April 2025

State of Super 2025

Industry insights based on APRA's annual fund-level data release for FY 2024

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Foreword

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What's a 'big year in super'? If the yardstick is the degree of change, then 2024 was as big as any.

There were consultations on the YFYS performance test and the proposal to tax big member accounts.

The concessional contribution cap went up to $30,000 and the superannuation guarantee rate increased to 11.5%. The August 2024 performance test came and went.

2024 was a quieter year for greenwashing cases, but the Federal Court still imposed an $11.3m penalty on Mercer Super.

The Superannuation (Objective) Act 2024 was passed (after more than 8 years in the making) with the objective unchanged from the Bill proposed by the government in 2023.

Retirement remains an area of regulatory and policymaker focus. An APRA and ASIC retirement 'pulse check' revealed that many funds were lagging when it came to implementing the Retirement Income Covenant and integrating retirement into their business plans and outcomes assessment. Late in the year, Treasury released four high-level proposals for the reform of the retirement phase of super in response to its December 2023 discussion paper. At least to some extent the lack of progress can be attributed to regulatory uncertainty, particularly around the regulatory settings for super funds giving financial advice and guidance. Let's hope this can be landed in 2025.

APRA released a report into the governance of unlisted asset valuations, a topic that has been bubbling along since the early 2020 Covid market disruptions and has a way to go yet.

We also can't forget the increasingly important impact that global affairs has on Australian super funds, with a significant proportion of new contributions now being allocated in overseas markets. Donald Trump's inauguration as President of the United States will likely have many impacts on markets, portfolios, and stewardship.

While all this was going on, our funds and members acted in a variety of ways that are reflected in APRA's 2024 member-level data. These have been studied and explained by The Conexus Institute team in this year's State of Super report. Special thanks to David Bell and Geoff Warren who worked extra hard on this year's report, due to the delayed release of the APRA data.

I trust you will enjoy the 2025 version as much as I have.

From the authors

David Bell and Geoff Warren

The release of APRA's annual fund-level superannuation statistics provides an opportunity to reflect on the current state of the industry, identify trends and update our insights into the future superannuation system.

We've worked hard to bring this dataset to life, providing nuanced insights into areas like fund size, flows and retirement.

Two themes became apparent this year. First is that financial advisers are driving a significant portion of member rollover activity by moving members to platforms of their choice. The second theme is retirement. The footprint of retirement is increasing along with clear evidence of most funds facing into a sizable wave of retirees. These two themes connect as members approach financial advisers for assistance with retirement planning and implementation. The degree to which funds uplift their retirement offerings will impact not only their members' retirement experience but also retention versus rollout activity as their members approach retirement.

The Conexus Institute recently celebrated its fifth anniversary. The Institute was created as an independent think tank focused on delivering better retirement outcomes for Australians. Thank you to all those individuals and groups who have collaborated with the Conexus Institute over the last five years, especially our advisory board members.

About The Conexus Institute

The Conexus Institute is an independent not-for-profit think-tank established in 2020 to be a catalyst for improved retirement outcomes for Australians. It applies a "research-for-impact" model to improve policy, regulation and industry practices relating to superannuation and retirement. The Institute aims to be a constructive critic willing to challenge the status quo. It is philanthropically funded by, but independent of, Conexus Financial.

Table of contents

Disclaimer

This analysis is undertaken for non-commercial purposes and was performed on a best endeavours basis. Care was applied, but there may be errors. If so, we apologise. The commentary is based on our understanding of the industry based on our experience, and hence may be open to contention.

1. Details of the analysis undertaken

The aim of our 'State of super' publication is to highlight trends across larger superannuation (super) funds, drawing out some insights in the process. The primary data source for our analysis is the publication "*Annual fund-level superannuation statistics*" for financial year 2024 (FY2024) released by the Australian Prudential Regulation Authority (APRA). We are thus exploring APRA-regulated super funds and not considering either government funds that are not regulated by APRA or the self-managed super fund (SMSF) sector. We take APRA's data and make a number of adjustments:

1. We aggregate multiple funds offered under the same parent entity. See Appendix 1 for details.
2. We account for mergers, including those completed subsequent to the data cut-off date and those announced but not yet completed. Appendix 1 also shows details of mergers accounted for.
3. For Commonwealth Superannuation Corporation (CSC) reported assets include unfunded defined benefit liabilities, with the APRA data reporting aggregate assets of $299 billion. We substituted in the sum of "Default, Balanced and MySuper Balanced" options of $62 billion as reported in Table 1 on page 6 in the CSC Annual Report (to customers) where appropriate.
4. The full APRA sample lists funds associated with operating entities[1]. We create an 'analysis sample' comprising 46 operating entities, which we use interchangeably with the terms 'super funds' and 'funds', with at least $1 billion in net assets. Total net assets for our analysis sample is $2.41 trillion, which is 99.9% of the total asset reported for the full sample of APRA-regulated funds.
5. Although we describe the sample as at FY2024, we take data for six funds with alternate balance dates. Of these, only one fund (ANZ Staff Super, balance date 31 December 2023) made it into our analysis sample.
6. We use net assets rather than total assets. Our investigations suggest that liabilities are created on fund balance sheets through a range of activities including derivative positions, unsettled trades, tax liabilities and stock lending activities.

[1] We use the term 'operating entity' to define the entity under which the underlying super fund operates. This is different to RSE, which can be provided by a third party.

2. Assets under management

Our sample of APRA-regulated funds managed net assets of $2.41 trillion at June 2024, which amounts to 61% of the $3.92 trillion in total super assets reported by the APRA[2]. SMSFs are reported by APRA at $990 billion or 25.3% of total system assets. This leaves around 14% of system assets represented by exempt public sector super schemes and appropriated life office statutory fund assets. Total net assets for funds within our APRA-regulated sample rose by 12.6% over FY2024.

Chart 2.1 and Table 2.1 report the breakdown of assets by fund size. We created seven groupings ranging from mega funds (>$200 billion) to very small funds (<$1 billion). These exhibits reveal that the bulk of assets in APRA-regulated funds is managed by a reasonably small number of 'big' funds. Within our sample of 46 APRA-regulated funds, 62.6% of the assets is managed by eight funds (including two mega and six very large funds), while 86.8% is managed by the 16 largest funds with assets in excess of $50 billion. There are 36 small and very-small funds, while comprising 60% of the universe of funds by number, collectively managing only 3.6% of the assets. A number of the very-small funds are legacy funds or funds in the process of winding down. We exclude very-small funds from our analysis sample.

Analysing year-on-year changes, the most noteworthy trend is continued consolidation. We make three observations:

- Two funds joined the large fund category due to mergers. These include CareSuper following the completion of the merger with Spirit Super, and Equip/Telstra Super where a binding heads of agreement has been signed.
- The number of small-mid sized funds declined from seven to four.
- The mega fund segment containing two funds of AustralianSuper and Australian Retirement Trust (ART) grew by $84 billion, which exceeded the very large segment of six funds with $70 billion in asset growth. This is partly explained by some of the challenges faced by large retail funds in the latter sector, which we address later.

The industry landscape is now more evenly balanced across the three segments of mega funds, very large funds, and large funds.

[2] We adjusted for CSC in the APRA-regulated funds, but not the total system size. Making this adjustment, we estimate total super assets to be $3.68 trillion with APRA-regulated funds making up 65.6% share.

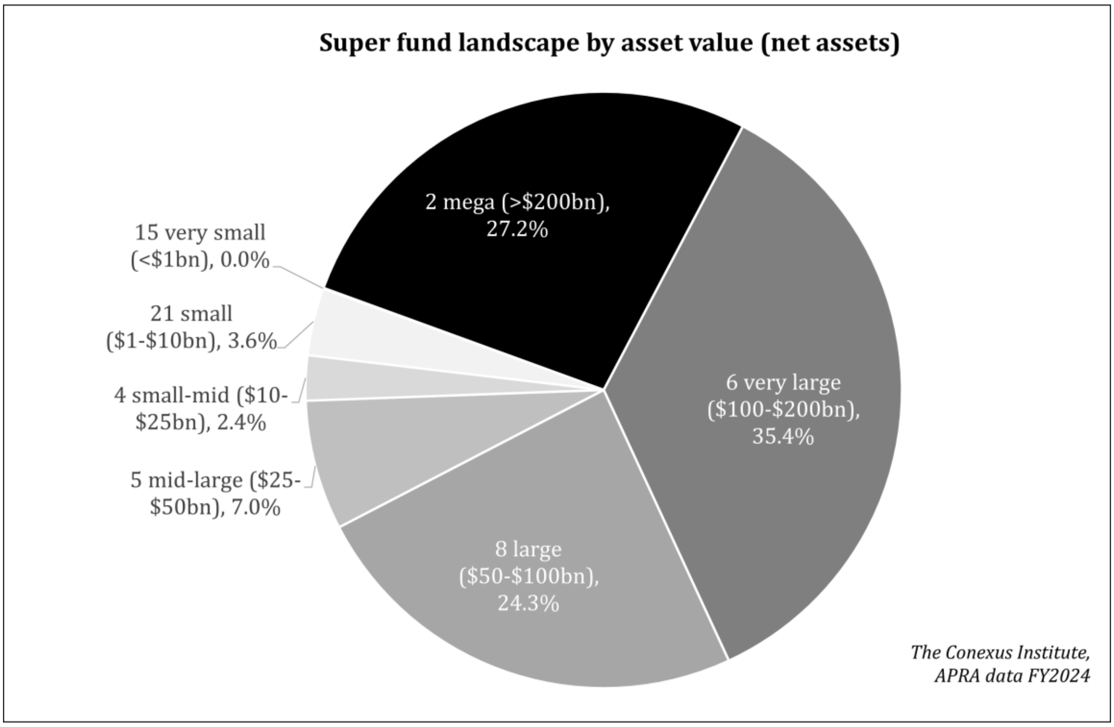

Chart 2.1: Summary of APRA-regulated super fund landscape by net assets

Fund group	Asset range	Number of funds	Total net assets as at June 2024 ($ billion)	% of total assets	Cumulative % of total assets
Mega	>$200 bn	2	656	27.2%	27.2%
Very large	$100 - $200 bn	6	854	35.4%	62.6%
Large	$50 - $100 bn	8	586	24.3%	86.8%
Mid-large	$25 - $50 bn	5	170	7.0%	93.9%
Small – mid	$10 - $25 bn	4	59	2.4%	96.3%
Small	$1 - $10bn	21	88	3.6%	100%
Very small	<$1 bn	15	1	0.0%	100%
Total sample		**61**	**2,415**	**100%**	
Our sample	Funds >$1 bn	46	2,412	99.9%	

Table 2.1: Distribution of APRA-regulated super funds by net assets

Chart 2.2 plots the 16 funds managing more than $50 billion in assets. The completion of the merger between Equip Super and TelstraSuper will take the 'big fund club' to 16 members.

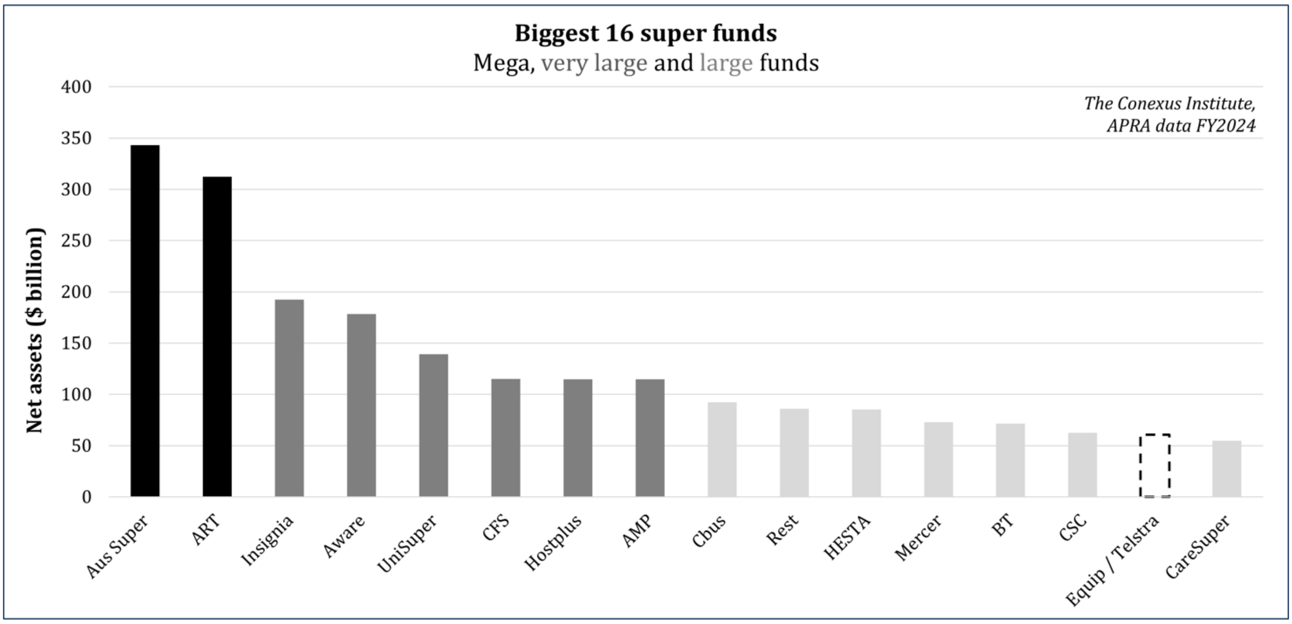

Chart 2.2: APRA-regulated super funds with total assets exceeding $50 billion

Chart 2.3 plots assets managed by mid-large and small-mid sized super funds managing between $10 billion and $50 billion. Equip Super and TelstraSuper depart this group due to their merger plans, while HUB24 and Netwealth progress from the small-mid segment to the mid-large segment. There were no new entrants into the small-mid segment, which now comprises just four funds.

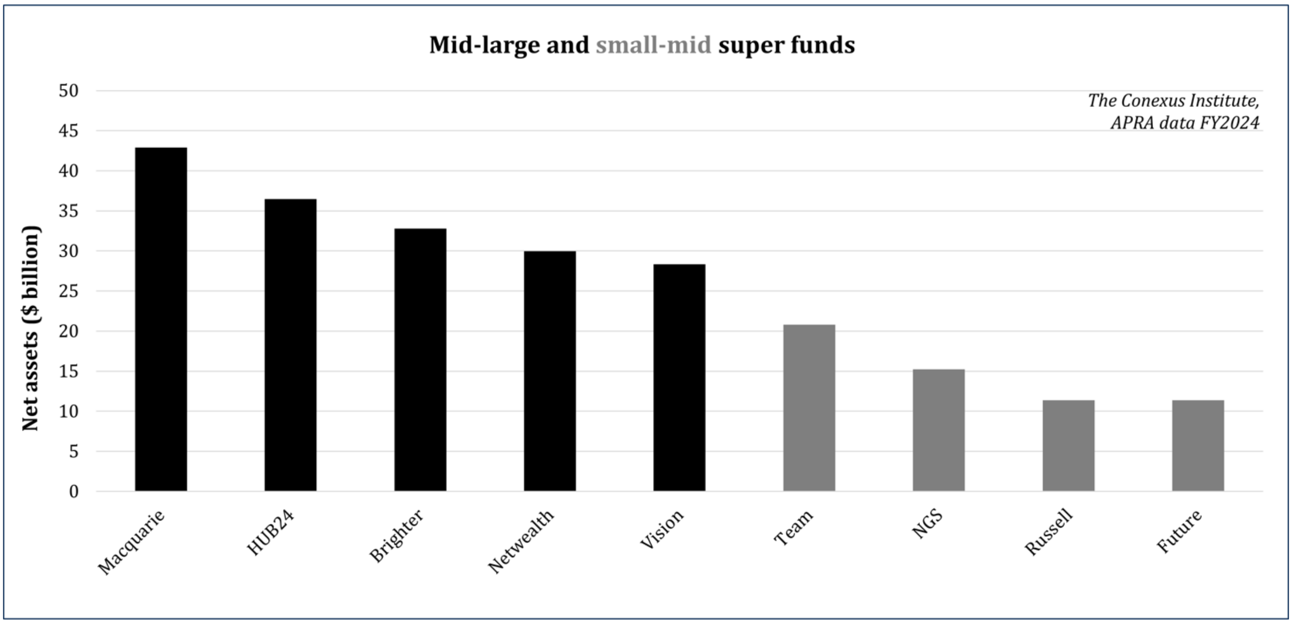

Chart 2.3: APRA-regulated super funds with net assets between $10 billion and $50 billion

Chart 2.4 plots the assets of the 21 small funds with net assets between $1 billion and $10 billion. While the number of funds in this segment remains unchanged, there were two new entrants in terms of Mason Stevens (a platform) and industry fund FESS, and two exits of Qantas Super (merged into ART) and Clearview (transitioned assets to HUB24).

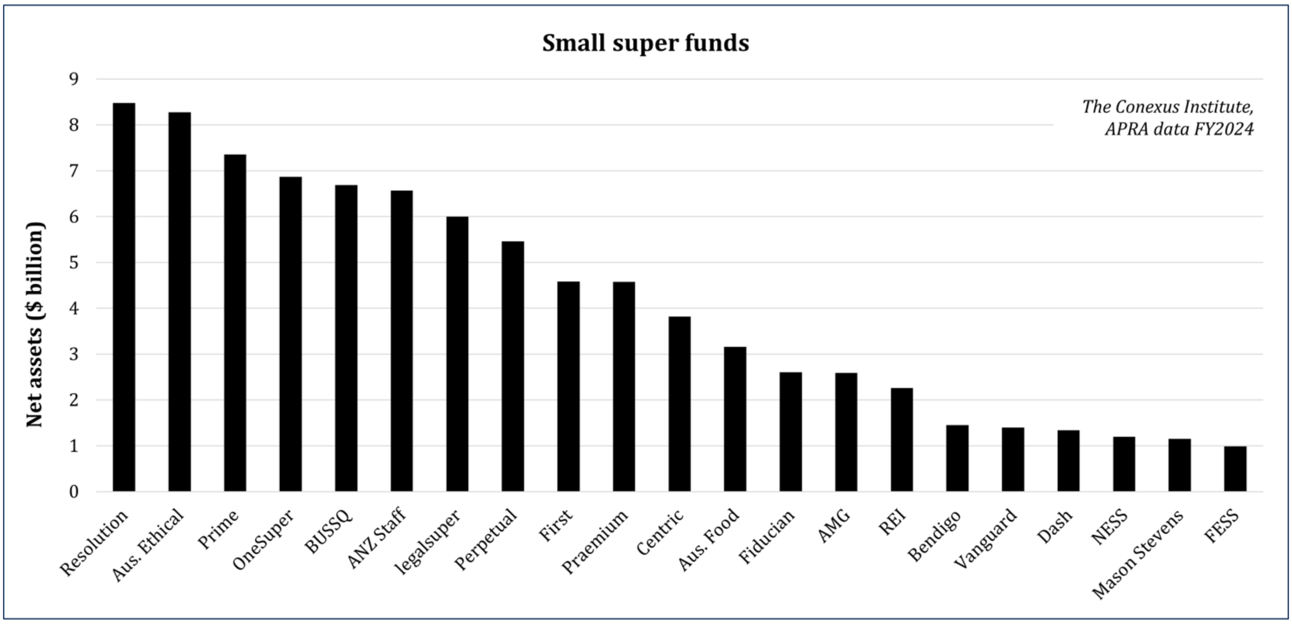

Chart 2.4: APRA-regulated super funds with net assets between $1 billion and $10 billion

For readers seeking further fund-level details, Appendix 2 ranks our 46-fund sample by net assets and reports other key summary statistics including number of member accounts, average account balance and percentage of assets in the pension phase.

2.1 Drivers of fund growth

There are three drivers of fund growth:

1. **Flows from operations**: This comprises investment returns on the underlying asset portfolios adjusted for net operating costs of the fund. When market returns are positive, as was the case in FY2024, this can be a large driver of fund growth.

2. **Flows from members**: This represents the aggregate of what we label as 'natural flows' and 'competitive flows'. Natural flows comprise contributions less benefit payments, where the latter largely reflects pensions and lump sum withdrawals paid to members in retirement. Competitive flows are the net outcome of rollover activity as members switch between funds. Natural flows are reasonably predictable and tend to change slowly at both the industry level and the fund level, although natural flow rates may differ significantly across funds depending on factors such as a fund's member demographic profile. Competitive flows broadly represent a zero-sum game at industry level[3] but can be impactful at a fund level.

