

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

legalsuper

- LEG96QW:** Since 1 January 2020, for each fund, please outline:
- The date and value at the highest valuation of the fund?
 - The date and value at the lowest valuation of the fund?
 - The number of business days between the highest and lowest valuation for the fund?
 - The nominal value between the highest and lowest valuation for the fund?
 - The percentage value between the highest and lowest valuation for the fund?
 - The number of business days between the date of the ASX's lowest valuation, and the lowest day for the valuation of the fund?
 - The number of business days between the date of the ASX's lowest valuation, and the lowest valuation of unlisted assets in the fund?
 - What volume of switching of investments occurred between funds between the highest and lowest valuations?
 - 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?
 - 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?
 - 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?
 - 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: The following data is for legalsuper's superannuation investment options:

- The date and value at the highest valuation of the fund?

Name of investment option	Date of highest valuation	Value of highest valuation
MySuper balanced	20 Feb 2020	2,664,787,891
Growth	20 Feb 2020	460,745,991
High growth	20 Feb 2020	346,182,175
Conservative balanced	20 Feb 2020	203,229,665
Conservative	20 Feb 2020	209,310,156
Australian shares	20 Feb 2020	144,266,288
Overseas shares	19 Feb 2020	89,417,872
Balanced index	21 Feb 2020	74,517,555
Balanced SRI	21 Feb 2020	43,006,032
Cash	30 Jun 2020	102,937,506
Enhanced cash	30 Jun 2020	60,771,238

- b. The date and value at the lowest valuation of the fund?

Name of investment option	Date of lowest valuation	Value of lowest valuation
MySuper balanced	23 Mar 2020	2,154,343,005
Growth	23 Mar 2020	358,113,647
High growth	23 Mar 2020	258,105,874
Conservative balanced	23 Mar 2020	173,502,400
Conservative	23 Mar 2020	188,883,651
Australian shares	23 Mar 2020	96,837,409
Overseas shares	23 Mar 2020	67,743,825
Balanced index	23 Mar 2020	60,371,769
Balanced SRI	24 Mar 2020	35,120,211
Cash	2 Jan 2020	102,726,685
Enhanced cash	2 Jan 2020	60,600,571

- c. The number of business days between the highest and lowest valuation for the fund?

Name of investment option	Number of business days between highest and lowest valuation
MySuper balanced	23
Growth	23
High growth	23
Conservative balanced	23
Conservative	23
Australian shares	23
Overseas shares	24
Balanced index	22
Balanced SRI	23
Cash	129
Enhanced cash	129

- d. The nominal value between the highest and lowest valuation for the fund?

Name of investment option	Nominal value between the highest and lowest valuation
MySuper balanced	\$478,752,245
Growth	\$99,056,160
High growth	\$83,818,183
Conservative balanced	\$19,525,382
Conservative	\$14,840,960
Australian shares	\$41,678,376
Overseas shares	\$19,907,775
Balanced index	\$10,561,952
Balanced SRI	\$6,797,693
Cash	\$171,098
Enhanced cash	\$123,307

- e. The percentage value between the highest and lowest valuation for the fund?

Name of investment option	Percentage value between the highest and lowest valuation
MySuper balanced	-19.2%
Growth	-22.3%
High growth	-25.4%
Conservative balanced	-14.6%
Conservative	-9.8%
Australian shares	-32.9%
Overseas shares	-24.2%
Balanced index	-19.0%
Balanced SRI	-18.3%
Cash	-0.2%
Enhanced cash	-0.3%

- 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?

Name of investment option	Number of business days between the date of the ASX's lowest valuation and the lowest valuation of the option
MySuper balanced	0 (matched the ASX)
Growth	0 (matched the ASX)
High growth	0 (matched the ASX)
Conservative balanced	0 (matched the ASX)
Conservative	0 (matched the ASX)
Australian shares	0 (matched the ASX)
Overseas shares	0 (matched the ASX)
Balanced index	0 (matched the ASX)
Balanced SRI	1
Cash	-58
Enhanced cash	-58

- 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?

