

APRA Quarterly Performance

September 2024

December 2024



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Summary

The latest statistics show total superannuation assets rose by 3.7 per cent in the September 2024 quarter to \$4.08 trillion and were 13.4 per cent higher than a year ago.

Among the sectors, industry funds recorded the strongest growth in the September quarter with funds under management (FUM) up \$59.8 billion (4.4 per cent) to \$1.43 trillion. Other sectors also grew strongly in this quarter, with the retail sector growing \$33.3 billion (4.4 per cent) to \$789 billion, SMSFs growing \$31.4 billion (3.2 per cent) to \$1.02 trillion, the public sector growing \$18.3 billion (2.5 per cent) to \$737 billion and corporate sector growing \$1.3 billion (2.8 per cent) to \$47.6 billion.

Overall net returns for entities with more than six members increased 3.7 per cent in the quarter and have increased by 13.3 per cent on an annual basis. Recent upward trends have predominantly been driven by the global tech sector. There are potential geopolitical risks on the horizon, including the new administration in the US and ongoing international conflicts.

The industry sector recorded 3.5 per cent net returns for the September quarter. Both public sector and corporate sector funds recorded a net returns of 3.4 per cent in the quarter, while the retail sectors recorded a net returns of 4.1 per cent in the quarter. For the year to September 2024, net return for retail funds was 14.8 per cent, followed by public sector funds (13.0 per cent), industry funds (12.8 per cent) and corporate funds (11.6 per cent).

Net contribution flows (contributions plus net benefit transfers less benefit payments) for the year to September 2024 were \$66.0 billion, compared to \$58.2 billion for the year to September 2023.

Quarter by quarter analysis of sector net contribution flows shows industry funds continued to record a stronger net flow position (more contribution inflows than benefit payments) compared to other sectors (see slides 7-10).

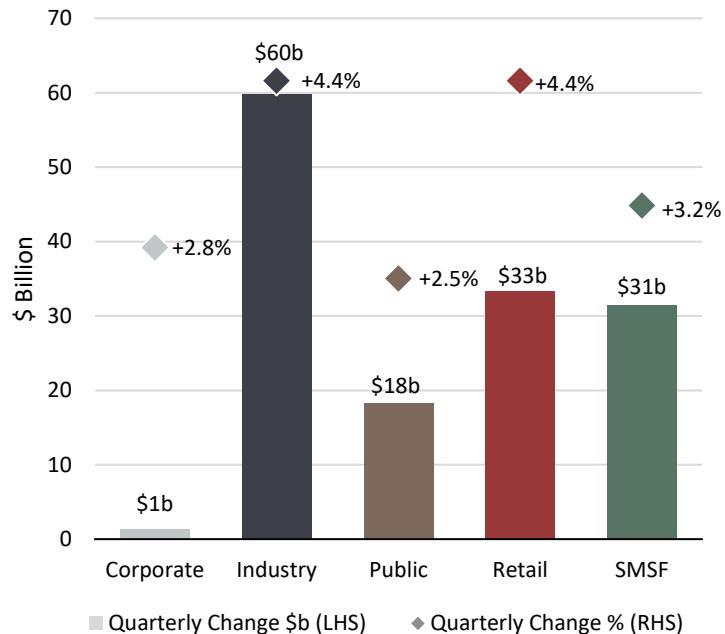
The overall pattern of members switching from retail funds to industry funds that has occurred since the establishment of the Banking Royal Commission in December 2017 appears to have come to a halt, at least temporarily. Net benefit transfers to industry funds (after adjusting for cross-sector mergers) were negative (-\$2.2 billion) for this quarter. From the December quarter 2017 to the March quarter 2024, around \$70 billion (in net terms) was transferred from other sectors into industry funds, mostly from retail funds.

While the most recent quarter has seen higher returns for retail funds relative to profit-to-member sectors and net flows away from industry funds, the industry sector continues to gain market share due to higher contributions from members and their employers. Furthermore, longer-term returns for industry funds remain superior to their retail counterparts. We have typically observed superior returns for retail funds in periods of strong public equity growth, however these trends have not previously been sustained over the growth cycle.