3. **Merger activities**: Merger activities represent a zero-sum activity at an industry level but are often transformational at a fund level.

Chart 2.5 illustrates system growth for FY2024 alongside what we would consider a reasonable medium-term expectation. APRA-regulated super funds experienced aggregate growth of nearly 12% in

[3] Competitive flows across APRA-regulated funds will not be a zero-sum activity where there are transfers with other super sectors, most notably SMSFs. The net transfers from APRA-regulated funds to SMSFs have been modest in recent years, with net rollovers to SMSFs of $6.1 billion in FY2024 or 0.24% of net assets at the beginning of the year according to the APRA *Quarterly Superannuation Statistics* release for December 2024.

FY2024, driven by strong market performance. Our medium-run expectation of nearly 8% assumes continuation of the current flow rate of around 2.4%, net returns of CPI+3.5% less 0.5% for operational expenses and an inflation rate of 2.5% (although there are arguments for a higher inflation rate).

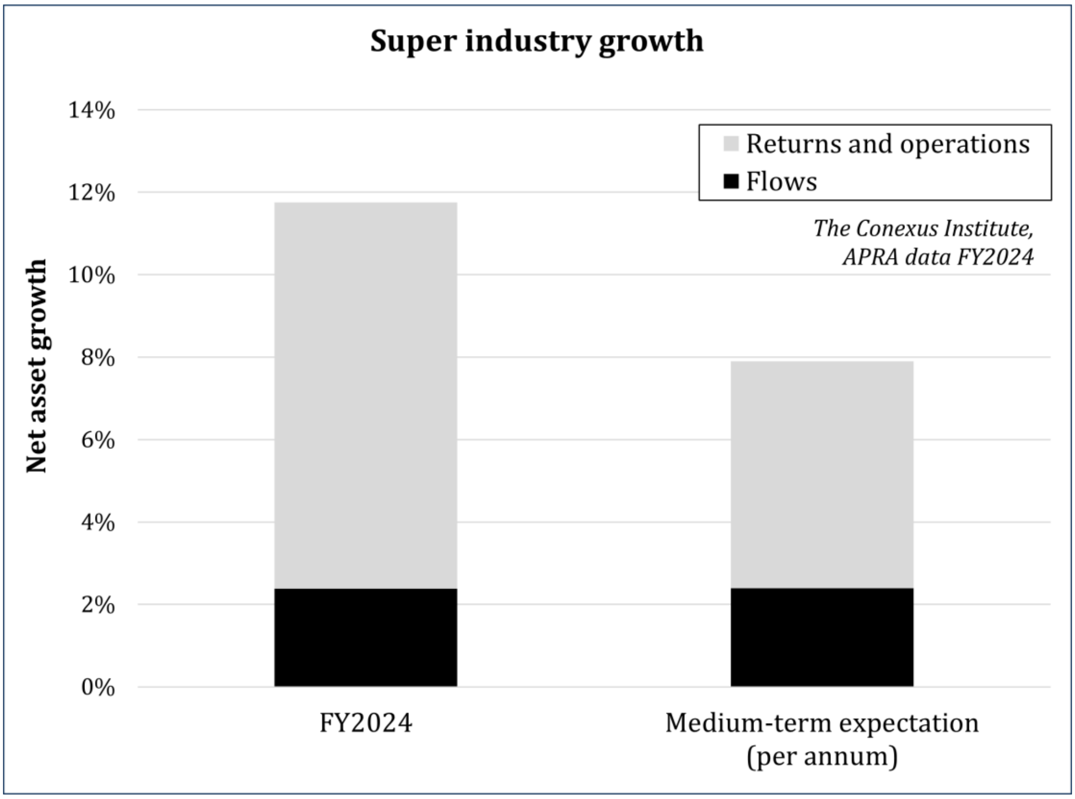

Chart 2.5: APRA-regulated super fund system growth: FY2024 and medium-term expectations

There were some intriguing growth stories in FY2024 underpinned by a diversity of underlying growth sources. Through the lens of growth measured by value as highlighted in Chart 2.6, AustralianSuper reigned as in past years with net assets growing by nearly $43 billion in FY2024. ART was close behind with net assets growing by $40 billion.

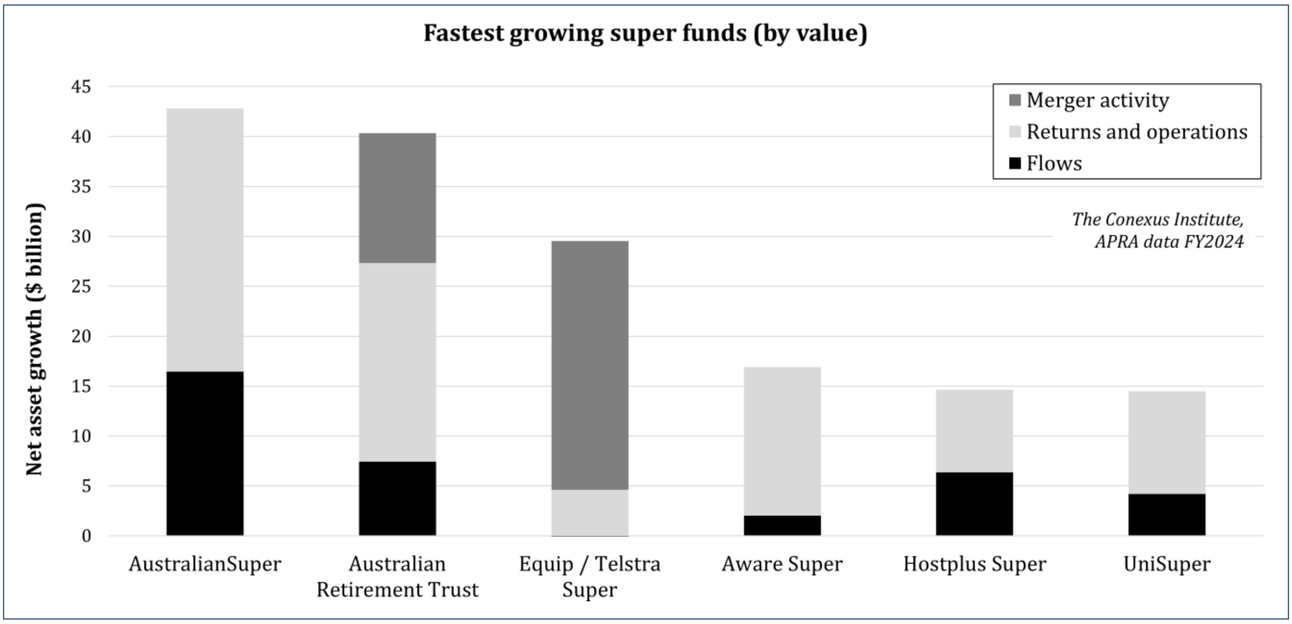

Chart 2.6: Fastest growing APRA-regulated super funds by value

The composition of growth amongst the fast-growing funds shown in Chart 2.6 reveals the dominant position held by AustralianSuper in terms of member flows. AustralianSuper grew the most in dollar terms without undertaking any merger activity, along with its associated operational implementation cost and effort. Meanwhile ART kept up by undertaking multiple mergers (Commonwealth Bank Super, Qantas Super) and the super accounts of Woolworths and Endeavour Group being transferred from AMP Super. (Note: We treat this transaction as a merger). For Equip / TelstraSuper, completing the merger will be transformational for the scale of the joint entity. The other fast-growing funds in value of Aware Super, Hostplus and UniSuper reflected their relative size, which amplifies the impact of flows and market returns on their assets.

Funds which experienced high percentage growth rates are detailed in Chart 2.7. We see significant, and in some cases transformational, growth stories that are spread across a range of asset-size segments.

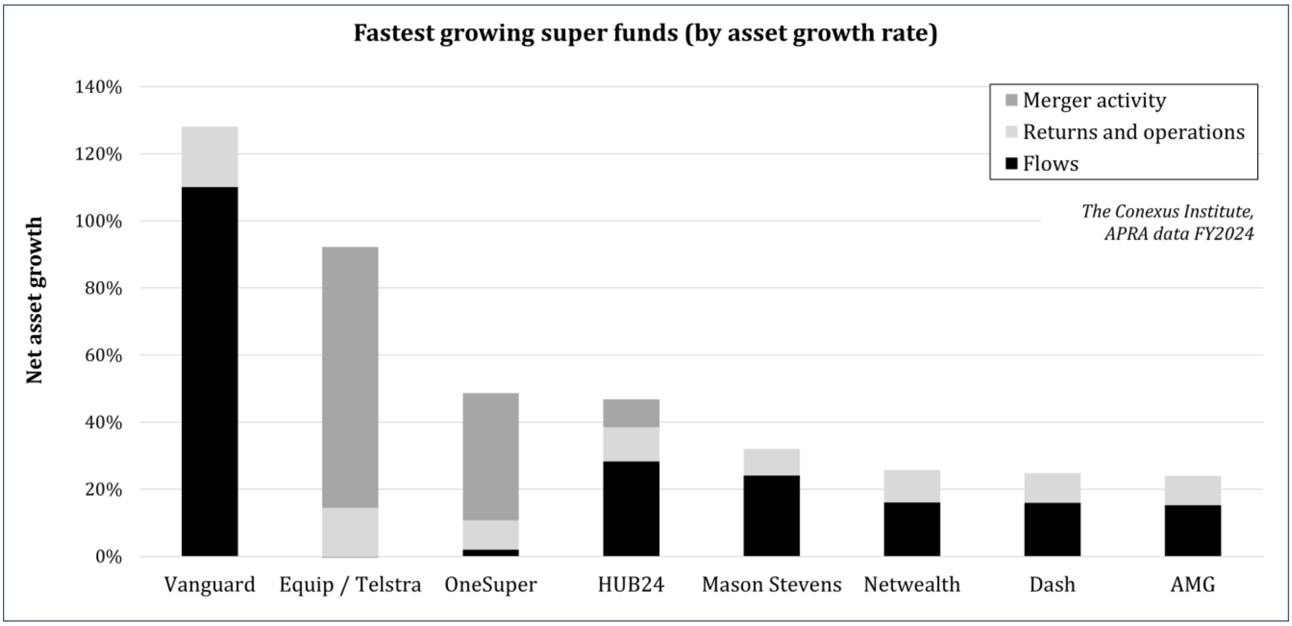

Chart 2.7: Fastest growing APRA-regulated super funds by asset growth rates

We can identify a mix of growth stories in Chart 2.7. Many are driven by high rates of flows. The flow-led growth for Vanguard, Mason Stevens, Dash and AMG is off a small asset base. For HUB24 and Netwealth, high flow rates are off a more substantial asset base.

Chart 2.7 also reveals the transformational impacts of mergers. The merging of Equip and Telstra Super is significant, whether viewed in value (Chart 2.6) or percentage terms (Chart 2.7). A point of interest is that the combined entity has experienced negative flows. Meanwhile OneSuper took on assets from Grosvenor Pirie and the Spaceship assets from Tidswell. Finally, HUB24 took on assets from Clearview thus adding a further source of growth to its strong flows.

Not all funds were able to keep pace with the strong industry growth experienced in FY2024. The most notable funds with relatively slow growth rates are detailed in Chart 2.8.

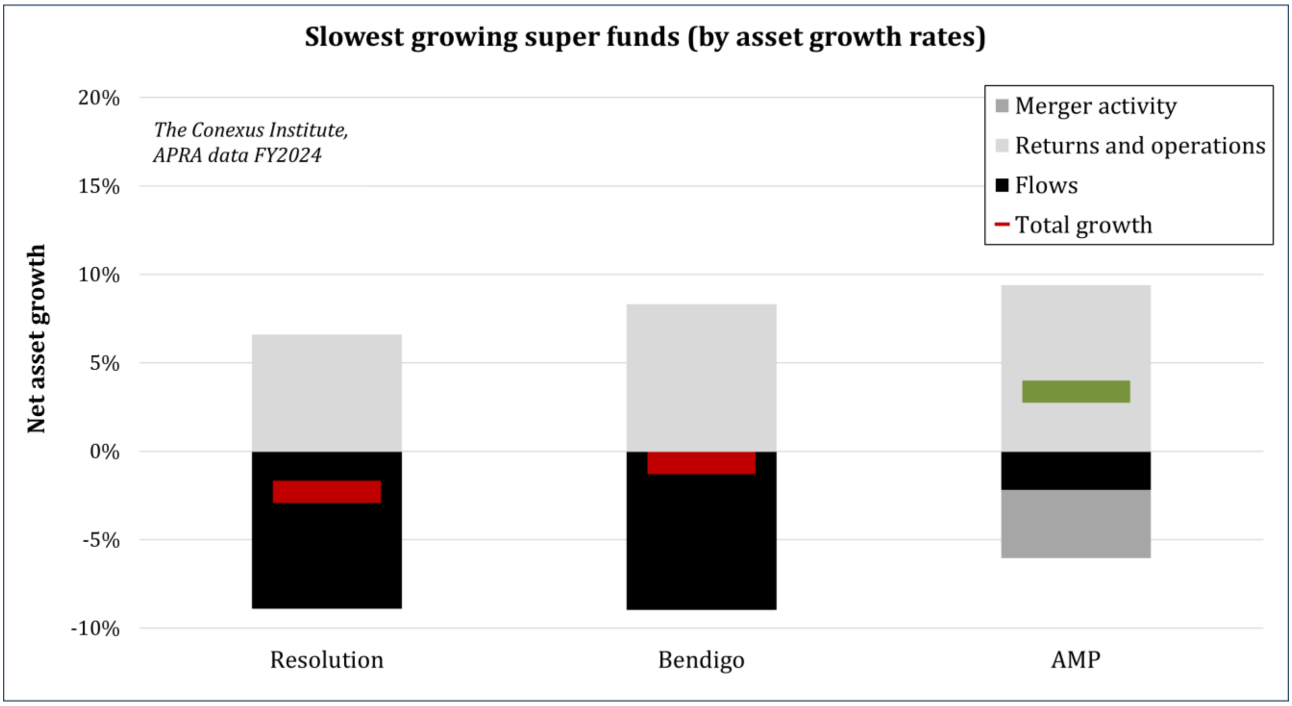

Chart 2.8: Slowest growing APRA-regulated super funds by asset growth rates

The funds appearing in Chart 2.8 face idiosyncratic circumstances:

- Resolution is a multi-faceted financial services organisation with a major focus on life insurance that recently consolidated super assets from AMP. One challenge for Resolution is to establish a growth strategy in super given the largest negative percentage flows experienced in FY2024.
- Bendigo Super was recently purchased by Betashares, and experienced significant outflows during this period. Betashares has announced a range of forthcoming innovations to its super offering.
- AMP did not keep pace with the broader growth of the industry despite strong operating returns. This is largely due to the AMP Super (i.e. the corporate mastertrust) experiencing negative flows and the loss of a corporate super plan (Woolworths and Endeavour) to ART. Meanwhile, AMP's North platform experienced flat flows.

2.2 Reflections on the landscape

Even though it sometimes feels like things move slowly in the APRA-regulated super system, we nevertheless see some clear trends. A more balanced system has emerged with three segments (mega funds, very large funds, and large funds) each having significant market share, aided by the creation of a new large fund (Equip/Telstra). The 16 funds in these three segments account for nearly 87% of assets. Meanwhile the small-mid sized segment continues to hollow out, and is now down to four members.

While FY2024 was a strong year for system growth overall, there were some standout growth stories. The two mega funds (AustralianSuper and ART) both experienced above system growth. Beneath the mega fund category, the growth stories tended to be amongst smaller funds. This is a segment where growth can be needed most to achieve scale benefits.

Our charts reveal the transformational impact of mergers on scale. As seen through our research (*"Do Superannuation Fund Members Benefit from Large Fund Size?"*) we are largely agnostic about scale, adopting the stance that maximising the advantages of a fund's scale are more important than scale *per se*. Nevertheless, the pressure remains on small and mid-sized funds. Factors such as APRA's data and regulatory activities, governance requirements, the requirements of the Retirement Income Covenant and cybersecurity weigh more heavily on smaller funds with less resources to meet the requirements.

It is in the small-mid size fund sector where further consolidation activity seems more likely as the incentives to merge are strongest.

However, the realistic number of suitable merger candidates seems small after accounting for factors such as:

- Fund type needs to be compatible, e.g. it would be difficult (though not impossible as illustrated by Brighter Super) for a profit-for-member fund with a relatively small option range to merge with a platform-based retail fund.
- Many funds are digesting substantial merger activity and may be hesitant to take on further mergers.
- The service standard issues and governance challenges being faced by the industry represent disincentives against taking on a merger, which can be a major undertaking.
- As the industry consolidates, many of the remaining funds may target specific market sectors. Meanwhile the universe of candidate consolidation partners that complement a fund's growth strategy may be shrinking. (The alternative of a merger between funds with large differences in growth strategies may take a long time to identify and implement a viable growth strategy.)

We take a further look at the potential for merger activity in Section 5.3.

3. Member accounts

We now turn to examining member accounts and average account size. While this is a short section, we think it valuable to provide some insight into the basic account structure of our sample of APRA-regulated funds given the regulatory, industry, and media attention on member services. The key message that emerges is that funds exhibit sizable dispersion in terms of number of accounts and average account size, which in turn suggest differences across funds in what is required in catering for the membership base. Appendix 3 reports selected account data for our 46-fund sample ranked by number of member accounts.

Chart 3.1 focuses on number of member accounts rather than assets. We retain the same fund ordering and size sub-group colour coding as our asset-based charts, i.e. Chart 2.2, Chart 2.3, and Chart 2.4. Our sample captures 22.5 million member accounts. The dispersion in account numbers is substantial as evidenced by the difference between industry median and industry mean. The fact that the member accounts chart is noisy with a bumpy downward trend across columns reflects that fund assets and member accounts are not directly aligned, and hence funds have differing average account sizes.

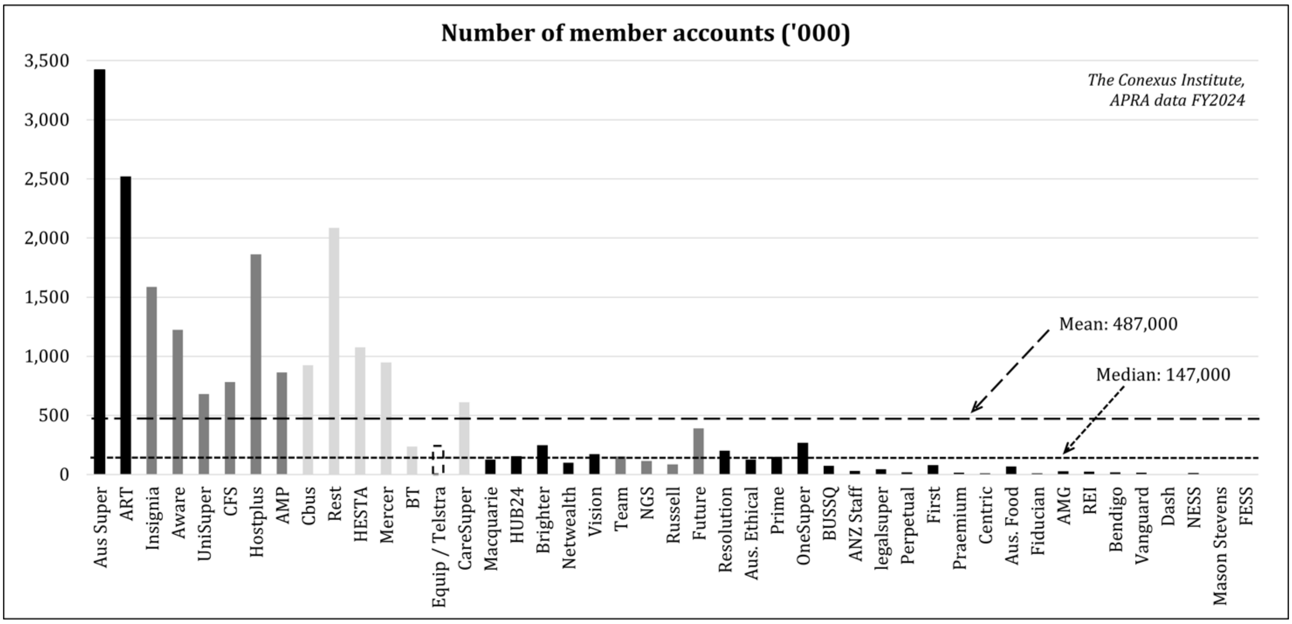

Chart 3.1: Number of member accounts for APRA-regulated funds

Colouring matches palette in Charts 2.2 to 2.4 based on fund size.

