

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

**MTAA Super**

**MTAA91QW**

Please provide the titles of all externally commissioned reports over the past five years that have reviewed any of the following:

- a) Performance of funds.
- b) Investment strategies for funds.
- c) Conflicts of interest for funds.

**Answer**

The Trustee has a sound investment governance framework for the selection, management and monitoring of investments, including appropriate monitoring and management of investment risk, that is in the best interests of beneficiaries. The Trustee's investment governance framework complies with the requirements of Prudential Standard 530.

In fulfilling its duties, the Trustee regularly utilises third parties such as asset consultants, investment advisers, custodians and auditors as part of ongoing investment management. This includes the continuing assessment of fund performance, the regular review of investment strategy, investment selection and compliance and process reviews.

The Trustee has a comprehensive Conflicts Management Framework. The Trustee's processes and application of the framework are regularly reviewed, both internally and also by independent experts. Information around the Trustee's Conflicts Policy is provided on the Fund's website at the following link.

<https://mtaasuper.com.au/about-us/how-we-operate/managing-conflicts-of-interest-and-duty>

The Trustee's Conflicts Management Framework complies with the requirements of Prudential Standard 521.

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For each fund where more than 30 per cent of capital is managed by another entity, please complete the below table including:

- The name of the fund.
- The allocation of capital as a percentage of the total capital held by the fund.
- The allocation of capital of the total capital held by the fund.
- The entity managing the capital.
- Whether you are a shareholder in that entity.

**Answer**

The following table outlines the MTAA Super investment options where 30 per cent (or more) of capital is managed by another entity.

MTAA Super Investment Options	Allocation of Investment Option		Managing entity	Shareholder
	%	\$m		
Australia Shares investment options	31.6%	\$73.5m	Vinva Investment Management Ltd	No
Cash investment options	50%	\$183.4m	Commonwealth Bank of Australia	Yes*
Cash investment options	47.9%	\$175.9m	Macquarie Investment Management Ltd	Yes*
Diversified Fixed Interest investment options	40%	\$33.5m	Blackrock Investment Management Ltd	No
International Shares investment options	35.1%	\$31.4m	AQR Capital Management	No

\* Shares are held within MTAA Super's total listed Australian shares portfolio and interests sat within MTAA Super's Top 20 listed Australian shareholdings as at 30 June 2019. See link <https://mtaasuper.com.au/super-for-you/manage-your-super/your-investment-options/environmental-social-governance-risks/top-20-listed-australian-shareholdings>



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If you do have capital managed by another entity that you are also a shareholder in, please identify how you manage conflicts of interest.

**Answer**

MTAA Super undertakes a comprehensive due diligence process prior to the appointment of any fund managers.

Conflicts of interest (actual, potential, and perceived) are considered and evaluated as a part of this due diligence process and in decision-making to appoint.





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**MTAA94QW**

Please provide details of the following reduction to remuneration packages since 11 March 2020:

- a) Board members.
- b) The chief executive.
- c) Executive management.

**Answer**

Remuneration of Trustee Directors and Executive Management is reviewed annually and disclosed on the Fund's website and in the Fund's annual report. The disclosures are consistent with the SIS 29QB disclosure obligations.

Current year disclosures will be available by 31 October 2020. Information will be available at the following two links;

- <https://mtaasuper.com.au/about-us/how-we-operate/annual-reports-and-financial-statements>
- <https://mtaasuper.com.au/about-us/who-we-are/meet-our-executive-team>



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**MTAA Super**

**MTAA95QW**

Is the fund considering divestment from pure play fossil fuel producers in order to mitigate climate-related financial risks and to increase the cost of capital for those producers?

If not, how has the fund arrived at the conclusion that this approach would not be in members' best interests?

**Answer**

Superannuation Prudential Standard 530 (SPS 530) requires an RSE licensee to have in place a sound investment governance framework for the selection, management and monitoring of investments, including appropriate monitoring and management of investment risk, that is in the best interests of beneficiaries.

MTAA Super's policies and practices comply with SPS 530 including the discharge of shareholder rights that are in the best interests of members.

Consistent with SPS 530, ESG risks, impacts, and opportunities are considered throughout the life of the investment process. This includes the selection, retention management and realisation of investments.

Information on the Fund's approach to climate change risk is listed on the Fund's website at the following link.

<https://mtaasuper.com.au/super-for-you/manage-your-super/your-investment-options/environmental-social-governance-risks>