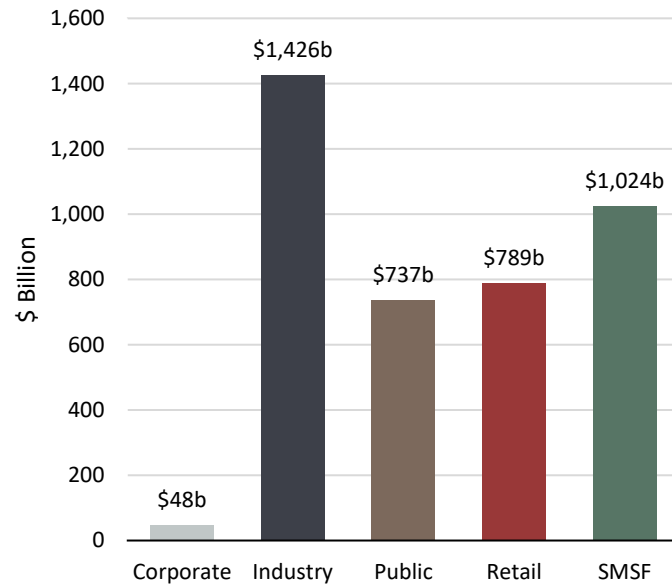
Analysis of sector level asset allocation data and MySuper products will no longer be available in this slide deck following APRA's adoption of its new reporting standards. This information is reported under the new Quarterly Superannuation Product Statistics (QSPS), released December 2024.

Profit-to-member sectors' FUM rises to \$2.21 trillion

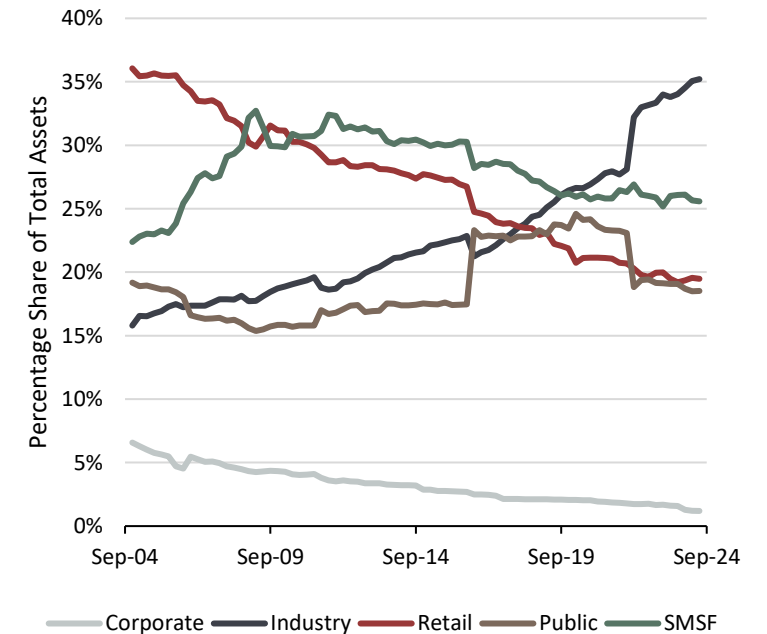
Quarterly Change in Total Assets by Sector



