



Chant West

# Super Fund Performance Survey

December 2025

## A maturing super system needs to focus more on the end game – and that's retirement

Australia's superannuation system has done a good job of accumulating members' contributions, investing them prudently and delivering strong risk-adjusted returns. Until quite recently, that has been the primary focus not just of super funds themselves, but also of their members, the industry regulators, the media and the broader public. Now, as the system matures, the focus is changing – and not before time – with more attention given to the all-important retirement phase.

The strong calendar year returns for 2025 are the continuation of a long-running theme. Super funds have, over the medium and longer term, performed better than their stated objectives. Since the start of compulsory super in 1992, the median fund in our growth category, where most members are invested, has returned 8% per annum – a real return of 5.3% p.a.. There have been only five negative calendar years in the entire 33-year period, which is less than the one in 5 years risk objective.

That is an admirable achievement, but it is not enough. The end game of super is retirement. That is, helping members not only to accumulate sufficient funds but also to convert those savings into sustainable income and financial confidence in retirement. That involves education, information and affordable, relevant advice as well as targeted, timely 'nudges' to help them take appropriate actions. And it involves sophisticated product development so that members can deal with longevity risk – the fear of running out of money – without jeopardising their enjoyment of retirement.

These are the areas where the industry has, arguably, been found wanting. For years, the retirement end of the journey received less attention than it deserves. We are now seeing more action, prompted in part by the introduction in 2022 of the Retirement Income Covenant which requires funds to devise, publish and implement coherent retirement income strategies. For the most part, however, funds are still playing catch-up.

For our part, the retirement imperative is reflected in the methodology we use to rate funds. That methodology is constantly evolving. Our ratings criteria, and the weightings we assign to those criteria, have changed quite markedly in recent years. Some of the more important changes are outlined below.

### Investments

- Elevated the importance of portfolio structure and design to reward funds that have a greater preparedness to incorporate best ideas into portfolios and, in the case of funds with lifecycle strategies, increased weights to glidepath design and implementation and quality of underlying investments.
- The formal introduction of portfolio risk management and systems (with the risk management element including liquidity management, stress testing and risk monitoring & reporting).
- A distinct responsible investment criterion has been added.

### Insurance

- Fresh focus on insurance engagement, including the ease of making claims and changing insurance cover, and claims admittance rates.
- Increased weighting for automatic cover, which now not only includes the level of cover but also the affordability of cover.
- Reduced weightings for premiums, terms & conditions and types of cover available.

## Organisation

- Introduced a new criterion of viability in the light of the Your Future, Your Super performance test. Members – especially pension members – need to be confident that their fund will be there for them in the long term, so we assess what risk there is of funds failing the test. Funds facing performance test challenges are also scored down on performance within Investments.

This article is primarily about retirement, and critical to that is what funds are doing on Member Services. This covers all the ways in which a fund interacts with its members, hopefully leading them to better retirement outcomes.

In Table 1 we compare the current Member Services sub-criteria and weightings with how they looked five years ago in 2021.

**Table 1: Chant West Super Fund Ratings – Member Services Main Criteria and Weights**

	2021 Weighting (%)	2026 Weighting (%)
<b>Digital Engagement &amp; Education</b>	40	40
<b>Communications</b>	40	25
<b>Financial Advice</b>	20	25
<b>Complaints</b>	0	10

The changes are superficially obvious, with a greater focus on financial advice and the introduction of complaints. But when we investigate the next level down – the sub-criteria – there are many more nuanced adjustments. In Table 2 we look deeper into Digital Engagement & Education, its sub-criteria and their weightings.

**Table 2: Chant West Super Fund Ratings – Member Services – Digital Engagement & Education – Sub-Criteria and Weights**

	2021 Weighting (%)	2026 Weighting (%)
<b>Calculators &amp; Digital Advice</b>	40	40
<b>Member App Functionality</b>	0	25
<b>Public Website/Seminar Education</b>	40	20
<b>Member Online</b>	20	15

In Calculators & Digital Advice we now have an explicit weighting to digital advice and also access to a detailed Age Pension calculator, either on the fund's own website or through a prominent link to an external calculator. Member App functionality has been elevated to a stand-alone criterion reflecting the importance of an app as the easiest way for members, including pension members, to interact with the fund. The app is entirely portable and allows members to view, interact and transact with their fund wherever they may be.

The corollary is that we now give less weight to the fund's public website, group education through seminars and Member Online. These delivery channels are still important, but with their lack of personalisation they have been overtaken in the digital age where more people are comfortable interacting on their phone or tablet.

One sub-criterion that is worth commenting on here is multi-factor authentication on login. This is now virtually essential, given that cyber-attacks on super funds are a reality and that the industry has fallen behind other parts of the financial services sector – notably banking and credit cards – in how well members are protected. It's fair to say that most funds could do better in terms of cyber security, fraud protection and warning members about potential scams.