Chart 3.2 reveals the significant variation in average account balance for our 46-fund sample. It confirms the lack of any clear relation between average account balance and assets under management, i.e. both large and small funds have members with relatively small and relatively large average account balances. In terms of sectors, wrap platforms tend to have higher average account balances.

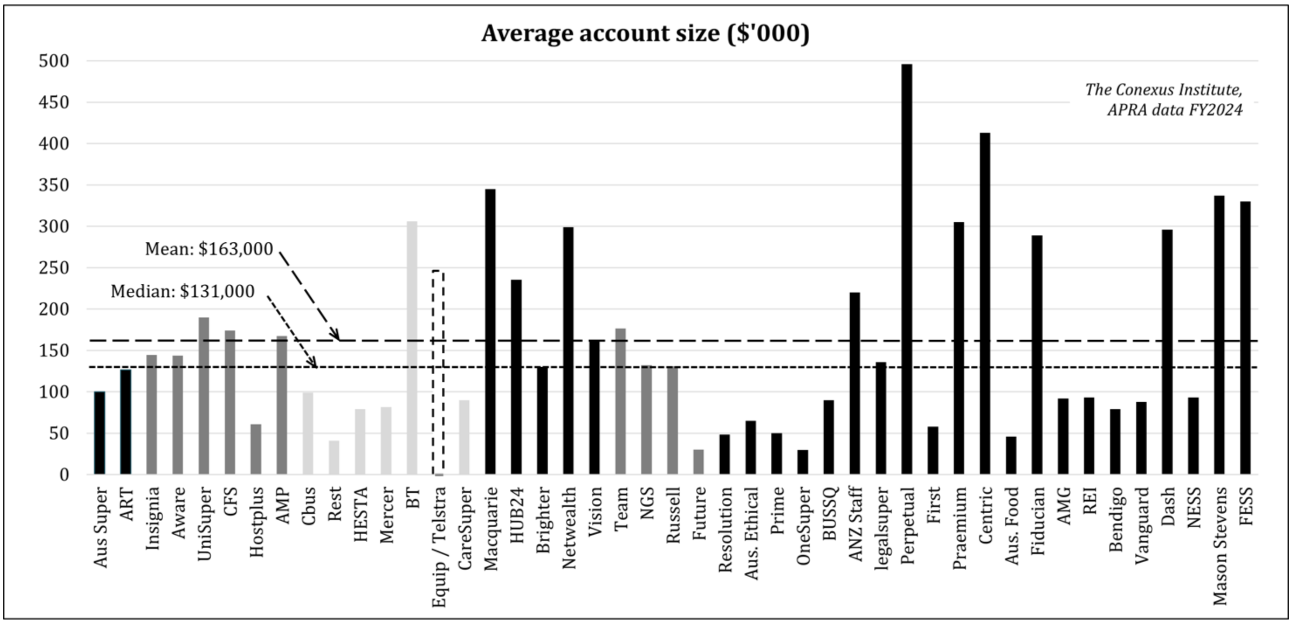

Chart 3.2: Average account value – sample of APRA-regulated super funds.

Colouring matches palette in Charts 2.2 to 2.4 based on fund size. Average account size is APRA-calculated.

Chart 3.3 brings together the data for number of accounts (shown on the vertical scale) and average account value (horizontal scale) to create a unified picture of the member account landscape for our 46-fund sample. A first reaction might be to take the view that funds in the bottom left corner of the chart face sustainability challenges due to having a relatively small number of accounts of relatively small value. However, the reason account size is small is important. If account sizes are small because members are young, then the fund may carry a favourable natural flow profile. Fund flows are explored in Section 4, which reveals that some of the smaller funds in the bottom left corner of Chart 3.3 are indeed fast growing. Once again, this highlights the importance of fund membership demographics (which we consider in Section 6).

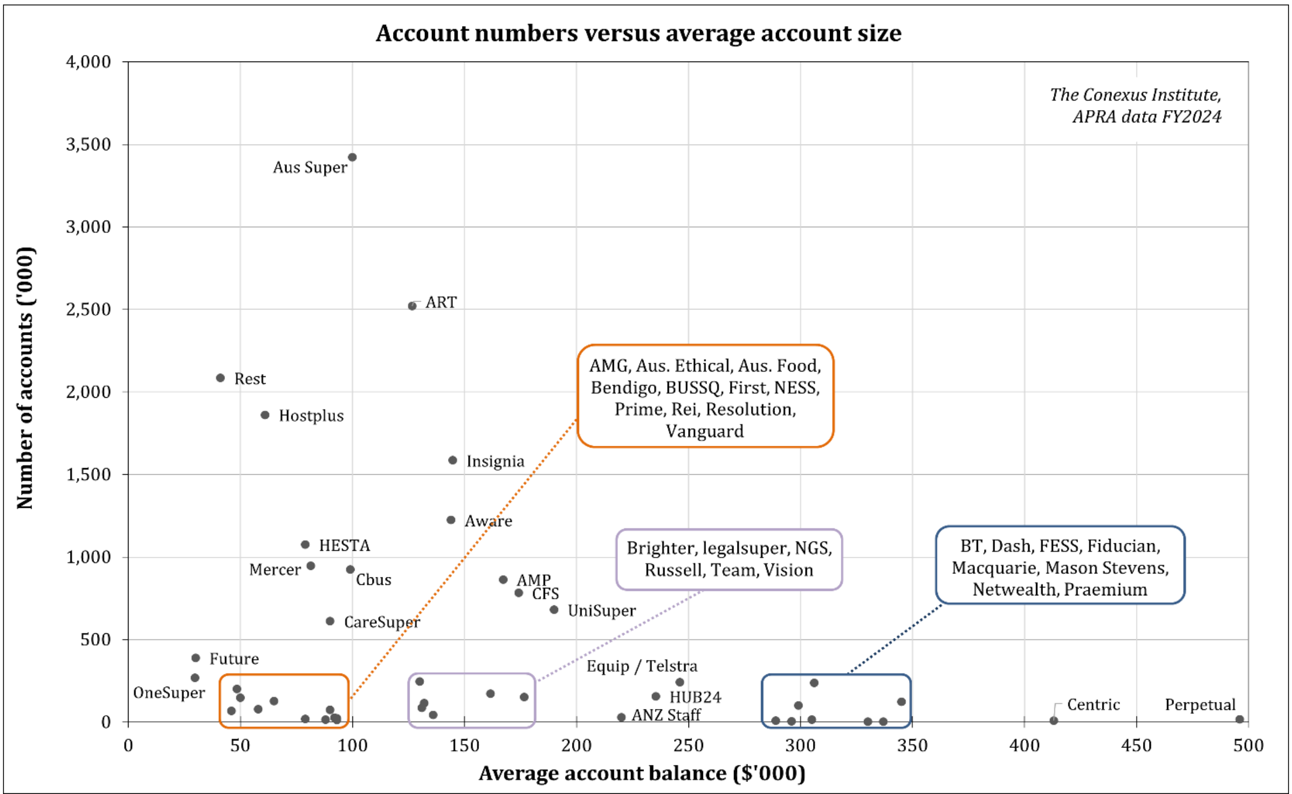

Chart 3.3: Number of accounts *versus* average account size – sample of APRA-regulated super funds

The takeaway message from this section is that funds may be dealing with quite different membership bases in terms of the number of members and the size of a typical account balance. Multiple factors are at play, some of which may be offsetting.

It is tempting to conclude that funds with more accounts and higher balances will enjoy scale benefits, while funds lacking sufficient members with sufficient balance may face sustainability challenges. However, the operational challenge of member servicing can become more difficult as member numbers or average balance increase. More members may mean that the scope of the servicing challenge can expand if there are more member types to address. Higher account balances could raise the costs of servicing members to the extent that they reflect a potentially more engaged membership with higher service level expectations. As mentioned earlier, growth rates may also be relevant.

These considerations add further dimensions to fund positioning and operating requirements that go well beyond just total assets. The account profile of a fund will likely influence the range of services that it offers, and design features of the products it offers. It will also impact pricing. We reflect that by analysing average account balances across funds and not exploring variation in account profiles within funds (due to data limitations), we are only touching on the complex operational challenges that may be faced by funds.

A final comment relates to the design and implementation of retirement income strategies by super funds. While far from a perfect indicator of household wealth, the super account balance can be an important source of retirement funding and a core consideration for the type of tailored retirement income solutions and guidance services that are suitable for members. We anticipate seeing funds with different account balance dynamics developing quite different retirement income strategies. Indeed, we are already beginning to see different strategies emerge partly in response to differences in membership profiles.

4. Net flows

Net flows are critically important. In itself, large fund size can provide opportunities to access scale benefits in areas such as operations where some activities may involve fixed cost elements or require significant resources, including activities related to regulation, governance, retirement, cybersecurity and accessing investment opportunities[4]. Meanwhile, flows are a key driver of fund growth and hence future scale and ability to fund business initiatives for the future. Flows are also an important component of fund liquidity, with implications for investment strategy including ability to invest in illiquid assets, the need to source additional assets to complete the portfolio and portfolio rebalancing (which may be facilitated through directing cash flows).

While industry flows are stable and reasonably predictable, there is significant dispersion in flows across funds. This is illustrated in the profile presented in Chart 4.1. In FY2024 flows experienced by individual funds range from 95% down to -9%.

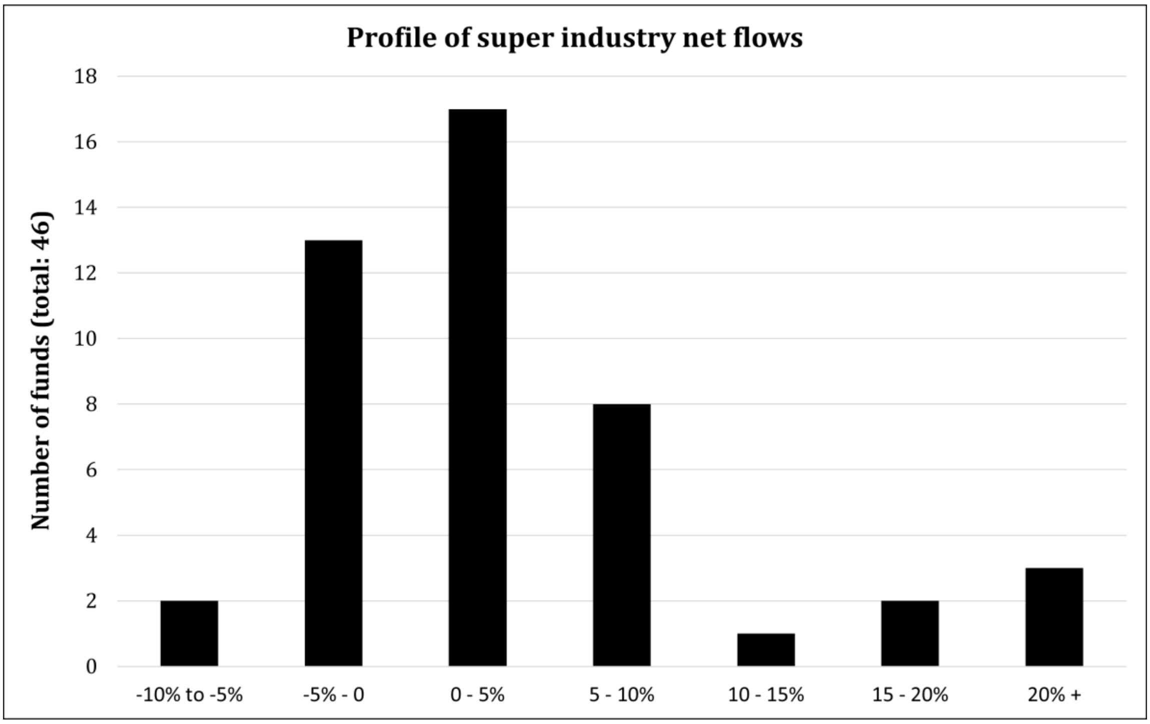

Chart 4.1: Profile of super industry net flows as percentage of assets

We focus in on flows that are driven by member activity using APRA's flow data to estimate net flows and removing the one-off impact of 'successor fund transfers' (i.e. mergers, etc). We split these merger-adjusted net flows into 'natural flows' and 'competitive flows'. Natural flows reflect the net of contributions and benefit payments. Competitive flows capture the net of roll-in and roll-out activity, and hence reflect member switching between super funds. Competitive flows, aside from modest net

[4] Scale also has drawbacks, notably 'clunkiness' in member services and outgrowing some investment opportunities. As previously asserted in *"Do Superannuation Fund Members Benefit from Large Fund Size?"*, we remain balanced on the issue of scale.

outflows to SMSFs[5], is largely a zero-sum gain (a member exits one fund to join another). Appendix 4 reports flow data for our sample of 46 funds sorted by net flows.

The variability in fund-level flows highlighted in Chart 4.1 arises from both natural flows and competitive flows, with variability in competitive flows amongst funds making the greatest contribution.

4.1 Natural flows

Net natural flows for our sample of APRA-regulated funds were around $51 billion in FY2024, marginally higher than FY2023 ($48b). In aggregate, the super guarantee (SG) rate of 11% during FY2024 (will be 11.5% for FY2025) more than offsets the outflows resulting from benefits taken by (largely) retired members, noting that balances held by retirees built up during periods when lower SG rates were in place. Net flows of $51 billion equate to natural growth of about 2.4% with reference to start of year net assets. (For our deeper dive, we use a 2.3% figure for average net flows to account for timing and performance effects). The percentage level of natural flows is about the same as FY2023. In Chart 4.2 we present our 46-fund sample ranked by natural flows.

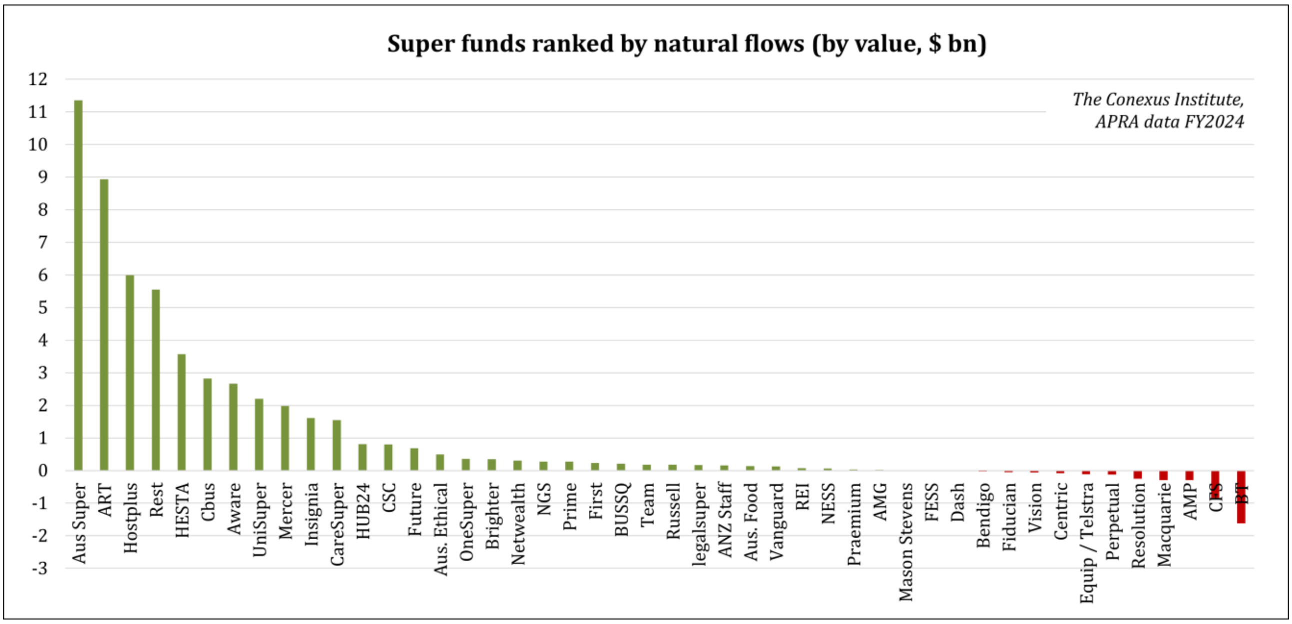

Chart 4.2: APRA-regulated super funds ranked by natural flows by value

It is amazing to consider that if AustralianSuper's natural flows for FY2024 were packaged into a standalone super fund it would be the 25th largest super fund in the sector. Of our 46 fund sample, 35 or 76% (78% for FY2023) experienced positive net natural flows. While the majority of funds experience positive natural flows, the majority of these flows are concentrated in a small number of funds all of which are industry funds. The top four funds by natural flows (AustralianSuper, ART, Hostplus and Rest) capture 63% of natural flows, while the top eight speak for 86%.

The picture changes significantly when super funds are arranged by net flows as a percentage of assets, as seen in Chart 4.3, which shows a quite different ranking to Chart 4.2.

[5] Net rollovers from APRA-regulated funds to SMSFs were about $6 billion or 0.2% of net assets during FY2024 according to the APRA *Quarterly Superannuation Statistics* release.

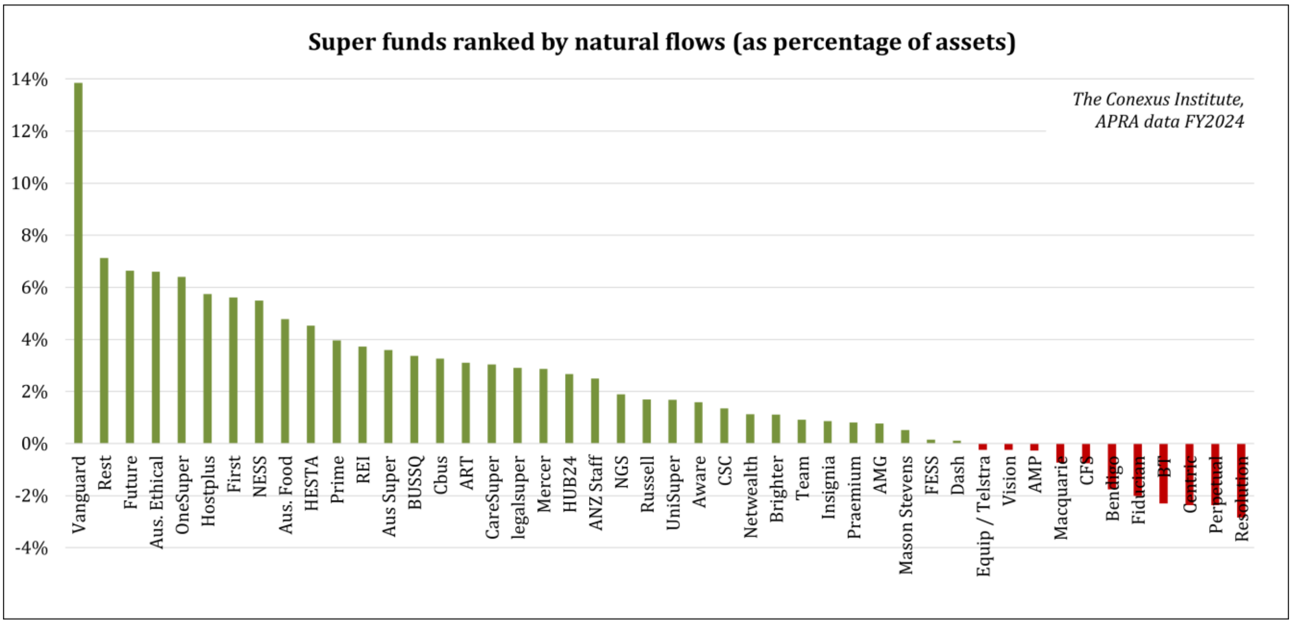

Chart 4.3: APRA-regulated super fund sample ranked by natural flows as percentage of assets

The Vanguard result is striking (growing faster than the SG rate) but probably reflects calculation of annual flow rates off a small asset base observed at the beginning of the year. The right side of the Chart 4.3 is dominated by retail funds, which have an older membership demographic. This encourages us to explore the link between natural flows and membership age demographics in more detail. Chart 4.4 presents our findings.

