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Review of Your Future, Your Super Measures

IFM Investors (“IFM”) appreciates the opportunity to provide feedback on the unintended consequences and implementation issues that have arisen from the Your Future, Your Super measures.

IFM was established more than 25 years ago by a group of Australian industry superannuation funds to protect and grow the retirement savings of working people. Today, we invest across four asset classes – infrastructure, debt, listed equities and private equity – on behalf of more than 600 like-minded pension funds and other institutional investors worldwide. The \$200 billion entrusted to us by these investors incorporates the retirement savings of approximately seven million Australians and more than 120 million people globally.

This submission addresses only the Your Future, Your Super (“YFYS”) performance test.

The performance test serves an important policy objective: protecting the integrity of the superannuation system and member outcomes from significant and persistent underperformance.

IFM has an interest in a well-considered approach to assessing superannuation performance, and a perspective informed by serving as investment advisors to pension funds around the world. The net returns that our investors receive from our products and services are incorporated into the aggregate returns of superannuation products and contribute to the retirement outcomes of millions of workers. The quality of the performance test applied to superannuation funds influences demand for current IFM products and services, and future product design.¹ To the extent that the YFYS performance test is poorly designed, it can drive Australian superannuation funds to invest in fundamentally different ways from well-governed pension funds in other jurisdictions. This undermines the ability of managers, like IFM, to combine Australian superannuation funds with similar global institutions to deliver scale benefits to Australian superannuation fund members. These scale benefits have been critical to IFM’s ability to undertake significant transactions that deliver strong, long-term returns and which individual members and even superannuation funds could not access alone.

Key points

The performance test **needs significant change** because:

¹ IFM supports an objective performance test because (i) IFM products have a track record of delivering outperformance, with nearly all products outperforming client benchmarks, and (ii) IFM is committed to delivering value to investors and their members, measured by the long-term returns, net of all fees and taxes, actually received by the members.

- It fails to assess the two most important ways that superannuation funds contribute to member outcomes, namely (1) the investment strategy of the fund and product, and (2) the strategy the trustee uses to connect members to products (because Australia provides significant member choice). The test departs from **how well-governed pension and sovereign wealth funds assess the value created by internal investment teams and external managers**. As a result, the test encourages benchmark hugging and the results of the test are not well-aligned with genuine performance outcomes for members that incorporate all aspects of performance within the perimeter of influence of the trustee.
- The inter-generational purpose of the superannuation system contemplates investment for the very long term. **Assessment of investment performance should be accompanied by considerations of the longer term impact unsustainable activities, such as greenhouse gas emissions, on asset values and investment conditions**. The current test does not, putting at risk the health of future market conditions.

The YFYS performance test **can be reformed easily and simply** by assessing performance using the same method applied by well-governed pension and sovereign wealth funds in other jurisdictions,² namely comparing actual net performance over a reasonable period of time against a **reference portfolio** of liquid assets, aligned to the trustee’s good faith assessment of the risk tolerance or objectives of the membership, less the reasonable costs of accessing that portfolio on behalf of members. A fund or product that meets this test is delivering a reasonable outcome for its members and has earned the “right to remain”.³

Assessing performance against a reference portfolio can be used to support an indicative view of the cost of unsustainable activities – which appear as externalities in the short term, but affect long-term returns and overall market conditions – within a product and a trustee or product’s long-term contribution to investment market resilience. This can be achieved through an assessment of (i) the reference portfolio and (ii) the product returns based on the cost of known externalities. This is important as superannuation and pension funds globally pursue real world impact – especially in support of the transition to net zero greenhouse gas emissions – to protect the future investment environment for their members today and into the future. In the immediate term, performance adjusted for the impact of greenhouse gas emissions should be monitored and reported, but not used to assess performance for purposes of the “right to remain”.

Considering that underperformance is greater among choice products,⁴ with resulting member harm, such products should be brought under a performance test as promptly as possible.

As outlined above, and explained in more detail below, the performance test as currently legislated is poorly designed to protect members and achieve its policy intention. Mere changes to the legislated benchmarks would not address the unintended consequences, such as benchmark hugging, and would not improve member protection from underperforming funds.

A summary of our recommendations are available in **Appendix 1** and detailed comments on the benchmarks used in the current test are provided in **Appendix 2**.

