

# APRA Quarterly Performance

## June 2024

September 2024



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# Summary

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The latest statistics showed total superannuation assets rose by 0.4 per cent in the June quarter to \$3.92 trillion and were 9.1 per cent higher than a year ago.

Among the sectors, industry funds recorded the strongest growth in the June quarter with funds under management (FUM) up \$17.1 billion (1.3 per cent) to \$1.37 trillion. The retail sector and self-managed super funds also grew, with the retail sector growing \$3.5 billion (0.5 per cent) to \$756 billion and SMSFs growing \$5.2 billion (0.5 per cent) to \$990 billion. On the other hand, FUM in the corporate and public sector fell in the June quarter, with the corporate sector dropping \$0.4 billion (-0.9 per cent) to \$46.3 billion, and the public sector dropping \$9.5 billion (-1.3 per cent) to \$702 billion.

Overall net returns for entities with more than six members were flat (0.0 per cent) in the quarter but have increased by 8.9 per cent on an annual basis. Recent upward trends have been driven predominantly by global tech sector. However, it subdued in the final quarter of the financial year. There are potential geopolitical risks on the horizon, including the upcoming US election and international conflicts.

Only the industry sector (for entities with 6 members or more) recorded positive net returns for the June quarter (0.1 per cent). Public sector funds recorded a flat returns of 0.0 per cent in the quarter, while both corporate and the retail sectors recorded negative net returns (-0.2 per cent in the quarter). For the year to June 2024, net return for retail funds was 9.6 per cent, followed by public sector funds (8.9 per cent), industry funds (8.6 per cent) and corporate funds (7.5 per cent).

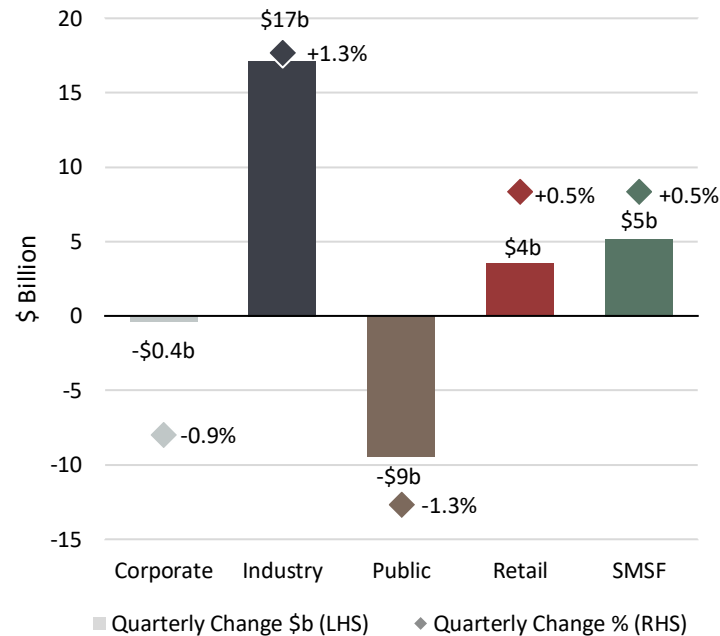
Net contribution flows (contributions plus net benefit transfers less benefit payments) for the year to June 2024 were \$64.5 billion, compared to \$61.1 billion for the year to June 2023. Quarter by quarter analysis of sector net contribution flows showed industry funds continued to record stronger net flow position (more contribution inflows than benefit payments) compared to other sectors (see slides 7-10).

The overall pattern of member switching from retail funds to industry funds that has occurred since the Banking Royal Commission appears to have come to an end. Net benefit transfers to industry funds (after adjusting for cross-sector mergers) was negative for the first time since September 2016. From the December quarter 2017 to the March quarter 2024, around \$70 billion was transferred into industry funds, mostly from retail funds.

