

**HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS  
REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS  
SUPERANNUATION SECTOR**

**BT12QW:**

Have you prepared or commissioned any reports focussed on benchmarking the performance of underlying assets to which members are exposed (net of all fees and costs) against relevant asset class returns?

**Answer:**

For the purposes of our answer we have interpreted “underlying assets to which members are exposed” as the investment options that are available to members and “relevant asset class returns” as the asset class in which an investment option is categorised.

Investment options offered within BT superannuation products are subject to extensive monitoring, including performance. This includes regular performance monitoring against risk and return targets detailed in the Trustee approved Investment Governance Policy (**IGP**) as well as relative to investment options within the relevant asset class peer group. Results of the monitoring detailed below are provided to the superannuation product teams for review and reported to the Trustee Board Investment Committee.

Examples of processes that cover performance monitoring are:

**Risk and Return Monitoring (Annual)**

- This process assesses investment options relative to the risk and return targets detailed in the IGP, as well as relative to peers against return and volatility metrics over the investment timeframe most relevant to the asset class.

**4<sup>th</sup> Quartile Performance Monitoring (Quarterly)**

- This process assesses absolute performance of investment options relative to peers over one, three, and five-year rolling periods.

**Stress Testing (Annual)**

- This process assesses investment options on a peer relative basis against a number of stress scenarios. The measures used include volatility, largest peak to trough drawdown and worst monthly return over specific periods where markets were particularly stressed. Investment options that are outliers relative to their peers in these periods are flagged for further investigation.

**MySuper Quarterly Monitoring**

- Rolling multi-period performance reporting is provided across both MySuper Investment Objectives (CPI+) on a net of all fees and tax basis, and relative performance against standardised composite asset class benchmarks (on a gross of fee and tax basis). The Trustee also reviews industry relative performance rankings that is supplied by 3rd party survey providers (i.e. SuperRatings) to inform of the evolving competitive landscape.