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NEW SUPER FUND QUALITY RATINGS – RETURNS ARE NOT THE WHOLE STORY

A superannuation funds ratings system has been developed by Rainmaker Information which assesses the overall quality of a fund's offering as part of a market wide fund assessment service, is shortly to be made available to the public.

Rainmaker's SelectingSuper Fund Quality Ratings will not merely rate funds' earnings or investment returns, but give a clear indication of each fund's position against a range of criteria including:

- organisational strength
- administration
- communications
- investment performance
- insurance
- extra benefits or services.

"Until now there have been very few, if any, reliable means for a super fund's stakeholders to rationally assess its quality," said Christopher Page, Managing Director of Rainmaker Information Pty Ltd.

"Whether choice of fund happens or not, super funds are becoming increasingly subject to comparison, assessment and analysis by employers, employees, financial advisors and service providers," Mr Page said.

"Consumers are becoming increasingly savvy about issues like fees and charges applied to their super, the level of service offered by a fund and the range of features they offer. To stand out in this environment funds need to be able to demonstrate their prowess across the board."

"Rainmaker's reputation has been earned providing information to the superannuation and investment industry over eleven years, and now we plan to take it a stage further and make comprehensive, user-friendly information available to those who use the funds, be they consumers or employers."

Rainmaker's assessment and analysis process is now being completed, and funds are gradually being awarded their Rating. Funds do not pay to be assessed for SelectingSuper Fund Quality Ratings, but instead subscribe to use their Rating which ranges across four categories from AAA to B.

Super funds not providing sufficient information to develop a rating will be given the status 'Not Rated'.

Alex Dunnin, Research Director at Rainmaker explained that the ratings are arrived at using Rainmaker's own independent funds research, together with each fund's response to a comprehensive survey, and regular contact with its key management.

“The result is a multi-dimensional review and quality assessment of all super funds: corporate and personal master trusts, industry funds, stand-alone corporate funds and government funds,” said Mr Dunnin.

“Selecting Super Fund Ratings gives super funds of quality an opportunity to differentiate themselves in the marketplace. At the same time, we believe it can lead funds whose rating is not as good as they hoped, to improve their offering and raise their standards generally.”

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ENDS.