² Institutions who use a reference portfolio for investment governance include: [GIC \(the sovereign wealth fund of Singapore\)](#), the [Canadian Pension Plan Investment Board](#), [UK Universities Superannuation Scheme](#), and the [New Zealand Superannuation Fund](#).

³ Productivity Commission (2018), Superannuation: Assessing Efficiency and Competitiveness, Report no. 91, at 2.

⁴ See generally, *id.* See also APRA (2021), Information Paper: Choice sector performance: improving outcomes for superannuation members.

The Current Performance Test

In 2018, the Productivity Commission review of superannuation found that “while many products have been delivering solid returns for members, there are also many that underperform, particularly in retail funds”.⁵

One proposal to address this issue was an “elevated outcomes” test of default and choice products.

Unfortunately, the YFYS performance test, as currently legislated, has resulted in a range of unintended consequences, including encouraging superannuation trustees to focus on short term (one year) returns, and hug legislatively specified benchmarks.

i. The current performance test misses the forest for the trees

Historically, investment strategy has “outweighed all other determinants of pension funds” portfolio performance, with more than 90% percent of the portfolio’s total risk being attributable to it.”⁶

Despite this well-known fact, the current performance test takes the asset allocation and investment strategy of a product as “given” and only assesses “implementation” or “execution” of the strategy by measuring the degree to which the product meets the performance of a mix of benchmarks that are meant to resemble the intended asset allocation of the product.

There could reasonably be expected to be, and is, some correlation between a trustee’s ability to execute a strategy and the ability to develop a high-quality strategy. However, it is a relatively weak correlation. The current test is poorly specified to achieve the policy intent of identifying persistently underperforming products.

ii. Subordinates total portfolio goals for members to performance relative to asset class benchmarks

The regulatory risk posed by the annual performance tests is asymmetric – that is, the negative regulatory consequences for underperforming the test are far greater than the positive consequences for outperformance.

Because the test omits the major ways in which trustee’s create good performance, trustees have strong incentives to build portfolios that track specified indices rather than to build portfolios that would be expected to provide a better risk/return profile (and better long-term net returns), but also a higher probability of materially underperforming the benchmarks once in a while.

As an investment manager, we have seen a significant increase in the consideration of our products in relation to the legislated benchmarks, and a lower emphasis on the product’s contribution to a trustee’s total portfolio goals, and long-term investment strategy. The legislated benchmarks have become an increasingly important matter of consideration during fund raising activities. Such behaviour will have adverse consequences for diversification, innovation in investment strategy, and – most importantly – returns on members’ retirement savings.

iii. Limits innovation and evolution of investment strategy

Investment strategy is an evolving discipline. In the early 20th century, the duty of care prioritised protection of principal, and investment in very safe assets, based on the then-understood prudent

⁵ Productivity Commission (2018), Superannuation: Assessing Efficiency and Competitiveness, Report no. 91, at 7.

⁶ See, Krishan Chandrasekhar (2011), ‘The Investment Policy Process: A Perspective from the World Bank’, at 170 in Sudhir Rajkumar and Mark C. Dorfman, eds., *Governance and Investments of Public Pension Assets: Practitioners’ Perspectives*, The World Bank, citing Brinson, Hood, and Beebower 1991.

See also, Gary Brinson, Brian Singer and Gilbert Beebower (1991), ‘Determinants of Portfolio Performance II: An Update’, *Financial Analysts Journal*.

approach to investing. In the 1970s, the ascendance of modern portfolio theory and the efficient markets hypothesis reshaped investment conventions profoundly.⁷

Sophisticated institutional investors are continuing to innovate, with some shifting from investment strategy built on Strategic Asset Allocation to a goals and factor-based “Total Portfolio Approach” to portfolio construction.⁸ Rather than allocating capital on the basis of asset classes, investment allocation is undertaken based on the investment’s contribution to total portfolio outcomes and risk factors. In recent interviews of leading asset owners by Willis Towers Watson, a majority of those interviewed anticipated a 50-100bps p.a. gain to their portfolio as a result of a total portfolio approach. This approach is credited with supporting greater competition for capital among investment opportunities and greater dynamism within investment portfolios.