Total Assets by Sector



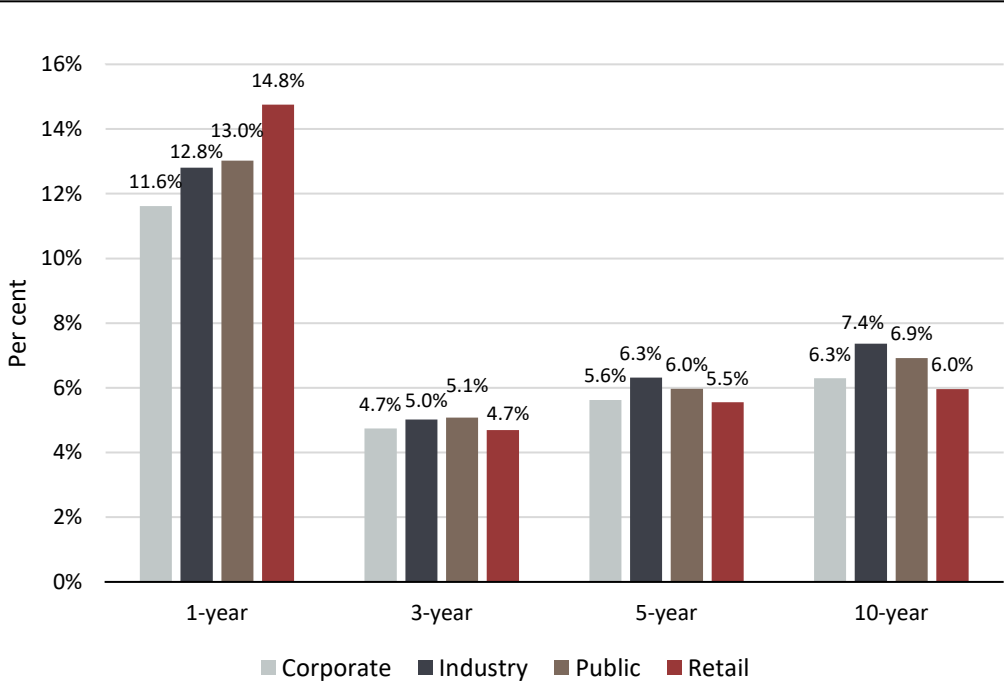
Market Share



Source: SMC Analysis, APRA Statistics - Quarterly Superannuation Performance, September 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 \$565.3b and \$171.6b respectively as of September 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 (September 2024)



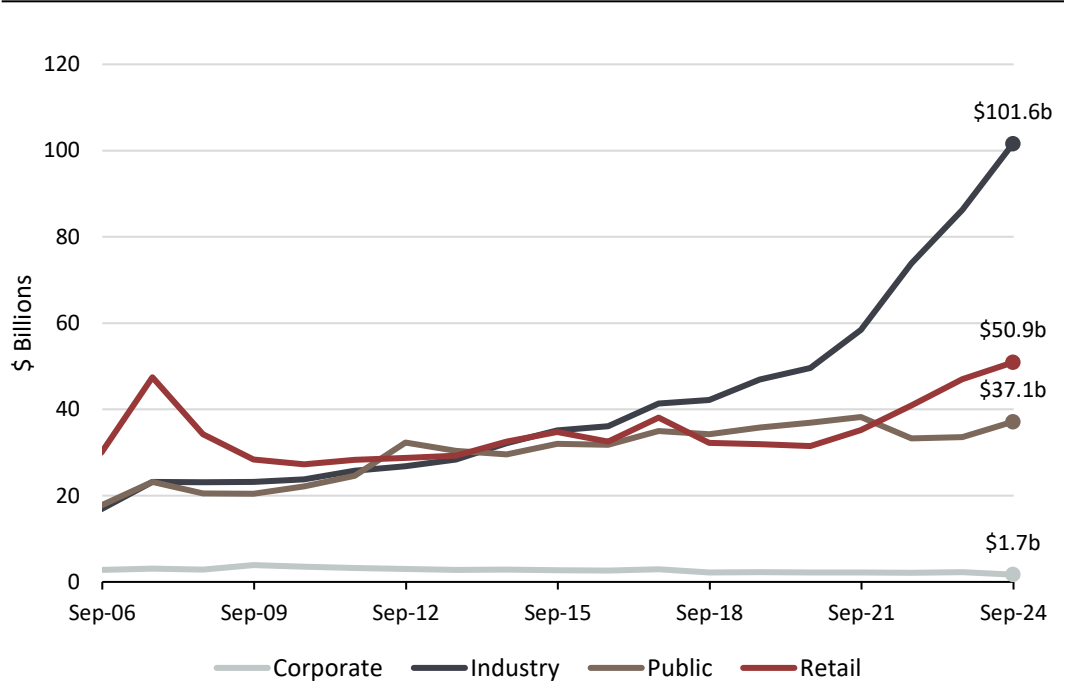
Comparison of Net Returns (September 2024)

