

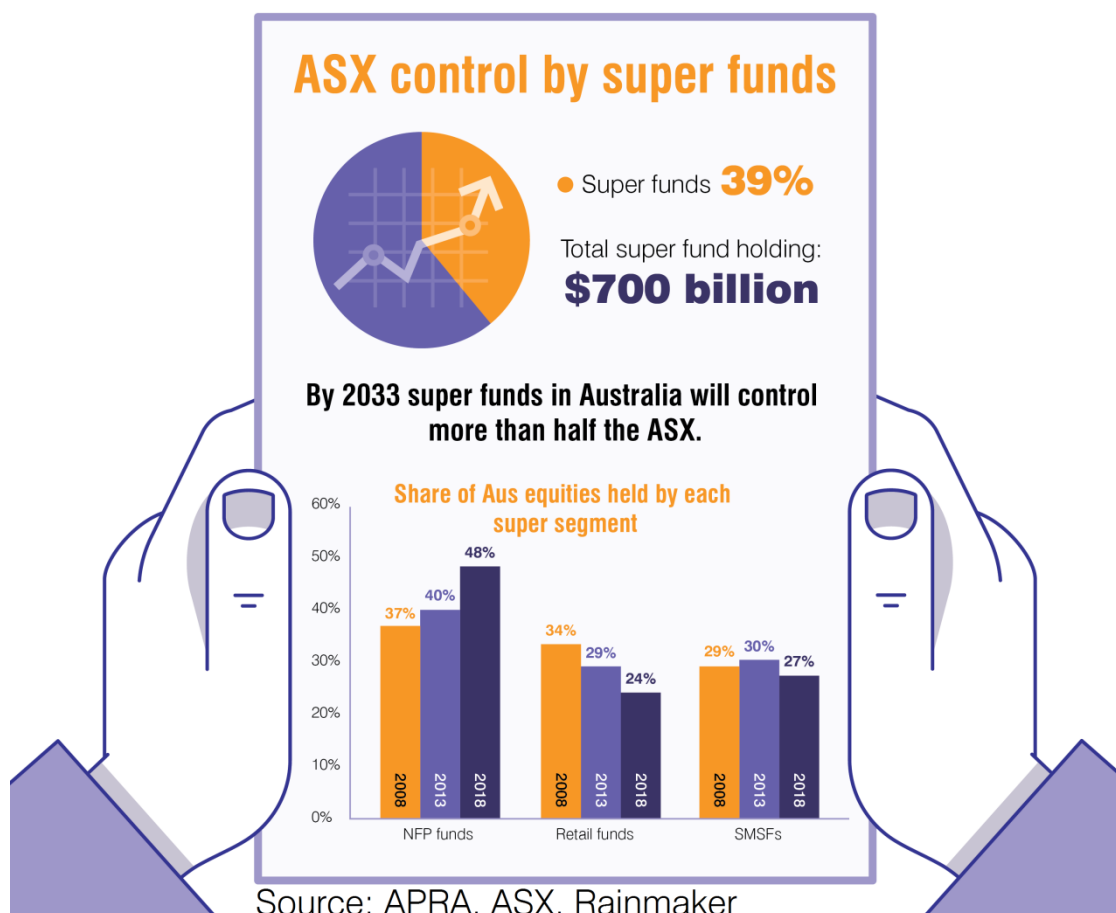
## By 2033 super funds in Australia will control more than half the ASX

Super funds in Australia collectively hold \$700 billion in ASX-listed Australian equities with predictions indicating that super funds could control more than half of the ASX within 15 years.

Super funds currently hold almost 40% of the ASX with an increase of 6.7%p.a. over the past five years and 9.4%p.a. over the past decade. With this share growing roughly one percentage point per year – in 10 years it will be 50% and in 20 years ownership levels could be 60%. This growth is significantly faster than the growth of the market capitalisation of the ASX.

Research by Rainmaker Information has found that not for profit super funds (including industry funds) account for just under one half of the ASX under superannuation influence, retail funds one quarter, and SMSFs the remaining 27% of this.

It is estimated that super funds hold more than 20% of the banking sector but if the proportion that SMSFs own are included; the combined ratio could be as high as one third within this sector.



“Super funds becoming dominant shareholders means the impacted companies will have to get used to having larger, more interested investors” said Alex Dunnin, executive director of research at Rainmaker.

“While this may challenge some companies that are not used to dealing with larger, active investors, the upside is that this new dynamic will lower the cost of capital for these companies and will actually help them expand their growth opportunities,” Dunnin added.

Australia's 20 most popular companies for super funds	
Rank	Company
1	CSL
2	NAB
3	Westpac
4	ANZ Bank
5	BHP Billiton
6	CBA
7	Westfarmers
8	Macquarie Group
9	Woolworths
10	Telstra
11	Rio Tinto
12	Woodside
13	Origin Energy
14	Transurban
15	Brambles
16	Suncorp
17	Alumina
18	Bluescope
19	AMP
20	QBE

Source: *Rainmaker's 2018 super fund portfolio holdings study*

SMSFs, despite the large amount of money they have invested into ASX-listed companies, have only a weak voice among company boards because their share ownership is diluted across hundreds of thousands of separate super funds.

Super funds have \$3 billion of new money to invest every week and about one third of that is likely to go towards investing in Australian companies.

“The next frontier is how do we get super funds to invest in smaller companies? That is, how do we create channels to enable super funds to invest into start-ups as well as small businesses and how do we create channels for them to invest into businesses that may not be listed on the ASX, such as those in the agriculture sector.” said Dunnin.

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**About Rainmaker Information**

Rainmaker Information is a privately held Australian company founded in 1992. The company has established a reputation as a leading financial services information publishing house in Australia providing marketing intelligence, research and consulting services on the wealth management industry and forms part of the Rainmaker Group of companies.

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Rainmaker Information publishes the superannuation information portal SelectingSuper. SelectingSuper brings together superannuation funds, members, employers and financial advisers in the world's fourth largest pension market.

SelectingSuper empowers members, employers and financial advisers in their search for information about superannuation. SelectingSuper also celebrates the best superannuation funds in Australia through a rigorous research and ratings program, awarding the Rainmaker SelectingSuper AAA Quality Assessment and recognising funds that have excelled through the Rainmaker SelectingSuper Awards, which are held in November each year.

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Rainmaker Information publishes *The Good Super Guide*, which has been published annually since 2002. The guide explains the key elements and options within superannuation and contains perspectives from leading industry experts on what to look for when selecting and monitoring your superannuation provider.

The guide also contains profiles of each superannuation provider across workplace, personal, self-managed and retirement product categories as well as highlighting products that have received a AAA Quality Assessment rating.

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