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Top 10 super funds revealed

Michael Read *Reporter*



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Eight superannuation funds delivered returns in excess of 20 per cent during the last financial year as [a booming sharemarket](#) helped the \$3 trillion sector post its strongest returns in more than two decades.

The median growth fund posted an 18 per cent return over the 2020-21 financial year –the sector’s best result in 24 years, according to Chant West.

The top-performing growth fund was Mine Super Growth, which has 61 to 80 per cent of its funds invested in high-return assets like equities and delivered a 22.6 per cent return to members.

Seven other funds, including Colonial First State, Hostplus and MLC, also posted returns in excess of 20 per cent.

The majority of Australians have their retirement savings invested in a growth

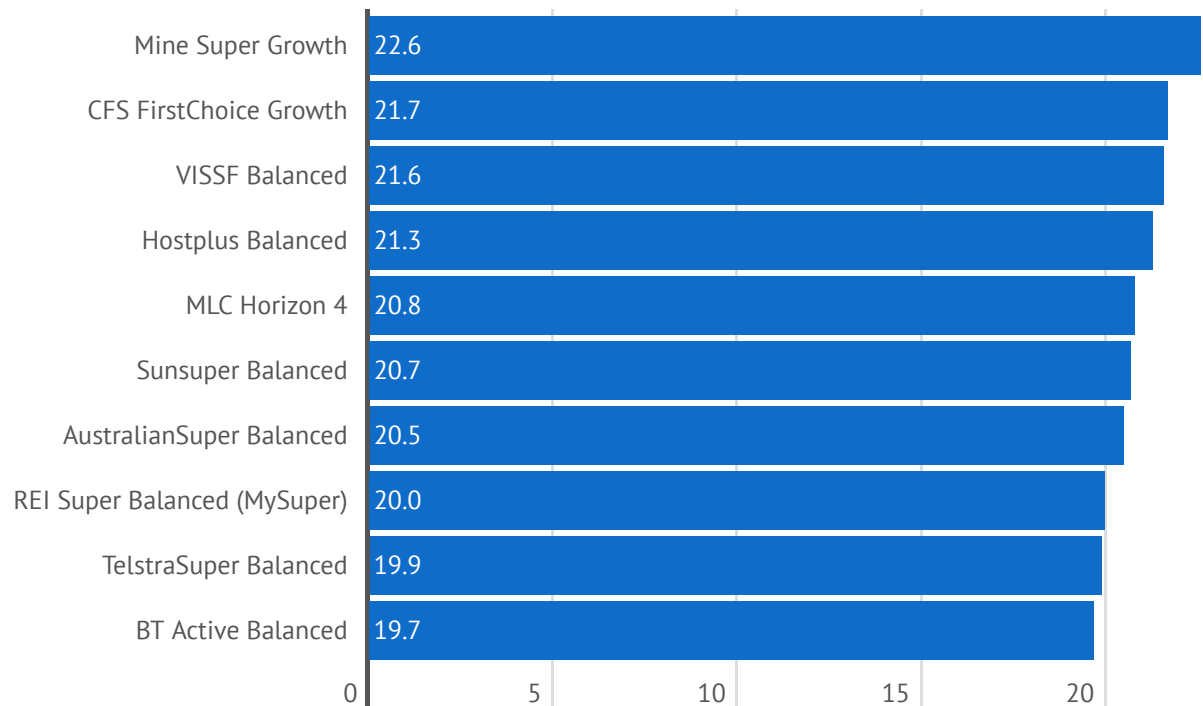
fund, Chant West said.

The research firm's senior investment research manager, Mano Mohankumar, said the figures "would have been inconceivable a year ago" after the "financial disruption" caused by COVID-19.

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Even the worst-performing growth fund delivered a return of 13 per cent, which would have made it the [top performer in the 2019-20 financial year](#), when most growth funds posted a loss as equity markets plunged alongside the onset of the pandemic.

Top 10 performing growth funds, FY21 (%)



SOURCE: CHANT WEST

Mr Mohankumar said the top funds over the past year had higher allocations to listed shares.

“Australian shares gained an impressive 28.5 per cent while international shares surged 37.1 per cent in hedged terms,” he said.