Name of investment option	Number of business days between the date of the ASX's lowest valuation and the lowest valuation of unlisted assets of the option
MySuper balanced	72
Growth	72
High growth	72
Conservative balanced	72
Conservative	72
Australian shares	n/a (Nil unlisted assets)
Overseas shares	n/a (Nil unlisted assets)
Balanced index	n/a (Nil unlisted assets)
Balanced SRI	n/a (Nil unlisted assets)
Cash	n/a (Nil unlisted assets)
Enhanced cash	n/a (Nil unlisted assets)

- h. Between the date of the highest and lowest valuations the volume of switching between options was as follows for each option:

Name of investment option	Value of switching between the highest and lowest valuations
MySuper balanced	-18,481,098.10
Growth	-12,563,764.65
High growth	-4,294,061.68
Conservative balanced	-10,941,259.24
Conservative	2,865,340.23
Australian shares	-1,472,965.13
Overseas shares	-1,939,785.60
Balanced index	-1,592,249.24
Balanced SRI	-801,444.13
Cash	55,641,862.47
Enhanced cash	17,468,514.73

- i. Volume of switching between options by trustees (directors) of legalsuper who are also members of the fund between the highest and lowest valuations:

Name of investment option	Value of switching by directors of legalsuper who are also members of legalsuper between the highest and lowest valuations
MySuper balanced	0
Growth	0
High growth	0
Conservative balanced	0
Conservative	0
Australian shares	0
Overseas shares	0
Balanced index	0
Balanced SRI	0
Cash	0
Enhanced cash	0

- j. Volume of switching between options by executives of the fund who are also members of the fund between the highest and lowest valuations

Name of investment option	Value of switching by executives who are also members of legalsuper between the highest and lowest valuations
MySuper balanced	0
Growth	0
High growth	0
Conservative balanced	0
Conservative	0
Australian shares	0
Overseas shares	0
Balanced index	0
Balanced SRI	0
Cash	0
Enhanced cash	0

- k. Volume of switching between options by other employees of legalsuper who are also members of the fund between the highest and lowest valuations:

Name of investment option	Value of switching by other employees who are also members of legalsuper between the highest and lowest valuations
MySuper balanced	0
Growth	0
High growth	0
Conservative balanced	0
Conservative	0
Australian shares	0
Overseas shares	0
Balanced index	0
Balanced SRI	0
Cash	0
Enhanced cash	0

- l. During the period of the lowest and highest valuations, no switches were made by trustees, executives or employees.

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LEG97QW:

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:

- a. 0
- b. 0
- c. 0
- d. n/a
- e. n/a
- f. n/a
- g. n/a
- h. n/a

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LEG98QW:

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)?
- b. What is the remuneration level/range for the financial advisers employed to provide 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 intrafund advice?
- c. What is the revenue that intrafund advisers have generated?
- d. How many financial advisers providing intrafund advice also provide it within the fund?
- e. If you have financial advisers providing intrafund advice also providing it within the fund, how is their remuneration determined from different sources?
- f. Is there any cross-subsidisation for financial advisers providing intrafund advice from revenue funded through activities within the fund?
- g. What is the total budgeted cost and actuals for the intrafund advice unit?
- h. What is the revenue generated from these financial advisers?
- i. Within your fund, is there any cross-subsidisation for intrafund advice services?

Answer:

legalsuper does not employ financial advisors. We do employ 19 Client Service Managers who can provide assistance on general superannuation matters. They provide factual information, general advice and limited-in-scope personal advice in relation to a transition to retirement strategy only (fees apply only for advice re transition to retirement strategies). They only provide financial product advice on legalsuper products and options.

- a. n/a
- b. n/a
- c. n/a
- d. n/a
- e. n/a
- f. n/a
- g. n/a
- h. n/a
- i. n/a

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LEG99QW: Do you allow members to use their funds to pay for:

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

Answer:

- a. Yes
- b. n/a
- c. Yes

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LEG100QW:

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

Answer:

External financial advisers can access member information (where consent provided) via an online facility. There is no cost to the member or external financial adviser to use the online facility.