



Industry funds go alternative

INDUSTRY funds depend much less on traditional shares and bonds, allocating a higher proportion of their funds to alternative and unlisted assets.

According to superannuation research house Chant West, at June 2009 industry funds and master trusts were both 73 per cent allocated to growth assets and 27 per cent to defensive assets. Master trusts held a higher allocation to Australian shares, 33 per cent to 30 per cent, and similarly to international shares, 27 per cent to 24 per cent.

Industry funds held 9 per cent in Australian property and 1 per cent in international property, versus 4 per cent and 3 per cent respectively for master trusts. Fixed interest made up 20 per cent of master trust portfolios, compared with 13 per cent of industry funds, while industry funds had a slightly higher cash weighting, at 4 per cent to 3 per cent.

Alternative assets were a much larger proportion of industry fund portfolios, at 19 per cent to 10 per cent for master trusts.

Research house Investment Trends recently surveyed self-managed super funds' asset allocation. At June 2009, it says the typical self-managed fund was 38 per cent invested in equities, 24 per cent in cash (up from 14 per cent in 2007), 10 per cent in managed funds (which would increase the equities allocation further), 10 per cent in residential property, 8 per cent in commercial property and 2 per cent in structured products (which also may have equities exposure.)

James Dunn