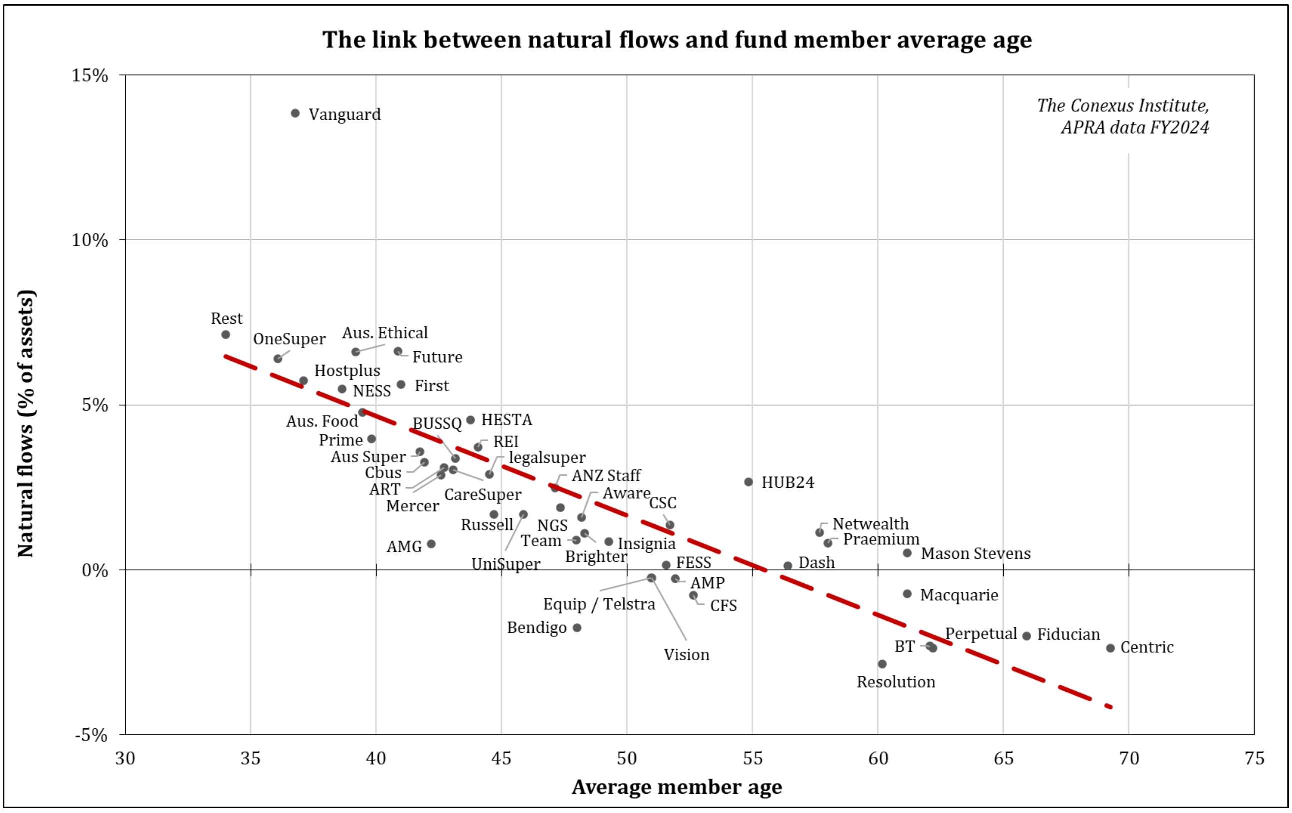

Chart 4.4: Natural flows *versus* membership age demographics for APRA-regulated super funds

Chart 4.4 presents a strong negative relationship between a fund's natural flows and its average member age. Statistically 66% of the variation in natural flows across individual funds can be explained by the dispersion in funds' average age profiles (i.e. the R^2 is 0.66). A rule of thumb is that a fund with a one-year higher average member age experiences 0.3% lower natural flows[6]. The top left of Chart 4.4 is dominated by industry funds (notably including Hostplus and Rest, which service the hospitality and retail industries) and a couple of sustainability themed funds (Australian Ethical and Future Group). Spaceship members are likely contributing to the low average member age at OneSuper. The bottom right tends to be dominated by retail funds with businesses linked to financial advice. We further explore fund demographics in Section 6.

Chart 4.4 helps us to understand the natural flows experienced by the APRA-regulated super fund sector. Natural flows are largely motivated by fund membership age demographics. Many funds in a strong natural flow position could consider themselves fortunate rather than necessarily skilful, although their good strategic planning and implementation may have contributed to securing a young cohort of members. For many of the funds experiencing natural outflows, they have not necessarily performed poorly operationally as member demographics can play a key role. Retail funds linked with advisers often have a greater number of older members who have made a decision to seek external financial advice as their balances growth and they look towards and then enter retirement. For these funds to preserve scale they need to attract new members i.e. they need positive competitive flows. This sets us up perfectly for our next discussion. Overall, demographic trends can have a significant impact on natural flows. Further, these trends tend to persist and move slowly.

4.2 Competitive flows

In FY2024, there was a total $74 billion in flows as a result of member fund-switching activity, amounting to just less than 3% of total assets. While the total dollar value of member switching increased slightly ($69 billion in FY2023), switching activity has actually decreased slightly as a percentage of assets. Switching (as a percentage of assets) has also been trending down over time, as captured in Chart 4.5.

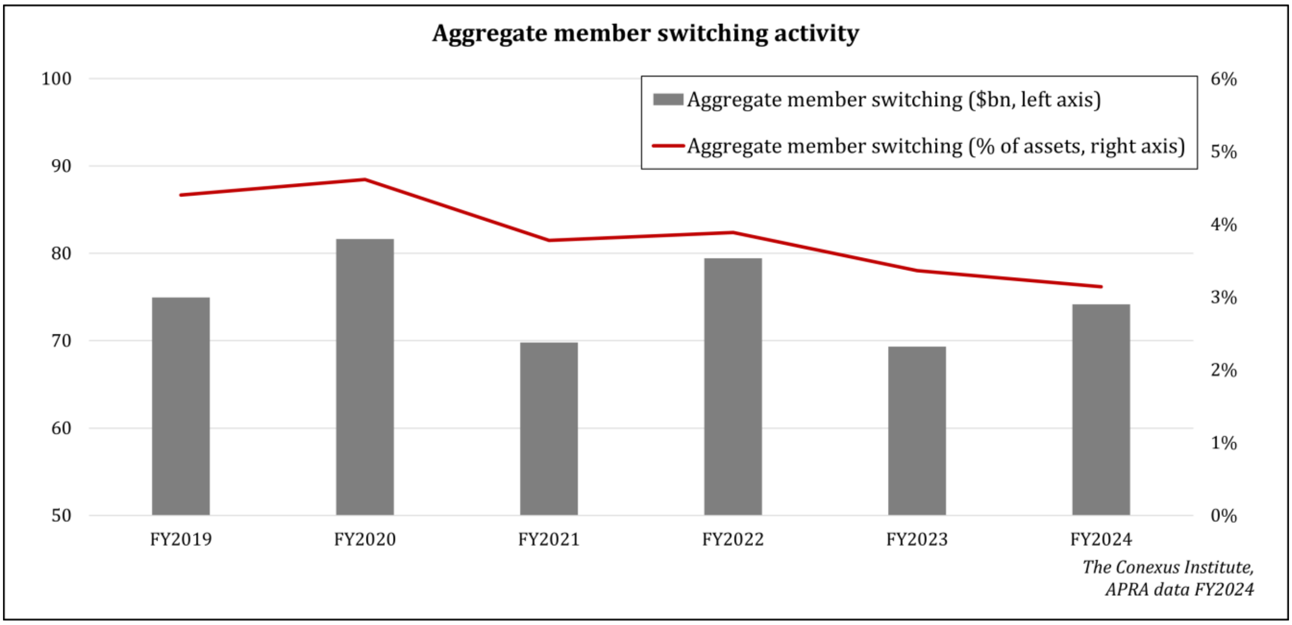

Chart 4.5: Aggregate member switching as measured by total roll-ins (excluding successor fund transfers) for APRA-regulated super funds by value and percentage of assets

[6] We note that the average age of members for a fund does not increase by a year on an annual basis, as both the entry of new (younger) members and the exit of deceased (older) members will act to reduce average age.

Looking beyond the trend in aggregate member switching presented in Chart 4.5, we draw out two further dynamics around the $74 billion of competitive flows occurring during FY2024:

- We estimate $52 billion (70%) is ‘churn’, describing the offsetting flows when members switch from Fund A to Fund B while other members switch from Fund B to Fund A.
- We estimate that $34.5 billion (47%) involves a financial adviser, meaning these are flows into products (such as wrap platforms) designed to service financial advisers. The remaining $39.5 billion (53%) implicitly involves a member decision[7].

Chart 4.5 and the above two observations lead us to make some initial reflections on the current state of competition in the sector. These are captured in Breakout Box 1.

Before investigating individual fund outcomes, we explore some key thematics. In *State of Super 2024* we dispelled the simple anecdote that funds were flowing from retail funds to profit-for-member funds by breaking down the flows by fund sub-groups. We have updated and further refined this analysis in Chart 4.6.

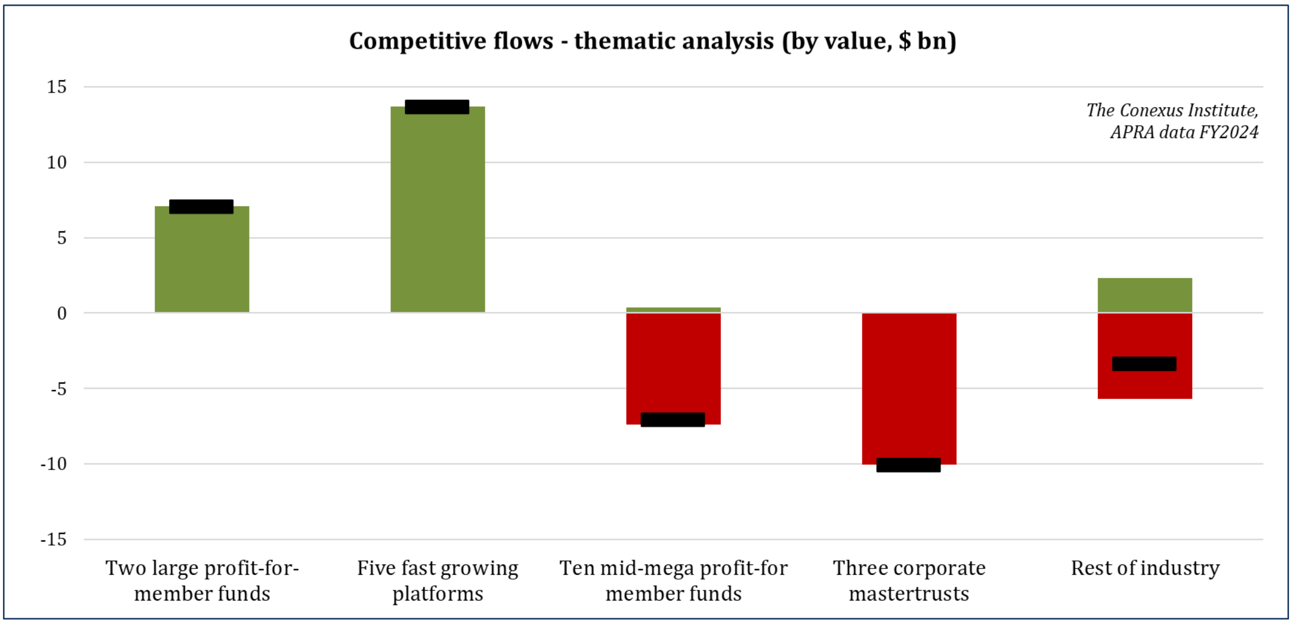

Chart 4.6: Competitive flows for sub-groups of APRA-regulated super funds by value

The sub-groups in Chart 4.6 are explored in Table 4.1, where we list members and summarise performance by value of competitive flows experienced during FY2024.

[7] One weakness of our basic categorisation is that we ignore the possibility that financial advisers may have recommended their clients into a non-platform super fund such as an industry super fund.

Breakout Box 1

Reflections on marketing and competition amongst APRA-regulated funds

- *Does the level of member churn represent a healthy or unhealthy dynamic?* Some degree of churn can be beneficial for two reasons. First, it can help place competitive pressure on funds, to the extent it is motivated by comparisons of fund offerings. Second, it may reflect fund members making decisions accounting for personal circumstances such as their balance, occupation, and insurance needs. On the other hand, in a regulated super system with legislative frameworks like the Your Future, Your Super performance test where funds generate relatively similar outcomes, churn activity may do little to enhance consumer outcomes and result in higher system expenses.

- *To what degree is there now a 'spend to defend' mindset amongst super funds that manifests in marketing activities? And is this a healthy or unhealthy activity?* Marketing can be directed at attracting new members and protecting the membership base from the marketing activities of other funds. This raises a number of questions:
  - Could 'spend to defend' activities actually serve to reduce member rollover activity and churn? A member may be reassured by the marketing activities of their own fund, offsetting any impulse to explore other offers. This might be a partial explanation for the downward trend in switching activity presented in Chart 4.5. We imagine it is quite difficult to measure the member retention impact that results from fund marketing[8], especially at a system level.
  - How effective is 'spend to defend' as a strategy if a sizable portion of member switching activity is driven by financial advisers? (This also motivates us to reflect that many funds may not have a product offering that is of interest to financial advisers).
  - If a 'spend to defend' mindset becomes an entrenched industry practice, is there a risk that system-level marketing expenses escalate as individual funds increase their marketing spend in response to the increased spending of other funds?

- *Do the merits of fund-level marketing require review?* Perhaps the 'spend to defend' motivation is strong and justifiable at a fund-level, but may not be improving system-level outcomes.
  - There are arguments that marketing represents poor value for money because switching activity is falling. However, there is also a possibility that marketing may reduce switching.
  - A high level of churn could be viewed as either a healthy or unhealthy dynamic, for reasons discussed in the first dot point above.
  - We wonder to what degree marketing activities create an engagement nudge and/or a degree of education, both of which can be beneficial.
  - We do not explore fund marketing activity in State of Super 2025, but note that the overall level of spending activity may be headline grabbing in value ($481 million) but relatively small as a percentage of system assets (0.02%).

Overall, the efficacy of marketing spending by super funds is an area where more research is warranted, ideally aided by more consistent data across funds along with a time series.

[8] The Conexus Institute proposed in a submission to APRA (*Strategic and transfer planning: enhancing member outcomes*, December 2023) that funds complete a standardised template detailing targets and outcomes of their marketing activities. This proposal was not adopted.

Sub-group name	**Sub-group members** ***(alphabetical order)***	**Comments on performance** ***(by value of flows)***
1. Two large profit-for-member funds	AustralianSuper, UniSuper	• Large competitive net inflows
2. Five fast growing platforms	AMP North, CFS First Wrap, HUB24, Macquarie Super, Netwealth	• Large competitive net inflows
3. Ten mid-mega profit-for-member funds	ART, Aware, Brighter, CareSuper, Cbus, Equip/Telstra, HESTA, Hostplus, Rest, Vision	• Large competitive net outflows • Exception was Hostplus, which experienced modestly positive flows
4. Three corporate mastertrusts	AMP Super, Mercer Super, MLC Super	• Large competitive net outflows
5. Rest of industry	Comprises 29 members (not listed)	• Competitive net inflows are largely attributable to Vanguard and a range of adviser platforms most notably Praemium, AMG, and Mason Stevens. • Competitive net outflows attributable to a mixed collection of funds including remaining operations of Insignia and CFS, along with Resolution Life, Russell, CSC, Team Super, NGS, and OneSuper.

Table 4.1: Sub-groups of APRA-regulated funds and competitive flow thematics

Some noteworthy observations emerge around how the themes identified in our sub-group analysis have evolved since FY2023. First, competitive inflows into the 'winning' profit-for-member funds has fallen sharply. This is primarily an AustralianSuper story, which we investigate in more detail below. Meanwhile, the 'fast growing platform' has become the strongest positive theme explaining industry competitive flows. This sub-group has been broadened out to include AMP North and CFS First Wrap. This theme underlines the importance of adviser-driven flows, with advisers directing members into their platforms of choice. This theme accords with the positive flows into smaller platforms as referenced in sub-group 5 (see Table 4.1). Competitive net outflows from the sub-group of mid-mega profit-for-member funds increased sizably during the year. Finally, net outflows from the three corporate mastertrusts represents the strongest theme in terms of competitive outflows.

Chart 4.7 plots individual winners and losers in competitive fund flows. Competitive flows are more variable both across funds and over time than natural flows. While most names on this chart are featured in the discussion of the thematic sub-groups explored via Chart 4.6 and Table 4.1, we drill a bit deeper after Chart 4.7.

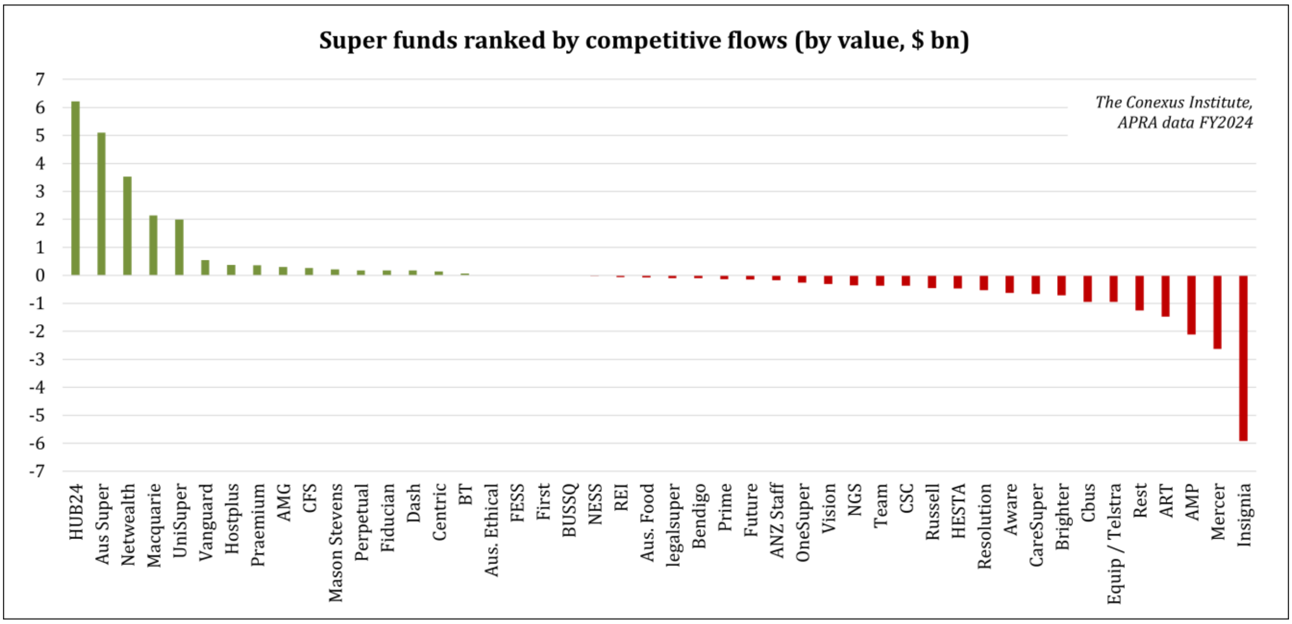

Chart 4.7: APRA-regulated super fund sample ranked by competitive flows by value

Analysing the data we find some significant ongoing themes and shifts in competitive flow positions:

- HUB24 and Netwealth both continue to experience strong competitive flows. HUB24 has even replaced AustralianSuper as the leading fund in terms of competitive flows.
- AustralianSuper still has a strong position in terms of competitive flows, but this has deteriorated significantly over the last two years. The fund experienced competitive flows of $15.4 billion in FY2022, but these declined to $9 billion in FY2023 and then $5.1 billion in FY2024. Looking deeper, we see a continuing trend towards falling rates of roll-ins and a sizable increase in roll-outs.
- Vanguard experienced strong competitive inflows of $540 million in FY2024, ranking it sixth largest. However, this represented a fall in competitive inflows from $720 million in FY2023.
- CFS and BT both experienced strong improvements in competitive flows to record modestly positive inflows during FY2024. This represented a significant multi-year turnaround from FY2022 when both experienced net negative competitive flows of -$2.3 billion for CFS and -$3.1 billion for BT.
- Insignia encountered a meaningful deterioration in competitive flows in FY2024 by nearly $2 billion to net outflows of nearly $6 billion, leaving them as a clear laggard in terms of competitive flows.
- AMP's competitive outflows of -$2.1 billion reflects the balance of two stories, with AMP North attracting net inflows of $1.3 billion that were more than offset by outflows of -3.4 billion from AMP Super.
- ART's competitive flows position deteriorated by around $1 billion, with the fund encountering net outflows of $1.5 billion during FY 2024. It is unclear to what degree the change for ART may be related to member activity during merger transitioning. Fellow profit-for-member fund Cbus also experienced a sizable decrease in its competitive flow position to around -$0.9 billion in FY2024.