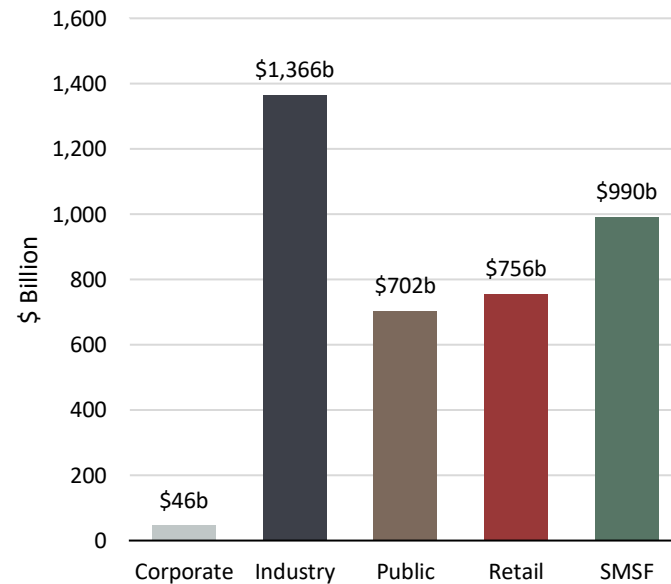
Analysis of sector level asset allocation data and MySuper products will no longer be available in this slide deck following APRA's adoption of its new reporting standards. This information will be reported under the new Quarterly Superannuation Product Statistics (QSPS).

# Profit-to-member sectors' FUM rises to \$2.11 trillion

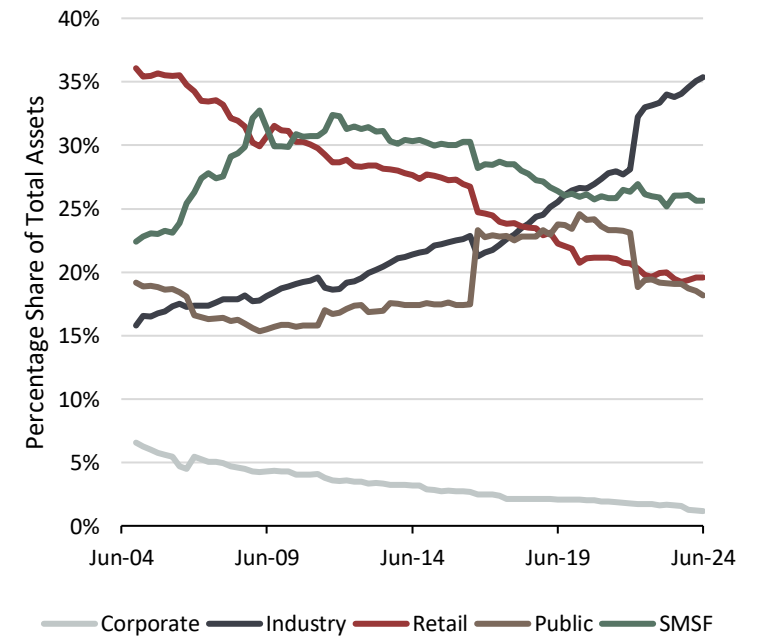
### Quarterly Change in Total Asses by Sector



