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RESEARCH BRIEF

Performance of Super Funds in Australia:

June 2026 Update

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August 2026

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Executive Summary

This research brief updates our June and December 2025 analyses of Australian MySuper performance, incorporating data through June 2026. Timed ahead of APRA's 2026 MySuper performance-test results, it asks the same core question from a broader base: have super funds delivered value above customised liquid Public Market Equivalent (PME) portfolios, and what risks were taken to earn it? The sample now covers 24 products. Complete 10-year comparisons are available for 19 products; all 24 can be compared on a common five-year horizon.

14/19	0.64%	17/24	12/24
positive 10-year excess returns	mean 10-year excess return p.a.	beat PME in FY2026	higher five-year RoMaD

Key findings

- Long-term outperformance remains broad, but not universal. 14 of 19 funds with a complete decade of benchmark data delivered positive annualised excess returns. The simple average was 0.64% p.a. and the median 0.91% p.a.

- The decade-long profile is stronger on returns and volatility-adjusted performance than on drawdown-adjusted performance. 15 of 19 funds recorded positive CAPM alpha, averaging 0.66% p.a., and 8 alphas were statistically significant at the 10% level or better. 12 of 19 had higher Sharpe ratios than their PMEs, 8 had higher RoMaD, and 14 beat their PME in more than half of the 120 months.

- The full June 2026 five-year cross-section is positive, but the margin is modest. 17 of 24 funds beat their PMEs and 17 generated positive alpha; 12 had higher RoMaD and 16 beat their PME in more than half of the 60 months. The cross-sectional average excess return was 0.24% p.a.

- FY2026 was a better year than the five-year averages suggest. 17 of 24 funds outperformed their PMEs over the year to June 2026, by an average of 0.62% p.a. Median annual CAPM alpha was 0.69%, with 17 of 24 funds positive. The recent alpha compression appears to have stabilised rather than disappeared.

- The rolling-window signal is mixed. Using the largest matched sample available at each horizon, mean excess return was almost unchanged over 10 years (0.85% to 0.83% p.a.; n=15), improved over 7 years (0.11% to 0.22%; n=21), fell sharply over 5 years (0.77% to 0.24%; n=23), and rebounded over 3 years (-0.33% to +0.24%; n=24). One-year value-add was essentially unchanged at about 0.62% p.a. across all 24 funds.

> ***The long-run edge is still visible. The more important change is dispersion: a broader sample makes it harder to speak about "the industry" as if every fund has shared equally in that success.***

Introduction

Australia's superannuation system is now a central part of household wealth and financial markets. That makes the measurement of default-fund performance more than a league-table exercise. APRA's MySuper performance test provides a clear benchmark-relative discipline over a long horizon, but its pass/fail structure is principally return-based and does not distinguish between funds that earn similar returns with different volatility or drawdown profiles.

Our earlier work approached the same problem from a different angle. Rather than compare funds with a generic reference portfolio, we construct a customised PME for each MySuper product using liquid public-market assets. The comparison is designed to ask what the fund delivered beyond a passive, liquid portfolio with similar broad market exposures. The residual can reflect active management, implementation, access to alternative assets and other sources of value-add; it should not automatically be read as manager skill.

The June 2026 update matters for two reasons. First, the sample is broader. The current analysis covers 24 MySuper products, giving a more demanding cross-section than the original 10-fund study. Second, the return windows have moved. The strong post-pandemic rebound is progressively rolling out of medium-term measures, while FY2026 adds a new year of relative performance. Those two effects — sample composition and window composition — need to be separated before drawing conclusions about deterioration or improvement.

Methodology and data

We continue to use returns-based style analysis (RBSA) to construct a customised PME benchmark for each MySuper product. The benchmark is built from liquid public-market exposures and evolves through rolling estimation windows, providing a proxy for how the portfolio might have performed without allocations to illiquid alternatives or active deviations. Net monthly fund returns and PME returns are evaluated through 30 June 2026.

Performance is assessed using annualised excess returns, volatility, Sharpe ratios, maximum drawdown and return over maximum drawdown (RoMaD). We calculate Sharpe ratios from monthly excess returns using the three-month bank bill swap rate (BBSW) as the risk-free rate and annualise them by multiplying by the square root of 12. CAPM alpha is estimated using the same RBSA-based specification as in the earlier updates, with the PME benchmark acting as the market proxy. For lifecycle products, we retain the same base/growth cohorts used in the December 2025 update.