Chart 4.8 scales the competitive flows by fund asset size.

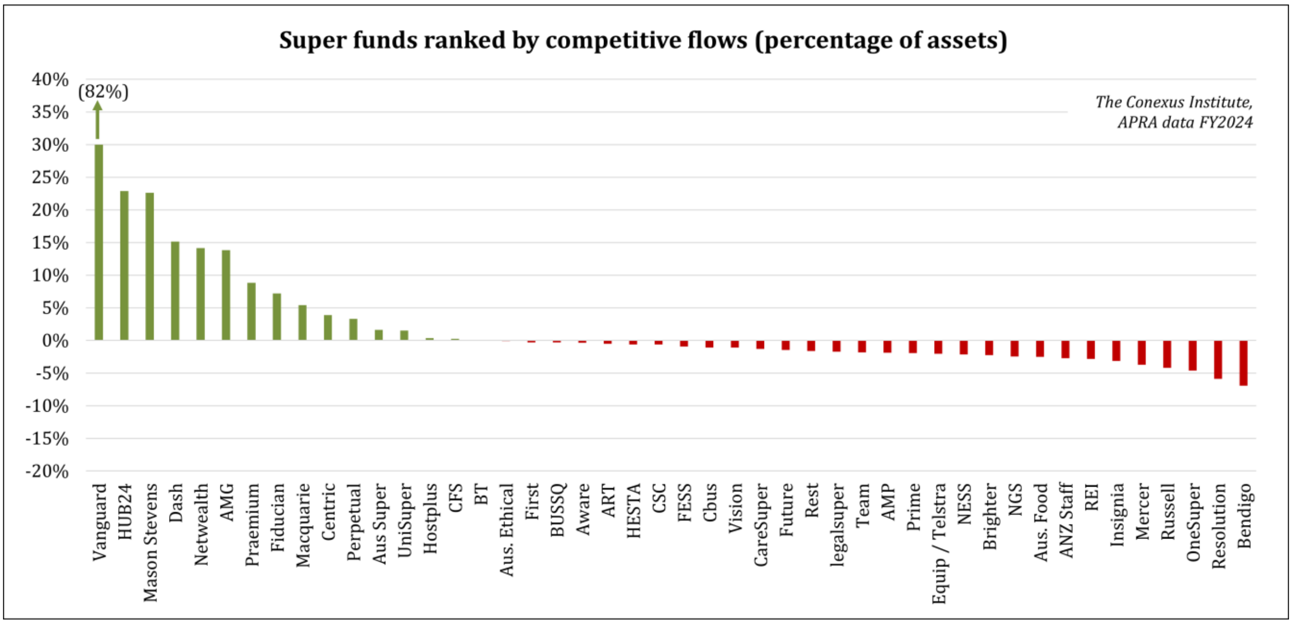

Chart 4.8: APRA-regulated super fund sample ranked by competitive flows as percentage of assets

Dividing competitive flows by assets reveal the contribution to asset growth arising from competitive flows, which uncovers some interesting perspectives:

- Vanguard is a standout, with competitive net inflows equating to 82% of assets.
- HUB24, Netwealth and Macquarie stand out as funds with significant competitive net inflow rates that also have sizable asset bases, sitting in the medium-large segment. Meanwhile, Mason Stevens, Dash, AMG, and Praemium all sit in the small fund segment by assets.
- The majority of the funds experiencing high net competitive inflow rates are platforms that service financial advisers. Vanguard is not a platform, but rather has a direct-to-consumer model. However, it also has an adviser portal, which allows it to utilise strong historical relationships with the advice community and hence potentially benefit from adviser recommendations.
- Russell, OneSuper, Resolution, and Bendigo have each experienced activities such as fund transfer or consolidation that may partly explain their weak competitive flow results.

4.3 Net flows in FY2024

Net flows are the aggregate of natural flows and competitive flows. Net flows for our 46-fund sample totalled about $50 billion in FY2024. Chart 4.9 shows net flows in dollar value terms for all funds in our sample, along with an attribution between natural and competitive flows. Net inflows were experienced by 31 funds (67% of our sample) totalling $64 billion, while 15 funds experienced net outflows totalling $13 billion.

A relatively small number of funds account for most of the net inflows by value within the system, which seems to be an ongoing trend. AustralianSuper alone received 32% of the flows amounting to $16.4 billion, although this was down 17% from the $19.8 billion of flows received in FY2023, continuing a downward trend. Four funds account for 73% of net system inflows and eleven funds account for 115%. The attributions of net flows reveal varying blends of natural and competitive flows, both covered in more detail previously. A small number of funds experienced sizable net outflows, led by Insignia, AMP and BT. From Chart 4.9 we can again see a range of reasons, but commonly either a less favourable natural flows position or poor competitive flows are driving the outflows.

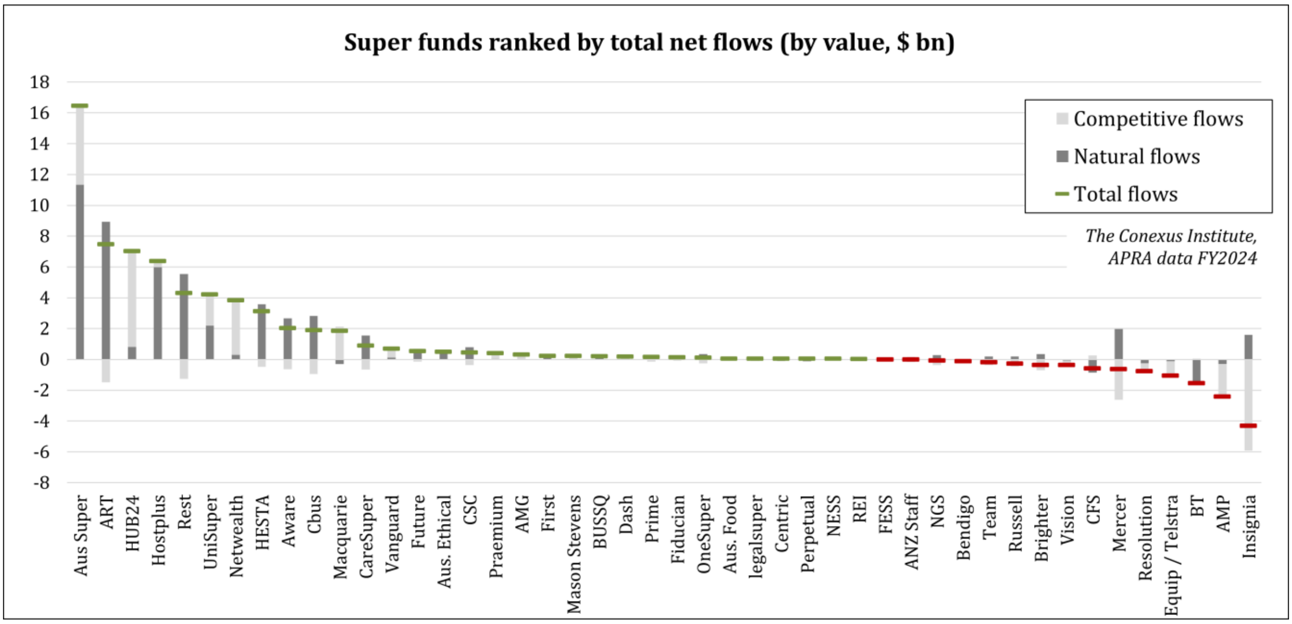

Chart 4.9: APRA-regulated super fund sample ranked by net flows by value

We complete our analysis of flows in this section by exploring the percentage growth in assets arising from net flows experienced across the industry in the form of Chart 4.10.

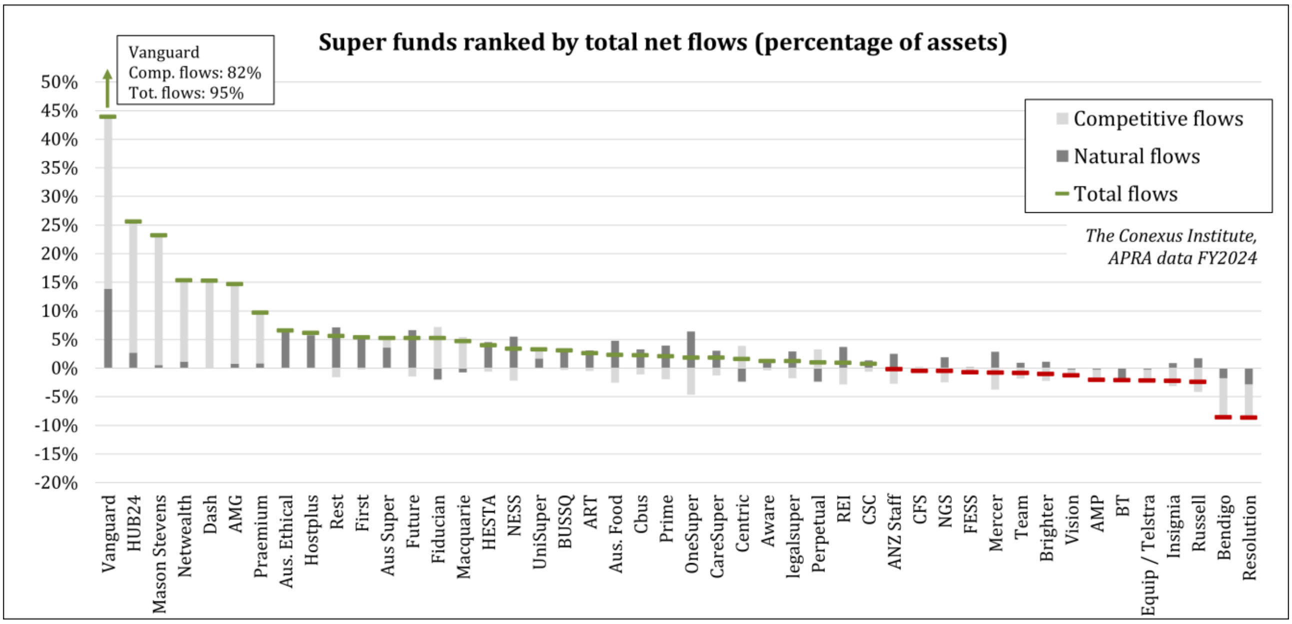

Chart 4.10: APRA-regulated super fund sample ranked by net flows as percentage of assets

Scaling by net assets substantially changes the ranking in Chart 4.10 from that presented in Chart 4.9. We draw on many of the insights created in this section in interpreting the net flow results.

Funds with the highest (and lowest) percentage net flow outcomes tend to also experience very strong (weak) percentage competitive flow results. This is intuitive given that we previously identified a smaller range in natural flows as a percentage of assets relative to competitive flows (seen by comparing the scales of Chart 4.3 and Chart 4.8), which means that competitive flows are more likely to drive the extremes of total net flow outcomes across our sample. Hence, most of our commentary on the flow outcomes for individual funds carries over from our previous discussion on competitive flows.

Vanguard (net inflows of 95%) is a standout case as a recent entrant with a large brand name operating off a low asset base, which is applying a direct-to-consumer model with an adviser portal that allows it to utilise strong historical relationships with the advice community. The other funds experiencing the largest percentage net inflows of about 10% or more (including HUB24, Mason Stevens, Netwealth, Dash, AMG and Praemium) all service the financial advice sector, which we have identified as the strongest thematic driving competitive flows during FY2024. Fiducian and Macquarie, with net inflows of around 5% of assets, are also part of this theme. Other funds experiencing net inflows of around 5% include Australian Ethical, Hostplus, Rest, First Super, AustralianSuper, HESTA, and NESS. All these funds benefit from a younger member demographic that generates strong natural flows.

Funds experiencing the largest net outflows as measured by percentage of assets can be largely explained by negative competitive flows. We could not identify any common themes amongst this group, meaning the drivers of negative flows are mainly occurring at the individual fund level.

Despite the thematic of retail platforms experiencing strong adviser-led flows, we see AMP, BT and Insignia towards the far right of Chart 4.10 with net outflows. There are firm-specific issues that explain the outcomes. This includes the corporate mastertrust businesses of AMP and Insignia experiencing sizable competitive outflows, and an older member demographic for BT leading to negative natural flows that are not being offset by its small positive competitive flows.

5. The full landscape – assets and flows

Combining asset size and growth through net flows provides a much richer picture of the super fund competitive landscape. The cornerstone of our analysis is Chart 5.1, which maps growth through net flows over FY2024 against net assets, as presented separately in the preceding two sections. You will notice two red lines. The vertical line represents the $30 billion scale figure initially espoused by APRA[9] (although they later made mention of $50 billion as a marker[10]). The horizontal line represents the 2.3% growth rate through net flows across our sample of 46 funds during FY2024 (noting that this number ignores investment returns). These two lines create a natural four-quadrant segmentation of the super fund industry that we explore in further detail.

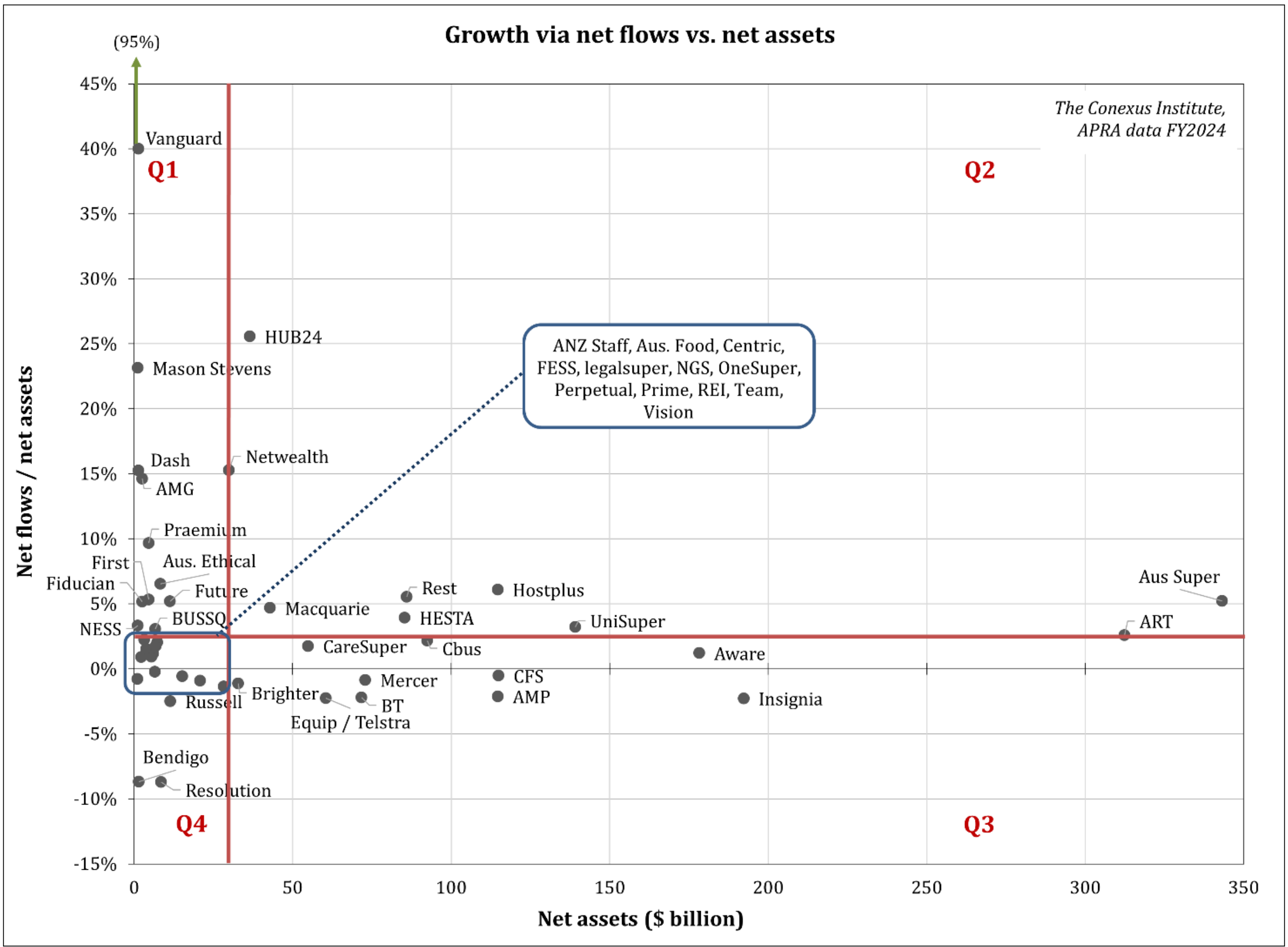

Chart 5.1: Growth arising from net flows (one year, vertical axis) *versus* net assets (horizontal axis) for APRA-regulated funds

Before we explore each quadrant, it is important to acknowledge that scale is a complex issue and the $30 billion marker is only notional. Research by the Conexus Institute (*Do superannuation fund members benefit from large fund size?*) argues that assets under management is not as important as implementing successfully given a fund's size. In that research, we intentionally avoided placing explicit numbers on the assets required for a fund to be efficient, or on how small was too small. Additionally, member

[9] AFR: *APRA labels 90pc of super funds 'uncompetitive'* – 19 March 2021
[10] APRA Member Margaret Cole - *Speech to the Investment Magazine Chair Forum* - 28 March 2022

services became a more prominent theme in FY2024. We note research that suggests smaller funds experience higher levels of member satisfaction[11]. However, for the purpose of discussion here, we will work off APRA's initial presumption that scale is adequate above $30 billion in assets, while reiterating that these are notional cut-offs.

5.1 Quadrant analysis

Table 5.1 lists the Quadrant 1 funds with low scale but above-system net inflows, with flows attributed between natural and competitive flows. Netwealth is about to pass through the $30 billion mark into Quadrant 2 and has maintained a high growth rate. Quadrant 1 is populated by some fund sub-groups that have featured in this quadrant in previous versions of State of Super. One sub-group is sustainable investing (including Australian Ethical and Future Super), which continues to experience good growth although this is now largely being driven by natural flows (noting they have a young membership, as illustrated in the previous section). Another sub-group is small funds with strong links into financial advisers. This group consists of Netwealth, Praemium, Fiducia, AMG, Dash and Mason Stevens. A number of these funds tap into the managed accounts dynamic. Our final sub-group is some small industry super funds (BUSSQ, NESS, and First Super) that have been able to develop strategies to improve their net flows position and move from Quadrant 4 to Quadrant 1. We also note the high growth of Vanguard off a very low asset base, which was discussed in the previous section.

Quadrant 1 – Low scale and above-system net inflows

Fund	Net assets ($bn, June 2024)	Flows		
		Total	Natural	Competitive
Netwealth Super	29.9	15.3%	1.1%	14.1%
Future Super	11.4	5.2%	6.6%	-1.4%
Australian Ethical Super	8.3	6.5%	6.6%	-0.1%
BUSSQ	6.7	3.1%	3.4%	-0.3%
First Super	4.6	5.3%	5.6%	-0.3%
Praemium Super	4.6	9.7%	0.8%	8.8%
Fiducian Super	2.6	5.2%	-2.0%	7.2%
AMG Super	2.6	14.6%	0.8%	13.8%
Vanguard Super	1.4	95.3%	13.8%	81.5%
Super Simplifier (Dash)	1.3	15.3%	0.1%	15.1%
NESS Super	1.2	3.3%	5.5%	-2.2%
Mason Stevens	1.2	23.1%	0.5%	22.6%

Table 5.1: APRA-regulated funds defined as 'below scale' but fast growing.

Flows are FY2024 flows scaled against flow-adjusted net assets at June 2023.

Table 5.2 lists funds in Quadrant 2 that have a strong competitive position in the sense that they benefit from a combination of good scale and above-system growth through inflows. HUB24 is the new entrant to Quadrant 2 and stands out for its high growth rate, which is driven by financial adviser demand. AustralianSuper, Hostplus, and Rest stand out as large industry funds that are maintaining strong rates of net inflows. Much of their growth is explained by favourable membership age demographics and access to new young members through award and employer arrangements. ART, UniSuper and HESTA are well-placed in Quadrant 1 but experience lower growth rates. As identified in Chart 4.10, UniSuper is experiencing solid competitive net inflows to buffer their lower natural flows from an older

[11] AFR: *Small super funds outperform on member satisfaction* – 16 May 2021

membership. The flows of ART and HESTA are driven by a more favourable age demographic, but both are experiencing competitive net outflows. Macquarie continues to demonstrate a favourable growth profile, although its growth has slowed compared to some competitors (such as HUB24 and Netwealth).

