



## EDUCATIONAL POST – The Truth About the First Guardian & Shield Investors

### For all the trolls out there

This is a public group, and you don't need to be a member to participate. We have 1.8k members, but up to 5,000 visitors to the page a day. As the group grows, we find an increasing number of trolls commenting with uneducated victim-blaming statements. These comments get removed, and I have no problem blocking those types of trolls.

Unfortunately, many people still believe the victims of the First Guardian and Shield Master Fund collapse were “greedy investors” chasing high-risk, high-return schemes. That couldn't be further from the truth. Let's make this clear: it wasn't out of greed or chasing high-risk, high-return schemes.

Regular everyday people saw a Facebook post or link offering to compare your super or a similar statement. We're told all the time in advertising and by the regulator to “compare the pair” and to make sure you are getting a better deal. This interest created an enquiry and then a phone call from a friendly, typically Australian person with a script focused on making sure we received a personal review to make sure we got a better deal. Much has been said about “cold calling” and sprucing but this was a process offering financial advice. **Exactly what we are told to get, to compare our super, exactly what we are all told to do!**

The process wasn't a simple sell job; victims received a financial services guide, a statement of advice and all the documentation that MoneySmart.gov.au (ASIC's education website) tells you exactly the right process to follow. These detailed meetings confirmed our investment risk profile, documented our personal circumstances, produced professional documents and provided PDS documents to sign before obtaining authority to move our super.

This was not a case of foolishness or carelessness or even greed. Just regular people, finally spending a moment to review their retirement savings.

Do these families, people from all walks of life deserve to have their long-term savings destroyed? It's fair to question if the government should foot the bill for this mistake but it's also fair to ask why there are no protections in place.

No employee gets to choose to have a portion of their wages paid into superannuation. We have frighteningly little control, and no one wants to take responsibility.

All of us pay taxes and those taxes are used to protect our nation and help people who need it.

So, when people ask, **“Why should my tax dollars pay for this?”**, remember that's exactly how our system already works. At some point, our turn to receive help and fairness must come around, too. (Let's hope for you trolls out there, your turn doesn't bite you in the rear end one day)

### **The reality is this:**

Investors were told they were investing **in a regulated superannuation platform** and using products with low fees and good returns, often just a little bit better than the average superannuation fund.

The recommended superannuation platforms are real companies: YourChoice Super, AusPrac, Macquarie, Netwealth, Equity Trustees, Diversa and others. All reputable names.

These funds sat alongside well-known, reputable investment options, and these superannuation platforms accepted a rollover of our investments in a perfectly normal, apparently safe way. ,.

Recently, when speaking to friends, work colleagues and associates, they say Oh, I'm ok I'm with Mercer or Australian Super, I can now say... But where have they put your money? What fund is your money actually invested in? The blank look shows me how uneducated most people are, no different to how we were at the time of switching our super from one 'government' regulated platform to another 'government' regulated platform. In my 38 years of having Superannuation, I have switched maybe 5 or more times – Often because an employer set up my superannuation account.

Australian Super, Australia's largest superannuation fund, wrote off approximately **A\$1.1 billion** in an investment in the U.S.-based online education company Pluralsight. The investment was made via private-

equity structures alongside Vista Equity Partners and others, involving both equity and loans. Pluralsight's performance deteriorated as the pandemic waned, interest rates rose, and competition increased, leading to a restructure and triggering the write-down. How many of you with Australian Super knew you had money invested in Pluralsight?

Despite this setback, Australian Super says it remains strongly committed to private equity, noting that over a five to ten-year horizon, the asset class has delivered returns of around 10-12 % and continues to believe in its value-creation potential. Now of course, they will say this, are they any different to Netwealth, Diversa and Equity Trustees, where they take no responsibility for the losses or make a dam good excuse about it, or point the finger elsewhere?

I bet no one invested in Australian super even knows this happened, and thankfully they are big enough to wear a \$1billion bad investment. If only we could be so lucky!

Financial advisers, trustees, auditors and research houses all played a role in presenting these options as appropriate, diversified, and approved investments. There were no warnings about excessive risk, and in many cases, the documentation described the funds as **"diversified managed portfolios."**

**Investors like me did our due diligence.** And to **Joe Longo**, regarding your Nine News comment, I can assure you, I did far more due diligence on Aus Super Compare, AusPrac, and Reily Financial than I did when buying my last car.

When I walked into Honda, I knew what I wanted: a fuel-efficient hybrid, and within an hour, I made my decision and bought the car.

But here's the difference: if something goes wrong with that car, Honda won't point the finger at the government for the potholes in the road. They'll own the fault and fix it.

**Platforms say it was fraud but if a supermarket sells you rotten food they will take responsibility.**

That's what accountability looks like.

And that's all we're asking for here: responsibility, transparency, and the same level of integrity expected in any other industry.

An everyday Australian views superannuation as a government-backed system, a regulated, compulsory savings scheme designed to safeguard their retirement. They believe strict government oversight ensures their money is secure, responsibly managed, and protected from risk or misconduct.

Investors trusted the system, the trustees, the advisers, the ratings, the auditors, and the regulators to protect them. They didn't go looking for risk. The risk came looking for them.

**Let's stop blaming the victims.**

We compared our super, we got financial advice, we used major, regulated platforms, we made informed decisions for the benefit of our families, choosing a low-cost, reasonable-looking product on a major platform. If you want to blame the victim, explain how you would have known better

**Let's start asking:**

Why were unregulated MIS products allowed onto regulated super menus?

Why has this system failed those who did everything right?

Help educate others by sharing this post, as the reality is, it can happen to any Australian citizen!

#sossaveoursuper

#saveoursuperfgmfcollapse

**Prepared by Melinda Kee  
First Guardian Master Fund Victim**

**DOES YOUR SOA REALLY LOOK ANY DIFFERENT TO MINE**

**This is what **BALLANCED** looks like  
And this is what we were told our super would look like**

Asset Classes	Risk Profile [1]				
	Conservative	Moderately Conservative	Balanced	Growth	High Growth
Cash [2]	45%	25%	15%	10%	5% [3]
Fixed Interest [2]	45%	45%	25%	20%	5% [3]
Australian Shares	5%	10%	25%	30%	45%
International Shares	0%	10%	20%	25%	45%
Listed Property	5%	10%	15%	15%	0%
Other	0%	0%	0%	0%	0%