

## Senate Standing Committee on Economics

### ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

19 – 20 October 2011

Question No: SBT 524  
Topic: Superannuation Fund Advertisements  
Hansard Page: Written

Senator Bushy asked:

524. In relation to the super fund advertisements question at Estimates on 20 October 2011, can ASIC confirm that the assumptions do not include the current mainstream low cost retail super products which currently account for approximately 50% of net flows. E.g. AMP Flexible super, First Choice Wholesale super, and BT super for life, and therefore might overstate the costs of retail funds which generate the long term projection numbers included in the advertisements.

Answer:

The Industry SuperFunds' website<sup>1</sup> publicly discloses the key assumptions for the modelling and calculations used in their advertisements. The retail and industry superannuation products included in the SuperRatings modelling are also disclosed on the website and are listed below.\*

ASIC does not collect statistical data on fund flows so cannot make comment on net flow percentages.

Part of the purpose of disclosing these underlying assumptions is to subject these assumptions to scrutiny and comment in the market.

\*The Industry SuperFund investment options included in the SuperRatings' performance and fee projection modelling are<sup>2</sup>:

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<sup>1</sup> [http://www.industrysuper.com/template\\_general.aspx?module=4&url=%2fassumptions.aspx](http://www.industrysuper.com/template_general.aspx?module=4&url=%2fassumptions.aspx)

<sup>2</sup> Information sourced from Industry Fund website  
[http://www.industrysuper.com/template\\_general.aspx?module=4&url=%2fassumptions.aspx](http://www.industrysuper.com/template_general.aspx?module=4&url=%2fassumptions.aspx)

- AUST(Q) - Default Option
- Australian Super - Balanced Option
- AustSafe Super - Balanced
- CareSuper - Balanced
- Cbus - Growth
- Energy Super - Balanced
- First Super - Balanced
- HESTA - Core Pool
- HOSTPLUS - Balanced
- legalsuper - Growth
- LUCRF Super - Balanced
- Media Super - Balanced
- MTAA Super - Balanced
- NGS Super - Diversified
- REI Super - Trustee Super Balanced
- TWUSUPER - Balanced

The retail super funds (retail master trust) investment options included in this model are:

- AMP CustomSuper - AMP Balanced Growth
- AMP SuperLeader - SuperLeader Growth
- Aon Master Trust - Balanced Active
- ASGARD Employee Super - SMA Balanced
- AXA Super Directions Business - Multi-manager Balanced
- BT Lifetime Super Employer - BT Multi-manager Balanced
- Colonial FirstChoice Employer - FirstChoice Moderate
- IOOF Portfolio Service Employer - IOOF MultiMix Balanced Growth Trust
- Mercer Super Trust Corporate - Mercer Growth
- MLC MasterKey Business - Horizon 4 Balanced Portfolio

- MLC Navigator Employer Super - Pre Select Growth Fund
- OnePath Corporate Super - Optimix Balanced
- Optimum - Ibbotson Growth Trust
- Spectrum Super - United Capital Growth Fund
- Suncorp WealthSmart Business - Suncorp Growth Portfolio
- TOWER ARC Corporate - TOWER Balanced Growth Fund