

Wayne's World

(A Blog for the Precept Website)

Industry Super Funds vs Retail Super Funds

Industry super funds are essentially funds originally set up by trade unions and industry bodies for their members to save for their retirement.

Retail super funds are essentially funds developed by financial institutions and insurance companies for anybody who is interested in saving for their retirement.

Despite recent TV ads, both have their advantages and disadvantages.

- ✓ Industry super funds are not for profit funds with all profits being returned to members.
- ✓ Industry super funds generally have lower fees due to the lower levels of service and reporting provided.
- ✗ Industry super funds generally have limited investment options and simple broad based insurance offerings.
- ✗ Industry super funds may invest in unlisted investments that are sometimes only valued once every six or twelve months and have a low level of liquidity.
- ✓ Retail super funds generally offer a broad range of investment options including direct shares and comprehensive insurance offerings tailored to the individual.
- ✓ Retail super funds offer you greater control over how your retirement savings are managed with superior reporting.
- ✗ Retail super funds are for profit funds with some of the profits being paid to shareholders.
- ✗ Retail super funds can be more expensive in some cases due to offering better service and a wider range of features.

While the above is not a comprehensive list, it does show that industry and retail super funds both have their advantages and disadvantages.

Which type of fund is suitable for you? Well that will depend on you.

A qualified financial planner can help you to choose which type of fund is right for you based on your goals and objectives.

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