	Quarter	1yr	3yr	5yr	7yr	10yr	20yr
All	3.7%	13.3%	4.9%	5.9%	6.6%	6.7%	6.3%
Industry	3.5%	12.8%	5.0%	6.3%	7.0%	7.4%	7.1%
Retail	4.1%	14.8%	4.7%	5.5%	6.1%	6.0%	5.5%
Public	3.4%	13.0%	5.1%	6.0%	6.6%	6.9%	6.9%
Corporate	3.4%	11.6%	4.7%	5.6%	6.2%	6.3%	6.5%
Outperformance (Profit-to-member vs Retail)	-0.6%	-1.9%	0.3%	0.6%	0.7%	1.1%	1.5%
Outperformance (Industry vs Retail)	-0.6%	-2.0%	0.3%	0.8%	0.9%	1.4%	1.6%

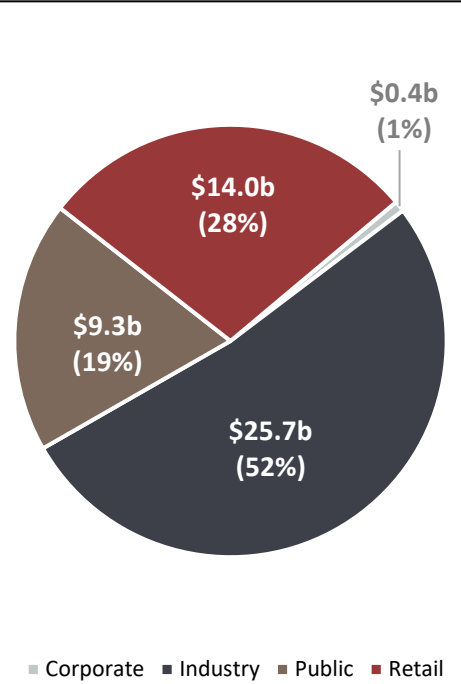
Source: SMC Analysis, APRA Statistics - Quarterly Superannuation Performance, September 2024
 Note: Returns are annualised for periods greater than 1-year.

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

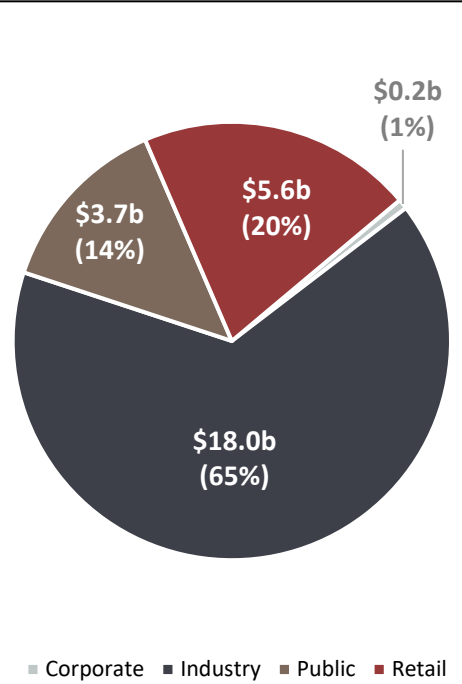
Growing Total Annual Contributions



Sector Share of Total Contributions (September 2024)



