How crediting rates and investment returns work

AustralianSuper calculates the investment performance of your investment options every business day. We do this through crediting rates, which are published on our website.

Crediting rates are your investment returns and apply for all investment options except Member Direct. They change based on movements in investment markets, and can increase your account balance if positive or reduce it if negative.

Crediting rates are net of investment fees and tax, so they’re shown after all fees and taxes related to managing the investment portfolio have been taken out.*

How often are crediting rates determined and published?

Crediting Rates are determined daily and reflect the movement in the valuation of assets held in each option between each business day.

Crediting rates are calculated the next business day, so we can include the latest market values for international securities which close overnight. While unlisted assets do not get priced daily, they are regularly valued by the Fund in accordance with the Fund’s Valuation Policy to ensure that the assets are held at fair value.

Once approved, crediting rates are uploaded to the AustralianSuper website for each business day.

The timeline opposite shows the steps taken to produce, apply and publish the crediting rates each business day. It also shows the validation process we apply to ensure crediting rates accurately reflect market movements.

When are investment earnings calculated from?

Investment earnings accrue on and from the day of receipt of contributions and transfers into your account.

Transfers in include rollovers from other funds into AustralianSuper and transfers between AustralianSuper Accumulation, TTR Income and Choice Income accounts.

Rollovers from more than one super fund to TTR Income and Choice Income accounts will not receive investment returns until we receive all of your super rollovers.

Crediting rates timeline

Day 1

4pm (AEST/AEDT)
Australian markets close. These closing prices are used in the valuation of Australian securities.

Day 2

6am–8am (AEST/AEDT)
International markets (eg Europe and the USA) close with share trades and prices confirmed. The ‘4pm London Close’ exchange rates for currency are used for valuation of offshore securities when calculating the Day 1 crediting rate.

Morning
The most recently received valuation for an investment asset is adopted including Australian and offshore securities, and valuations for unlisted assets.

Afternoon
Crediting rates provided to AustralianSuper. AustralianSuper’s Finance and Operations team validates and approves the rates.

Evening
Once approved, crediting rates are:

a) released to the Administrator to apply them to members’ accounts.
b) uploaded to the AustralianSuper website.

Day 1 = the business day that we’re determining the crediting rate for. There may be occasions when the crediting rates timeframe is delayed or suspended.

* Additional fees and costs apply. For super (accumulation) accounts, from 1 April 2020, crediting rates are also net of the administration fee component that is deducted from investment returns. TTR Income accounts use the same crediting rates as super (accumulation) options, but have an adjustment so the administration fee does not apply. For more information on fees and costs see australiansuper.com/fees
When are crediting rates applied to my account?

Investment earnings are calculated using daily compounding of crediting rates. The earnings you get in your account will depend on the investment options you choose, the period of time you’re invested, and the timing of any transactions into and out of your account, such as contributions, withdrawals and fee and cost deductions. An estimate of your earnings is included in your estimated balance when you log into your account. Your actual earnings will be applied (credited or debited) to your account:

› at the end of the financial year
› when you make withdrawals and transfers out of AustralianSuper
› when you make transfers between AustralianSuper accounts
› when you change investment options (including into Member Direct).

End of financial year
Earnings are applied to your account on 30 June every year. This is shown as ‘investment earnings’ in your transaction history.

Withdrawals and transfers out
If you make a full withdrawal or transfer out of AustralianSuper, your final account balance is calculated using the latest daily crediting rates applied by the Administrator to your account. Latest applied crediting rates are based on the Administrator’s records at the time the withdrawal is processed. Interim crediting rates of zero (0%) are used for the days since the last applied daily crediting rates to the day of withdrawal or transfer, which is typically two business days. This means that investment earnings won’t be applied for the days an interim crediting rate is used.

If you make a partial withdrawal or transfer out from your account, earnings are calculated for the amount that’s withdrawn using the same process as a full withdrawal. The earnings on the remainder of your account will be applied to your account at 30 June (or when you make another withdrawal or change your investment options).

Transfers between AustralianSuper accounts
Transfers involve two transactions; a withdrawal from the source account and a transfer into the destination account. This applies when you transfer between AustralianSuper Accumulation, TTR Income and Choice Income accounts.

The transfer out of the source account receives earnings as a withdrawal. Before the balance is transferred, the source account receives earnings using the latest daily crediting rates applied by the Administrator to your account. Latest applied crediting rates are based on the Administrator’s records at the time the transfer is processed. Interim crediting rates of zero (0%) are used for the days since the last applied daily crediting rates to the day of the transfer, which is typically two business days. This means that investment earnings won’t be applied for the days an interim crediting rate is used.

The transfer into the destination account receives earnings from and for the day the transfer is processed. Transfers between AustralianSuper Accumulation divisions do not use interim crediting rates. Accumulation divisions include: AustralianSuper Plan, Personal Plan, AustralianSuper Select, Super Options, Public Sector Division, GHD and Super Only. Transfers between Choice Income accounts for the rearrangement of a pension are also performed without the use of interim crediting rates.

Changing investment options
When you change (switch) investment options within your account, the daily crediting rate will be applied to your account for your previous investment choice up to the date of the switch. Your new investment choice will be effective at the start of the next business day after you make your switch (if received before 4pm AEST/AEDT [Melbourne time] on a business day). The crediting rates are applied to your account once they are updated in the Administrator’s records. It usually takes two to three full business days for investment switches to show in your online account and in the mobile app.

How are investment returns calculated?

1. Daily rate
The daily rate is the investment return for that day.

2. Monthly rate
The monthly rate is the investment return for the month, calculated from the daily rates on a daily compounding basis as shown below:

\[(1 + \text{day1}/100) \times (1 + \text{day2}/100) \times (....) - 1 \times 100\]

3. Financial year-to-date rate
Financial year-to-date rates are calculated from 1 July each year through to the most recently available daily rates. This rate is calculated by compounding the daily rates up to the latest available rates.

4. Historical rates
We also publish historical annual rates and cumulative daily rates, which show how returns are compounded over time.

Learn more
Crediting rates are available at australiansuper.com/performance

Important note for Transition to Retirement (TTR) Income accounts
For TTR Income accounts the investment return is based on the crediting rate for super (accumulation) options, as investment earnings within a transition to retirement arrangement will be subject to the same maximum 15% tax rate.

From 1 April 2020 this crediting rate includes an administration fee that only applies to super (accumulation) accounts, and does not apply to TTR Income accounts. TTR Income accounts receive an annual adjustment (or sooner if an account is closed), to refund the administration fee so that it does not apply.

We’re here to help
Call 1300 300 273 (8am to 8pm AEST/AEDT weekdays)
Email or message us For details on how to message or email us, visit australiansuper.com/contact-us

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