The current test impairs this kind of innovation, by heightening focus on tracking error against benchmarks. The proposed use of a reference portfolio encourages efforts to improve investment strategy and pushes trustees to deploy the evolving scale and sophisticated capability of the superannuation sector.

iv. Short termism driven by the test can significantly impair long-term investment performance

A member joining the superannuation system today is likely to be receiving benefits until around 2080, and some members are likely to be receiving benefits in 2100. And new members are joining every day. Over those ever-expanding time horizons, healthy environmental and social systems are necessary to sustain returns for this generation, and for future superannuation system members.

Of the various mainline scenarios for climate futures, a rapid, orderly transition to net zero greenhouse gas emissions is the best at protecting long-term member financial interests. Stress testing by the Bank of England indicates that, on average, failing to achieve net zero reduces long-term investment performance of diversified portfolios by around 15% by 2050.⁹ However, this is likely to be significantly understated. The Bank Staff stated that “staff analysis suggests that losses could be around 50% higher” because of issues with methodologies employed by some of the firms.¹⁰

Avoiding those significant *long-term* costs involve *near-term* action. Put another way, to maximise long-term investment returns, trustees must significantly change how they invest today. The continued omission of unpriced externalities under the current test entrenches investment behaviour that is contrary to the multi-generational nature of superannuation and the action required to protect member returns over the very long term.

⁷ See, e.g., Hawley, Johnson, and Waitzer (2011), [Reclaiming Fiduciary Duty Balance](#), Rotman International Journal of Pension Management (noting that changes in investment conventions have historically affected the content of the “prudent person” standard for trustee investment).

⁸ Thinking Ahead Institute - <https://www.thinkingaheadinstitute.org/content/uploads/2020/11/Total-Portfolio-Approach-1.pdf>.

⁹ Bank of England, Results of the 2021 Climate Biennial Exploratory Scenario, at Chart 4.7. Note, the portfolios analysed were managed by regulated insurance companies subject to the stress testing.

¹⁰ Id. at 53.

Amending the Performance Test

The performance test can better identify genuinely underperforming products, and prevent unintended consequences like benchmark hugging, by adopting a focus on absolute returns, and considering climate risk.

Test Methodology

i. Performance of multi-asset products should be assessed against a reference portfolio

As noted above, reference portfolios are used globally as critical inputs in assessing the performance of an investment strategy and its execution. As APRA explains, the use of a reference portfolio is a “*an appropriate basis on which to benchmark returns and the ability of an RSE licensee to develop and implement an effective investment strategy*”.¹¹

A standard 70/30 reference portfolio, net of reasonable costs, would be appropriate for MySuper products which represent “*the fundamentally simple needs of most members for a high net returns, low fees, well-managed risks and transparent product features*”.¹² A set of reference portfolios, net of reasonable costs reflecting different target risk levels would satisfy the variability in multi-asset choice products, while existing asset class benchmarks could be expanded to assess performance of single asset class choice options.

A reference portfolio approach sets a baseline expectation, as intended under the existing performance test, while freeing trustees from the perverse incentives of the existing test. It empowers trustees to resume their focus on developing innovative strategies and generating optimal risk-adjusted absolute returns rather than management of returns relative to asset class benchmarks.

The indices that make-up of the reference portfolio should be reviewed by APRA periodically to ensure that they continue to be appropriate.

Insofar as historical performance is deemed an appropriate basis for a product’s “right to remain” it is appropriate to include all relevant data. The period over which returns are assessed should be extended every year going forward.

The actual performance of the product should be compared against the reference portfolio, less reasonable taxes and fees to access the reference portfolio. The current test uses 12 months fee data to calculate the actual RAFF. This enables some products to remain in the system despite having delivered subpar performance. The calculation of the actual RAFF should reflect actual fees over the same period as is being used to assess performance.

ii. The performance test should measure climate impact adjusted performance to monitor for distortions

Climate change represents a systemic risk to financial markets. The quality of investment returns in thirty years’ time depends on the quality of the system in thirty years’ time. It is necessary to elevate our view of long-term performance to account for contributions to externalities that diminish market resilience in order to protect long-term member returns.

Considering the performance effects outlined in the Bank of England Biennial Scenario referenced above, applied to a \$9 trillion superannuation system by 2041¹³, trillions of dollars in financial performance – and member retirement benefits – is at stake. In the Australian context, while APRA is yet to conclude its

¹¹ MySuper Heatmap Methodology Dec 2021 - https://www.apra.gov.au/sites/default/files/2021-12/Methodology%20Paper%20-%20MySuper%20Heatmap_0.pdf

¹² Productivity Commission (2018), Superannuation: Assessing Efficiency and Competitiveness, Report no. 91, at 18.