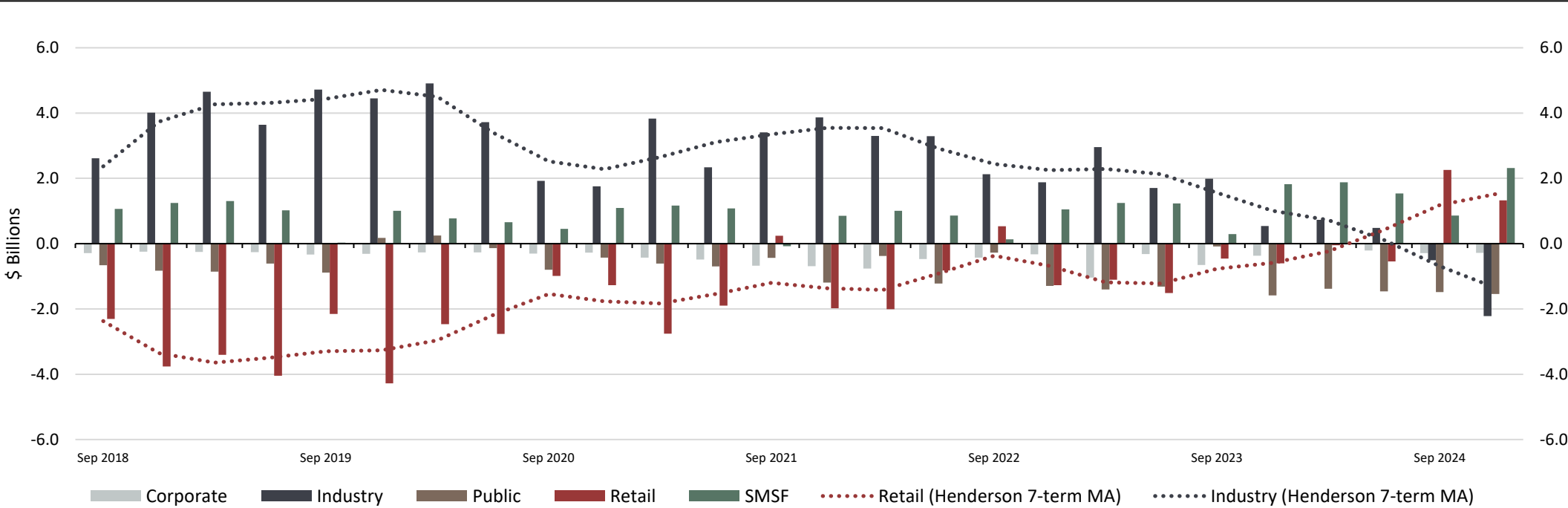
Sector Share of SG Contributions (September 2024)



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

The trend seen since December 2017 with net flows from retail to industry funds appears to have come to a halt - at least temporarily