### Total Assets by Sector



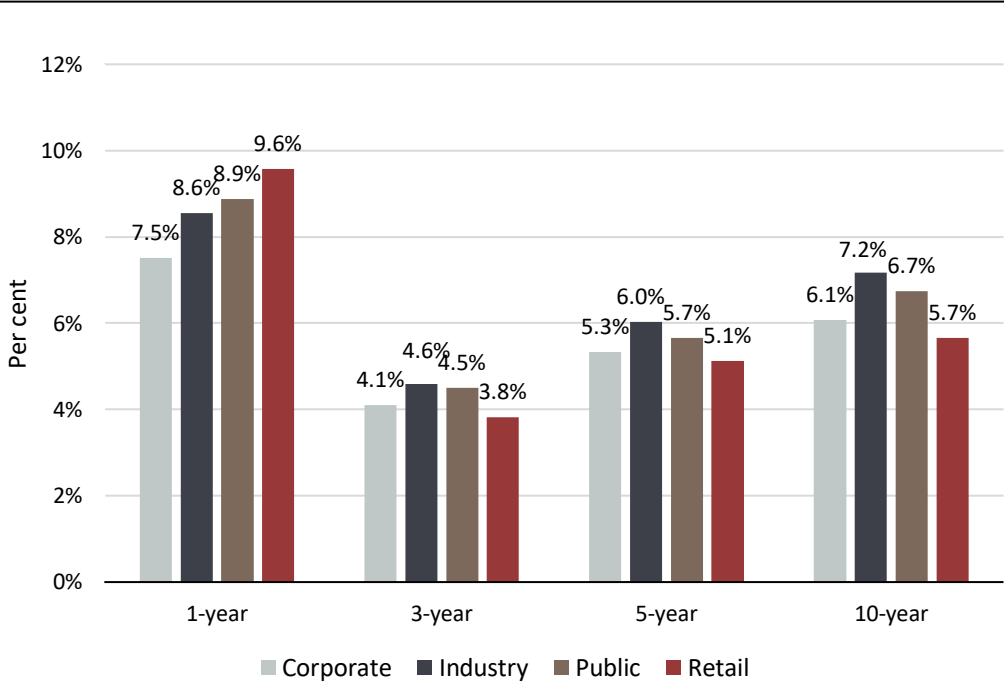
### Market Share



Source: SMC Analysis, APRA Statistics - Quarterly Superannuation Performance, June 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 \$534.5b and \$167.7b respectively as of June 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.

# Profit-to-member funds continue to maintain strong performances across long term horizons

Average Annual Net Return by Sector (June 2024)



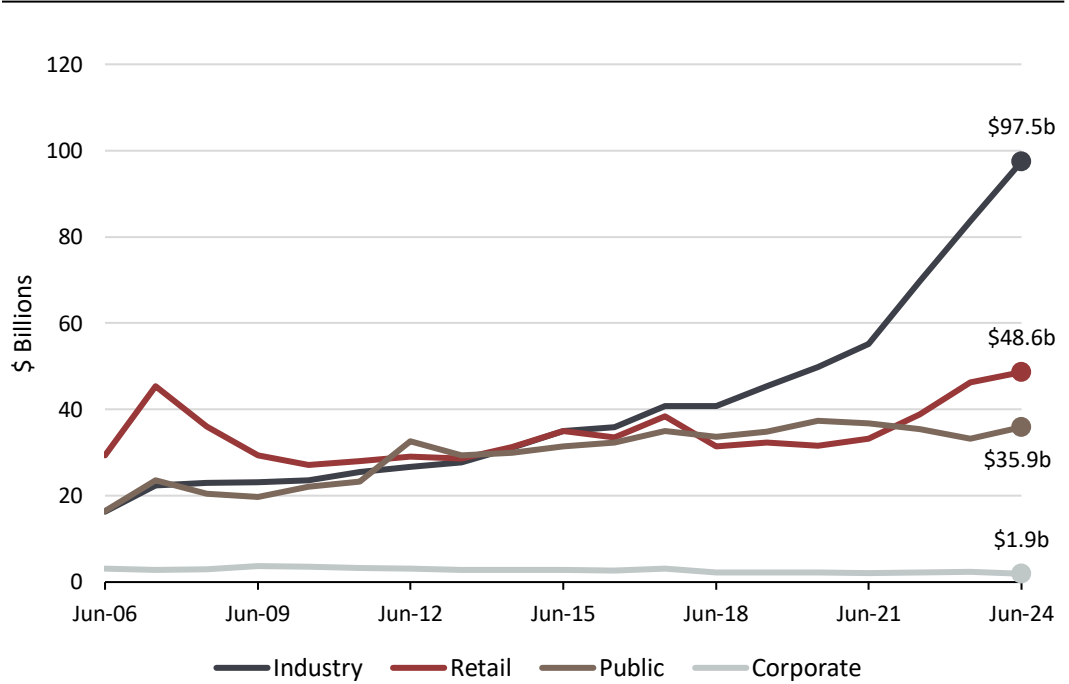
Comparison of Net Returns (June 2024)

	Quarter	1yr	3yr	5yr	7yr	10yr	19.75yr
All	0.0%	8.9%	4.3%	5.6%	6.2%	6.4%	6.2%
Industry	0.1%	8.6%	4.6%	6.0%	6.8%	7.2%	7.0%
Retail	-0.2%	9.6%	3.8%	5.1%	5.6%	5.7%	5.3%
Public	0.0%	8.9%	4.5%	5.7%	6.4%	6.7%	6.8%
Corporate	-0.2%	7.5%	4.1%	5.3%	5.9%	6.1%	6.4%
Outperformance (Profit-to-member vs Retail)	0.3%	-0.9%	0.7%	0.7%	0.9%	1.3%	1.6%
Outperformance (Industry vs Retail)	0.3%	-1.0%	0.8%	0.9%	1.1%	1.5%	1.7%

