

SuperGuard 360 SMSF performance indices, August 2017

SuperGuard 360 today released its latest self-managed superannuation fund (SMSF) performance indices that showed for the 12 months to 31 August 2017 the **SG360 SMSF reference index** returned 7.4%, slightly underperforming the 7.7% achieved by the **SG360 default index**. The default index is based on MySuper products.

Over 10 years both the SG360 SMSF reference index and the SG360 default index returned 4.6% pa. Over five years the gap is in favour of the SG360 default index.

As a result, a SMSF member who invested \$100,000 a decade ago would now have an estimated \$156,870 in their account compared to someone who invested \$100,000 in the average workplace superannuation default investment option who would have slightly less at \$156,021.

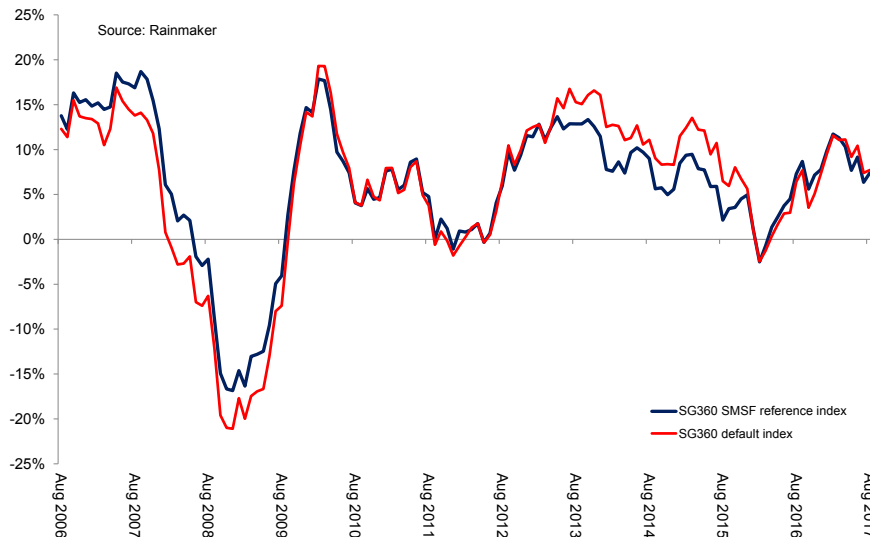
SG360 SMSF performance indices, August 2017

	1 year	3 years pa	5 years pa	10 years pa
SG360 SMSF reference index	7.4%	5.6%	7.7%	4.6%
SG360 default index	7.7%	6.8%	9.6%	4.6%

Value of \$100,000 invested 10 years ago

		Increase	Gross change
SG360 SMSF reference index	\$156,870	\$56,870	57%
SG360 default index	\$156,021	\$56,021	56%

