**Management Expense Ratio - Manditory Disclosure in Industry Context in Every Communication**

Every single super advert, prospectus or themed teacup with a super provider on it should be forced to show the strong correlation between higher Management Expense Ratio (MER) and fund underperformance, that is, wealth destruction of its members funds. Then show their own funds average MER calculated according to a legislated, auditable standard and how that compares to the most successful funds of the past 10 years.

Prior performance is not an indicator of future performance. Is mandatory in the ads. Well prior performance \_is\_ indicative. Every time it's underperformance and the Management Expense Ratio is higher than the funds with the lowest MER it is very, very likely to underperform again. High MER is the best predictor of underperformance there is. If you could trade super funds with high MER by shorting them you would, until their price went down. Members are unknowingly paying the full, inflated, dishonest, price. Paying with their retirement comfort.

Now again in plain english. The money charged by super funds is a wealth tax, the higher it is the more members' retirement funds are being skimmed by managers to buy their beach houses, luxury cars and mansions.

You could even pick the funds with the best MER and average their returns. All providers must disclose the percentage of funds under management with a more expensive MER and whether the total return on all those funds after MER is taken out was more or less than the best. Spoiler, it's less, they robbed their members.

If members knew how much super funds robbed them with high expenses, the super funds couldn't do it.

Reform by mandatory honesty is the right thing and the least painful way to reform for all parties.

Sincerely

Hal Ashburner, CFA