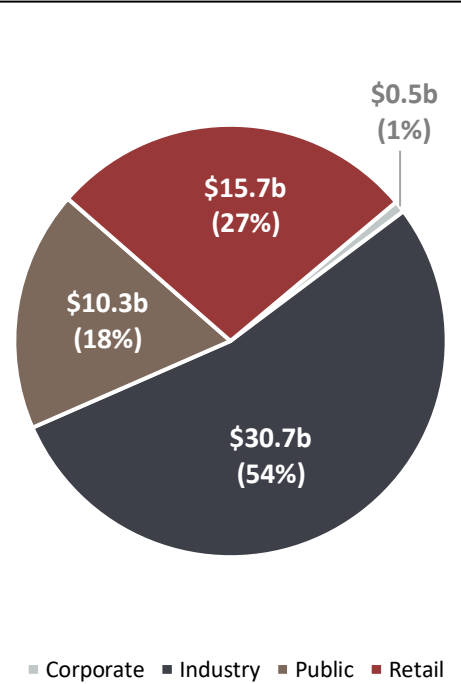
Source: SMC Analysis, APRA Statistics - Quarterly Superannuation Performance, June 2024  
 Note: Returns are annualised for periods greater than 1-year.

# Profit-to-member sectors account for majority share of super contributions

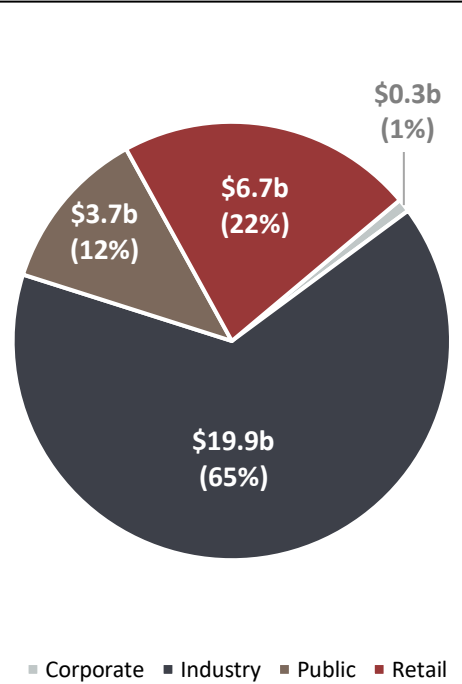
Growing Total Annual Contributions



Sector Share of Total Contributions (June Quarter 2024)



Sector Share of SG Contributions (June Quarter 2024)

