



18 December 2020

Supplement to information paper: Heatmap – MySuper products

Full details of the 2019 methodology can be found in [Information Paper: Heatmap – MySuper products](#). This paper is a supplement to the Information Paper and should be read in conjunction with it. Note that the Information Paper has not been updated to reflect the changes listed in this paper.

Since the release of the first MySuper Product Heatmap (“the Heatmap”) in 2019, APRA has considered the feedback from external stakeholders and undertaken consultations with industry experts on the Heatmap methodology. The feedback largely recommended enhancements to the methodology that are dependent on changes to APRA’s reporting collection, which APRA is addressing through the Superannuation Data Transformation (“SDT”) program.

APRA notes that the legislation supporting the Your Future, Your Super measures, including the annual performance test for MySuper products and “trustee-directed products”, is currently under consultation and is expected to be introduced to Parliament in early 2021. APRA will review its Heatmap methodology, and make any necessary changes once the legislation is finalised.

APRA has made minimal changes to the methodology supporting the Heatmap metrics or thresholds from the 2019 Heatmap. Updates to the methodology for the 2020 version of the Heatmap include:

Investment performance

- **Time horizon.** APRA has extended the time horizon for its analysis of investment performance to include six years, in addition to three and five year time horizons, where data is available.
- **Growth asset assumption for property and infrastructure assets, ‘not applicable’ listing type.** Property and Infrastructure with a ‘Not applicable’ listing type are assumed to be 50% Listed and 50% Unlisted (previously 100% Listed). This means that the strategic growth asset allocation for these types of assets is 87.5%.
- **International property and international infrastructure indices.** APRA has updated its methodology to use global indices that are adjusted to reflect the withholding taxes applicable for an Australian institutional investor, to remove any potential understatement of index performance arising from the presence of double taxation treaties. The table below shows the updated index for the following asset classes.

Asset class	Index	Index code
International property	FTSE EPRA Nareit Developed ex Aus Rental 100% Hedged to AUD Net Tax (Super) Index	RAHRSAH
Australian infrastructure	FTSE Developed Core Infrastructure 100% Hedged to AUD Net Tax (Super) Index	FDCIISAH
International infrastructure	FTSE Developed Core Infrastructure 100% Hedged to AUD Net Tax (Super) Index	FDCIISAH

Fees and costs

The fees and costs metrics, including the colour thresholds, have not changed since the 2019 Heatmap. However, the transitional arrangements for ASIC's [Regulatory Guide 97 Disclosing fees and costs in PDSs and periodic statements](#) (RG 97) are now in effect. From 30 September 2020, RSE licensees may elect to comply with the updated Product Disclosure Statement (PDS) requirements, and by 30 September 2022 all RSE licensees are required to comply with these requirements. Where an RSE licensee has updated its PDS in accordance with the new RG 97, the product has been asterisked in the Heatmap.

Sustainability of member outcomes

The sustainability of member outcomes metrics, including colour thresholds, remain unchanged from the 2019 Heatmap.

New web-based, interactive Heatmap tool

APRA has published the MySuper Product Heatmap via an online, interactive, web-based tool, in addition to the Excel publication and CSV data file. The online, web-based version of the Heatmap aims to provide users with a more user-friendly experience when using the Heatmap. There are functionality improvements compared to the Excel file, such as:

- the ability for the user to sort by trustee, RSE or MySuper product while maintaining grouping of lifecycle products with the lifecycle stages;
- filtering for single-strategy or lifecycle products (or all);
- selecting the 'concise' or 'expanded' suite of Heatmap metrics; and
- displaying only 'investment performance', 'fees and costs', or 'sustainability of member outcomes' Heatmap metrics.