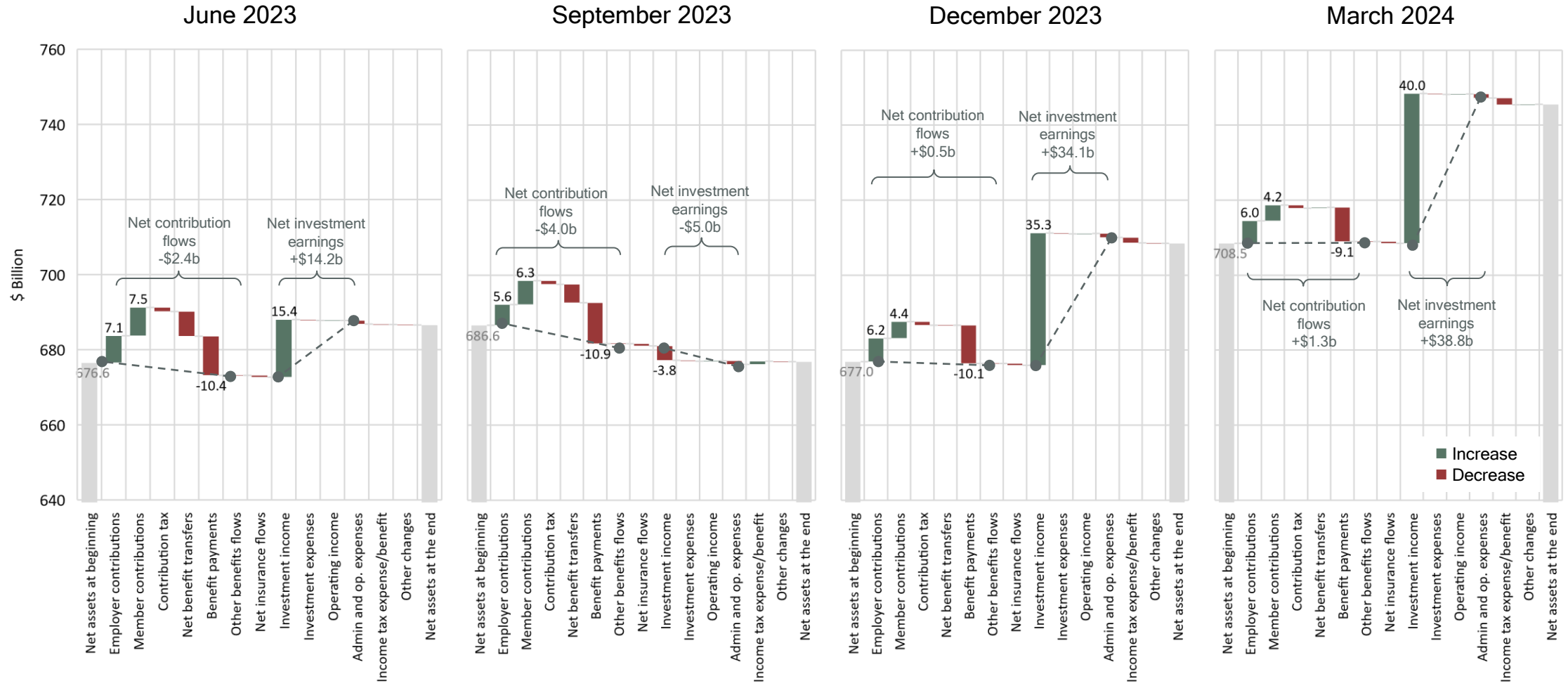


Source: SMC Analysis, APRA Statistics - Quarterly Superannuation Performance, March 2024

Note: Net contribution flows excludes contribution tax and surcharges. Net investment earnings excludes income tax expense/benefit and other changes.

Retail sector contribution flows and investment performance

Retail Sector Quarterly Financial Performance



Source: SMC Analysis, APRA Statistics - Quarterly Superannuation Performance, March 2024

Note: Net contribution flows excludes contribution tax and surcharges. Net investment earnings excludes income tax expense/benefit and other changes.

Thank you!



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