Nineteen products have a complete 10-year fund-versus-PME comparison in June 2026 data. AMP Super, Brighter Super, Equip Super, IOOF Portfolio Super Fund and legalsuper do not yet have a full decade comparison and are excluded from the 10-year table. For the June 2025-to-June 2026 comparison, we use the largest like-for-like sample available at each horizon: 15 funds at 10 years, 21 at 7 years, 23 at 5 years, and all 24 funds at 3 years and 1 year.

The sample is fourteen products larger than in the June 2025 update, and the constituent list has also changed. Telstra Super is no longer included as a standalone fund following its merger with Aware Super in April 2026.

Results

Ten-year performance: returns, risk-adjusted returns, alpha and persistence

Over the 10 years to June 2026, 14 of the 19 MySuper products with a full benchmark history delivered positive annualised excess returns. The simple average was 0.64% p.a., and the median was 0.91% p.a. ART and HOSTPLUS were the strongest on raw benchmark-relative returns, at about 1.8% p.a.; NGS Super, PSSap, Vision Super, Cbus, Aware Super and Care Super also exceeded their PMEs by more than 1% p.a.

TABLE 1: **Ten-year performance metrics for the 19 funds with complete histories, to June 2026**

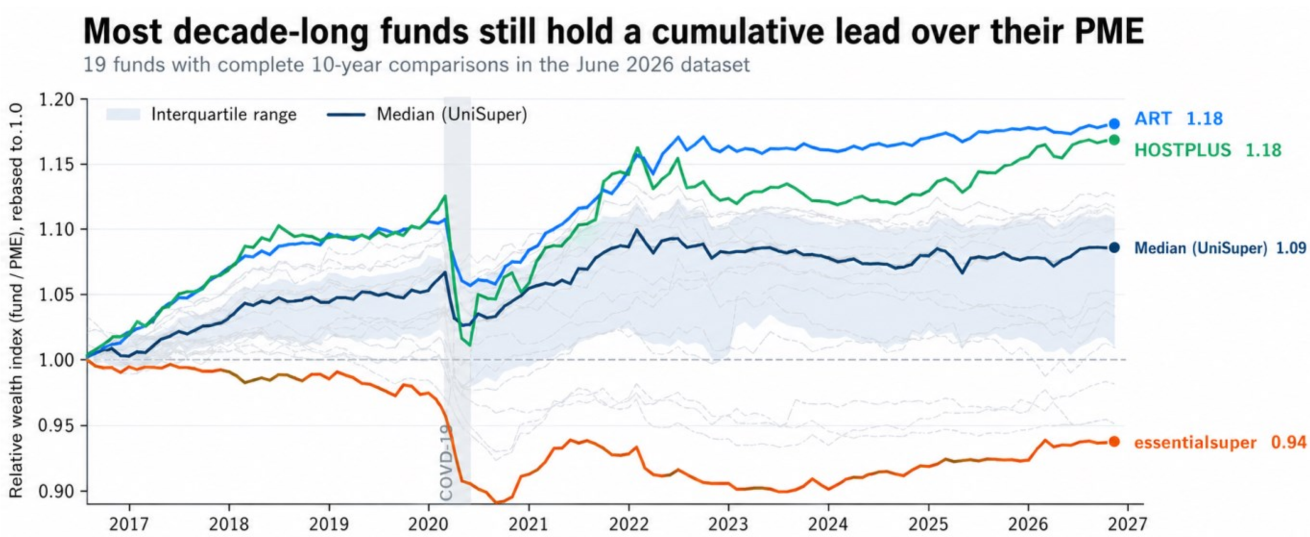
Fund	Excess return p.a.	CAPM alpha p.a.	Sharpe vs PME	RoMaD vs PME (%)	Monthly hit rate
ANZ Smart Choice Super	-0.55%	-0.45%	-0.06	-9.35%	48.33%
ART	+1.77%	+1.74%**	+0.22	+2.59%	66.67%
Australian Ethical Retail Super	-0.05%	0.00%	-0.04	-3.19%	50.00%
Australian Food Super	+0.28%	+0.51%	+0.07	-1.72%	57.50%
AustralianSuper	+0.98%	+1.18%**	+0.16	+4.62%	60.83%
Aware Super	+1.08%	+1.22%**	+0.15	+10.30%	55.00%
Care Super	+1.04%	+0.99%*	+0.15	+0.35%	63.33%
Cbus	+1.14%	+1.08%	+0.15	-1.66%	63.33%
CFS FirstChoice Super	-0.28%	-0.32%	-0.06	-12.33%	50.00%
essentialsuper	-0.71%	-0.84%	-0.11	-16.54%	46.67%
HESTA	+0.87%	+0.72%	+0.08	-12.87%	61.67%
HOSTPLUS	+1.75%	+2.05%	+0.19	-7.03%	61.67%
NGS Super	+1.31%	+1.46%**	+0.20	+6.45%	60.83%
PSSap	+1.21%	+1.16%*	+0.17	+4.18%	66.67%
REI Super	-0.54%	-0.66%	-0.13	-17.85%	45.83%
Rest	+0.34%	+0.43%	0.00	-12.83%	61.67%
Team Super	+0.37%	+0.06%	-0.02	-7.12%	53.33%
UniSuper	+0.91%	+1.03%**	+0.12	+5.73%	55.83%
Vision Super	+1.16%	+1.15%**	+0.16	+8.58%	54.17%
Simple average	**+0.64%**	**+0.66%**	**+0.07**	**-3.14%**	**57.02%**