Adjusted Net Benefit Transfers

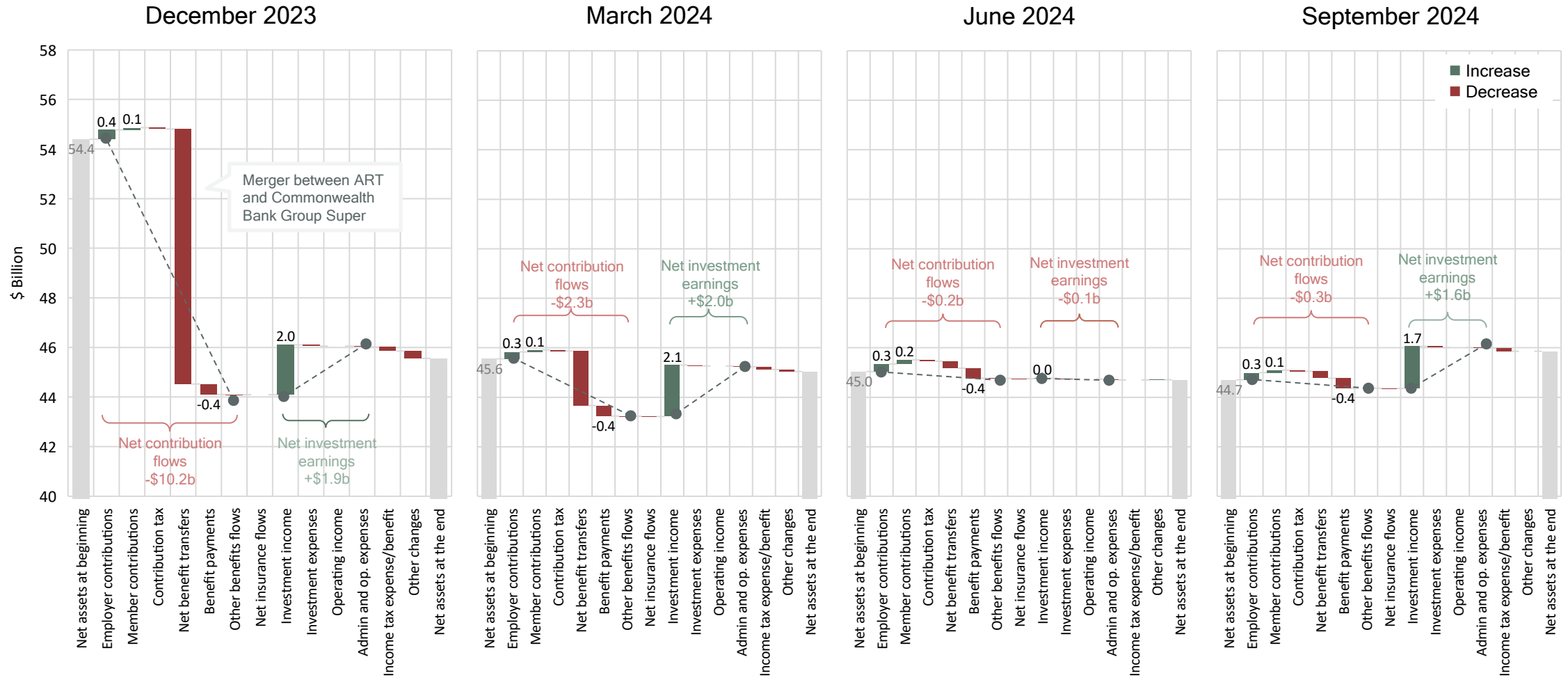


Notes: The APRA Net Benefit Transfer series is adjusted to remove the estimated effect of cross-sector merger activity. Adjustments have been made in the following quarters: Mar 2018 (IRIS/HESTA), Dec 2018 (DuluxGroup/Sunsuper, Nationwide/Russell Investments), Jun 2019 (CBH/Sunsuper, State Plus/First 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.

Source: SMC Analysis, APRA Statistics - Quarterly Superannuation Performance, September 2024. Net benefit transfer is the difference between inward rollovers and outward rollovers.

Corporate sector contribution flows and investment performance

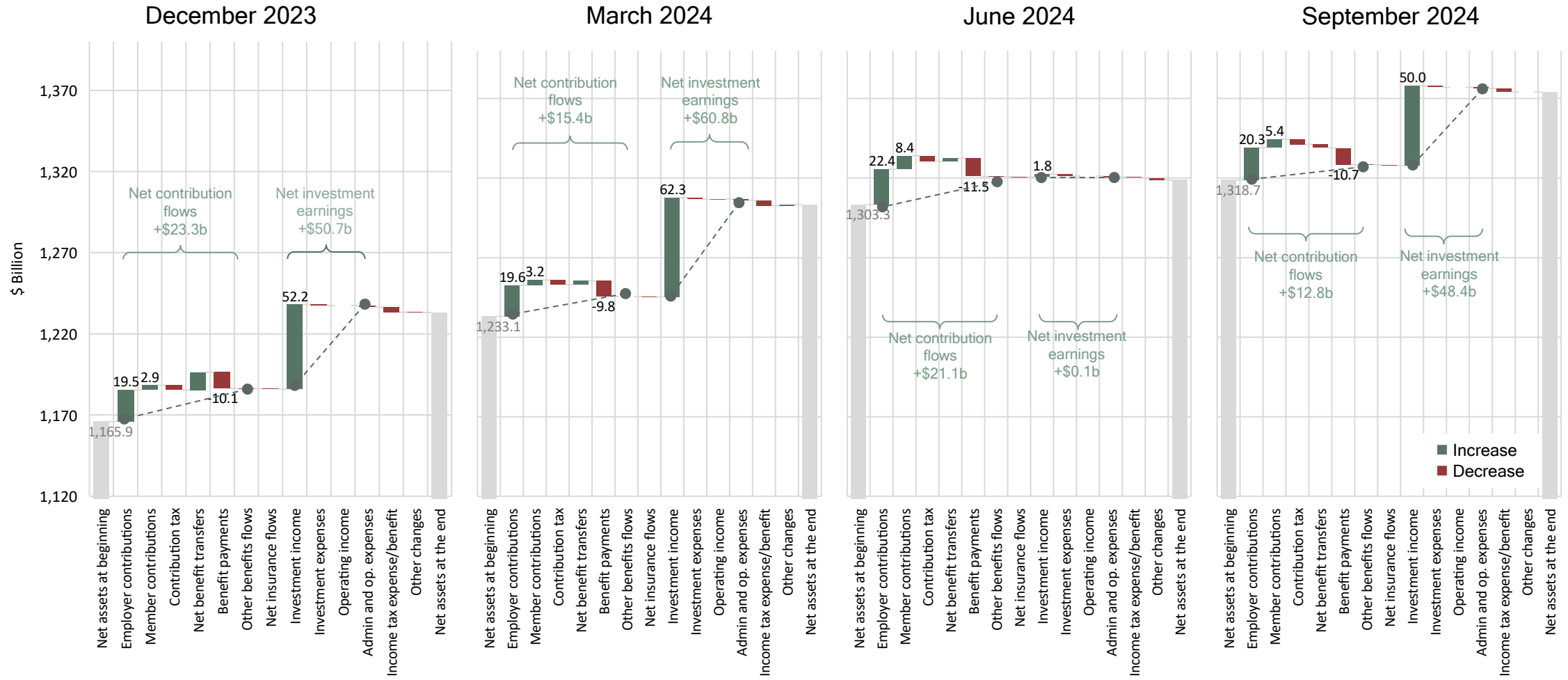
Corporate Sector Quarterly Financial Performance