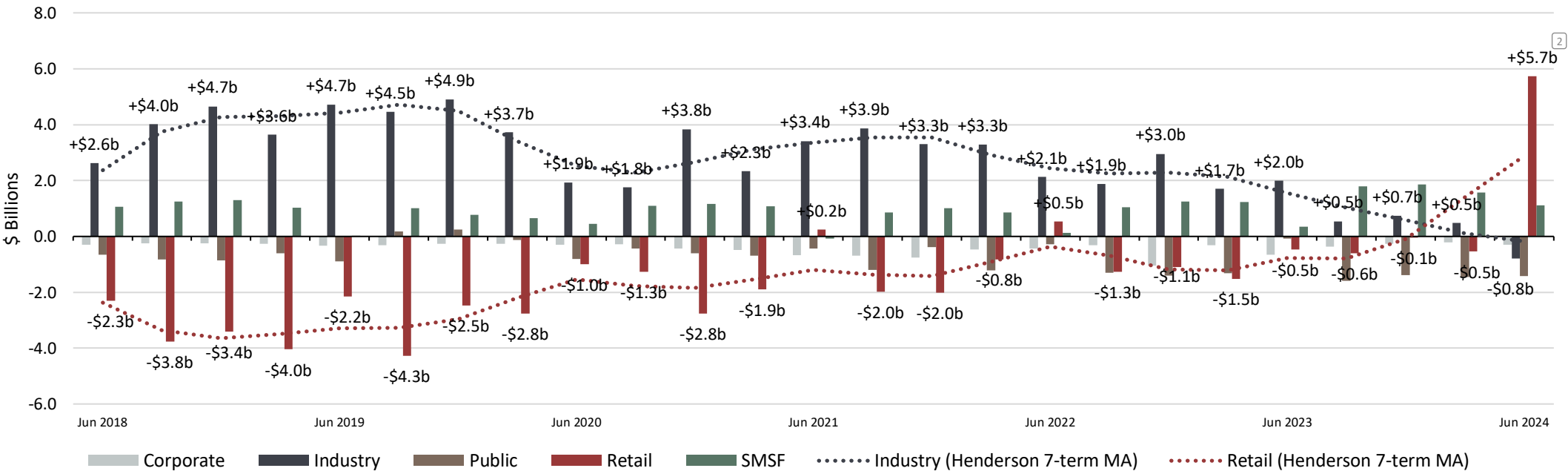


Source: SMC Analysis, APRA Statistics - Quarterly Superannuation Performance, June 2024



# Since December 2017, approximately \$70 billion dollars have flowed into industry funds from member switching - mostly from retail funds

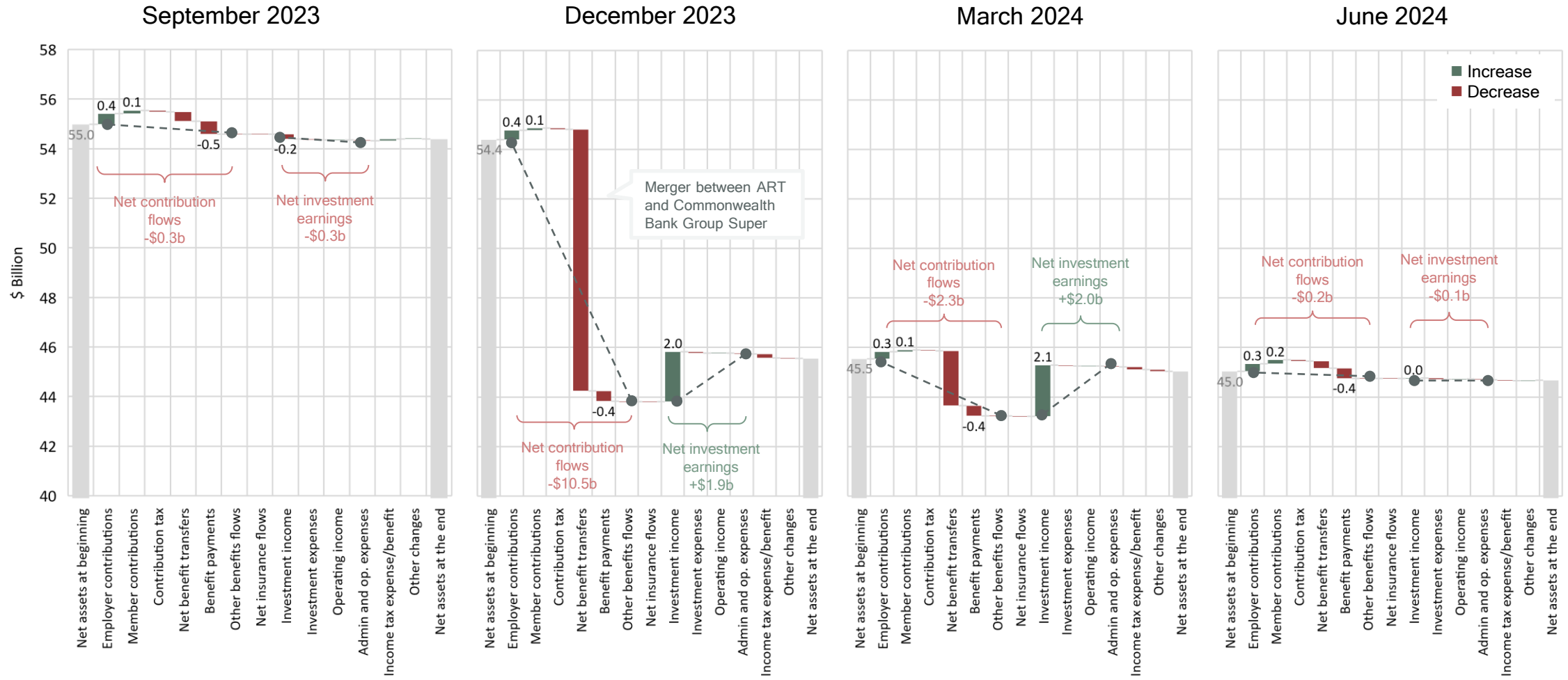
Adjusted Net Benefit Transfers <sup>1</sup>