Notes: Sharpe vs PME is the fund Sharpe ratio minus its PME Sharpe ratio; the three-month BBSW rate is used as the risk-free rate and positive is better. RoMaD vs PME is the difference in return-over-maximum-drawdown ratios multiplied by 100 and shown in percentage terms; positive is better. Monthly hit rate is the share of the 120 months in which the fund return exceeded its PME. *** p<0.01, ** p<0.05, * p<0.10 for CAPM alpha.

The risk-adjusted and alpha measures are positive, but less uniform. CAPM alpha is positive for 15 of 19 funds and averages 0.66% p.a.; 8 positive alphas are statistically significant at the 10% level or better. 12 of 19 funds have a higher Sharpe ratio than their PMEs, while only 8 have a higher RoMaD. The average Sharpe ratio advantage is +0.07, but the average RoMaD difference is -3.14% in percentage terms, showing that better reward-to-volatility has not consistently translated into better drawdown-adjusted performance.

Persistence is also broad rather than universal. 14 of the 19 funds beat their PME in more than half of the 120 months, and the average monthly hit rate is 57.02%. ART and PSSap have the highest hit rates at 66.67%. Taken together, the decade-long evidence points to widespread value-add, but the strength of that conclusion depends on whether the focus is raw return, alpha, volatility-adjusted return, drawdown-adjusted return or consistency.

