

## HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

### REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR – IOOF

**IOOF22QON:** 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:** IOOF's research team oversees a program of work to monitor the performance of our underlying assets. As part of this work, we engage Mercer to perform annual stress testing for all managed funds on the IOOF platforms. In addition to this, Mercer produces a report each quarter which compares our performance on a one-year and three-year basis to Mercer's expected returns for the asset class (including expected volatility for the asset class).

This report is reviewed quarterly by the research team and considered by the IOOF Product Investment Committee. This enables us to observe the ongoing performance of all our managed funds and to monitor any funds that are identified as potential outliers in Mercer's stress testing report. In addition to Mercer's stress testing and performance monitoring reports, IOOF's research team has established a process to monitor the one and three-year performance and volatility of all products on our platforms versus their asset class performance.