Moving on to Communications, the sub-criteria have remained unchanged, with Member Statements carrying a 60% weighting and Member Engagement Campaigns the other 40%.

The Financial Advice sub-criteria have evolved significantly, however, as shown in Table 3.

**Table 3: Chant West Super Fund Ratings – Member Services – Financial Advice – Sub-Criteria and Weights**

	2021 Weighting (%)	2026 Weighting (%)
<b>Comprehensive Advice</b>	30	25
<b>Deduct Fee from Account</b>	10	10
<b>Online Adviser Access</b>	10	15
<b>Scaled Advice</b>	40	30
<b>Digital Advice</b>	10	0
<b>Affordable Retirement Advice</b>	0	20

The single biggest change here is the new 20% weighting for Affordable Retirement Advice. By this we mean advice for members with reasonably simple needs that is delivered close to the point of retirement. This includes recommendations on investment options, advice on annual drawdown rates from the account-based pension and estimates of Age Pension entitlement, all with clear instructions for implementation. This service can be provided by human, digital or hybrid means and we want to see this delivered for \$1,000 or less for singles and \$2,000 or less for households.

This stops short of comprehensive advice, which is unaffordable for most members anyway, but it will help many members make the most of their retirement savings, rather than starting an account-based pension with, say, \$500,000 and not really knowing what to do with it.

Finally, Complaints has been added as a whole new Member Services topic, with a weighting of 10%. This recognises the fact that, in recent times, super funds have experienced significant service failures that have seriously disadvantaged members. These include lengthy delays in death and disability payments, failure to merge duplicate accounts and mis-charging of insurance premiums. These have been pounced on by the main industry regulators, APRA and ASIC, which have imposed licence conditions and enforceable undertakings on funds and have been publicly vocal on the topic.

Our sub-criteria under the Complaints heading include the volume of complaints a fund receives, the number of complaints resolved within 45 days, the number referred to the Australian Financial Complaints Authority and the fund's internal dispute resolution resources.

### **Additional criteria for pension products**

Pension members have needs that are subtly different from those still in the accumulation phase, and we now recognise this explicitly with some different criteria for pension products. These, incidentally, are also reflected in the Epic Retirement Tick that we recently launched with the Epic Retirement Institute. The things we consider include:

- prompts, either as a product feature or a service nudge, for pension members to consider drawing down more than the statutory minimum
- access to an account-based pension drawdown calculator that integrates potential Age Pension entitlement
- education on how much income they need and how much they might be able to draw down sustainably
- ability to join as a pension member online without first having to open an accumulation account
- with no insurance to consider, we have reallocated that weighting to administration fees and member services
- finally, whether investments are managed differently for pension options.

This last point raises the issue of whether funds should tailor diversified investment options to take account of the different needs of their pension members. The accumulation phase is generally about maximising returns, but for pension members other factors come into play such as investment time horizon, volatility tolerance and capital preservation. Liquidity requirements are different, since pension members are withdrawing money and not adding more. There is also the difference in tax, where both investment income and capital gains are tax-free in the retirement phase.

The vast majority of funds manage investment exposures in the same way for super and pension members, arguing that a range of options with different levels of risk is sufficient to cater for all members' needs. This has the advantage of simplicity, both for the funds themselves and for members who can transition from one phase to the next without disturbing their investment arrangements. Other arguments include:

- no need for separate pools of assets, thus saving costs and reporting complexity
- no need to design, manage and rebalance fresh strategic asset allocations
- no need for additional investment managers and the accompanying due diligence and monitoring
- no certainty that any superior investment outcome will outweigh the additional complexity and cost.

Our view is that the needs of pension members are probably different enough to warrant funds tailoring investment exposures as long as the cost of doing so is not prohibitive. Economies of scale do come into play here, so this approach is more likely to be viable for the larger funds. However, if the current form of the Your Future, Your Super performance test is extended to pension products, some tailored exposures such as defensive equities may be difficult to justify.

Tailoring investment exposures for diversified options, with different strategic asset allocations and/or different managers and underlying assets, allows funds to align their offerings more closely to the needs of their pension members – rather than simply going with 'more of the same'.

### **In-depth research and evolving methodology**

Super doesn't stand still, and today's funds are far more sophisticated than they were even five or 10 years ago. As researchers we keep track of their progress and provide meaningful assessments of their strengths and weaknesses. That starts with our methodology, which is constantly evolving, and our comprehensive ratings process.

Through our annual Super Fund Awards, our research and our judgement is very much on show, and that requires us to have a much deeper engagement with funds than ever before. We ask more of them, we spend more time with them and we assess them on more criteria. In this way we gain a deep understanding of their people, their processes, their resources and the quality of their offerings.