FIGURE 1: Cumulative relative wealth: the long-run edge remains visible



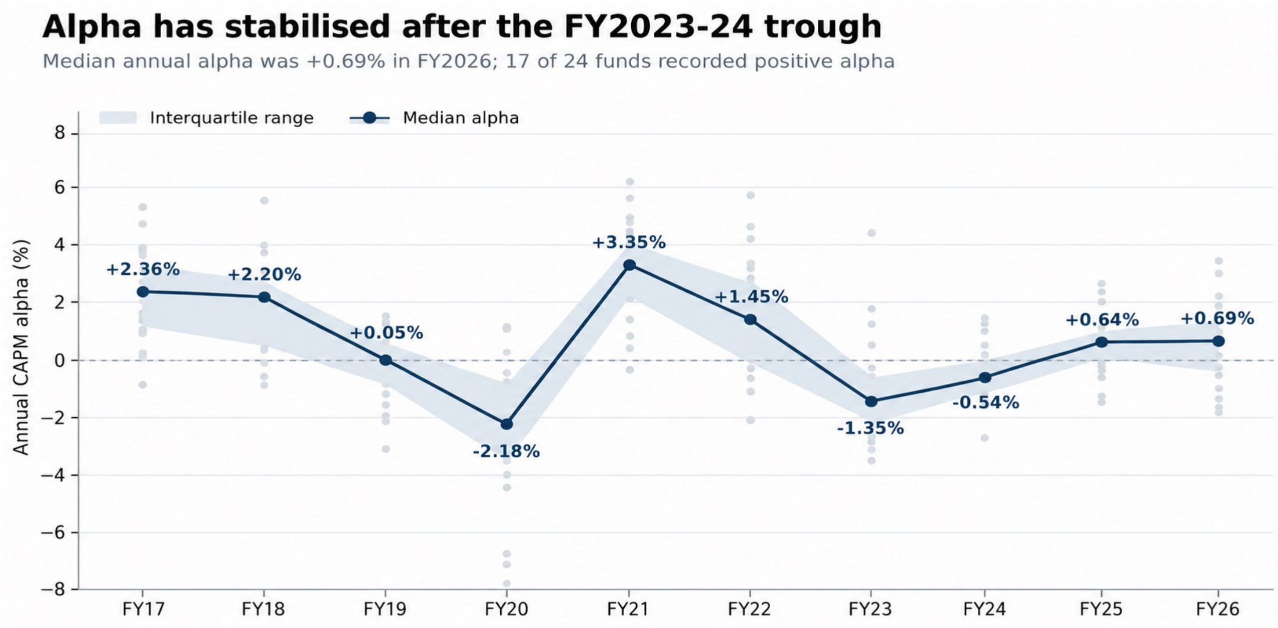
Notes: MCFS Analysis

Figure 1 expresses the decade-long result as cumulative relative wealth. The cross-sectional median finishes about 9% ahead of its PME, with UniSuper as the median fund in June 2026. ART and HOSTPLUS finish about 18% ahead, while the weakest fund trails by about 6%. The COVID-19 shock is visible as a common break in relative performance, followed by a strong rebound and a flatter period for much of the sample.

Figure 2 shifts from the decade-long cross-section to the annual path of alpha. Median annual alpha was deeply negative in FY2020, rebounded sharply in FY2021, and turned negative again in FY2023 and FY2024. It returned to positive territory in FY2025 and edged up to 0.69% in FY2026, with 17 of 24 funds positive. The recent compression in alpha therefore looks more like stabilisation at a lower level than an uninterrupted slide.

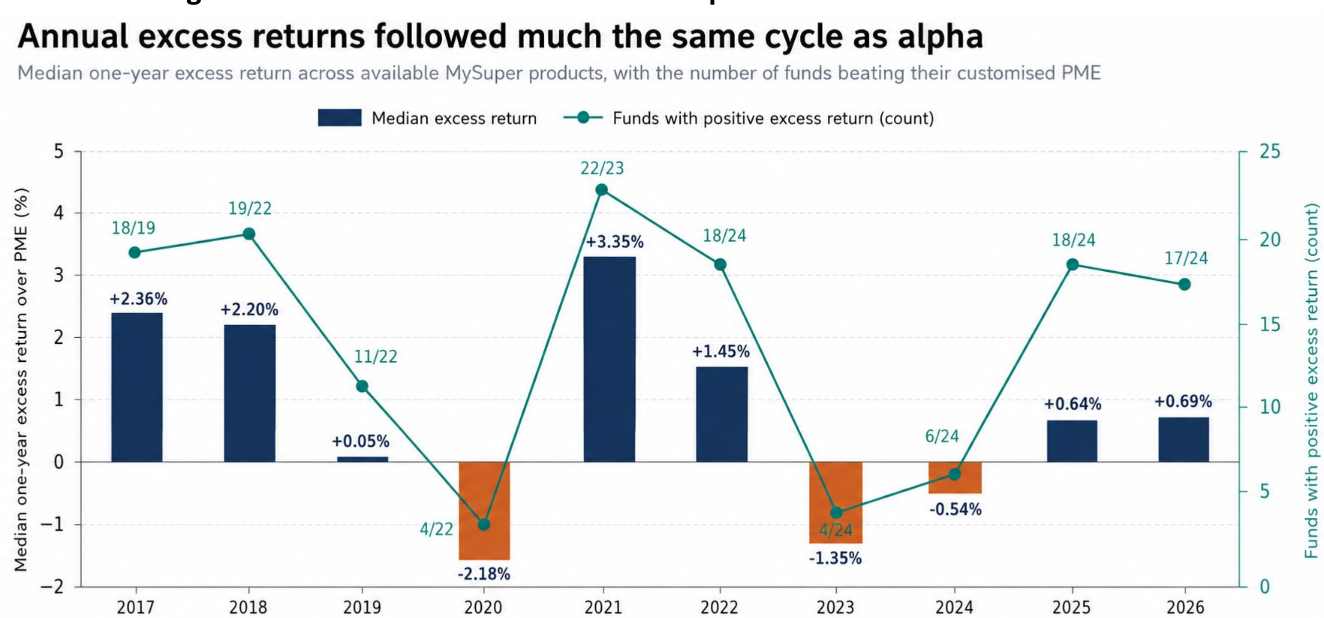
Figure 3 presents the same annual view of excess returns. The pattern mirrors alpha: median one-year excess returns were markedly negative in FY2020, rebounded sharply in FY2021, and turned negative again in FY2023 and FY2024. They returned to positive territory in FY2025 and improved slightly to 0.77% in FY2026, when 17 of 24 funds beat their customised PMEs. As with alpha, the message is less about steady erosion than about cyclical compression followed by partial stabilisation.