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

Industry sector contribution flows and investment performance

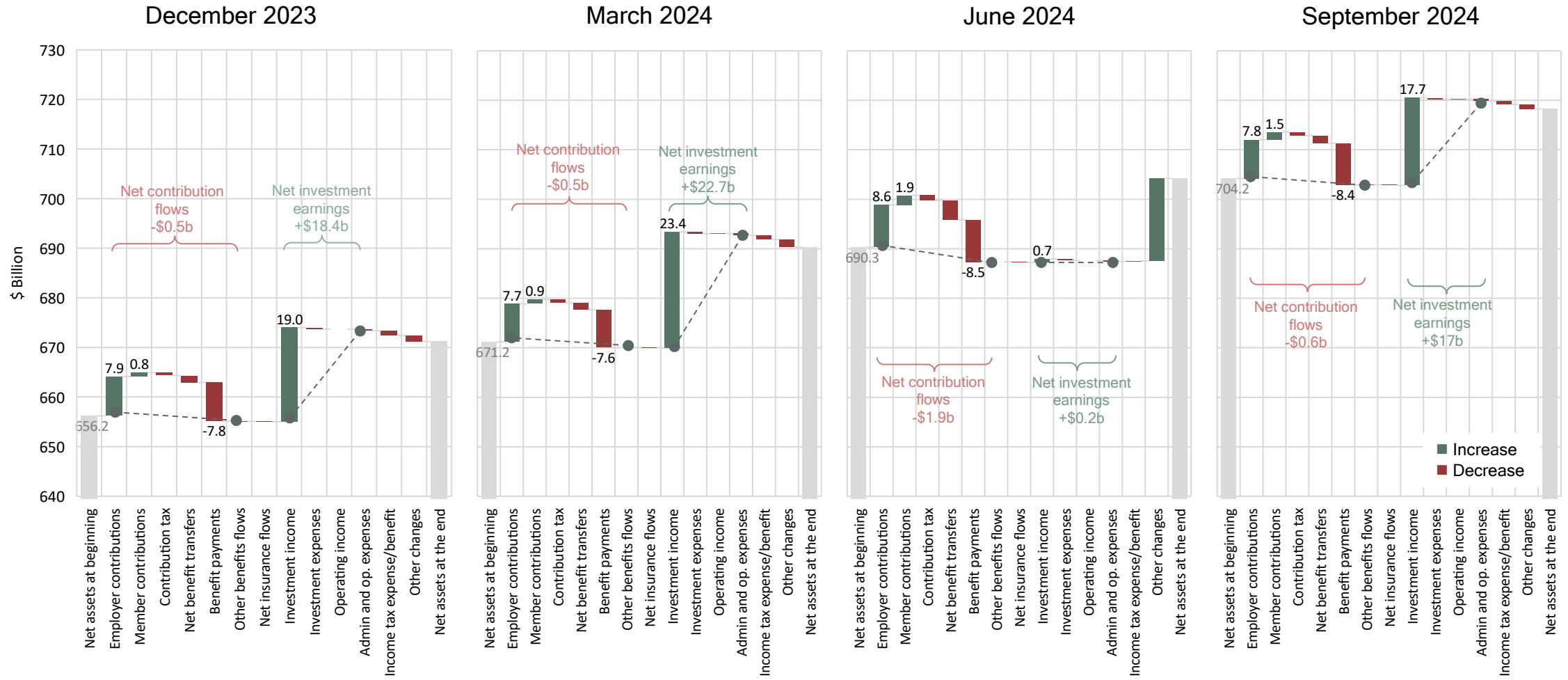
Industry Sector Quarterly Financial Performance