¹³ Deloitte - <https://www2.deloitte.com/au/en/pages/media-releases/articles/growth-rationalisation-frenetic-pace-change-151221.html>.

Climate Vulnerability Assessment, the comments of Chair Byres indicate that “*at an aggregate level, the results - do not appear to be dissimilar to that produced by their overseas peers*”.¹⁴

The omission of climate factors, coupled with the asymmetric risk of the performance test’s outcomes means trustees could be discouraged from investing in the assets required for the net zero transition.

At a high level, indicative climate-adjusted returns could be determined by (i) calculating the greenhouse gas emissions¹⁵ attributable to the reference portfolio or specified benchmarks (this could be done by APRA based on information sourced from several providers in respect of major indices),¹⁶ (ii) calculating the greenhouse gas emissions attributable to the product (this would be done by the trustee),¹⁷ (iii) the cost of these greenhouse gas emissions is priced,¹⁸ and (iv) these costs are applied to the net returns of each of the reference portfolio or benchmarks, on the one hand, and the product, on the other hand.¹⁹

Sustainability or climate-adjusted performance should be monitored and reported, but not used to assess performance for purposes of the “right to remain”. Integration of the long-term investment costs of greenhouse gas emissions and other unsustainable practices into the formal performance test would need to follow a monitoring period and appropriate consultation. In the immediate term, an indicative sustainability-adjusted performance outcome should be published alongside the performance test result.

Appropriately incorporating a trustee’s contribution to long-term market resilience will help align the performance test with the Australian policy consensus of pursuing net zero by 2050, and the intention to remove barriers to investment, and otherwise facilitate deployment of private capital into, climate solutions by institutional investors.

Doing so would also enable consistency with prudential regulation and guidance.²⁰

Consequences of Failure

As noted above, the current performance test omits the most important contributors to member outcomes, and drives negative unintended consequences. Because the test is poorly designed, it can result in false positives and negatives.

If the performance test remains similar to the current legislation, rather than based on reference portfolios, member outcomes could be better protected through a greater role for APRA and an expert panel to confirm the reasonableness of test results and implement test outcomes.

Should the test be better designed and based on reference portfolios, the need for significant change to the consequences for failure is low.

¹⁴ APRA - <https://www.apra.gov.au/news-and-publications/apra-chair-wayne-byres-speech-to-rma-australia-conference>.

¹⁵ For data quality reasons, among others, this should be limited to Scope 1 and 2 emissions.

¹⁶ This would be easier in respect of a reference portfolio because the underlying indices are less obscure than some of the benchmarks in the existing performance test.

¹⁷ Importantly: where a product’s investment strategy involves the transition of portfolio companies’ operations to bring them into alignment with a net zero future, those products should be measured using emissions assuming the achievement of public stated emission reduction targets.

¹⁸ This price could be calculated by the Climate Change Authority, or could be drawn from other credible sources, such as the Interagency Working Group on Social Cost of Greenhouse Gases of the United States Government.

¹⁹ The cost of emissions should be reviewed regularly to ensure that improvements in climate science, damage functions, and other inputs is reflected in the pricing.

²⁰ See, e.g., APRA’s CPG 229, which indicates trustees should both ‘protect today’ and ‘prepare for tomorrow’ when it comes to climate change.

i. Test Outcomes

APRA should undertake additional analysis of products that fail the test, and products that are in the bottom quartile of peer analysis (as determined by APRA). This is because the current test is at risk of being both under inclusive, and over inclusive.

Consistent with APRA's current approach, products that exceed the reference portfolio less reasonable costs would be issued a "pass" result and would not be required to issue any outcome related communications to members.

Following two consecutive periods of "fail" results a product would be required to exit the system.

For MySuper products that are at the threshold, or that underperform, greater supervisory capability should be deployed to these funds, with a view to identifying the causes of their performance outcome and providing a trustee an opportunity to "show cause". Whether these products actually are deemed to "fail" or not should be based on expert panel determination.

The proliferation of little used and complex products coupled with considerable variability in performance, makes applying APRA determination to every outcome unduly burdensome and inefficient.²¹ Choice products failing the performance test in two consecutive periods should be automatically required to exit the system as this is where many of the worst member outcomes occur.

ii. Ensuring members of failed products are transferred to better performing ones

As noted in the consultation paper, only about 1 in 10 members switched after being notified that their product had failed the performance test.

