

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

IOOF

IOOF89QW: Since 12 March 2020, has your fund provided any liquidity to:

- a. REST?
- b. Hostplus?
- c. any other superannuation fund?

If so, for each fund, can you provide details of the amount, the date and the terms?

Answer:

- a. No
- b. No
- c. No

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IOOF

IOOF90QW: Since 12 March 2020, has your fund loaned any cash to:

- a. REST?
- b. Hostplus?
- c. any other superannuation fund?

If so, for each fund, can you provide details of the amount, the date and the terms?

Answer:

- a. No
- b. No
- c. No

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IOOF

IOOF91QW: Regarding any investments you have with IFM Investors, please provide the following:

- a. The capital invested each year for the past five years.
- b. The accumulated valuation of investments for the past five years.
- c. The dividends received from those investments for the past five years.

Answer: Not applicable

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IOOF

IOOF92QW: Regarding any investments you have with ME Bank, please provide the following:

- a. The capital invested each year for the past five years.
- b. The accumulated valuation of investments for the past five years.
- c. The dividends received from those investments for the past five years.

Answer: We have no direct investment in ME Bank. From time to time, our cash management trust may hold term deposits and Negotiable Certificate of Deposits (NDCs) issued by ME Bank, as an arm's length investor. Currently our cash management trust holds \$122.2 million in ME Bank issued term deposits and NCDs.

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IOOF93QW: If you are an investor in ME Bank, have you individually (or in collaboration with other funds), ever commissioned reports into its valuation in the past decade?

- a. And if so, how many reports and in what year?
- b. Were any commissioned to be completed by the UK-based group, LEK?

And please provide copies.

Answer: Not applicable

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IOOF

IOOF94QW: According to reports in the *Australian Financial Review* superannuation fund, Hostplus, redefined the definition of 'illiquid assets' ('Hostplus warned of liquidity "perfect storm"', *Australian Financial Review*, 18 May 2020). Therefore, can you please advise:

- a. How you define 'illiquid assets' within your fund, including details of holdings and timeframes?
- b. How you define 'liquid assets' within your fund, including details of holdings and timeframes?
- c. How long each of these definitions have been used?
- d. What prompted any switch to these definitions?
- e. What the prior definitions were before any switch?

Answer:

- a. We use the definition of 'illiquid investment' in section 6.31(3) of the Superannuation Industry (Supervision) Regulations 1994 (SIS Regulations).
- b. We define 'liquid assets' as anything that is not an 'illiquid investment' as defined in s.6.31(3) of the SIS Regulations.
- c. We have used these definitions since the introduction of the SIS Regulations.
- d. Not applicable.
- e. Not applicable.

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IOOF

IOOF95QW: Have you completed a skills audit in the past five years of the following:

- a. Your board of directors?
- b. Your investment committee?
- c. And if not, why not?
- d. And if so, presently what gaps are identified?

Answer

- a. The Board of IOOF Investment Management Limited (IIML), including in its capacity as a Registrable Superannuation Entity (RSE), has progressively reviewed its composition and skill set during the previous five years in consultation with APRA.
- b. The skills of the members of IIML's Product Investment Committee are also subject to regular review to ensure their appropriateness. Within the past five years, changes have been made to the Committee's membership to enhance its skill set, independence, investment governance and investment management experience.
- c. Not applicable.
- d. There are no gaps presently identified, however, we have an ongoing focus on uplifting our governance. Accordingly, the RSE Board and its Remuneration and Nomination Committee is monitoring the composition of its Board through an annual assessment process and reviewing the Composition of all its Committees

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IOOF

IOOF96QW: Prior to appointment, have employees fulfilling fiduciary roles had their investment performance track record assessed before fees?

- a. And if not, why not?
- b. And if not prior to appointment, have they following appointment?
- c. And if so, on what timeframe?

Answer: Candidates for employment in our Investment Division are required to have experience, skills and qualifications appropriate to the role for which they are being considered. Where relevant, the prior performance track record of the candidate forms part of this assessment. Reference checks are made to verify information provided by candidates prior to employment.

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IOOF

IOOF97QW: Can you please provide data to complete this table for your unlisted asset holdings based on their geographic spread:

Answer:

Country/Region	Share of asset value for <i>IOOF's MySuper default option (as at 30 April 2019)</i>		Share of income for <i>IOOF's MySuper default option (12 months ending 30 April 2019)</i>	
	\$	%	\$	%
North America (inc USA)	N/A	N/A	N/A	N/A
- United States specifically	N/A	N/A	N/A	N/A
South America	N/A	N/A	N/A	N/A
Asia (inc China)	N/A	N/A	N/A	N/A
- China specifically	N/A	N/A	N/A	N/A
Africa	N/A	N/A	N/A	N/A
Europe (not inc UK)	N/A	N/A	N/A	N/A
Europe (inc UK)	N/A	N/A	N/A	N/A
- United Kingdom specifically	N/A	N/A	N/A	N/A
Australasia (inc Aus)	\$651.1m	20.6%	\$29.9m	17.1%
- Australia specifically	\$651.1m	20.6%	\$29.9m	17.1%

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IOOF

IOOF98QW: Please provide a copy of your Constitution.

Answer: Please see Attachment IOOF98.1QW

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IOOF99QW: Please provide details, including the event name, organising entity, ticket price and attendee(s) for the past decade of the tickets purchased for events and/or fundraisers for political parties or related entities, individual MPs and individual candidates for political office or the associated fundraising entities of political parties, individual MPs and individual candidates for political office.

Answer: Not applicable. IOOF has not purchased tickets to any political events or fundraisers in the past decade.

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IOOF

IOOF100QW: Do you currently have an art collection?

a. If so, can you advise its current valuation?

If so, can you advise where it is stored and/or exhibited?

Answer: No

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IOOF

IOOF101QW: Do you engage proxy advisers?

- a. What are the terms of engagement for proxy advisers?
- b. To what extent are they empowered to act on behalf of the entity?
- c. Does their advice get provided to the board?
- d. How often is advice submitted to the board?
- e. Is their advice formally adopted by the board?
- f. Are their positions publicly stated?

How does the board assess these positions concurrent with their duties as trustees and the sole purpose test?

Answer: No

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IOOF

IOOF102QW: Are you currently, or have you previously been, a member or subscriber of the ACTU Members Connect Program?

- a. If so, what is the timeframe of your membership?
- b. What has been the annual fee year-on-year?

How have you assessed its value to your members?

Answer: No