

Improve investment performance with **after-tax benchmarks and analytics**

Measure after-tax outcomes and drive investment manager performance with after-tax benchmarks and analytics using our unique Australian and global benchmark reporting solution.

In a market where fund returns are under pressure and member returns are paramount, benchmarking and portfolio performance reporting has never been more crucial.

Building on Australian and global benchmarks from leading providers with our unique tax expertise, our service turns pre-tax benchmarks and portfolio results into post-tax benchmarks and portfolio outcomes. This ensures your reporting considers both the benefit of the franking credit uplift and the impact of Capital Gains Tax (CGT), both on a realised and unrealised basis, for full transparency.

Our After-Tax Benchmarking and Analytics service provides your fund with the most detailed and accurate insight into the performance of your investment managers. It also supports a 'whole of fund' view of tax optimisation enabling you to deliver tax aware, improved member outcomes.

Lead the industry to ensure your members know the value your fund and managers are adding through optimal tax management processes and expertise.

What After-Tax Benchmarks and Analytics can do for your fund and members

- ✓ **Improve investment manager performance**
Portfolios that are accurately valued against absolute returns and managers can be rated on consistent performance criteria, levelling the playing field and driving better after-tax performance results.
- ✓ **Create a competitive edge**
Ensure you are focused on after-tax outcomes for your members as the market shifts to this standard with APRA's heatmap requirements and their focus on better member returns.
- ✓ **Streamline after-tax reporting**
Create consistency and avoid data issues by relying on our experts to create transparent and customisable reports to reduce in-house manual processes.

Customise to your portfolio and fund requirements

We can create simple or bespoke After-Tax Benchmarks and Analytics to suit your specific requirements:



Configure your calculations

Our rules-based calculation engine supports variations to standard industry indices or custom calculations



Choose your frequency

Reports can be provided daily or monthly depending on your requirements



Customise portfolio parameters

Track the effect of franking credits, off-market share buy backs and CGT, both on realised and unrealised assets



Compare local and global

Benchmark your fund performance against both Australian and global indices, comparing both pre-tax and after-tax outcomes

Productivity Commission highlights tax-aware investing

In 2018, the Productivity Commission acknowledged the complexities of tax management for funds, but nonetheless highlighted its importance – in particular for member outcomes. Their findings noted that tax-aware investing, including optimising CGT discounts and franking credits, could increase returns by 0.2-0.5%. Over a working life this could improve a member's balance at retirement by 5.4% (\$45,000).

One of the tools for achieving these improvements is after-tax benchmarking and analytics, and ensuring your fund has access to the most accurate data to monitor investment manager performance.

GBST is proud to have been named in the Productivity Commissions report for our work helping leading superannuation funds optimise their tax management.

Going forward, we believe this will be an area of increased focus for the regulator as APRA continues to refine their Heatmap comparatives. Improved tax management could enable funds to move and remain at the top of the list when comparing member returns.

Our service will do the following for your fund:

- Take account of specific portfolio cash flows
- Reflect the realised and unrealised CGT outcomes
- Include the tax impact of corporate actions and franking credits
- Trigger the CGT impact of rebalancing from composition changes of the underlying index
- Exclude investors' discretionary portfolio management actions
- Apply various tax rates in line with the underlying tax outcomes
- Produce the most accurate benchmark in line with Australian tax compliance rules

Choosing our service for both benchmarking and analytics ensures the same methodology is applied across both. If you already use an analytics provider, we can provide benchmarks as a standalone service.

Working with leading global providers

We work with leaders in the index space to provide the foundations of our After-Tax Benchmark and Analytics service, including:

- **Standard & Poor** – we were one of the first organisations to work with S&P to develop a grossed up franking credit benchmark, and now provide its clients with fully replicating after-tax benchmarks.
- **MSCI** – we partnered with MSCI to extend our after-tax benchmarks to include global equities indices, supporting the many funds already using their pre-tax indices
- **Warakirri Asset Management** – we are proud to be the calculation engine behind the after-tax benchmarks used by Warakirri, implementing their proprietary after-tax methodology for their After-Tax Performance Reporting service.

About GBST

GBST is a global provider of technology and digital solutions for the wealth management market. We create vital back, middle and front-office technology solutions for wealth managers, life, pension and superannuation companies, stockbrokers, and fund managers.

Founded in 1983, GBST works with over 65 financial brands across Europe, Australia, NZ, the US, and Canada. Our technology supports over 5.5 million investor accounts under administration with Direct to Consumer, Advised and Workplace channel solutions.

Interested?

Contact us for more information or to arrange a demonstration.

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