FIGURE 2: Long-run alpha: recent compression has stabilised



Notes: MCFS Analysis. CAPM alpha uses the same RBA-based specification as earlier updates.

FIGURE 3: Long-run excess returns: FY2026 remained positive but modest



Notes: MCFS Analysis. Bar labels show median annual excess return; line labels show positive funds / available funds

Five-year performance: the full 24-fund cross-section

Within the June 2026 data, five years of fund and PME history are available for all 24 products. This provides a full-current-sample cross-section at a single date, rather than the matched June 2025-to-June 2026 exercise discussed later in Figure 4. The result is positive but considerably less emphatic than the decade-long record of the established funds: 17 of 24 funds delivered positive excess returns, with an average of 0.24% p.a. and a median of 0.17% p.a.; 17 generated positive CAPM alpha.

TABLE 2: Five-year performance metrics for all 24 funds, July 2021–June 2026

Fund	Excess return p.a.	CAPM alpha p.a.	Sharpe vs PME	RoMaD vs PME (%)	Monthly hit rate
AMP Super	-0.42%	-0.47%	-0.07	-18.36%	50.00%
ANZ Smart Choice Super	-0.38%	-0.36%	-0.02	-4.92%	48.33%
ART	+1.12%	+1.07%	+0.24	+43.74%	58.33%
Australian Ethical Retail Super	-1.28%	-1.21%	-0.17	-13.93%	43.33%
Australian Food Super	0.00%	+0.14%	+0.05	+33.85%	51.67%
AustralianSuper	+0.12%	+0.25%	+0.06	+15.10%	48.33%
Aware Super	-0.15%	+0.02%	-0.02	-9.72%	38.33%
Brighter Super	+0.24%	+0.16%	-0.01	-11.98%	60.00%
Care Super	+0.06%	+0.05%	+0.04	+17.35%	53.33%
Cbus	+0.11%	+0.09%	+0.03	+4.83%	53.33%
CFS FirstChoice Super	+0.07%	-0.03%	+0.02	-13.40%	55.00%
Equip Super	+0.03%	-0.04%	0.00	-2.44%	48.33%
essentialsuper	+0.01%	-0.20%	+0.01	-14.46%	55.00%
HESTA	+0.29%	+0.17%	+0.07	+13.40%	51.67%
HOSTPLUS	+1.36%	+1.48%	+0.36	+34.64%	58.33%
IOOF Portfolio Super Fund	+0.74%	+0.66%	+0.10	+13.85%	65.00%
legalsuper	+1.07%	+0.99%	+0.29	+47.65%	61.67%
NGS Super	+0.45%	+0.58%	+0.08	-10.43%	58.33%
PSSap	+0.79%	+0.75%	+0.13	+9.78%	60.00%
REI Super	-0.59%	-0.70%	-0.09	-17.95%	41.67%
Rest	+0.23%	+0.27%	+0.02	-3.76%	58.33%
Team Super	+0.43%	+0.12%	+0.01	-7.06%	48.33%
UniSuper	+0.98%	+1.00%	+0.18	+18.77%	61.67%
Vision Super	+0.38%	+0.40%	+0.05	+5.46%	51.67%
Simple average	**+0.24%**	**+0.22%**	**+0.06**	**+5.42%**	**53.33%**

Notes: Sharpe vs PME is the fund five-year Sharpe ratio minus its PME Sharpe ratio; the three-month bank bill rate is used as the risk-free rate and positive is better. RoMaD vs PME is the difference in return-over-maximum-drawdown ratios multiplied by 100 and shown in percentage terms; positive is better. Monthly hit rate is the share of the 60 months in which the fund return exceeded its PME.