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

Public sector contribution flows and investment performance

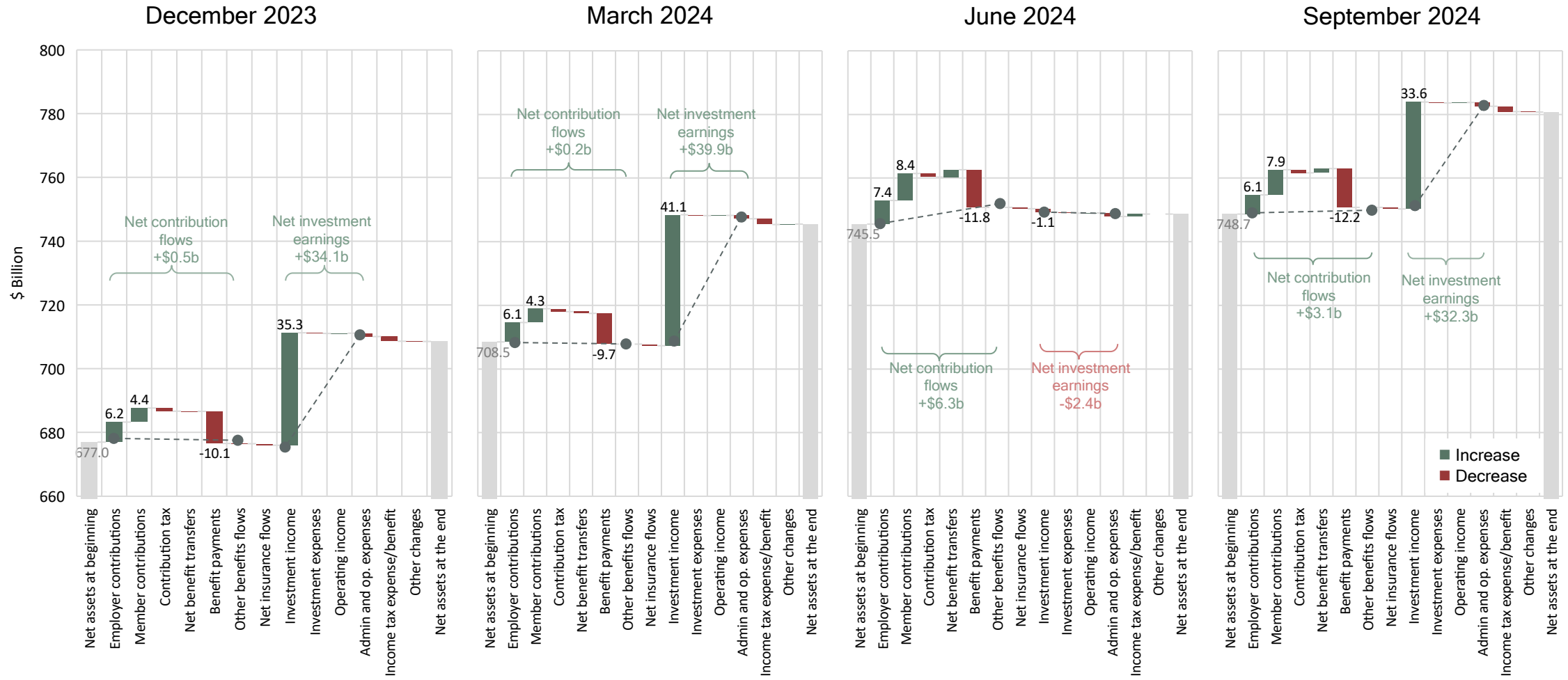
Public Sector Quarterly Financial Performance



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

Retail sector contribution flows and investment performance

Retail Sector Quarterly Financial Performance



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

Thank you!



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