

# SUPERSAVVY ROAD TEST

"The giant of Australian super. Great for those who bank with the Commonwealth and shop at Woolies. 1.5 million members can't be wrong. Can they?"



## PERFORMANCE - A BRILLIANT PAST BUT WATCH THIS SPACE

A Top 10 performer over 10 years in all the key investment options. That's a staggering result and the envy of most other funds. But we're worried that they have tweaked their Australian equities investment strategy. The new strategy means that Aussie's performance is more closely tied to the index. The upside is that it can't underperform. The downside is that it mightn't dazzle as it used to. Is it like putting a speed limiter on a sports car? Have they gone cautious at the wrong time? Time will tell. In the meantime, there are significant unlisted assets, so Australian shares aren't the only influencing factor on the fund's performance.

## RUNNING COST - EXPECT BETTER THINGS IN THE FUTURE

Enjoys massive scale, but looking after 1.5 million Aussies isn't easy. Or cheap. They've made a BIG investment in administration. They expect this will improve member communications and functionality, and reduce overheads. One reason for the investment strategy mentioned above was to reduce investment fees. It will be a false saving if it's accompanied by reduced performance.

## BUILD QUALITY - BRILLIANT INSURANCE PRODUCTS

Getting better. We have received quite a few complaints here at Savvy from Aussie members that indicate that the fund's Admin needs improving. Fortunately, a new Admin system is on its way, so expect to see things work smoother, faster and more efficiently. New insurance products are brilliant! Seriously. Check them out. Almost worth dying for.

## HANDLING - THE QUEEN MARY OF SUPER FUNDS

An enormous website for an enormous fund. It can feel big and getting around it can be slow. Probably more like a cruise ship than a car. Excellent reports and lots of brilliant calculators. The best part is the Fee Comparator.

## MEMBER COMFORT - THEY DON'T COME BIGGER THAN THIS

A \$30 billion Jason recliner. With matching pouffe. Makes you feel comfy? You bet. Fiscally, it's probably now bigger than Greece. That gives it major clout.

## PRACTICALITY - SOME DIY FLEXIBILITY FOR THOSE UNREADY TO DIY

Home brand. Safest bet in super. For many it's a no brainer. On the plus side, there's great flexibility of investments. The ability to select individual ASX shares is excellent. You could describe it as a quasi-DIY fund for people who don't want the hassle of their own DIY fund. However, it's not perfect - the transaction functionality seems clumsy. And trades are netted off each week, which is poor. However, overall it's easy to see why 1 out of 5 Aussies are in it.

## COOL FACTOR - WHAT'S COOL GOT TO DO WITH IT?

Very low on cool factor. But that hasn't stopped it becoming the leader. Smaller, cooler, more exciting funds must hate its size, power and influence. It casts a very large shadow indeed.

## SUPERSIZE INDEX - CALORIE CONTROLLED

We debate the change to a more passive investment strategy, with performance more closely linked to the market. Does it put the emphasis on risk reduction rather than maximising wealth? Time will tell. That said, it's hard to see many of its 1.5 million members jumping ship - especially if the jitters continue in the world's financial markets.

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