

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

IOOF

IOOF79QW: On 1 January 2020 what was your percentage share and nominal value of your listed and unlisted assets?

Answer: The percentage share and nominal value of unlisted assets for IOOF's MySuper default option is:

- Unlisted (includes private debt): 18.4% (\$618.7 million)
- Listed: 81.6% (\$2,751.1 million)

Note

1. We expect that most COVID-19 early release of superannuation requests will be funded from the IOOF's MySuper default option. As such, this information is provided in respect of the MySuper default option and does not necessarily consider all options available in the fund.

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IOOF

IOOF80QW: On 1 January 2020 did your fund have liquidity issues resulting from honouring obligations to members?

Answer: No

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IOOF81QW: What write down, if any, has been made to the value of unlisted assets?

Answer: There has been no write down to the value of unlisted assets for IOOF's MySuper default option.

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IOOF82QW: Listed companies holding infrastructure assets have had write downs of around 40 per cent:

- a. How does this compare to your write down of unlisted assets?
- b. If there is a difference, why is there a difference?

Answer: Not applicable. IOOF's MySuper default option does not hold any unlisted infrastructure assets. There has been no write down to the value of unlisted assets.

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IOOF

- IOOF83QW:** Have you had any liquidity issues in honouring your obligations to members as a result of the:
- a. recent decline in the share market?
 - b. permission by the Federal government to allow members to remove up to \$10,000 per financial year if they lose their job?

- Answer:**
- a. No
 - b. No

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IOOF84QW: What has been the current reduction of the value of your fund, and the unlisted and listed components since 1 January 2020?

Answer: As at 31 December 2019, the total fund value (for IOOF's MySuper default option) was \$3,369.8 million (\$2,751.1 million listed and \$618.7 million unlisted). As at 30 April 2020, the total fund value was \$3,161.3 million (\$2,508.8 million listed and \$652.5 million unlisted). In the period since 31 December 2019, the fund value is down by \$208.5 million. Listed assets are down by \$242.3 million and unlisted assets are up by \$33.8 million.

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IOOF85QW: How many members, affected by COVID-19, have **requested the early release** of their superannuation since 12 March 2020, and to what value?

Please also provide monthly updates on the first of the month for the remainder of 2020 to the secretariat.

Answer: As at 3 May 2020, IOOF has received 9,994 requests (via the Australian Taxation Office) from members for COVID-19 early release of superannuation, totalling \$78.1 million in value.

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IOOF

IOOF86QW: How many members, affected by COVID-19, have **had approved the early release** of their superannuation since 12 March 2020, and to what value?

Please also provide monthly updates on the first of the month for the remainder of 2020 to the secretariat.

Answer: As at 3 May 2020, of the 9,994 requests received from members, IOOF has:

- fully paid 8,690 requests totalling \$72.1 million
- partially paid 122 requests totalling \$0.5 million
- 1,134 payments are pending totalling \$5.1 million.

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IOOF

IOOF87QW: If some members, affected by COVID-19, have required the early release of their superannuation since 12 March 2020 and not been approved, please provide details of the grounds on which they have not been approved.

Answer: As at 3 May 2020, a small number of requests for COVID-19 early release of superannuation (received via the Australian Taxation Office) were not processed due to:

- Member requests rejected. Forty-four requests rejected on the grounds of Unique Superannuation Identifier out of scope (transition to retirement product), account closed or zero balance.
- Revocations. Four requests (these were client revoked).

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IOOF

IOOF88QW: Liquidity management:

- a. What is your fund's process for complying with APRA's prudential framework which requires trustees to have a liquidity management plan?
- b. How is the plan being reported to the trustee directors?
- c. Who is responsible for the day-to-day liquidity management for the fund?

Answer:

- a. IOOF maintains a Superannuation Liquidity Management Policy (Policy). The Policy incorporates APRA's liquidity management plan requirements. It is reviewed and approved by the IOOF Investment Management Limited (IIML) Board on at least an annual basis.
- b. The IIML Board delegates responsibility for the monitoring of fund investments (including liquidity) to the Product Investment Committee (Committee). The Committee operates under Board-approved Terms of Reference and is chaired by an independent IIML director. It meets at least quarterly, or more frequently when requested by the Chair. The Committee reports to the IIML any matters that should be brought to the attention of the Board or requiring approval. In addition, the IIML Board receives a weekly superannuation fund dashboard report that includes an update on fund liquidity.
- c. The IOOF Investment Division is responsible for managing liquidity for the IIML MySuper default option. IOOF's Finance and Operations Divisions, in addition to external fund managers operating under investment mandates, are also involved in day-to-day liquidity management.