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Australia's Most Successful Active Investment Manager

Mark Delaney, the Chief Investment Officer of Australian Super, has announced his retirement as of the end of June this year. Over the last 15 years Mark has added $17.6 Billion in value for his fund's investors, making him Australia's most successful active investment manager

With Australian Super we are in the unusual position of being able to accurately measure the value added by the CIO and investment team from adopting an active approach to investing, as opposed to adopting a passive (indexed) approach. This is because, since June 2011, Australian Super has had an indexed equivalent to the default (MySuper) 'Balanced Fund' in the form of the 'Indexed Diversified Fund'.

The 'Balanced Fund' is actively managed by Australian Super's internal investment team and external managers across asset class and sector allocations, as well as at the security selection level. The same investment approach also applies to Australian Super's other actively managed funds. Of the $341 Billion of Superannuation (Accumulation) assets managed by Australian Super on behalf of its members, 98.8% are in actively managed options.

The Indexed Diversified Fund started with exactly the same expected risk and return profile as the Balanced Fund and, with the exception of the Indexed product having been adjusted down to having a lower expected return, both funds still share the same overall risk and return parameters. As of March 2026, the Indexed Diversified Fund made up only 1.2% of Australian Super's superannuation assets.

We can therefore measure the actual value added for Australian Super's members from Mark and his team adhering to an active approach to investment by comparing the actual active investment returns achieved for members to the alternative indexed (passive) returns that would have been earned had assets been invested in the Indexed Diversified Fund.

Over the period from June 2011 to March 2026 (14 ¾ years), Australian Super's default (MySuper) offering has been the actively managed Balanced Fund. The net result of following an active approach – as represented by the higher returning Balanced Fund - has been **that Australian Super's members are cumulatively over $17.6 billion better off** since June 2011, when compared to following the lower fee, but lower returning, indexed approach represented by the Indexed Diversified Fund.

It is for this reason that I have no difficulty describing Mark as Australia's Most Successful Active Investment Manager.

As Australian Super's Chief Investment Officer, Mark Delaney has had responsibility for determining Australian Super's investment approach.

One option would have been to adopt a 'low cost indexed' approach to managing the Fund's assets. This would have been consistent with the low fee investment approach encouraged by regulators under 'MySuper', RG97 and the APRA Performance Test. The alternative, which was adopted by Mark in spite of significant regulatory and marketing pressures, was to maintain an active approach to the management of the Fund's assets.

Of course, there is a difference in the management fees, with the Balanced Fund having investment related fees of 60+ basis points per annum, while the Indexed Diversified Fund's fees are around 10 basis points.

Adopting the indexed approach would have reduced Australian Super's investment related fees by some $15.6 billion over the last 14 ¾ years, but at the cost of missing out on $33.2 billion of active investment returns. The indexed approach would therefore have reduced net returns to members by $17.6 billion.

In other words, every dollar of investment fees paid by Australian Super to access manager skill over the last almost 15 years has earned over two dollars of gross investment returns and a net (after fees) increase in member's balances of over a dollar.

Mark has been one of the few Chief Investment Officers of Australian Superannuation Funds who has consistently sought to earn the highest net investment returns for Fund members. In doing so he has resisted the regulatory and marketing pressures faced by super funds to sacrifice higher returns from active management on the altar of lower investment costs and fees.

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