

14 September 2021

Samantha Mannette
Inquiry Secretary
Standing Committee on Economics
PO Box 6021
Parliament House
Canberra ACT 2600

By email: economics.reps@aph.gov.au

**House of Representatives Standing Committee on Economics (Committee)
Review of the Four Major Banks and other Financial Institutions –
Superannuation Sector (Inquiry)
Re: Questions in Writing**

This letter responds to your letters received 3 August 2021 requesting a response to questions on notice and questions in writing to IFM Investors Pty Ltd.

IFM provides the following information in response to IFM120QON, IFM121QON, IFM122QON, IFM123QON, IFM124QON, IFM125QON, IFM127QW, IFM128QW, and IFM129QW:

IFM is not able to disclose certain information that is confidential to Tandem, a business that is under the control of Administrators. This includes the amount of IFM's investment in Tandem and valuations of individual portfolio companies, which are commercially sensitive.

To assist the committee, we are able to provide the following information:

Since inception, the returns of IFM's Private Equity program equates to 18.5% per annum.

IFM Investors manages a 50% interest in Tandem Corp on behalf of a fund in the Private Equity asset class. This investment in Tandem Corp in June 2016 was undertaken after appropriate due diligence, including with the assistance of experienced external advisors. A class action, lodged in November 2018, negatively impacted Tandem's business over time.

Ultimately, the business was not able to meet scheduled debt repayments when they fell due in early July. Because of this, the directors of Tandem Corp and six subsidiaries had no choice but to appoint voluntary administrators on 1 July 2021. This decision was made by Tandem Corp's Board of Directors.

The Tandem subsidiaries not in administration remained operational and continue to be run by Management and Directors working closely with the Administrators, as those subsidiaries remain owned by Tandem Corp.

The Administrators, Directors and Management of the remaining Tandem subsidiaries are working to achieve an outcome in the best interests of all creditors, including employees. IFM understands that the subcontractors were paid consistently in accordance with agreed payment terms and were up to date at the time the administrators were appointed.

On 29 July 2021, telecommunication provider GenusPlus announced it had agreed to acquire the businesses of four of the remaining Tandem subsidiaries not in administration. IFM understands that the transaction was an asset sale not a share sale. IFM welcomes the sale and the security it provides to those employees, their entitlements, and to continuing subcontractors.

IFM does not hold an interest in GenusPlus. The shareholder of IFM, Industry Super Holdings, does not have an interest in GenusPlus.

It is important to note that Tandem Networks is a wholly owned subsidiary of Tandem Corp – all ongoing contracts remained inside the Group up until the sale to GenusPlus. To suggest otherwise is false.

IFM believes the actions of Tandem Corp Directors were appropriate.

IFM provides the following response to IFM130QW:

IFM participates in a range of forums globally that are connected to industry associations, chambers of commerce, peak bodies, advisory bodies, and other similar organisations. IFM is not aware whether these organisations make payments to 'think tanks'.

IFM provides the following response to IFM126QON:

Six.

Yours faithfully

David Whiteley
Global Head, External Relations
IFM Investors Pty Ltd