Notes:  
 1. The APRA Net Benefit Transfer series is adjusted to remove the estimated effect of cross-sector merger activity. Adjustments have been made in the following quarters: Mar 2018 (IRIS/HESTA), Dec 2018 (DuluxGroup/Sunsuper, Nationwide/Russell Investments), Jun 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), May 2024 (ART/AvSuper). Only significant cross-sector mergers have been included in this analysis.  
 2. We are unaware of any cross-merger activity that would explain the large spike in net benefit transfers for the retail sector in the June Quarter. System-wide net benefit transfers (inclusive of SMSFs) is unusually large in the quarter. This may be due to larger than usual transfers from the ATO (eg unclaimed super) or from small APRA-regulated funds or overseas pension systems, or it may be due to reporting errors or timing differences (eg transfers between super funds may not be processed simultaneously). We are following up with APRA on this issue.

# Corporate sector contribution flows and investment performance

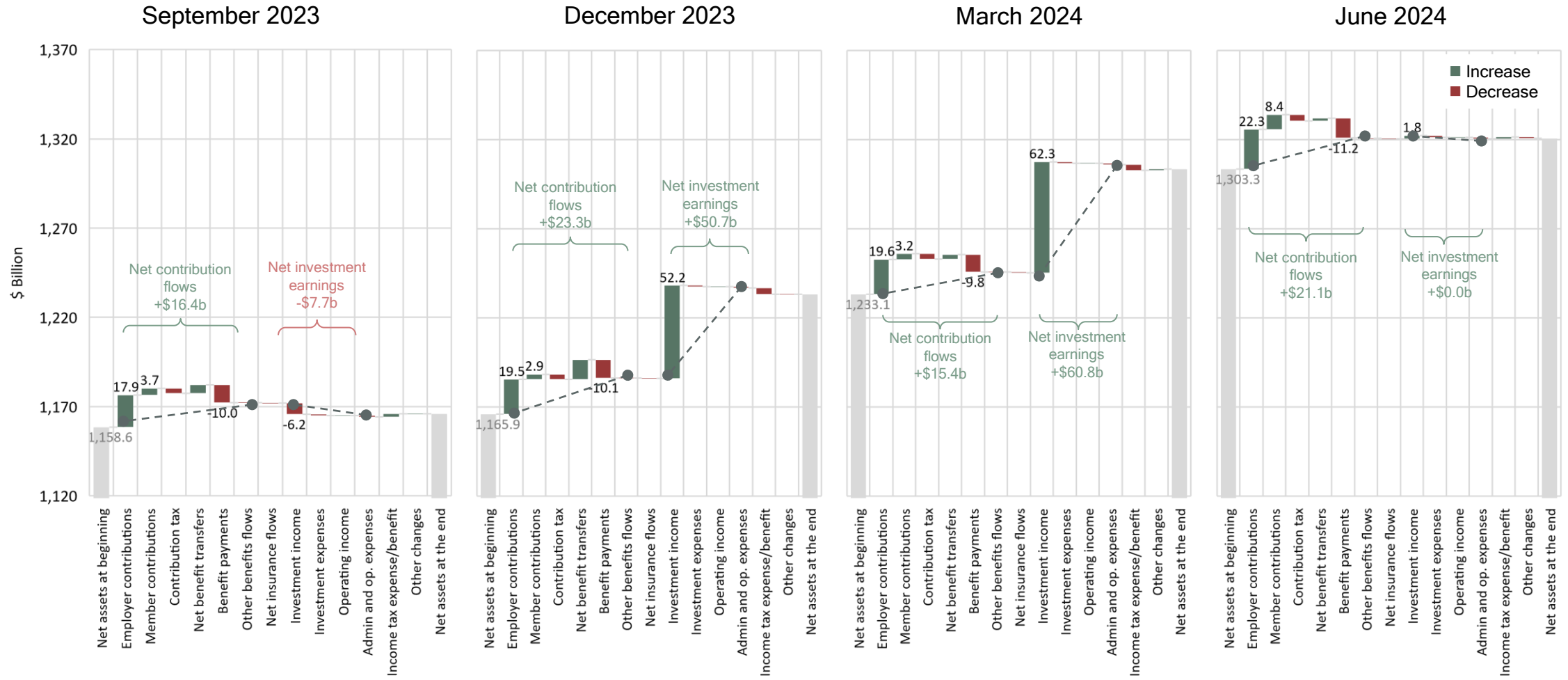
## Corporate Sector Quarterly Financial Performance



