

Mercer NZ appoints BNP

BNP Paribas Securities Services has been selected as master custodian and investment operations provider for the NZ\$1.3 billion Mercer Super Trust New Zealand.

The trust's investment operations services were previously run in-house and the appointment was made after an extensive tender and due diligence process.

The NZ superannuation market is experiencing rapid change and according to Mercer NZ head Tim Jenkins, BNP is well placed to support initiatives such as KiwiSaver.

MLC receives top rating

MLC MasterKey Business Super and Plum have both been awarded five stars in The Heron Partnership's 2007-08 quality ratings, placing them in the 'outstanding quality' category.

Heron is an independent advisory service that issues quality ratings of superannuation funds every six months.

Both MLC MasterKey Business Super and Plum received a five star rating in Heron's corporate fund category.

Global assets hit US\$48t

New figures from US based research house Cerulli Associates estimate professional managed assets surpassed US\$48 trillion at the end of 2006 and will hit US\$74 trillion by 2011.

Globally, the asset management industry continues to expand, with new markets such as China, India and Eastern Europe creating capacity for future growth.

While Europe and Asia are the twin growth engines in this market, Cerulli argues the US remains the most important asset management marketplace in terms of size and industry innovation.

New member statement format

Russell has recently launched an entirely redesigned superannuation member statement for its flagship SuperSolution MasterTrust.

The initiative is in response to qualitative research suggesting product providers need to stay proactive in educating and communicating with superannuation members to satisfy their information requirements.

The redesigned statements present a new look and feel for members, with account information presented in an easy to understand manner using clear text, graphics and visuals. The statements will also:

- use member data to supply and pre-populate forms when critical information is not present (e.g. tax file numbers); and
- segment members to target specific groups with tailored messages (e.g. members earning under \$58,000 could be targeted with a co-contribution message).

The statement changes are part of a broader, ongoing campaign by Russell to provide leadership to the superannuation industry in effective disclosure to members.

Good communication is a vital issue for the superannuation industry, according to Russell Superannuation managing director Linda Elkins,

"Providing members with clear, understandable account information in their super member statements is one effective way to ensure members make educated and sound investment decisions regarding their superannuation accounts," she says.

New survey on disclosure

New research released at the Investment & Financial Services Association (IFSA) conference highlighted the key triggers for superannuation decision-making, the information that matters to investors making these decisions, and the impact of disclosure documents.

The research conducted by Investment Trends gathered the views of investors who had recently made a decision about their superannuation and it found the main reason for switching funds was consolidation.

According to IFSA CEO Richard Gilbert, 10% of those surveyed indicated their decision to change was specifically related to insurance.

He said this was clear evidence "IFSA's underinsurance messages and ongoing campaign to improve

risk cover is not falling on deaf ears".

Gilbert also noted 60% of those switching superannuation in the past 12 months had "read more than half their PDS, with only one in 10 saying they didn't read any of their PDS."

The research found the investment and superannuation industries face challenges in delivering information to people at a younger age, as a one size fits all style of communication does not appear to be working.

It also revealed the length of most PDS is an issue and presentation was seen as an area that could be improved.

While recognising the research did not provide all the answers, Gilbert concluded, "We will be working with the broad industry over the coming months to interrogate the data further and understand how we might package the information so it better meets the needs of our customers."

Online information directory launched

A new investment and superannuation directory, providing consumers and finance industry professionals with financial information and resources, has recently been launched online.

The information communications portal, SuperInvestor, provides online community resources including financial calculators for debt payoff, mortgage payoff and periodic deposit savings, as well as industry articles, information and commentary.

According to founding member and director Vas Banschikov, a professional networking site for the finance industry is required to guide consumers more security in their investment choices.

"SuperInvestor has been designed for members to cost effectively receive and share information that will ultimately improve investment decisions."

The SuperInvestor portal can be accessed at SuperInvestor.com.au and is currently offering free sign up to three tiers of membership including, 'Essential Membership' for the DIY fund trustee; 'Professional Membership' for financial advisers and accountants; and 'Corporate Membership' for financial advisory groups or boutique fund managers.