

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS

Westpac

WBC86QON: **Dr LEIGH:** Staying on BT Super, Anthony Klan had an article on his Klaxon website about BT Super's performance over the past decade, suggesting that, from 2010 to 2017, the return to shareholders had been some 600 per cent—about 10 times the ASX return and significantly more than a BT Super customer would have received over that time. Are the claims made in that article broadly accurate?

Mr King: We've responded to Mr Klan several times, and we don't agree with his analysis.

CHAIR: Is that a no?

Mr King: No.

CHAIR: Just before you proceed, Deputy Chair: I asked was that a no, as in do you agree. And you said no/ Does that mean that you do not agree or you do agree—

Mr King: We don't agree with his analysis.

CHAIR: Okay; thank you.

Dr LEIGH: So you don't agree with the 600 per cent return for BT investment management?

Mr King: We didn't agree with his analysis and we did provide him feedback.

Dr LEIGH: Yes, but let's break it down. So we've got the return to BT investment management. Was that or was that not about a 600 per cent return from 2007 to 2017?

Mr King: I haven't got the specific details with me right now on that particular response. But I can say that we did respond on the article and we didn't agree with the analysis. If I need to respond to specific questions, I'll have to do that on notice.

Answer: Pandal Group Limited (Pandal), formerly known as BT Investment Management Limited (BTIM), has been a separately listed company since 2007. Westpac is not able to respond to questions about Pandal's performance. However, a review of publicly available market information over the period cited does not support the claims.

Pendal has been a manager of some of the funds held in certain BT Super options over the period cited, however they are not the manager for all of BT Retirement Wrap, nor do they manage the BT MySuper options. Fees charged to members of the BT MySuper options are disclosed in the relevant product disclosure statement and any fees payable to BTIM/Pendal as an underlying investment manager are payable from those fees. They are not additional fees.