

17 December 2020

Stephanie Woodbridge  
Senior Researcher  
Standing Committee on Economics  
PO Box 6021  
Parliament House  
Canberra ACT 2600

By email: [economics.reps@aph.gov.au](mailto: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 of 10 and 18 November 2020 requesting responses to questions in writing of IFM Investors Pty Ltd (**IFM**).

IFM notes that it is the only funds manager called to appear before this Inquiry. At the request of the Committee, IFM has appeared before the Inquiry on two occasions over a 12-month period and its parent company, Industry Super Holdings (**ISH**), has appeared once. None of IFM's competitors have been called before the Inquiry (Macquarie appeared in its capacity as a bank, not for its funds management business).

IFM has responded to almost 100 questions in writing from the Committee, all but three of which are from Committee Chair, Mr Wilson. IFM has responded to many more questions during its appearances before the Inquiry.

IFM has no objection to assisting the Committee in its oversight of the financial services sector and is supportive of the role of the Parliament in this endeavour. However, this oversight should not place one sector or institution at a competitive or commercial disadvantage to others.

With regard to the appearance by ISH, we note that Hansard has still not been corrected to capture the full exchange between Mr Falinski and Mr Lim. For the convenience of the Committee a corrected excerpt is provided below. The omitted comments are highlighted:

**Mr Lim:** Mr Falinski, I believe these matters were examined by the Hayne royal commission and there were no recommendations from the commission with regard to these matters.

**Mr FALINSKI:** Sorry, which royal commission?

**Mr Lim:** The Hayne royal commission.

**Dr MULINO:** The one you voted against.

**Mr FALINSKI:** The 'end' royal commission?

**Dr MULINO:** You should know it.

**Mr FALINSKI:** No, I've never heard of that royal commission. What's the 'end' royal commission?

**Mr Lim:** The Hayne.

**Mr FALINSKI:** Oh, Hayne. I'm sorry.

**Dr LEIGH:** Kenneth Hayne's royal commission.

**Dr MULINO:** It's not relevant to this witness. I see your confusion; these guys weren't mentioned.

#### Responses to questions on notice

- 1. IFM92QW and IFM96QON:** No board member or senior executive, including the Chair and Chief Executive, has been in contact with Mr McNamee or his office about this matter.
- 2. IFM93QON:** Funds Under Management (**FUM**) can change through investment growth, market and foreign exchange movements, and sales.

IFM publishes aggregated FUM data, but not detailed information about changes in the composition of FUM based on the type of client or jurisdiction of organisation. Doing so has the potential to identify individual clients or transactions and therefore providing this information could place IFM at a competitive disadvantage and regulatory risk.

- 3. IFM94QON:** Since March 2020, IFM has participated in over 80 capital raisings across a range of sectors.
- 4. IFM95QON:** It is normal commercial practice for employers and employees to enter into agreed confidentiality terms in certain circumstances when a separation of employment occurs. The number of such agreements is not publicly available and has not been sought from any other fund manager. Disclosure of this information could therefore put IFM at a commercial disadvantage.
- 5. IFM97QON:** As IFM has previously advised, its Chief Executive is the appropriate representative of the firm before the Committee. IFM has fully cooperated with this Inquiry for over 12 months, sending three witnesses – its current Chief Executive, its former Chief Executive, and its Global Head of Infrastructure - to appear before the Inquiry. Furthermore, IFM's Deputy Chief Executive has appeared on behalf of ISH.

To IFM's knowledge, the Committee is not seeking to call the Chairs of any other fund managers before it, nor has any other non-operational holding company of a financial institution been called.

Yours faithfully,

David Whiteley  
Global Head, External Relations  
IFM Investors Pty Ltd

CC: Mr Tim Wilson MP  
Hon Dr Andrew Leigh MP  
Mr Adam Brandt MP  
Mr Jason Falinski MP  
Ms Celia Hammond MP  
Mr Craig Kelly MP  
Mr Andrew Laming MP  
Dr Daniel Mulino MP  
Ms Peta Murphy MP  
Mr Julian Simmonds MP