This means that a substantial proportion of likely disengaged members continue to be invested in underperforming products, which are likely to be losing scale. This outcome undermines confidence in the superannuation system and is diametrically opposed to the policy intent of the performance test. Where a product consecutively fails the performance test and is required to exit the system, legislation should require that the members of that a failed product be transferred to other product(s) (where the members have not already chosen to move). The specific product(s) into which those members would be transferred should be determined by an expert panel, advised by APRA.

Trustees could be provided an opportunity to tender for the members, with the decision as to where members are moved to could be determined by an expert panel, taking into account a variety of factors, including performance, product risk profile, similarity to existing member demographic, member services and insurance coverage.

Product Coverage

It is essential that the performance test applies to Choice products. Both APRA and the Productivity Commission found a heightened prevalence of underperforming superannuation products within the Choice sector²². Accounting for approximately 46% of total APRA-regulated superannuation member assets²³, the ongoing omission of Choice products from the performance test would constitute a structural deficiency to superannuation system governance. APRA should engage with trustees to develop the range of benchmark required to cover the spectrum of Choice product.

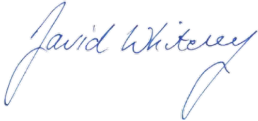
²¹ Cf., Productivity Commission (2018), Superannuation: Assessing Efficiency and Competitiveness, Report no. 91, at 22.

²² Productivity Commission 2018 and APRA <https://www.apra.gov.au/news-and-publications/apra-shines-light-on-choice-super-sector>

²³ As at 30 June 2020 – APRA <https://www.apra.gov.au/news-and-publications/apra-shines-light-on-choice-super-sector>

The approach outlined – assessing performance against a reference portfolio – for multi-asset choice products discussed above,²⁴ would streamline the extension of the performance test to all products and support greater comparability across the system.

Thank you again for the opportunity to comment. For further information, please contact Mohammed Khelil (Mohammed.Khelil@ifminvestors.com).

A handwritten signature in blue ink that reads 'David Whiteley'. The signature is fluid and cursive, with a long, sweeping tail on the final letter.

David Whiteley
Global Head of External Relations

²⁴ For single exposure choice options (e.g., cash options), a benchmark-based approach, as under the current test, is sufficient. This is because there is no meaningful trustee investment strategy – the choice option is designed to offer members exposure to the specified asset class or index.

Appendix 1 - Summary of Recommendations

1. Test Methodology

- 1.1. The performance test should be reformed to assess performance against reference portfolios rather than asset class benchmarks, as follows:
 - Use a standard 70/30 reference portfolio, net of reasonable costs for MySuper products.
 - Use a set of reference portfolios, net of reasonable costs reflecting different target risk levels to satisfy the variability in multi-asset choice products.
 - Existing asset class benchmarks could be refined and leveraged, and if required new benchmarks included, to assess performance of single asset class choice options.
- 1.2. The period over which returns are assessed should be extended every year going forward.
- 1.3. Insofar as the current benchmarks are used to assess performance, the actual RAPE should reflect actual fees over the same period as is being used to assess performance rather than a 12-month period.
- 1.4. An indicative sustainability-adjusted performance outcome should be published alongside the performance test result.
- 1.5. Follow a monitoring period and appropriate consultation, the long-term investment costs of greenhouse gas emissions and other unsustainable practices should be integrated into formal performance test outcomes.

2. Consequences of Failure

- 2.1. If the performance test is not amended to be based on investment strategy, then confirmation of a MySuper product's "fail" result should be based on APRA determination, with a trustee provided an opportunity to show cause.
- 2.2. Choice products failing the performance test in two consecutive periods should be automatically required to exit the system.
- 2.3. Legislation should require that the members of failed product be transferred to other product(s), where the members have not already nominated a new product.
- 2.4. The specific product(s) into which members are transferred should be determined by an expert panel, advised by APRA, taking into account a variety of factors.
- 2.5. Alternatively, trustees could be provided an opportunity to tender for remaining members of exiting products, with the decision as to where members are moved to could be determined by an expert panel.

3. Product Coverage

- 3.1. The performance test should be extended to all products within the superannuation system. See recommendation 1.1. for a proposed approach, noting further consultation with superannuation funds is required in relation to other product categories.