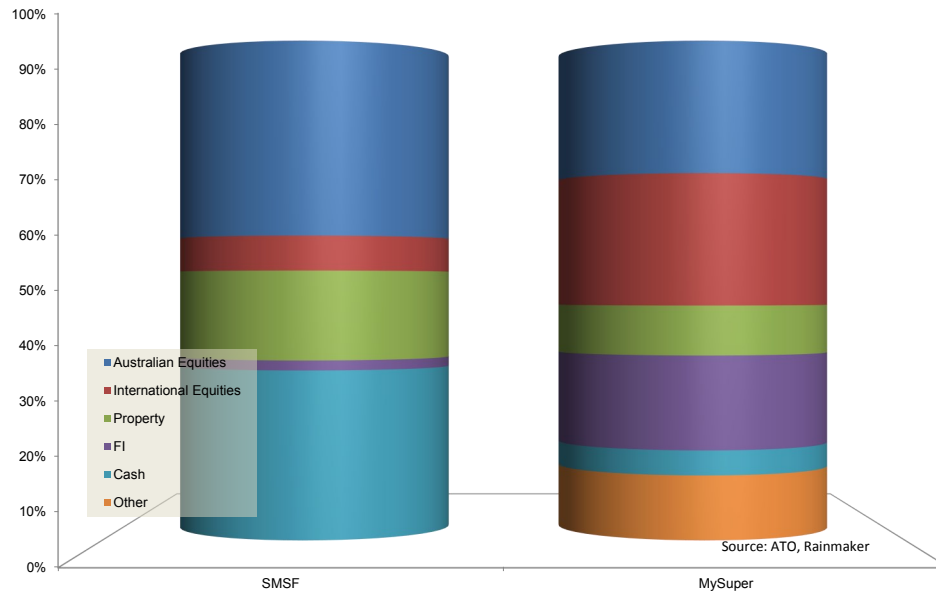
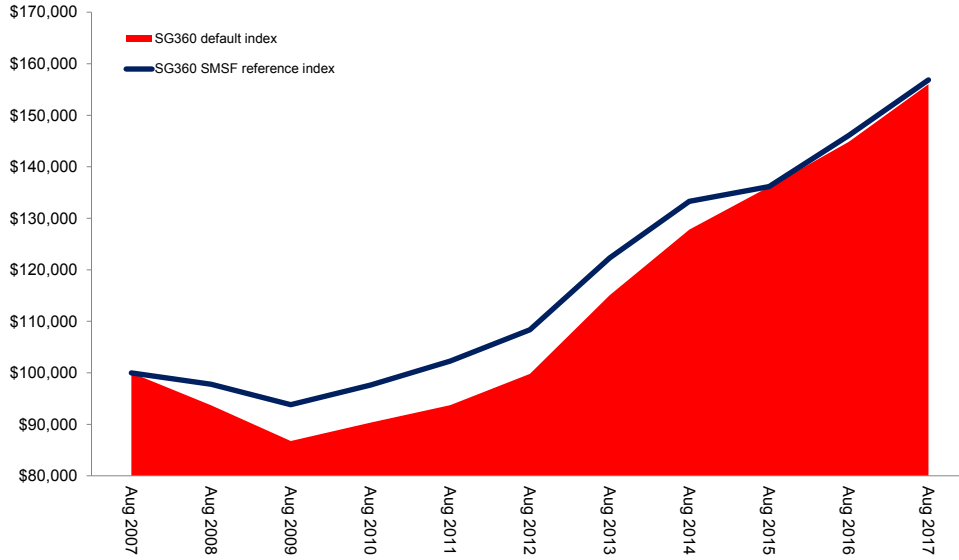
SG360 indices - rolling 12 months



Lower returns for the SG360 reference index over the 12 months to the end of August was driven by differences in asset allocation. The main factor was the allocation to property, particularly Australian REITs, which lost more than 7% in the 12 months. SMSFs have an average allocation to property of 18% (although not all in REITs) compared with around 10% in MySuper products.

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Value of \$100,000 invested 10 years ago





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General market commentary August 2017

The Australian dollar weakened against the US dollar in August, falling 0.7%. Since the beginning of the year however it has gained nearly 10%. The US dollar continued to weaken against the euro, falling 0.8% in August, and has now fallen 12.7% since December 2016.

Australian equities were divided in the month. Resource stocks — buoyed by rising energy prices — rose 5.5%. Crude oil rose around 10% in the month while iron ore fell 6%. Industrial stocks, however, fell by 0.2%. Taken all together, the S&P/ASX 200 rose 0.7%. Over 12 months Resources have risen 27.2% against 9.8% for the market overall.

It was a similar story in international equities. The US S&P500 rose 0.3% in US dollar terms and 1.0% in unhedged (Australian dollar) terms. Both Europe and Japan fell (0.6% and 0.4% respectively) in local currency terms. Over 12 months both have posted strong returns, with 17% in Europe and 21% in Japan.

Emerging markets had a strong August, with a return of 2.3% in US dollar terms, and 25% over 12 months.

Australian listed property had a relief from negative returns in August, with a return of 1.3%, although the 12 month return was -7.4%.