Quadrant 2 – Good scale and above-system flows

Fund	Net assets ($bn, June 2024)	Flows		
		Total	Natural	Competitive
AustralianSuper	343.2	5.2%	3.6%	1.6%
Australian Retirement Trust	312.4	2.6%	3.1%	-0.5%
UniSuper	139.2	3.2%	1.7%	1.5%
Hostplus Super	114.8	6.1%	5.7%	0.4%
Rest Super	86.0	5.5%	7.1%	-1.6%
HESTA	85.3	3.9%	4.5%	-0.6%
Macquarie Super	42.9	4.7%	-0.7%	5.4%
HUB24 Super	36.5	25.6%	2.7%	22.9%

Table 5.2: APRA-regulated funds defined as 'above scale' and fast growing.

Flows are FY2024 flows scaled against flow-adjusted net assets at June 2023.

Table 5.3 lists Quadrant 3 funds with good scale but sub-system net inflows. Different stories emerge for the large retail funds and large profit-for-member funds in this sub-group.

The five large retail funds of AMP, BT, CFS, Insignia and Mercer are experiencing net outflows. However, as explored in Section 4, there are diverse explanations. CFS and BT have an older membership, which means their natural flow position is weaker than the industry. The corporate mastertrust businesses of Insignia, AMP (AMP Super) and Mercer are experiencing strong competitive outflows. For Mercer this was partly offset by a stronger natural flow profile. For AMP, it was partly offset by the improved competitive performance of AMP North (the adviser platform). Overall, Insignia is experiencing significant competitive outflows without any strong offsets from natural flows.

Quadrant 3 – Good scale but sub-system flows

Fund	Net assets ($bn, June 2024)	Flows		
		Total	Natural	Competitive
Insignia Financial	192.3	-2.3%	0.9%	-3.1%
Aware Super	178.3	1.2%	1.6%	-0.4%
Colonial First State	115.0	-0.5%	-0.8%	0.2%
AMP Super	114.7	-2.1%	-0.3%	-1.9%
Cbus Super	92.4	2.2%	3.3%	-1.1%
Mercer Super	72.9	-0.9%	2.9%	-3.7%
BT Super	71.7	-2.2%	-2.3%	0.1%
Commonwealth Super Corp	62.4	0.7%	1.4%	-0.6%
Equip / Telstra Super	60.5	-2.3%	-0.2%	-2.0%
CareSuper	54.8	1.8%	3.0%	-1.3%
Brighter Super	32.8	-1.1%	1.1%	-2.2%

Table 5.3: APRA-regulated funds defined as 'above scale' but slow / negative growth.

Flows are FY2024 flows scaled against flow-adjusted net assets at June 2023.

The remainder of Quadrant 3 comprises six profit-for-member funds – Aware, Cbus (a new entrant moving down from Quadrant 2), CSC, Equip/Telstra, CareSuper and Brighter Super. The themes here are a little more consistent with each of these funds experiencing varying degrees of competitive outflows. Further, Aware, CSC and Brighter have slightly older age demographics and experience weaker natural flows. This translates into weaker-than-system growth rates, and in the case of Brighter Super negative growth rates. The challenge for these funds remains how to stem the competitive outflows and perhaps develop a growth strategy.

Table 5.4 lists the Quadrant 4 funds that are facing a combination of low scale and below-system growth from flows. Of the Quadrant 4 funds, the biggest challenge in terms of sustainability might be faced by small funds (below $10 billion in assets on our definition) that are also suffering outflows. This includes the majority of funds on this list. Quadrant 4 has seen some exits. Since FY2023, Spirit Super merged with Care Super (to create CareSuper), Qantas Super merged into ART, ClearView transferred its super assets to HUB24, and it was announced that MIESF would merge into CareSuper.

Quadrant 4 tends to be more dominated by idiosyncratic stories than common themes. However one thematic is the challenge for flows-based growth experienced by the industry funds in this quadrant (Vision, Team, NGS, Prime, legalsuper, Australian Food Super, REI and FESS). Most of these funds are experiencing competitive outflows while some are experiencing weak natural flows due to older memberships. Though not an industry fund, ANZ Staff Super appears to experience the same challenge (negative competitive flows). More idiosyncratic stories are impacting on Russell (potential asset loss with onboarding of Crescent), Resolution Life (relative newly-merged entity), OneSuper (sizable corporate activity), and Bendigo Super (new owner). Meanwhile Centric Super and Perpetual experienced strong competitive flows but insufficient to offset their negative natural flows.

Quadrant 4 – Low scale and sub-system flows

Fund	Net assets ($bn, June 2024)	Flows		
		Total	Natural	Competitive
Vision Super	28.3	-1.4%	-0.2%	-1.1%
Team Super	20.8	-0.9%	0.9%	-1.8%
NGS Super	15.2	-0.6%	1.9%	-2.5%
Russell Investments	11.4	-2.5%	1.7%	-4.2%
Resolution Life	8.5	-8.7%	-2.8%	-5.9%
Prime Super	7.4	2.0%	4.0%	-1.9%
OneSuper	6.9	1.8%	6.4%	-4.6%
ANZ Staff Super	6.6	-0.2%	2.5%	-2.7%
legalsuper	6.0	1.2%	2.9%	-1.7%
Perpetual Super	5.5	0.9%	-2.4%	3.3%
Centric Super	3.8	1.5%	-2.4%	3.9%
Australian Food Super	3.2	2.3%	4.8%	-2.5%
REI Super	2.3	0.9%	3.7%	-2.8%
Bendigo Super	1.5	-8.7%	-1.8%	-6.9%
Fire and Emerg. Serv. Super	1.0	-0.8%	0.1%	-0.9%

Table 5.4: APRA-regulated funds defined as 'below scale' and slow / negative growth.

Flows are FY2024 flows scaled against flow-adjusted net assets at June 2023.

For some funds in Quadrant 4, the scale issue needs further reflection. Vision and Team are far larger than some of the other funds listed in Quadrant 4. For smaller funds with low growth rates, it is difficult to see how scale can be achieved to meet the oncoming cost requirements of areas such as developing retirement strategies, meeting increased regulatory requirements, cyber and data provision. The ability to draw on scale benefits through being part of a broader business also needs to be considered. Funds where super is one component within a larger product or service offering include Bendigo (and Betashares), OneSuper, Resolution Life and Russell Investments. Nevertheless, these groups might review what is required to ensure that they can build a sustainable super offering.

5.2 Shifts across quadrants

While it is not uncommon for a small number of funds to shift across quadrants, there were more shifts in FY2024 than in previous years. Chart 5.2 plots these 'quadrant shifters' along with a selection of funds that saw substantial moves, or will do upon completion of mergers.

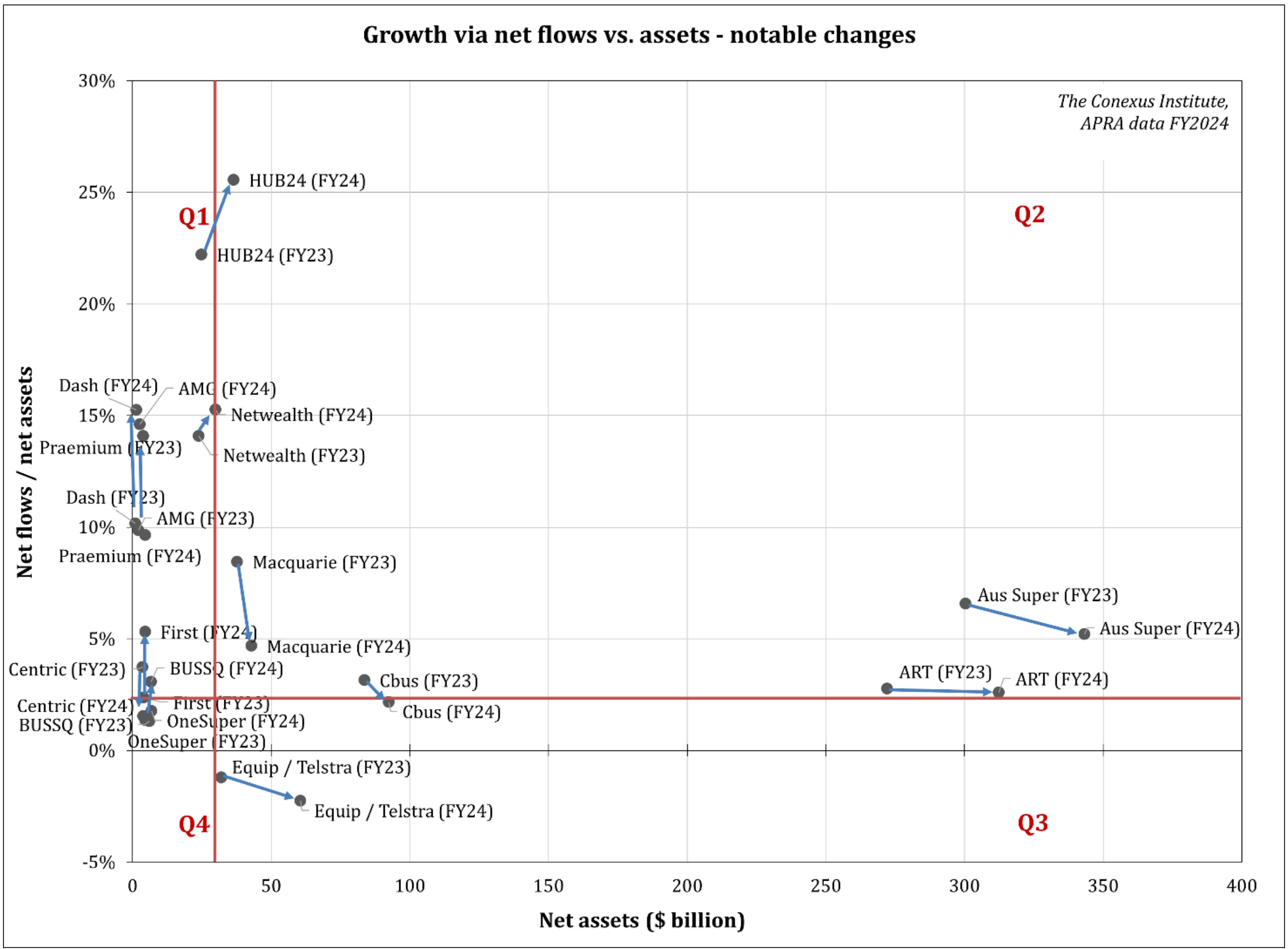

Chart 5.2: Growth via flows (one year, vertical axis) vs. net assets (horizontal axis) for APRA-regulated funds with notable shifts highlighted

Beyond those funds that merged with larger funds (Telstra, Qantas, Clearview and MIESF), a further five funds changed quadrants including BUSSQ, Cbus, Centric, First Super and HUB24. Drivers of the shifts for this sub-group relate to developments within the fund's business, including:

- BUSSQ and First Super both managed to improve their competitive flows position, shifting them from Quadrant 4 to Quadrant 1.
- Cbus shifted from Quadrant 2 to just within Quadrant 3 due to a weakening in competitive flows.
- Centric moved from Quadrant 1 down to Quadrant 4 as its net flows declined, which is potentially due to the impacts of onboarding members from Encircle Super.

- After years of high growth, HUB24 assets reached a size that qualified it to move across from Quadrant 1 to Quadrant 4. Of note, HUB24's percentage net inflows continued to increase in FY2024 even as assets increased.

The significant merger activity during FY2024 increased fund size but did not result in any funds shifting quadrants. It is worth noting that mergers will shift funds horizontally to the right of Chart 5.2 by increasing assets, but not vertically as the impact on flows tends to be neutral at best and quite possibly negative. We also reflect that high growth rates often subside over time. This is partly due to the denominator effect of a higher asset base, but also potentially because competitors take notice and/or new innovations arrive. However, HUB24 and Netwealth are evidence that this is not always the case.

The broad conclusion from the above analysis is that funds vary considerably in their competitive positions. Some funds are strongly placed to drive further success. Other funds face a combined scale and flows situation that gives rise to uncertainty and may require some strategic consideration.

5.3 Identifying funds under pressure to merger: A rules-based approach

We extend the analysis in this section by suggesting a rules-based framework for identifying funds that face pressure to merge. We use the insights to consider what the super industry landscape may look like in the future. The rules-based approach entails two steps:

Step A: Does the fund's positioning create an incentive to merge? We apply two tiers:

- *Tier 1* – The fund sits in Quadrant 4 of Chart 5.1, with low scale and low flows. Funds in this quadrant are likely to face more business-related pressures and regulatory scrutiny.
- *Tier 2* – The fund sists in Quadrant 1 or Quadrant 3 of Chart 5.1. A merger may be strategically beneficial over the medium term, even though there may be a defensible case to continue as a standalone fund.

Step B: Does a candidate fund from step A have any additional characteristics that may significantly influence the incentive or capacity to undertake a merger? We consider the following:

- The fund has not merged in recent times
- The fund has not recently experienced any change in ownership structure
- There has been no significant change in the fund's strategic model
- The fund is not an integral component of a larger business operation or part of a complex structure, including not being directly connected to an advice business
- An additional consideration for Quadrant 1 funds that they are experiencing a rate of net inflows only marginally above the industry average and/or have not been consistently above the industry average (which could suggest inflow sustainability challenges).

Table 5.5 presents our results. In a $2.5 trillion system, we see modest potential for further consolidation activity in the near term. We identify 13 consolidation candidates with assets of about $140 billion, which amounts to less than 6% of industry assets. This makes it reasonably likely that the industry composition by fund size as shown in Chart 2.1 will change only slightly over the next few years. However, we leave ourselves open to being well off the mark including (say) two large funds merging to join the mega-fund brigade. We are quite unaware of conversations taking place behind closed doors!

Category	Number of funds	Net assets ($ bn, June 2024)
Tier 1 candidates	7	~40
Tier 2 candidates	6	~100
Total	**13**	**~140**

Table 5.5: Potential consolidation activity arising from a rules-based approach

6. The retirement landscape

We put accumulation aside and focus on members in or approaching retirement, exploring the dynamics of an evolving segment that is coming increasingly under focus. We use information about assets and accounts in the tax-free phase to identify members in retirement. This potentially understates the true number of retirees, some of whom may have yet to transition their assets across from accumulation to drawdown. We also analyse data on benefit payments to members, which helps to corroborate our findings based on tax-free phase account data. We then analyse fund member demographic profiles and use these to project what the future retirement landscape will look like. A sizable retirement sector already exists, and will grow quickly over the next 10 years. Select retirement-related data for individual funds appears in Appendix 5. Note that we updated our methodology to now include transition-to retirement accounts as retirement accounts.

6.1 Retirement accounts, assets and benefit payments

Our 46-fund sample collectively manages 1.32 million retirement accounts summing to $468 billion (excluding CSC[12]) as at June 2024. These retirement accounts constitute just 6.0% of total accounts by number but 20.2% by value. Retirement accounts are thus relatively large in value, averaging around $356,000 versus $90,000 for accumulation accounts across our sample.

Chart 6.1 shows our 46-fund sample ranked by number of retirement accounts. The seven largest providers of retirement accounts collectively amount to 65% of the retirement accounts for our sample funds.

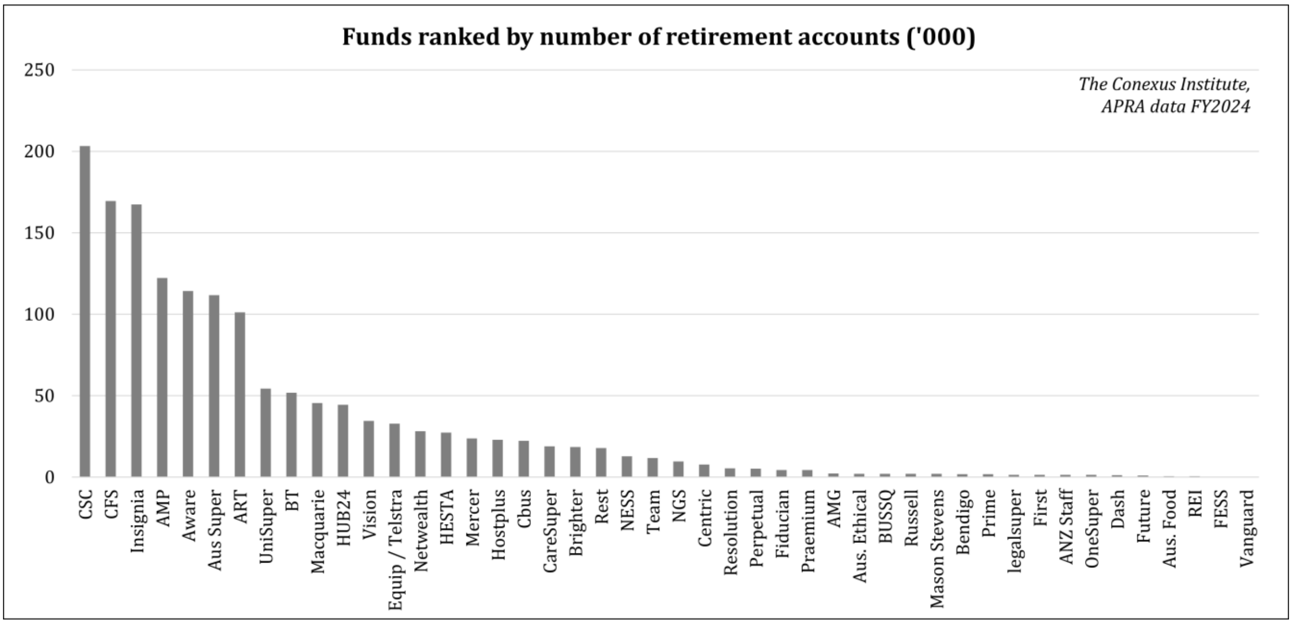

Chart 6.1: APRA-regulated funds ranked by number of retirement accounts

Chart 6.2 ranks funds by value of retirement accounts excluding CSC. While the ordering differs to that based on number of accounts, the names are broadly the same. Eight funds have retirement assets

[12] CSC's reported assets include unfunded defined benefit liabilities that distort our analysis. Our approach is to include CSC when we analyse number of accounts and pension benefit payments, but not when we analyse pension account values.

between $25 billion and $50 billion. If these retirement assets were treated as separate funds, each would be in the ballpark of APRA's indicated $30 billion to $50 billion figures for adequate scale.

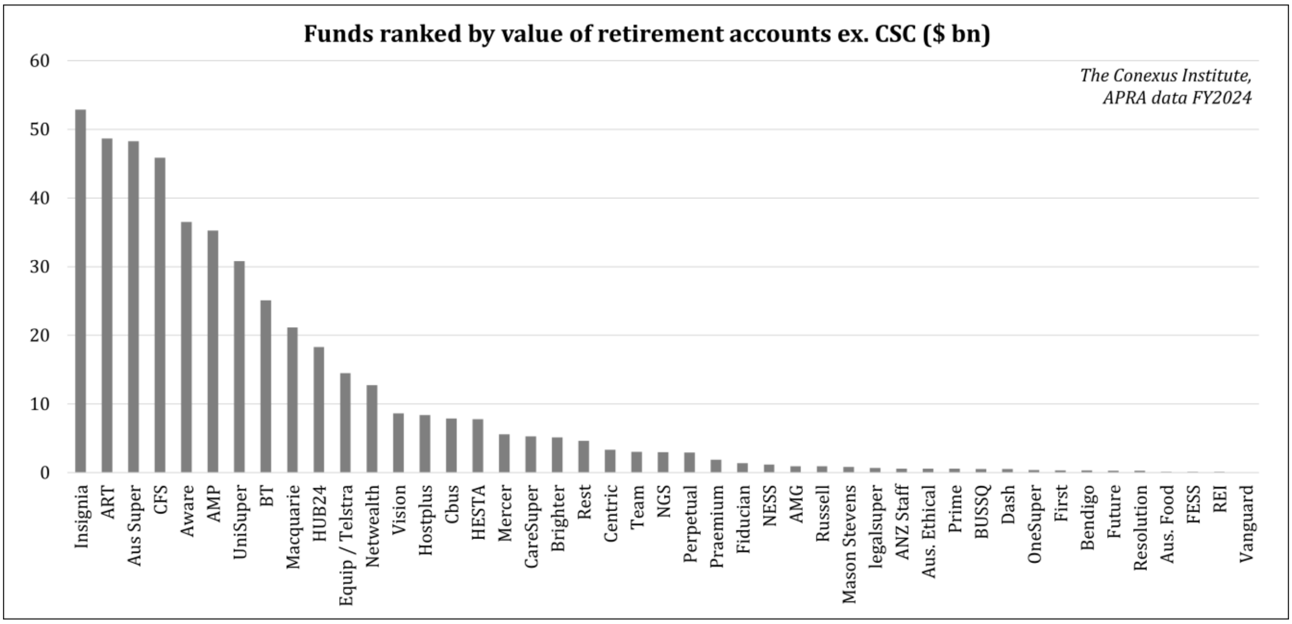

Chart 6.2: APRA-regulated funds ranked by assets in retirement accounts (excluding CSC)

Over $44.1 billion in pension payments were made by our sample of APRA-regulated funds during FY2024. In Chart 6.3 we rank funds by size of pension benefit payments. The top ten funds account for about 80% of these payments. The position of CSC as Australia's largest pension payment fund is clearly evident, with this fund alone accounting for 23% of the benefit payments made by our sample funds.

