

9 January 2013

## Not-for-profit super funds outperform again

**The Australian Institute of Superannuation Trustees** welcomes the release of new performance data that highlights the long term outperformance of not-for-profit superannuation funds, which include industry, public sector and corporate funds.

**AIST CEO Fiona Reynolds** said the data – released by industry regulator, the Australian Prudential Regulation Authority – pointed to those with their retirement savings invested in not-for-profit funds retiring with significantly larger retirement nest eggs.

According to the APRA data, in the 10 years to 30 June 2012, the rate of return was 5.5 per cent per annum for public sector funds, 5.1 per cent for industry funds and 4.8 per cent for corporate funds. This compares to 3.4 per cent per annum for retail funds.

Ms Reynolds said the outperformance of not-for-profit funds by an extra one or two per cent every year could deliver many thousands of dollars extra at retirement.

“The difference of one or two per cent each year is not to be sneezed at,” said Ms Reynolds. “Over a 30 to 40 year working life of superannuation contributions, an outperformance of one or two per cent every year can make a very big difference to an individual’s retirement outcome”.

Ms Reynolds also welcomed APRA’s analysis of superannuation pension payments, which showed that proportionately more retirees were drawing down pensions as opposed to taking out lump sums upon reaching retirement age.

“Notwithstanding the impact of the global financial crisis on pension withdrawals and retirement balances in the last few years, the system is definitely moving in the right direction. It’s good to see that retirement balances are growing and that more Australians are in a position to extend the life of their retirement savings by draw a regular pension rather than take a lump sum”.

**AIST Media Manager Janet de Silva: 0448 000 499**

***AIST is the peak industry body for the \$450 billion not-for-profit super sector which includes industry, corporate and public sector funds covering the super interests of nearly two-thirds of the Australian workforce.***