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

# Industry sector contribution flows and investment performance

## Industry Sector Quarterly Financial Performance

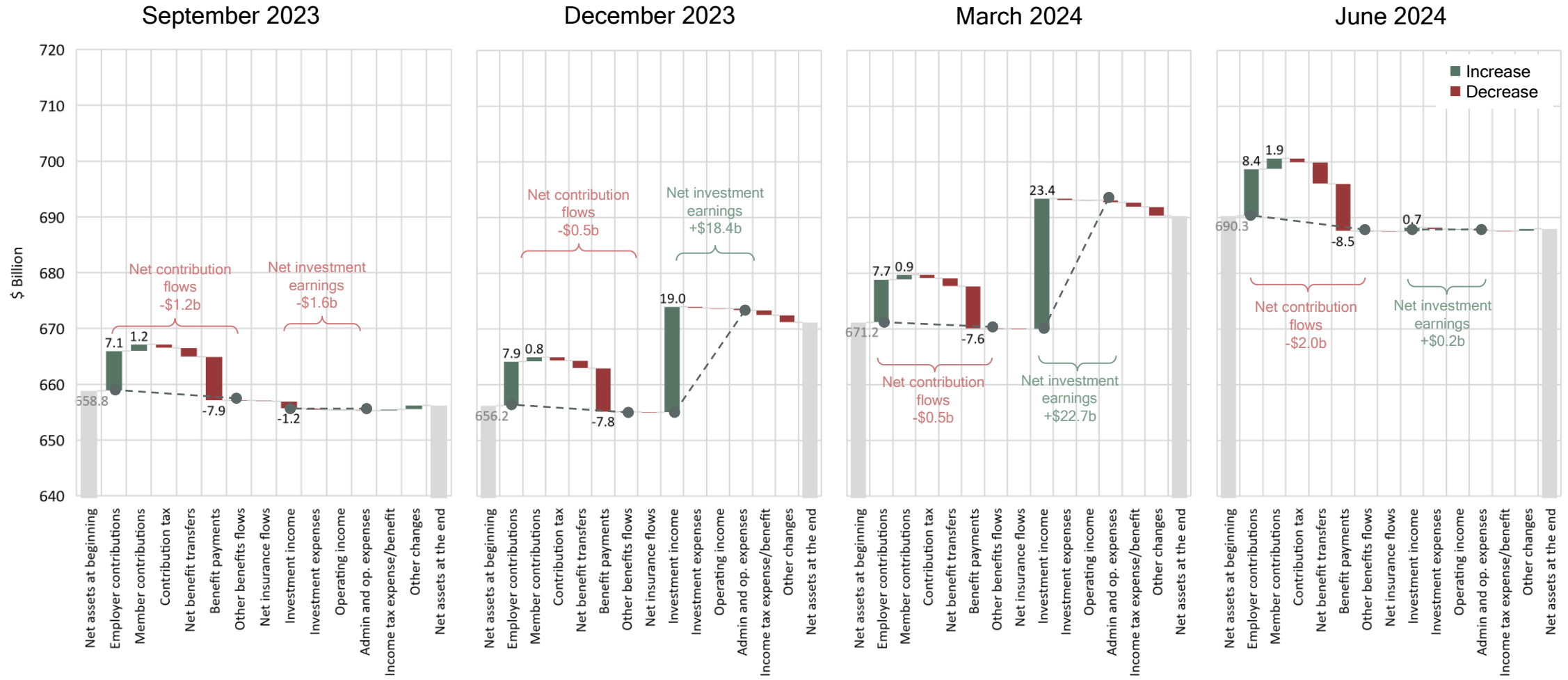


Source: SMC Analysis, APRA Statistics - Quarterly Superannuation Performance, June 2024