Risk-adjusted evidence is more supportive on volatility-adjusted returns than on drawdown-adjusted returns. 18 of 24 funds had a higher five-year Sharpe ratio than their PMEs, while 12 had a higher RoMaD. 16 beat their benchmark in more than half of the 60 months, while the average monthly hit rate was 53.33%. The hit-rate result is useful because it separates consistency from magnitude: a fund can generate a positive five-year excess return without outperforming in most months if its winning months are sufficiently large.

What stands out in the five-year cross-section

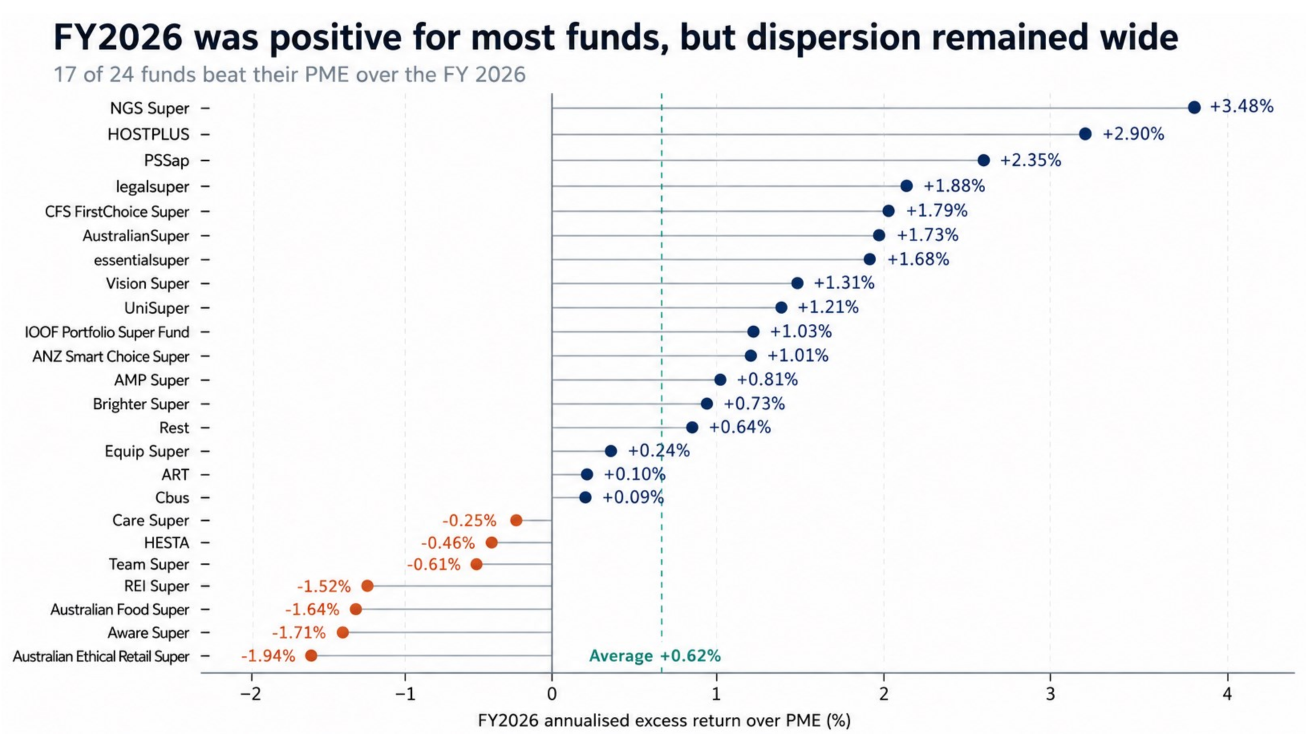
HOSTPLUS, ART, legalsuper and UniSuper are the clearest five-year return leaders, each with excess returns close to or above 1% p.a.; PSSap and IOOF Portfolio Super Fund also record sizeable positive margins. Australian Ethical Retail Super is the clear laggard on five-year excess returns, while REI Super, AMP Super and ANZ Smart Choice Super also remain below their PMEs.