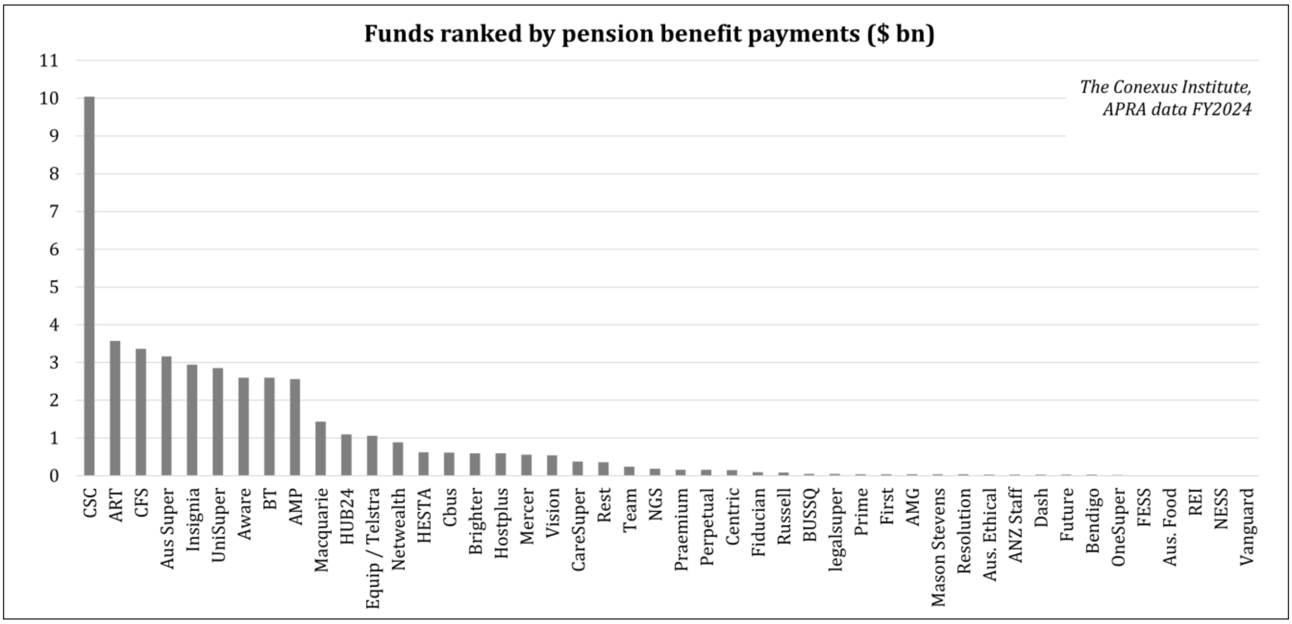

Chart 6.3: APRA-regulated funds ranked by value of pension benefit payments

6.2 Variation in exposure to retirement and fund operating models

Chart 6.4 depicts the dispersion across funds in exposure to current retirees based on percentage of assets in retirement accounts. The range is stark, spanning from less than 3% for Future Super up to 87% for Centric (once again we have excluded CSC). The median is 15.1% by assets (FY2023: 11.5%) and 7.7% by account numbers (FY2023: 3.6%). These sizable increases are partly thematic, and partly attributable to the methodology change relating to treatment of transition-to-retirement accounts. Our analysis further below indicates that this upward trend will continue.

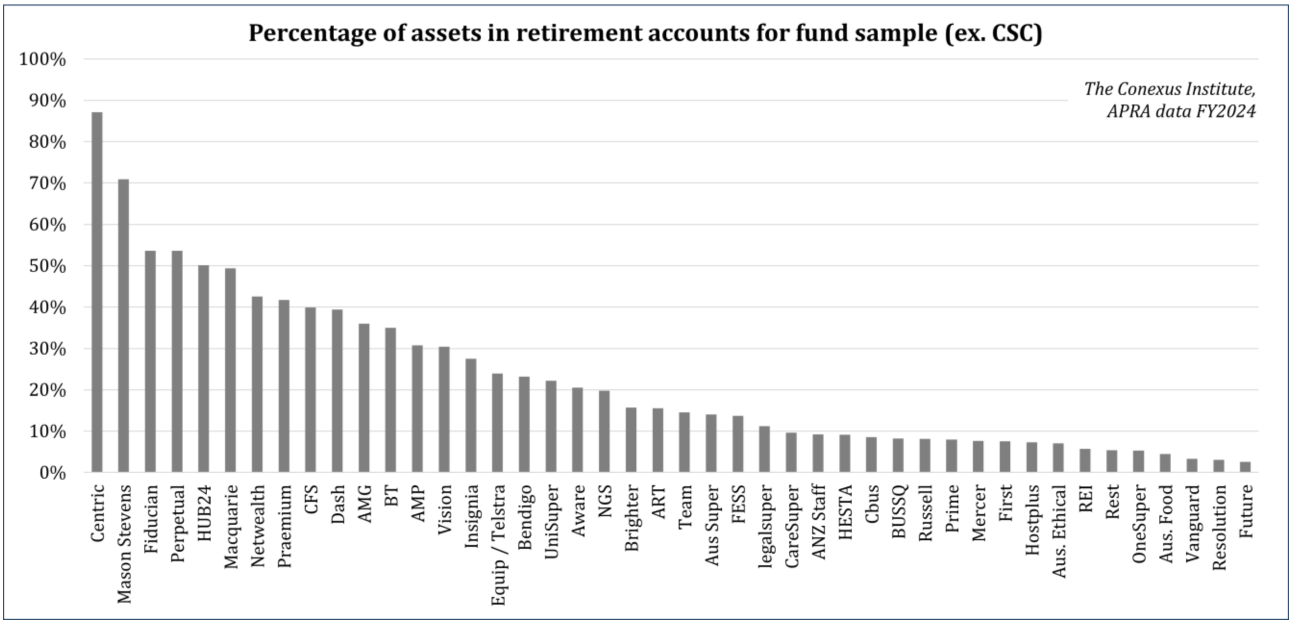

Chart 6.4: APRA-regulated funds ranked by proportion of total assets in retirement accounts

6.3 Fund membership demographics and implications for retirement

Chart 6.5 details the age and gender spectrum across our fund sample. The red lines represent industry averages. We estimate the average age of a super fund member to be around 44 and the mean non-male representation at around 47%. APRA collects data for gender categories 'male', 'female' and 'intersex or indeterminate', but only 0.01% of members are in the latter category.

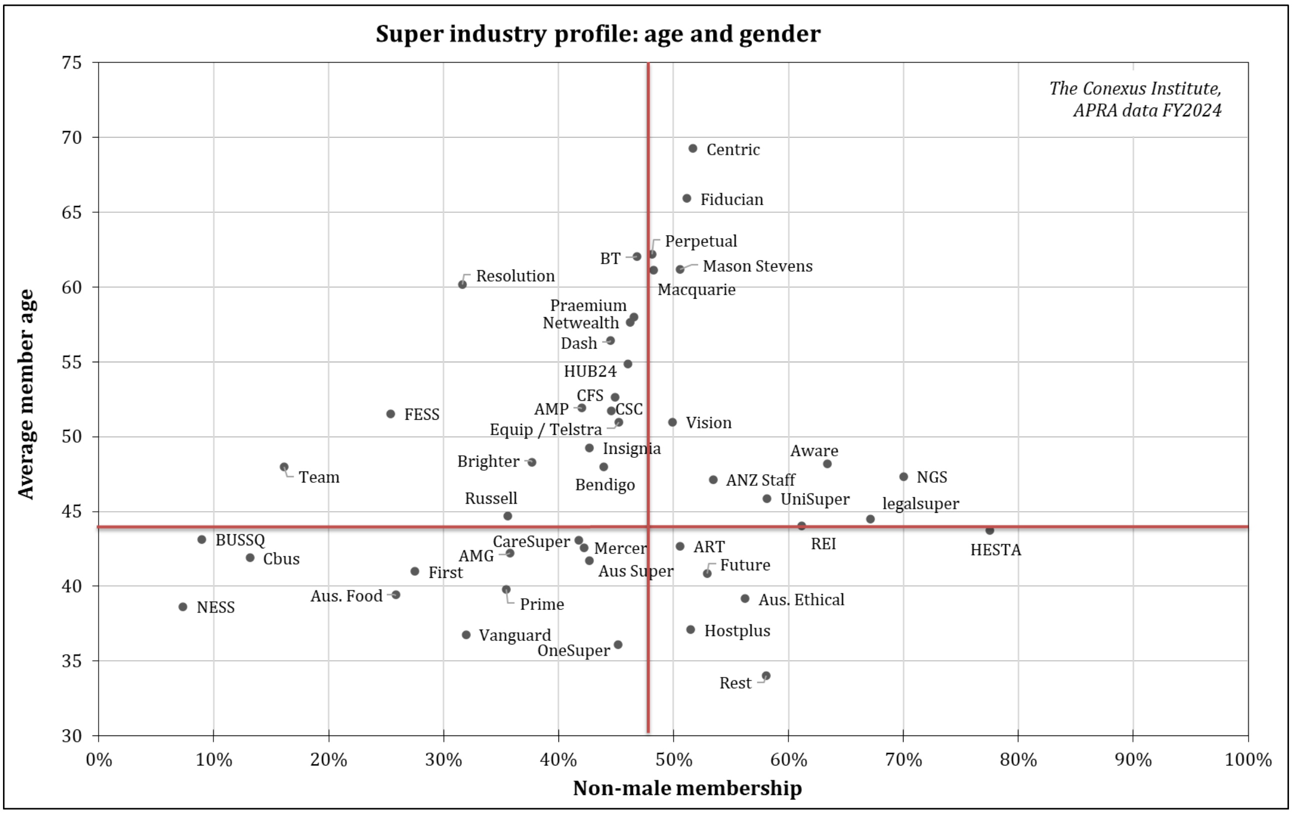

Chart 6.5: Estimated average age of fund membership (vertical axis) *versus* percentage of non-male fund membership (horizontal axis), for APRA-regulated funds at 30 June 2024.

The impact on some traditional industry funds of underlying industry employment dynamics is obvious in Chart 6.5. With regards to age, Rest and Hostplus have a younger demographic. On gender, NESS Super, Cbus, BUSSQ and Team have male dominated memberships; while HESTA stands out as a fund with large female representation. At the top of the chart are some platform-based super funds where the older demographic reflects a high ratio of members in retirement who have a financial adviser. Features of a fund's offering may also impact on its member demographic. A good example is the sustainability focus of Future Super and Australian Ethical, which is reflected in memberships that are younger than average with a greater proportion of females.

The dispersion in demographics across funds creates some interesting challenges that we consider in Breakout Box 2 below.

Breakout Box 2

Reflections on disperse member demographic profiles across APRA-regulated funds

- *Fund sustainability and business strategy* – A central question is whether a fund with specific membership characteristics should focus on servicing that membership exceptionally well with a tailored brand and services, or aim to compete in the public offer marketplace for members and flows. Targeting a specific demographic may present a high-growth opportunity for a smaller start-up. Whether large funds should stick to pursuing a targeted membership is a difficult question. The answer may partly depend on the employment prospects of any industry sector that it services.

- *Brand strategy* – The issue arises over whether a fund with a specific membership profile can successfully develop a brand that is suitable for the public offer marketplace.

- *Engagement and communication approach* – Funds need to consider whether they tailor their approach to engaging and communicating to match specific characteristics of their membership.

- *Retirement income strategy* – All types of funds face business case considerations around their approach to retirement. Member age demographics may be influential on how much resources and effort a fund is willing to commit to developing its retirement income strategy, and indeed appear to be contributing to the variable rates of progress across the industry in developing retirement offerings. For profit-for-member funds there are additional considerations around member cross subsidisation[13]. We further explore this thematic below (Chart 6.6 and Chart 6.7). We find that for most (but not all) funds, the case for prioritising retirement is very strong and the commercial consequences of inaction are likely to be costly.

Chart 6.6 presents a picture of fund profiles by plotting the percentage of members who are over 65 (as a proxy for current retirees) against those likely to retire over the next 10 years for each of our sample funds. The red line represents where the percentage of existing and emerging retirees are equal.

[13] These challenges are further explored in Section 13 of *The Conexus Institute's submission to Treasury's Superannuation in Retirement consultation* of February 2024.

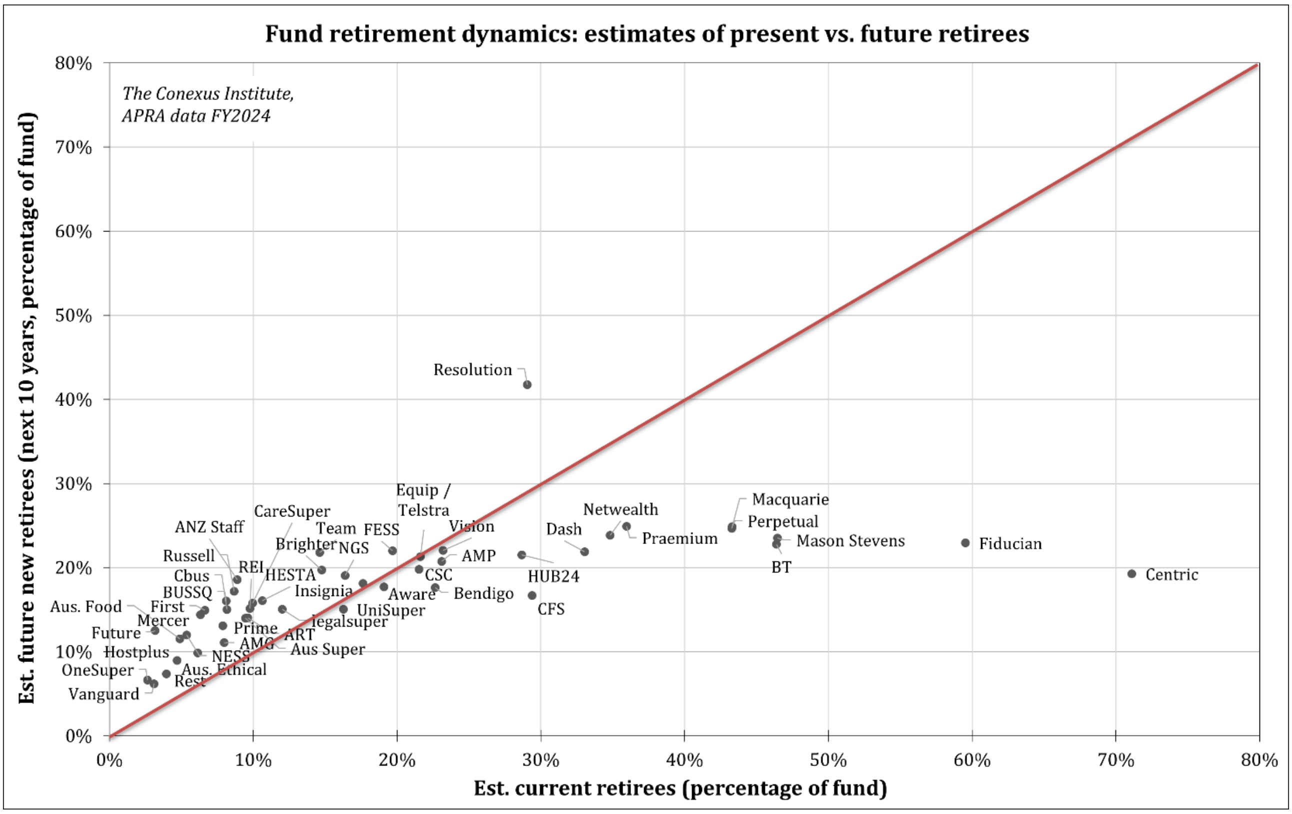

Chart 6.6: Fund retirement dynamics for APRA-regulated fund sample.

Estimated retirees proxied by members aged 65 and over. Future retirees proxied by members aged 55 – 64.

The dynamics of Chart 6.6 are fascinating. Funds 'northwest' of the red line face into a wave of future retirees over the next ten years that exceeds their existing retired membership. Some of the funds to the 'southeast' of the red line – especially those to the right of the chart – face their own demographic challenge of many members drawing down on their balance. Unless there is an organic way for these funds to add younger members, some will need to compete for members to preserve their scale. Competition could be direct or indirect (via financial advisers). Another option for these funds might be to consider merging.

Another dynamic is that funds sitting towards the bottom left of Chart 6.6 have less incentive to put resources and effort into developing their retirement income strategy in order to meet their obligations under the Retirement Income Covenant. (We make reference to this dynamic in Breakout Box 2). This is because these funds not only have a low portion of their membership currently in retirement, but also a low portion entering retirement in the foreseeable future. The incentive to develop a quality retirement income strategy increases the further a fund sits away from the origin in Chart 6.6.

In Chart 6.7 we sum the estimates of present and future retirees in Chart 6.6 to provide an indication of a fund's membership proportion in or near retirement[14]. For 80% of our sample of funds, the proportion of membership approaching or in retirement exceeds 20%. For nearly 40% of our sample, the proportion exceeds 40%. Further, if Chart 6.7 was weighted by the balances[15] of present retirees and projected balances for future retirees, retirement would become an even larger segment for most funds. This reflects the fact that retirees tend to have larger balances while future retirees will have

[14] We acknowledge the imperfection in this estimate due to the impacts of new members and member exits.
[15] We did not do this because it involves some subjective assumptions around many variables such as workforce participation.

experienced higher contribution rates over a longer period of time. Either way, the data suggests that retirement is an important and sizable challenge for the vast majority of funds.

Chart 6.7 reaffirms some of the dynamics identified in Chart 6.6. We take the opportunity to re-frame the dynamics through two lenses: fiduciary and commercial.

Through the fiduciary lens retirement represents a sizable membership cohort for nearly all funds, whether it be members approaching or in retirement. The Retirement Income Covenant calls on all funds to develop, maintain, and review a retirement income strategy. APRA and ASIC have identified that many funds are lagging in the development of their retirement income strategies. It also seems incumbent on fund trustees to deliver a retirement income strategy of *good quality* to assist their retired members. Beyond the regulatory feedback, there is thus a strong fiduciary calling for funds to respond to the needs of a large cohort of their fund membership.

Through a commercial lens, retirement represents a key thematic. Retail platforms that service financial advisers require new members to offset their aging member profiles. Advisers are their primary conduit for sourcing new members. These members tend to be leading into or entering retirement, have reasonably high super balances and desire a personalised retirement plan. If funds cannot evolve their service offerings, then they will likely lose members through this channel. While financial adviser numbers have fallen and are growing slowly, the objective of many platforms is to increase adviser efficiency and enable them to take on more clients. The commercial incentive for funds to improve their retirement offerings is the potential to buffer member numbers. There are two opportunities. First is to offer members sufficiently personalised services that cater for differing member needs and thus deter members from seeking external financial advice. Second is for the fund's retirement offering to be viewed positively by advisers, and hence help to retain members or even attract members via referrals.

