

How to use AustralianSuper Crediting Rates

Monitoring investment performance helps you keep track of your retirement savings and compare performance against benchmarks. That's why we have made daily and long-term returns easy to view and download online.

Returns for Super, TTR Income and Choice Income investment options are published online regularly. You can view the returns of the investment options in the following categories:

Annual performance

- Daily Rates
- Cumulative Daily Rates
- Annual Rates
- Performance vs Benchmark (last financial year)
- Performance vs Benchmark Quarterly

Financial performance

- Financial Year-to-Date (FYTD) returns
- Daily Rates
- Monthly Rates (current financial year)

To view and download our rates of return visit australiansuper.com/performance

Defining the types of returns:

Daily rates

These rates provide the daily returns for each investment option. The returns are displayed as percentages, so a daily rate of 1.10 reflects a return of 1.10%. Daily rates can be used to calculate returns for your preferred time periods using the total return calculation described on page 2 in the Daily rates method section.

Cumulative daily rates

Cumulative daily rates represent a return on an investment option based on a continuous holding since 30 June 2008. For example, as at 31 December 2021, the cumulative daily rate for the Balanced investment option was 179.7035. This means that an investment amount held at the close of business on 30 June 2008 would have returned 179.7035% when held to 31 December 2021.

Please note that cumulative daily rates are not in the form of an index. To determine the return over a custom period between two dates, use the total return calculation described on page 2 in the Cumulative daily rates method section.

Annual rates

Annual rates provide the performance for a financial year for each of the investment options. Annual rates provide a way to compare how the investment options performed each financial year.

Performance vs Benchmark

These rates provide returns for each investment option compared to their benchmark. Returns for periods greater than one year are annualised, which means that the cumulative performance is converted to per annum performance for those periods.

FYTD Returns and Monthly Rates

These rates provide returns for comparison over the current financial year-to-date and monthly time periods.

Compound returns

The returns on your investment accrue over time with each daily rate that you earn. This process is known as compounding, which means that the value of your investment is based on all the daily rates that you have received in your account. When calculating returns over custom periods a common error is to simply add the daily rates for the time period. This would not provide the correct result based on the compound returns that you receive on your investment. Calculating returns with daily rates over multiple days, months or years, requires a total return formula to provide an accurate reflection of the performance of your super.

Return calculations

When calculating returns for AustralianSuper investment options, the methods below can be used to work out an investment return over your preferred time period.

Daily rates method

Daily rates can be used to calculate returns over multiple days, months or years. To calculate a total return over multiple days requires the compounding formula of:

Calculating total return over multiple days

The formula:

$$(1+r_1) \times (1+r_2) \dots \times (1+r_n) - 1 = \text{total return}$$

The variables:

r = daily rate, where the subscripts denote each daily rate up to the total number of rates in the time period marked as "n" for the number of days.

Please note that the daily rates in the file downloaded from AustralianSuper's website are in percent format. To use the daily rates in a mathematical formula, an adjustment is required to put the numbers into decimal format. This can be done by dividing the daily rates by 100.

Microsoft Excel can be used to calculate total return by using the following formula:

Calculating returns using Microsoft Excel

For data in decimal format:

$$=FVSCHEDULE(1, \text{CELL RANGE}) - 1$$

For data in percent format:

$$=FVSCHEDULE(1, \text{CELL RANGE}/100) - 1$$

The variables:

CELL RANGE is the daily rate data included in the custom time period for the return calculation. The answer is in decimal format.

Balanced option example for the 1 year return ending 31 December 2021:

Download the daily rates file and choose the range of data between and including 1 January 2021 and 31 December 2021, using the formula below.

Balanced option example calculation using downloaded daily rates data

1 year return ending 31 December 2021:

$$=FVSCHEDULE(1, C4569:C4933/100) - 1$$

$$= 0.1499 \text{ or } 14.99\%$$

This cell range is based on
C4569 = Balanced option at 01/01/2021 and
C4933 = Balanced option at 31/12/2021

Cumulative daily rates method

As these rates are based on cumulative returns since 30 June 2008, to calculate returns between two dates requires this formula:

Calculating returns using cumulative daily rates

The formula:

$$\frac{(1 + \text{Cumulative Return at end of period}/100)}{(1 + \text{Cumulative Return at beginning of period}/100)} - 1 = \text{total return}$$

Balanced option example calculation for using cumulative daily rates data

1 year return ending 31 December 2021:

$$31 \text{ December } 2020 \text{ cumulative daily rate} = 143.2353$$

$$31 \text{ December } 2021 \text{ cumulative daily rate} = 179.7035$$

$$\frac{(1 + 179.7035/100)}{(1 + 143.2353/100)} - 1 = 0.1499 \text{ or } 14.99\%$$

Per annum returns

Returns greater than one year are often annualised, to enable easier analysis and comparison. To create per annum or annualised returns the following formula is used:

Calculating per annum returns

The formula:

$$\text{Annualised return} = (1 + \text{total return})^{(365/\text{number of days})} - 1$$

The total return of the Balanced option for the five years ending 31 December 2021 is 63.22%.

To annualise this total return, use the formula below.

Balanced option example calculations for annualising returns

Five year return ending 31 December 2021 using the annualised return formula:

$$(1 + 0.6322)^{(365/1826)} - 1 = 0.1029 \text{ or } 10.29\%$$

Formula example using downloaded daily rates data:

$$=FVSCHEDULE(1, C3108:C4933/100)^{(365/(A4933-A3107))} - 1 = 0.1029 \text{ or } 10.29\%$$

This cell range is based on
C3108 = Balanced option at 1/01/2017 and
C4933 = Balanced option at 31/12/2021

Important items to consider:

Do I have the right investment option to perform my analysis?

Super/TTR Income options have different returns to Choice Income options, due to different taxation rates. Be sure to select the investment option that you wish to analyse.

Do I have the right time period?

Returns will vary depending on the time period you select. If you are comparing multiple investment options or between options, make sure the time periods match for each option.

Crediting rates are based on investment returns for each day that you are invested. If you are measuring the six-month period ending 31 December, you would use daily rates between and including 1 July and 31 December 2021.

To compare cumulative daily rates be sure to use the cumulative daily rates from the start of the period and the end of the period. For the 1 year example, the cumulative rate on 31 December 2020 and 31 December 2021 would be used because you are calculating the return difference between the two dates.

Do I have the right formula?

The correct formula, order of operations and placement of numbers is important in any mathematical formula. Check the formula and try again if the answer is not comparable to the periodic returns provided by AustralianSuper.

Further reading

To find out more about how crediting rates and investment returns work visit australiansuper.com/performance



We're here to help

Call **1300 300 273**
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Investment returns are not guaranteed. Past performance is not a reliable indicator of future returns. Returns from equivalent investment options of the ARF and STA super funds are used for periods before 1 July 2006. This document has been prepared and issued in November 2022 and is subject to change. This information may be general financial advice which does not take into account your personal objectives, financial situation or needs. Before making a decision about AustralianSuper, you should think about your financial requirements and refer to the Product Disclosure Statement available at australiansuper.com/pds or by calling **1300 300 273**. A Target Market Determination (TMD) is a document that outlines the target market a product has been designed for. Find the TMDs at australiansuper.com/tmd AustralianSuper Pty Ltd, ABN 94 006 457 987, AFSL 233788, Trustee of AustralianSuper ABN 65 714 394 898.