The risk columns make the table less one-dimensional. HOSTPLUS, legalsuper and UniSuper pair strong five-year excess returns with clearly higher Sharpe ratios and higher RoMaD than their benchmarks. ART also combines strong excess return with a materially higher Sharpe ratio and RoMaD. NGS Super has positive excess return and alpha and a higher Sharpe ratio, but its RoMaD remains below the PME. Brighter Super has a positive five-year excess return and a 60.00% monthly hit rate, yet both its Sharpe ratio and RoMaD are slightly below the PME. The same headline return can therefore be earned with very different risk-adjusted and persistence profiles.

The persistence column tells a similar story. AustralianSuper has a positive five-year excess return despite a 48.33% hit rate, while CFS FirstChoice Super and essentialsuper beat their PMEs in 55.00% of months but generated only marginal five-year excess returns. Frequency and economic magnitude are separate dimensions of performance.

FY2026: Positive breadth, Wide dispersion

FIGURE 4: Most recent performance



Notes: MCFS Analysis.

The latest financial year supported benchmark-relative performance. 17 of 24 funds beat their customised PMEs, and the simple average excess return was 0.62% p.a. Annual CAPM alpha was also positive for 17 of 24 funds, with a median of 0.69%. But the cross-section was wide enough that the averages alone are not very informative.

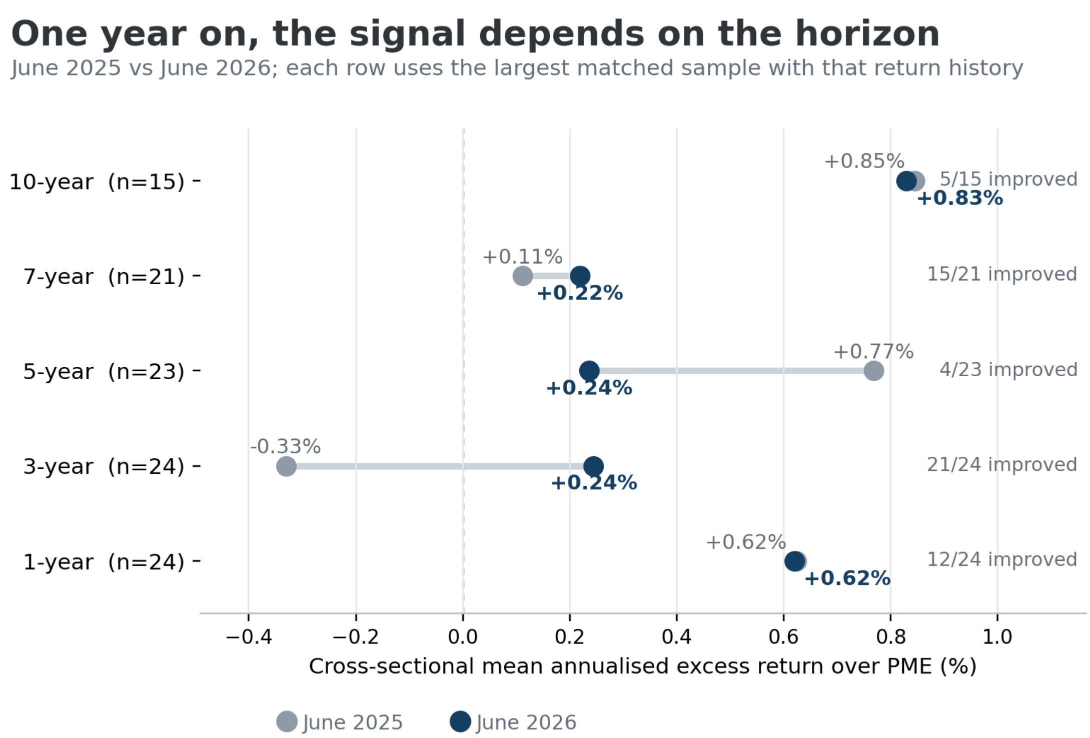
The strongest one-year excess returns were NGS Super (+3.48%), HOSTPLUS (+2.90%), PSSap (+2.35%), legalsuper (+1.88%), CFS FirstChoice Super (+1.79%) and AustralianSuper (+1.73%). At the other end, Australian Ethical Retail Super (-1.94%), Aware Super (-1.71%), Australian Food Super (-1.64%) and REI Super (-1.52%) lagged their PMEs.