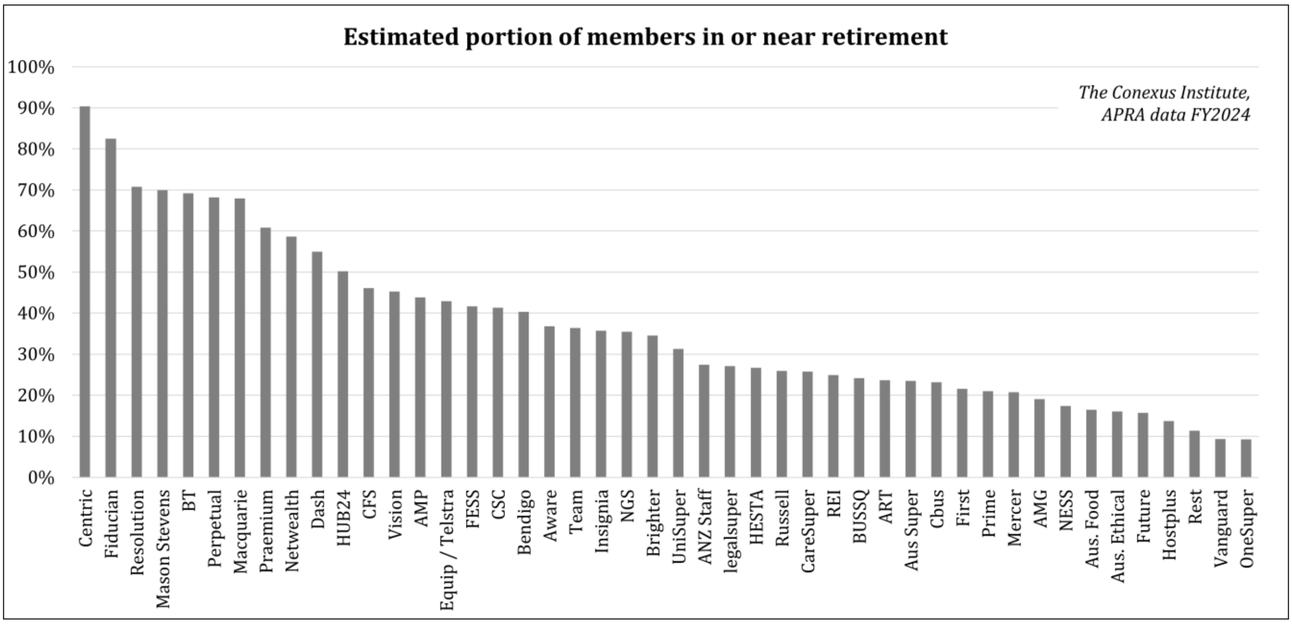

Chart 6.7: Funds ranked by estimated proportion of members in or near retirement for the APRA-regulated fund sample. The chart captures the portion of members aged 55+.

Chart 6.6 and Chart 6.7 represent a call to action to not only improve services to existing retirees, but also to address a large wave of retirees over the next 10 years. Many of the members who enter retirement will either be looking to their super fund for assistance in meeting their retirement needs, or taking direction from financial advisers on how to proceed. The fiduciary case is clear, the business case is strong, and the business risks of lagging are clear.

This call to action applies not only to funds, but also to policymakers, regulators and the super industry at large.

7. Appendices

Appendix 1: Consolidation of funds within APRA data

Our Name	Fund name	Fund's RSE licensee	Mergers
AMP Super	AMP Super Fund	N. M. Superannuation Proprietary Limited	
	Wealth Personal Superannuation and Pension Fund	N. M. Superannuation Proprietary Limited	
Australian Retirement Trust	Australian Retirement Trust	Australian Retirement Trust Pty Ltd	
	Commonwealth Bank Group Super	Commonwealth Bank Officers Superannuation Corporation Pty Limited	Merger
	Qantas Superannuation Plan	Qantas Superannuation Limited	Merger
BT Super	ASGARD Independence Plan Division Two	BT Funds Management Limited	
	Lifefocus Superannuation Fund	CCSL Limited	
	Personal Choice Private Fund	CCSL Limited	
CareSuper	CareSuper	CareSuper Pty Ltd	
	Care Super	CARE Super Pty Ltd	Merger
	Meat Industry Employees Superannuation Fund	Meat Industry Employees Superannuation Fund Pty. Ltd.	Merger
Colonial First State	Colonial First State FirstChoice Superannuation Trust	Avanteos Investments Limited	
	Avanteos Superannuation Trust	Avanteos Investments Limited	
	Star Portfolio Superannuation Fund	Avanteos Investments Limited	
	Essential Super	Avanteos Investments Limited	
	Ultimate Superannuation Fund	Avanteos Investments Limited	
Commonwealth Super Corporation	Australian Defence Force Superannuation Scheme	Commonwealth Superannuation Corporation	
	CSS Fund	Commonwealth Superannuation Corporation	
	Military Superannuation & Benefits Fund No 1	Commonwealth Superannuation Corporation	
	Public Sector Superannuation Accumulation Plan	Commonwealth Superannuation Corporation	
	Public Sector Superannuation Scheme	Commonwealth Superannuation Corporation	
Equip / Telstra Super	Telstra Superannuation Scheme	Telstra Super Pty Ltd	
	equipsuper	Togethr Trustees Pty Ltd	Merger
Future Super	Future Super Fund	Equity Trustees Superannuation Limited	
	Guild Retirement Fund	Equity Trustees Superannuation Limited	Merger
	Smart Future Trust	Equity Trustees Superannuation Limited	Merger

Our Name	Fund name	Fund's RSE licensee	Mergers
HUB24 Super	HUB24 Super Fund	HTFS Nominees Pty Ltd	
	ClearView Retirement Plan	Equity Trustees Superannuation Limited	Merger
Insignia Financial	IOOF Portfolio Service Superannuation Fund	I.O.O.F. Investment Management Limited	
	MLC Super Fund	Nulis Nominees (Australia) Limited	
	Retirement Portfolio Service	OnePath Custodians Pty Limited	
	Oasis Superannuation Master Trust	Oasis Fund Management Limited	
	AvWrap Retirement Service	I.O.O.F. Investment Management Limited	
Mercer Super	Mercer Portfolio Service Superannuation Plan	Mercer Superannuation (Australia) Limited	
	Mercer Super Trust	Mercer Superannuation (Australia) Limited	
OneSuper	OneSuper	Diversa Trustees Limited	
	Grosvenor Pirie Master Superannuation Fund Series 2	Diversa Trustees Limited	Merger
Perpetual Super	Perpetual Super Wrap	Perpetual Superannuation Limited	
	Perpetual WealthFocus Superannuation Fund	Perpetual Superannuation Limited	
	Perpetual's Select Superannuation Fund	Perpetual Superannuation Limited	
Resolution Life	National Mutual Retirement Fund	Equity Trustees Superannuation Limited	
	Super Retirement Fund	Equity Trustees Superannuation Limited	
Team Super	Mine Superannuation Fund	AUSCOAL Superannuation Pty Ltd	
	TWU Superannuation Fund	T W U Nominees Pty Ltd	Merger
Vision Super	Local Authorities Superannuation Fund	Vision Super Pty Ltd	
	Local Government Super	LGSS Pty Limited	Merger

Appendix 2: Statistics – Sample of APRA funds ranked by assets

Group	Rank	Name - Long	Net assets ($ bn)	Member accounts ('000)	Average account balance ($'000)	Total net flows ($ bn)	Percentage retirement accounts by value
Mega	1	AustralianSuper	343.2	3,422	100	16.4	14%
	2	Australian Retirement Trust	312.4	2,521	127	7.5	16%
Very large	3	Insignia Financial	192.3	1,586	145	-4.3	27%
	4	Aware Super	178.3	1,224	144	2.0	20%
	5	UniSuper	139.2	680	190	4.2	22%
	6	Colonial First State	115.0	783	174	-0.6	40%
	7	Hostplus Super	114.8	1,862	61	6.4	7%
	8	AMP Super	114.7	864	167	-2.4	31%
Large	9	Cbus Super	92.4	924	99	1.9	9%
	10	Rest Super	86.0	2,085	41	4.3	5%
	11	HESTA	85.3	1,076	79	3.1	9%
	12	Mercer Super	72.9	948	81	-0.6	8%
	13	BT Super	71.7	237	306	-1.5	35%
	14	Commonwealth Super Corp	62.4	697	399	0.4	N/A[1]
	15	Equip / Telstra Super	60.5	243	246	-1.1	24%
	16	CareSuper	54.8	611	90	0.9	10%
Mid-large	17	Macquarie Super	42.9	124	345	1.8	49%
	18	HUB24 Super	36.5	156	235	7.0	50%
	19	Brighter Super	32.8	247	130	-0.4	16%
	20	Netwealth Super	29.9	100	299	3.8	43%
	21	Vision Super	28.3	172	162	-0.4	30%
Small-mid	22	Team Super	20.8	152	177	-0.2	15%
	23	NGS Super	15.2	115	132	-0.1	20%
	24	Russell Investments	11.4	86	131	-0.3	8%
	25	Future Super	11.4	389	30	0.5	3%
Small	26	Resolution Life	8.5	201	48	-0.8	3%
	27	Australian Ethical Super	8.3	127	65	0.5	7%
	28	Prime Super	7.4	147	50	0.1	8%
	29	OneSuper	6.9	268	30	0.1	5%
	30	BUSSQ	6.7	74	90	0.2	8%
	31	ANZ Staff Super	6.6	29	220	-0.0	9%
	32	legalsuper	6.0	44	136	0.1	11%
	33	Perpetual Super	5.5	17	496	0.0	54%
	34	First Super	4.6	79	58	0.2	8%
	35	Praemium Super	4.6	15	305	0.4	42%
	36	Centric Super	3.8	9	413	0.1	87%
	37	Australian Food Super	3.2	68	46	0.1	5%
	38	Fiducian Super	2.6	9	289	0.1	54%
	39	AMG Super	2.6	28	92	0.3	36%
	40	REI Super	2.3	24	93	0.0	6%
	41	Bendigo Super	1.5	18	79	-0.1	23%
	42	Vanguard Super	1.4	16	88	0.7	3%
	43	Super Simplifier (Dash)	1.3	4	296	0.2	39%
	44	NESS Super	1.2	13	93	0.0	1%
	45	Mason Stevens	1.2	3	337	0.2	71%
	46	Fire and Emergency Services Super	1.0	3	330	-0.0	14%

Notes:

(1) Percentage retirement accounts by value not calculated for CSC due to reported assets including unfunded defined benefit liabilities.

Appendix 3: Statistics for sample of APRA funds ranked by accounts

Rank	Name - Long	Member accounts ('000)	Average account balance ($'000)	Accounts in taxed phase ('000)	Accounts in tax-free phase ('000)	Accounts in both taxed and tax-free phase ('000)	Percentage retirement accounts (by number)[1]	Net assets ($ bn)
1	AustralianSuper	3,422	100	3,311	112	0	3%	343.2
2	Australian Retirement Trust	2,521	127	2,419	61	40	4%	312.4
3	Rest Super	2,085	41	2,067	18	0	1%	86.0
4	Hostplus Super	1,862	61	1,838	23	0	1%	114.8
5	Insignia Financial	1,586	145	1,418	156	12	11%	192.3
6	Aware Super	1,224	144	1,110	114	0	9%	178.3
7	HESTA	1,076	79	1,048	27	0	3%	85.3
8	Mercer Super	948	81	924	22	2	3%	72.9
9	Cbus Super	924	99	902	22	0	2%	92.4
10	AMP Super	864	167	742	122	0	14%	114.7
11	Colonial First State	783	174	613	170	0	22%	115.0
12	Commonwealth Super Corp	697	399	494	203	0	29%	62.4
13	UniSuper	680	190	626	54	0	8%	139.2
14	CareSuper	611	90	592	13	6	3%	54.8
15	Future Super	389	30	388	1	0	0%	11.4
16	OneSuper	268	30	266	1	0	1%	6.9
17	Brighter Super	247	130	228	19	0	8%	32.8
18	Equip / Telstra Super	243	246	210	23	10	14%	60.5
19	BT Super	237	306	185	52	0	22%	71.7
20	Resolution Life	201	48	195	5	0	3%	8.5
21	Vision Super	172	162	137	34	0	20%	28.3
22	HUB24 Super	156	235	111	34	11	29%	36.5
23	Team Super	152	177	140	7	5	8%	20.8
24	Prime Super	147	50	145	2	0	1%	7.4
25	Australian Ethical Super	127	65	124	1	1	2%	8.3
26	Macquarie Super	124	345	79	45	0	37%	42.9
27	NGS Super	115	132	105	3	6	8%	15.2
28	Netwealth Super	100	299	72	28	0	28%	29.9
29	Russell Investments	86	131	84	2	0	2%	11.4
30	First Super	79	58	77	2	0	2%	4.6
31	BUSSQ	74	90	72	2	0	3%	6.7
32	Australian Food Super	68	46	68	1	0	1%	3.2
33	legalsuper	44	136	42	2	0	3%	6.0
34	ANZ Staff Super	29	220	28	1	1	5%	6.6
35	AMG Super	28	92	26	0	2	8%	2.6
36	REI Super	24	93	23	0	0	3%	2.3
37	Bendigo Super	18	79	16	2	0	10%	1.5
38	Perpetual Super	17	496	12	5	0	31%	5.5
39	Vanguard Super	16	88	16	0	0	0%	1.4
40	Praemium Super	15	305	10	4	0	30%	4.6
41	NESS Super	13	93	0	13	0	100%	1.2
42	Centric Super	9	413	1	8	0	84%	3.8
43	Fiducian Super	9	289	4	5	0	50%	2.6
44	Super Simplifier (Dash)	4	296	3	1	0	26%	1.3
45	Mason Stevens	3	337	1	2	0	60%	1.2
46	Fire and Emergency Services Super	3	330	2	0	0	12%	1.0

Notes:

(1) Transition-to-retirement accounts are included in total pension account numbers.

Appendix 4: Statistics for sample of APRA funds ranked by net flows

Rank	Name - Long	Total net flows ($ m)	Natural flows ($ m)	Competitive flows ($ m)	Starting assets (net)	Total flows (percentage of assets[1])
1	AustralianSuper	16,441	11,349	5,092	300.4	5.2%
2	Australian Retirement Trust	7,455	8,933	-1,478	276.1	2.6%
3	HUB24 Super	7,021	808	6,214	26.9	25.6%
4	Hostplus Super	6,366	5,993	374	94.1	6.1%
5	Rest Super	4,302	5,553	-1,252	75.3	5.5%
6	UniSuper	4,197	2,206	1,991	124.7	3.2%
7	Netwealth Super	3,833	302	3,531	23.8	15.3%
8	HESTA	3,101	3,571	-470	75.8	3.9%
9	Aware Super	2,036	2,668	-632	161.4	1.2%
10	Cbus Super	1,881	2,824	-943	83.7	2.2%
11	Macquarie Super	1,836	-297	2,133	37.7	4.7%
12	CareSuper	891	1,552	-660	49.9	1.8%
13	Vanguard Super	675	130	544	0.6	95.3%
14	Future Super	537	688	-151	10.1	5.2%
15	Australian Ethical Super	489	495	-6	7.2	6.5%
16	Commonwealth Super Corp	426	796	-370	56.0	0.7%
17	Praemium Super	389	34	355	3.8	9.7%
18	AMG Super	320	18	302	2.1	14.6%
19	First Super	223	235	-12	4.0	5.3%
20	Mason Stevens	211	5	205	0.9	23.1%
21	BUSSQ	193	212	-19	6.1	3.1%
22	Super Simplifier (Dash)	171	1	169	1.1	15.3%
23	Prime Super	138	272	-134	6.6	2.0%
24	Fiducian Super	121	-49	170	2.3	5.2%
25	OneSuper	92	356	-264	1.8	1.8%
26	Australian Food Super	66	141	-75	2.9	2.3%
27	legalsuper	65	164	-99	5.5	1.2%
28	Centric Super	54	-88	143	0.6	1.5%
29	Perpetual Super	45	-125	170	5.0	0.9%
30	NESS Super	36	60	-24	1.1	3.3%
31	REI Super	18	79	-61	2.1	0.9%
32	Fire and Emergency Services Super	-8	1	-9	0.9	-0.8%
33	ANZ Staff Super	-17	154	-170	5.9	-0.2%
34	NGS Super	-87	276	-363	14.2	-0.6%
35	Bendigo Super	-131	-26	-105	1.5	-8.7%
36	Team Super	-184	181	-365	19.1	-0.9%
37	Russell Investments	-277	181	-458	10.2	-2.5%
38	Brighter Super	-361	351	-711	30.7	-1.1%
39	Vision Super	-374	-67	-307	26.6	-1.4%
40	Colonial First State	-590	-847	257	105.3	-0.5%
41	Mercer Super	-642	1,982	-2,624	67.4	-0.9%
42	Resolution Life	-773	-248	-525	8.7	-8.7%
43	Equip / Telstra Super	-1,056	-112	-943	56.9	-2.3%
44	BT Super	-1,550	-1,616	66	67.4	-2.2%
45	AMP Super	-2,415	-297	-2,118	111.0	-2.1%
46	Insignia Financial	-4,314	1,607	-5,921	155.3	-2.3%

Notes:

(1) Asset base for calculating net flow rates is net assets adjusted to account for timing and performance effects.

Appendix 5: Statistics for sample of APRA funds by pension accounts

Rank	Name - Long	Retirement accounts[1] ('000)	Retirement accounts ($ m)	Percentage retirement accounts by number	Percentage retirement accounts by value	Pension benefit payments ($ m)
1	Commonwealth Super Corp	203.3	N/A[2]	29.2%	N/A[2]	10,041
2	Colonial First State	169.6	45,885	21.7%	39.9%	3,365
3	Insignia Financial	167.3	52,867	10.6%	27.5%	2,943
4	AMP Super	122.3	35,256	14.1%	30.7%	2,566
5	Aware Super	114.2	36,530	9.3%	20.5%	2,600
6	AustralianSuper	111.7	48,242	3.3%	14.1%	3,160
7	Australian Retirement Trust	101.3	48,648	4.0%	15.6%	3,576
8	UniSuper	54.4	30,821	8.0%	22.1%	2,852
9	BT Super	52.0	25,095	21.9%	35.0%	2,599
10	Macquarie Super	45.5	21,157	36.6%	49.3%	1,434
11	HUB24 Super	44.6	18,295	28.6%	50.2%	1,096
12	Vision Super	34.5	8,620	20.1%	30.4%	541
13	Equip / Telstra Super	33.0	14,488	13.6%	23.9%	1,063
14	Netwealth Super	28.2	12,747	28.2%	42.6%	884
15	HESTA	27.5	7,787	2.6%	9.1%	621
16	Mercer Super	23.8	5,594	2.5%	7.7%	557
17	Hostplus Super	23.0	8,405	1.2%	7.3%	597
18	Cbus Super	22.3	7,915	2.4%	8.6%	613
19	CareSuper	19.0	5,297	3.1%	9.7%	378
20	Brighter Super	18.7	5,152	7.6%	15.7%	598
21	Rest Super	17.9	4,627	0.9%	5.4%	360
22	NESS Super	12.8	1,178	99.7%	98.6%	5
23	Team Super	11.8	3,023	7.8%	14.5%	241
24	NGS Super	9.7	3,010	8.5%	19.8%	187
25	Centric Super	7.8	3,329	84.1%	87.1%	152
26	Resolution Life	5.5	263	2.7%	3.1%	37
27	Perpetual Super	5.3	2,924	31.4%	53.6%	158
28	Fiducian Super	4.5	1,396	50.3%	53.6%	98
29	Praemium Super	4.4	1,909	29.8%	41.7%	159
30	AMG Super	2.3	933	8.2%	36.0%	40
31	Australian Ethical Super	2.1	585	1.7%	7.1%	36
32	BUSSQ	2.1	549	2.9%	8.2%	46
33	Russell Investments	2.1	927	2.4%	8.1%	85
34	Mason Stevens	2.0	818	59.8%	70.9%	39
35	Bendigo Super	1.9	336	10.2%	23.2%	30
36	Prime Super	1.8	585	1.2%	8.0%	44
37	legalsuper	1.5	673	3.5%	11.2%	46
38	First Super	1.5	347	1.9%	7.6%	43
39	ANZ Staff Super	1.4	605	4.9%	9.2%	35
40	OneSuper	1.4	364	0.5%	5.3%	25
41	Super Simplifier (Dash)	1.2	527	26.4%	39.4%	35
42	Future Super	1.2	294	0.3%	2.6%	32
43	Australian Food Super	0.7	143	1.0%	4.5%	14
44	REI Super	0.6	129	2.7%	5.7%	10
45	Fire and Emergency Services Super	0.3	135	12.2%	13.7%	18
46	Vanguard Super	0.1	46	0.4%	3.3%	1

Notes:

(1) Transition-to-retirement accounts are included in total pension account numbers.

(2) Percentage pension accounts by value are not calculated for CSC due to reported assets including unfunded defined benefit liabilities.