4. Refinement to Current Benchmarks

Note: These recommendations are for consideration where it is determined that the current test will continue to apply and to the extent that benchmarks continue to be used to assess the performance of single asset Choice products.

- 4.1. An appropriate regulator (ACCC or APRA) should have a mandate to undertake greater oversight of the commercial practices of index providers.
- 4.2. Unlisted Infrastructure: MSCI Australia Quarterly Private Infrastructure Index (Unfrozen) - Post-fee Total Return (All funds) (“MSCI Index”) is appropriate for unlisted infrastructure.
 - Using a median return would improperly assign equal weight to portfolios of significantly different sizes within the index and is inconsistent with the methodology used for other asset class benchmarks.
 - To minimise uncertainty the MSCI Index should be “frozen”.
- 4.3. Address the low allocation to green energy in the MSCI Index by introducing a renewables specific benchmark.
- 4.4. Debt Investments: Add the *Bloomberg Ausbond FRN Credit Index* as an additional floating rate index.

Appendix 2 – Comments on Benchmarks

Rents

A consequence of centring the performance test on specific benchmarks is that super funds and asset managers are required to pay subscription fees to the benchmark index provider, under conditions in which there are no substitutes and therefore little competition regarding price or quality.

An appropriate regulator (ACCC or APRA) should have a mandate to undertake greater oversight of the commercial practices of index providers.

Unlisted Infrastructure

IFM Investors is globally recognised as a leader in unlisted infrastructure investment and works closely with institutional investors around the world in respect of investment strategies for the asset class.

The *MSCI Australia Quarterly Private Infrastructure Index (Unfrozen) - Post-fee Total Return (All funds)* (the “MSCI Index”) is the best off-the-shelf index currently available for unlisted infrastructure investments. We note however that the benchmark was developed for use by sophisticated investors for information purposes, not as a regulatory instrument.

The MSCI Index is currently based on weighted average returns which is the most appropriate basis for measuring returns. Using a median return would improperly assign equal weight to portfolios of assets with significantly different sizes within the index. Using a median return is inconsistent with prevailing norms and the methodology used for other asset class benchmarks.

The current index is ‘unfrozen’, which allows for retrospective inclusion of historical returns for new index entrants, which can lead to re-stating the historical index returns. While such restatement can enable the historical index performance to better reflect the broad performance of the asset class, it can also mean that products which previously passed might fail (or vice versa).

Since the MSCI Index was included in the performance test, it has expanded coverage significantly, with four additional funds and 47 additional assets. It is currently constituted of most major domestic Australian infrastructure funds, provides diverse asset exposure and is sufficiently mature to be ‘frozen’.

The MSCI Index has relatively little exposure to renewables and other infrastructure emphasising climate solutions. As a result, funds seeking to contribute to decarbonisation and protect the long-term resilience of investment markets will likely need to take significant basis risk to do so. The introduction of a renewables or green energy benchmark could capture the distinctive attributes of the renewables asset class and mitigate against the basis risk.

Other indices that have been considered, e.g., EDHEC Infra300 Index, are less appropriate due to the geographic location of underlying assets and the use of statistical modelling.

Debt Investments

IFM is one of the largest fixed income managers and non-bank lenders in the Australian market, offering a range of options focusing on corporate lending, structured credit, property and infrastructure debt, along with more traditional bond and cash strategies.

The *Bloomberg AusBond Composite* is a fixed rate index, and its construction methodology weights it heavily towards government bonds. It excludes the floating rate mortgage-backed securities and corporate loans that are the market standard in Australia, and a large and important part of the investible Australian debt universe. The income payment from floating rate investments is adjusted based on market interest rates, which provides investors with improved capital protection during periods of rising interest high interest rates.

The same Index provider also has a floating rate benchmark – the *Bloomberg Ausbond FRN Credit Index*. We recommend this be added as a second index. Without this, superannuation funds may be disincentivised to

invest on a floating rate basis even where this would provide flexibility in risk management and be beneficial to fund members from a capital preservation point of view. Reduced allocations to floating rate credit could raise the cost and availability of funding for Australian mortgage holders and corporate borrowers, which would be a constraint on growth.

Private Equity

Private Equity is currently benchmarked against the ASX300 for Australia and MSCI ACWI (Ex Aust) for international. We consider these to be appropriate benchmarks for the sector. Benchmarking private equity to listed equities is common practice globally.