Figure 4 reinforces how different the one-year ranking is from the decade-long ranking. ART remains one of the strongest funds over 10 years but added only modest relative value in FY2026, while several funds with weaker long-run records recorded positive excess returns over the latest year. Short-horizon rankings should therefore be read as recent momentum, not as a substitute for the longer-term evidence.

June 2025 to June 2026: the horizon matters

The final comparison asks how the June 2026 snapshot differs from June 2025. A single common window would leave useful information on the table, so Figure 5 uses the largest matched sample available at each horizon. The matched sample expands from 15 funds at 10 years to 21 at 7 years, 23 at 5 years, and all 24 at both 3 years and 1 year. Within each row, the comparison is like-for-like; across rows, the sample composition changes.

FIGURE 5: What changed since last year



Notes: MCFS Analysis. Sample sizes differ across horizons.

The result is non-linear. The decade-long average is almost unchanged, easing from 0.85% to 0.83% p.a., while the seven-year average improves from 0.11% to 0.22%. The five-year window is the clear weak spot: mean excess return falls from 0.77% to 0.24%, with only 4 of 23 funds improving. By contrast, the three-year average swings from -0.33% to +0.24%, with 21 of 24 funds improving, while the one-year average is essentially flat at 0.62%. The comparison therefore points to strong sensitivity to the measurement window rather than a uniform deterioration or recovery.

> ***The window effect is now as important as the headline return. Five-year value-add has compressed because the measurement window changed, even as three-year and one-year results became more supportive.***

Conclusion

The June 2026 update leaves the central long-run finding intact: most MySuper products with a full decade of benchmark history remain ahead of customised liquid PMEs. The expanded 10-year table shows that this conclusion is strongest on raw returns, alpha and Sharpe ratios, while RoMaD and monthly persistence provide a more qualified picture.

The shorter horizons are less emphatic. The full 24-fund five-year cross-section shows only modest average value-add, while FY2026 was positive for most funds. The June 2025-to-June 2026 comparison shows why those statements can coexist: the five-year window weakened sharply as the measurement period rolled forward, even as the three-year measure improved and the one-year result held broadly steady.

Risk-adjusted and persistence metrics reinforce that caution. Higher Sharpe ratios are common over the decade, but fewer funds outperform on RoMaD, and a positive long-run excess return does not necessarily require beating the PME in every—or even most—months. Higher returns are therefore not, by themselves, evidence of superior risk management or consistent month-to-month outperformance.

Ahead of APRA’s 2026 performance-test results, the practical implication is straightforward. The legislated test provides useful accountability on long-horizon benchmark-relative returns, but it should be read alongside measures of volatility, drawdown, alpha and persistence. A pass/fail outcome is a useful discipline. It is not a complete diagnosis of the quality of member outcomes.

> ***A performance test can tell stakeholders whether a fund cleared a benchmark hurdle. It cannot, on its own, tell them how efficiently or consistently that return was earned.***

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Appendix

Table A.1: Data Source

Fund	Data Source
AMP Super	Morningstar
ANZ Smart Choice Super	Morningstar
ART	Morningstar
Australian Ethical Retail Super	Daily Unit Price Data from Website
Australian Food Super	Morningstar
AustralianSuper	Morningstar
Aware Super	Morningstar
Brighter Super	Daily Unit Price Data from Website
Care Super	Morningstar
Cbus	Morningstar
CFS FirstChoice Super	Morningstar
Equip Super	Morningstar
essentialsuper	Daily Unit Price Data from Website
HESTA	Morningstar
HOSTPLUS	Morningstar
IOOF Portfolio Super Fund	Daily Unit Price Data from Website
legalsuper	Daily Unit Price Data from Website
NGS Super	Daily Unit Price Data from Website
PSSap	Daily Unit Price Data from Website
REI Super	Morningstar
Rest	Daily Unit Price Data from Website*
Team Super	Morningstar
UniSuper	Morningstar
Vision Super	Morningstar

*Data from the website are available from August 2013, allowing the PME benchmark to be constructed from August 2016 onwards. To enable a full 10-year comparison, we constructed the PME benchmark for July 2016 using Morningstar data.