



## **Press Release**

**Tuesday 19th August 2008**

### **Choice of super - New World order emerges in mass market**

#### **Sydney:**

Choice-of-fund dollars are continuing to grow steadily with well established industry and retail brands being the major benefactors according to the latest data from SuperChoice, Australia's leading superannuation clearing service.

Incumbency is all powerful – one of the common links between all of the top twenty superannuation providers is they were all major super brands before choice-of-funds.

What is emerging in the results?

In the mass-market, where 80-90% of Australians may not seek direct personalised advice, in effecting their superannuation decisions these figures reflect the size, reach and the expanse of three major industry funds in connecting with 10m Australian workers.

Australian Super is three times the size of any of Australia's Major Banks in terms of reaching the mass superannuation market.

Likewise, REST and SunSuper have carved out dominant positions significantly larger than any of the Major four Banks. The emerging industry fund is First State Super who became public offer around 12 months ago – had they been public offer in 2005 it is likely they would have figured in the Top 10.

The size and reach of 1.5 million members paid through SuperChoice out of a greater workforce population of around 10m - and the 200,000 members who have opted (chosen) out of their default fund reflects that this trend is not a statistical blip. This is the future mass market forming very quickly

AMP holds a dominant share of the mass market as the top ranked retail fund with 9.86% of member market share, more than twice the size of any of the Major Banks.

Why are the top five the top five?

The players with a dominant share are all major employer superannuation providers.

Clearly incumbent providers who have reached the mass market through employer superannuation services retain the greater balance of member's choices.

"All the evidence indicates that it is new employees who are executing choice when they join the new employer. In "gross" terms, around 470,000 new employees were added to the service in the last twelve months, and over 100,000 were opting for a choice fund. What this indicates, is roughly 1 in 5 new employees are completing a choice form" said Mike Fielding, General Manager of SuperChoice.

While many argue a key chunk of choice is attributed to portability there are no real signs of this changing as consumers become more focused on superannuation performance and more educated about superannuation investment options.

**Ends**



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### About SuperChoice

SuperChoice provides clearing services for more than 42,000 employers paying nearly \$6 billion annually on behalf of nearly 1.4 million members via super funds as diverse as AMP, AAS (including notable industry funds as REST & CARE), ING, Mercer (including notable industry funds as Australian Super), AXA, Asgard wealth solutions, CBA, IOOF, IBM (Russell), Equity Trustees and FuturePlus.

### SuperChoice statistics - Top 20 Funds

| Total Mem no. | Market Share |       | Super Fund        |                     |
|---------------|--------------|-------|-------------------|---------------------|
| 27977         | 14.77%       | No.1  | Australian Super  |                     |
| 18675         | 9.86%        | No.2  | AMP               |                     |
| 11728         | 6.19%        | No.3  | REST              |                     |
| 10679         | 5.64%        | No.4  | SunSuper          |                     |
| 9063          | 4.79%        | No.5  | ING/ANZ           |                     |
| 8895          | 4.70%        | No.6  | CFS/CBA           |                     |
| 8719          | 4.60%        | No.7  | MLC/NAB           |                     |
| 7260          | 3.83%        | No.8  | Host Plus         |                     |
| 6105          | 3.22%        | No.9  | CBUS              |                     |
| 5772          | 3.05%        | No.10 | BT/WBC            | <b>TOTAL:60.65%</b> |
| 4630          | 2.44%        | No.11 | AXA               |                     |
| 4329          | 2.29%        | No.12 | HESTA             |                     |
| 3333          | 1.76%        | No.13 | CareSuper         |                     |
| 3152          | 1.66%        | No.14 | MTAA              |                     |
| 3071          | 1.62%        | No.15 | Westscheme        |                     |
| 2834          | 1.50%        | No.16 | LUCRF             |                     |
| 2746          | 1.45%        | No.17 | ASGARD            |                     |
| 2578          | 1.36%        | No.18 | Mercer            |                     |
| 2303          | 1.22%        | No.19 | Media Super       |                     |
| 1752          | 0.93%        | No.20 | First State Super | <b>TOTAL:76.88%</b> |