

FTSE Russell launches global equities net of tax index series for Australian superannuation funds

- FTSE All-World ex Australia Net Tax (Super) Index Series is a new global equities index series specifically for Australian superannuation funds
- Benchmark measures true performance of global equities on an after-tax basis for the superannuation industry
- Better reflects equity returns for superannuation members
- Developed in conjunction with Qantas Super, one of Australia's largest corporate superannuation funds

FTSE Russell, the global index provider, introduces the FTSE All-World ex Australia Net Tax (Super) Index Series which is designed to support the superannuation industry's focus towards greater transparency and more accurate measurement of performance.

The index series calculates net returns for global equities after deducting both capital gains tax and withholding tax. Capital gains tax is applied in the same way superannuation members are taxed through their investment returns. The withholding tax rates reflect the Australian superannuation tax treaty rates that apply to each market.

A robust index, such as the FTSE All-World ex Australia Net Tax (Super) Index Series tailored for superannuation funds, enables funds to accurately measure after-tax investment performance against an after-tax industry benchmark that is representative of the tax in superannuation member returns.

The index series was developed in conjunction with one of Australia's largest corporate super funds, Qantas Super. The fund currently has \$7.65 billion assets under management, and is a strong advocate for tax-efficient investing.

Jessie Pak, Managing Director Asia, FTSE Russell, said:

"FTSE Russell has a strong track record of calculating net-of-tax total return indexes for different investor types, the newest of which is for Australian superannuation funds. Providing our clients with indexes that take into consideration superannuation tax rates reduces the tracking error between a fund and the index, therefore providing a more accurate measure of the fund's performance."

Michael Clancy, Chief Executive Officer, Qantas Super, said:

"Tax is one of the largest costs of investing, so managing our members' assets in a tax-efficient way is really important. By doing so, we seek to improve investment outcomes for our members and build their confidence in



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their financial future. At Qantas Super, we identified the need for a global index that incorporates the tax impacts that apply to members of Australian superannuation funds and worked with FTSE Russell for a solution. This new index series is a terrific tool to help superannuation funds understand and manage the impact tax has on investment outcomes. FTSE Russell was a superb partner in bringing this idea to life.”

A Withholding Tax Rates guide is available for more detailed methodology construction:

http://www.ftse.com/products/downloads/FTSE_Russell_Withholding_Tax_Guide.pdf

– Ends –

For further information:

Global Media

Lucie Holloway	+44 (0)20 7797 1222
Mark Benhard	+1 212 314 1199
	newsroom@lse.com

Regional Contacts

Hong Kong: Fennie Wong	+852 2164 3267
Sydney: Laura McCrackle	+61 2 8823 3526

Notes to editors:

About FTSE Russell:

FTSE Russell is a global index leader that provides innovative benchmarking, analytics and data solutions for investors worldwide. FTSE Russell calculates thousands of indexes that measure and benchmark markets and asset classes in more than 70 countries, covering 98% of the investable market globally.

FTSE Russell index expertise and products are used extensively by institutional and retail investors globally. Approximately \$15 trillion is currently benchmarked to FTSE Russell indexes. For over 30 years, leading asset owners, asset managers, ETF providers and investment banks have chosen FTSE Russell indexes to benchmark their investment performance and create ETFs, structured products and index-based derivatives.

A core set of universal principles guides FTSE Russell index design and management: a transparent rules-based methodology is informed by independent committees of leading market participants. FTSE Russell is focused on applying the highest industry standards in index design and governance and embraces the IOSCO Principles. FTSE Russell is also focused on index innovation and customer partnerships as it seeks to enhance the breadth, depth and reach of its offering.

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