# Public sector contribution flows and investment performance

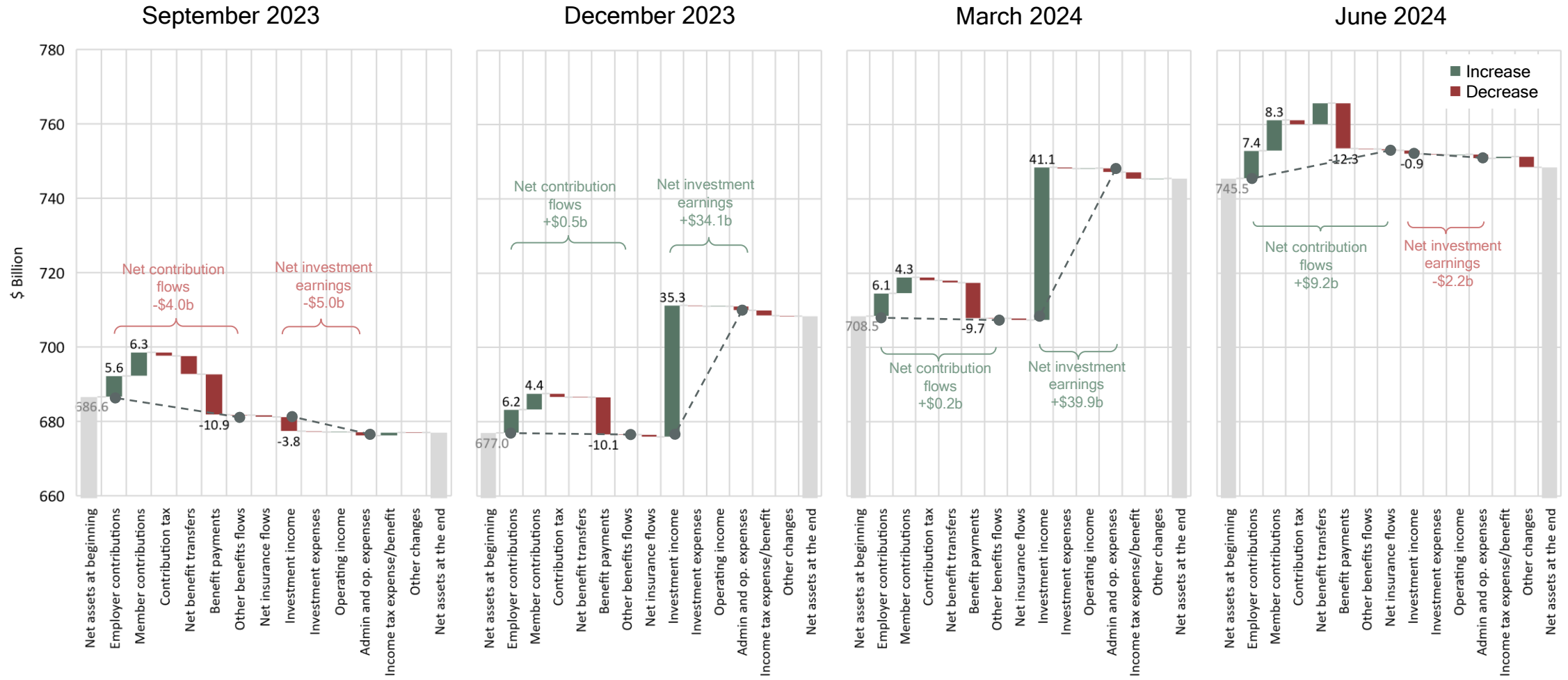
## Public Sector Quarterly Financial Performance



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

# Retail sector contribution flows and investment performance

## Retail Sector Quarterly Financial Performance



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

Thank you!



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