The weakest-performing asset classes during the financial year were bonds and cash.

“Cash was virtually flat with a return of just 0.1 per cent while Australian and international bonds fell 0.8 per cent and 0.2 per cent, respectively,” said Mr Mohankumar.



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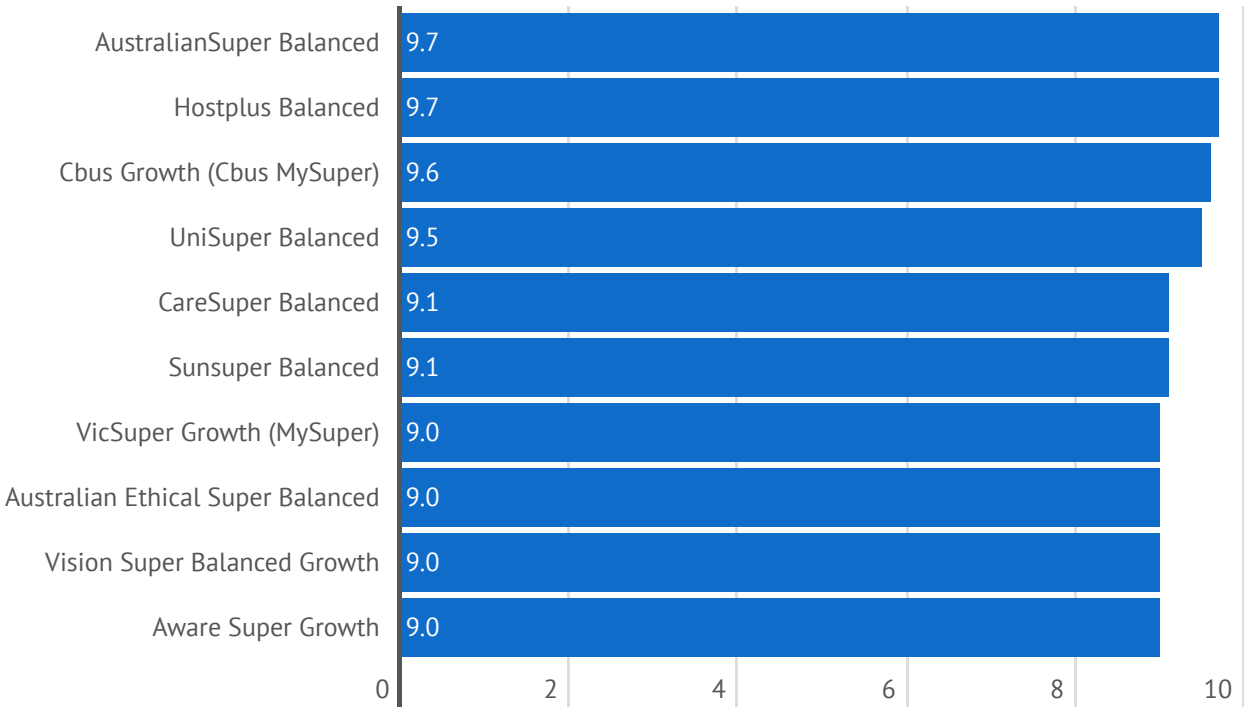
Long-term performance

While retail funds performed well during the last financial year, only one for-profit fund – Australian Ethical Super Balanced – made the the top-10 list when performance was compared over the past decade.

[Industry funds AustralianSuper](#) and Hostplus were the top-performing growth funds over the past 10 years, said Chant West, delivering returns of 9.7 per cent to their members.

The next best-performing growth funds were Cbus’ default MySuper product, and both Unisuper and CareSuper’s balanced offering.

Top 10 performing growth funds, past 10 years (%pa)



SOURCE: CHANT WEST

Mr Mohankumar said the “typical” long-term return objective for growth funds

was to achieve returns at least 3.5 per cent above inflation annually, but the results achieved over the past few decades had been “well above” target.

“We now have data going back 29 years to July 1992, the start of compulsory super. Over that period, the annualised return is 8.2 per cent and the annual CPI increase is 2.4 per cent, giving a real return of 5.8 per cent per annum,” he said.

The top-10 performing funds all delivered annual returns in excess of 9 per cent over the past decade.

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