Fixed interest was generally positive in August. The Bloomberg Barclays Global Bond Aggregate Index (Hedged) returned 1%, taking the annual return to 3.2%, while Australian fixed interest returned zero for the month and 2.5% over the year.

Financial market returns to August 2017

		1 year pa	3 years pa	5 years pa	10 years pa
Australian equities	S&P ASX 200	9.8%	5.1%	10.6%	3.6%
	S&P ASX 200 Industrials	6.8%	6.6%	12.8%	5.0%
	S&P ASX 200 Resources	27.2%	-1.4%	1.9%	-1.2%
	S&P ASX Small Ordinaries	3.2%	5.7%	5.7%	-1.1%
International equities	MSCI All Countries ex AU Local Currencies	16.2%	8.5%	13.5%	5.5%
	MSCI All Countries ex AU in AUD	10.7%	12.8%	18.0%	5.4%
US	S&P 500	16.2%	9.5%	14.3%	7.6%
	S&P 500 in AUD	10.1%	15.7%	20.6%	7.9%
Europe	FTSE Euro 100	17.3%	7.7%	11.7%	2.4%
Japan	MSCI Japan	21.4%	9.2%	18.8%	1.4%
China	FTSE China A Shares in USD	6.8%	12.9%	12.6%	0.5%
EM	MSCI Emerging Markets in USD	25.0%	2.8%	5.7%	2.8%
	MSCI Emerging Markets in AUD	18.4%	8.6%	11.4%	3.0%
Aust Listed Property	S&P/ASX 200 A-REIT	-7.4%	10.0%	13.2%	-0.1%
Global infrastructure	FTSE Developed Infrastructure Hedged	15.2%	6.1%	11.2%	7.9%
Australian equities ESG	MSCI Australia ESG Leaders	9.3%	5.2%	11.2%	4.7%
International equities ESG	MSCI ACWI SRI	15.0%	7.9%	4.6%	2.3%
International fixed interest	Bloomberg Barclays Global Agg Hedged	1.0%	4.9%	5.3%	7.4%
High yield in USD	iBoxx Liquid High Yield in USD	7.4%	3.9%	5.4%	6.7%
Emerging market debt in USD	Barclays Emerging Markets Debt in USD	4.8%	5.0%	4.7%	7.4%
Corporate investment grade	Barclays Global Corporate in USD	3.1%	3.6%	4.2%	6.6%
Australian Fixed Interest	Bloomberg AusBond Comp (0+Y)	-0.7%	3.9%	4.2%	6.1%
Cash	Bloomberg AusBond Bank Bill	1.8%	2.2%	2.5%	3.8%

Source: FactSet

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About the SG360 performance indices for SMSF investors

SuperGuard 360 produces two performance indices useful for self managed superannuation fund (SMSF) investors, being trustee members of SMSFs:

SG360 SMSF reference index: This index describes the post-fee investment return a SMSF trustee would receive in their account if they invested passively using the asset allocation represented by SMSF asset distribution published by the Australian Taxation Office.

SG360 default index This index describes the post-fee post-tax investment return a SMSF investor would have achieved if they invested in the same way the typical Australian Prudential Regulation Authority (APRA) regulated MySuper product invests.

The generalized asset allocation used in each index is shown in the chart on page 2. Generally speaking SMSFs have a higher weighting to property than do MySuper options and a lower weighting to equities in general and international equities in particular. The index is reweighted at the beginning of each financial year to reflect changes in SMSF asset allocation.

Methodology

The SG360 SMSF Reference Index is derived by the following capital market indices:

- Australian shares S&P ASX 300 Accumulation Index
- International shares MSCI Global Shares AUD Index
- Property Financial Standard Direct Property Index
- Fixed interest Bloomberg AusBond Composite 0+Yrs Index
- Cash RBA Online Saving Account for \$10k Index
- Other Rainmaker Average Wholesale Balanced Index

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