

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

LUCRF Super

LUC96QW

Since 1 January 2020, for each fund, please outline:

- a. The date and value at the highest valuation of the fund?
- b. The date and value at the lowest valuation of the fund?
- c. The number of business days between the highest and lowest valuation for the fund?
- d. The nominal value between the highest and lowest valuation for the fund?
- e. The percentage value between the highest and lowest valuation for the fund?
- f. The number of business days between the date of the ASX's lowest valuation, and the lowest day for the valuation of the fund?
- g. The number of business days between the date of the ASX's lowest valuation, and the lowest valuation of unlisted assets in the fund?
- h. What volume of switching of investments occurred between funds between the highest and lowest valuations?
- i. What volume of switching between funds occurred in that time by trustees of the fund that are also members of the fund, between the highest and lowest valuations?
- j. What volume of switching between funds occurred in that time by executives of the fund that are also members of the fund, between the highest and lowest valuations?
- k. What volume of switching between funds occurred in that time by other employees of the fund that are also members of the fund, between the highest and lowest valuations?
- l. What integrity measures were taken to prohibit trustees, executives and employees switching between funds from taking advantage of arbitrage of any gap between the lowest valuation date of the ASX and any revaluation of the fund?

Answer:

As outlined in previous responses to questions in writing, LUCRF Super only manages one fund for all members (**Fund**). All accumulation, Transition to Retirement and Pension investment options are drawn from one collective fund.

- a. The Fund's highest value was on 20th February 2020, at circa \$7.37 billion.
- b. The lowest valuation of the Fund was on 23rd March 2020, at circa \$6.01 billion.
- c. 22 business days.
- d. -\$1.36 billion.
- e. -18.4%
- f. Zero. The ASX's lowest close valuation was on 23 March 2020, the same day as the Fund's lowest value.
- g. 6 business days. The lowest valuation of unlisted assets in the Fund occurred on 31 March 2020.
- h. - l. Not applicable. LUCRF Super only manages one fund for all members.

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On financial advisers providing non-intrafund advice (i.e. comprehensive advice - beyond the scope of intrafund advice) within the fund over the past five financial years:

- a. How many do you employ (or are you paying for through outsourced arrangements)?**
- b. What is the revenue generated from these non-intrafund advisers?**
- c. How many financial advisers within the fund also provide intrafund advice?**
- d. If you have non-intrafund financial advisers within the fund also providing intrafund advice, how is their remuneration determined from different sources?**
- e. Is there any cross-subsidisation for non-intrafund financial advisers within the fund from activities funded through intrafund advice?**
- f. Is there any cross-subsidisation for financial advisers from intrafund advice to non-intrafund financial advisers within the fund?**
- g. What is the total budgeted cost and actuals for financial advisers?**
- h. What is the remuneration level/range for the financial advisers employed to provide non-intrafund advice to your members?**
 - i. What is the aggregated cost of their remuneration?**
 - ii. What is the aggregated cost for their employment?**
 - iii. What is the aggregated cost for their on-costs, including but not limited to, superannuation, leave, training support and office space?**
 - iv. What is the aggregated cost for marketing their services?**
 - v. What is the aggregated cost for administrative support services?**
 - vi. What is the aggregated cost for professional insurance and indemnity?**
 - vii. What is the aggregated cost for compliance oversight?**
 - viii. What is the aggregated cost for legal oversight?**
 - ix. What is the aggregated cost for other regulatory oversight?**
 - x. What is the aggregated cost for the unit, including overheads, that provides financial advice within the fund?**

Answer:

LUCRF has not, over the past five financial years, provided comprehensive advice to its members.

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On financial advisers providing intrafund advice (i.e. strictly limited to advice on your super fund for the member only - not spouse) within your fund over the last five financial years:

- a. How many do you employ (or are you paying for through outsourced arrangements)?**

Answer:

LUCRF Super directly employs 9 advisers and has no outsourced adviser arrangements.

Intrafund advice is provided pursuant to the administration fee charged to all members. Members are not separately charged for the provision of intrafund advice.

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Do you allow members to use their funds to pay for:

- a. Financial advice?**
- b. Internal financial advisers?**
- c. External financial advisers?**

Answer:

No.

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Do you allow external financial advisers access to online facilities to charge for external financial advisers consented by members using their funds?

Answer:

No.