

**HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS  
REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS  
SUPERANNUATION SECTOR**

**Suncorp**

**SC1QW:**

The details of the date and location of your annual general meeting for the past five years, and whether fund members were invited to attend.

**Answer:**

Suncorp Portfolio Services Limited (SPSL) has not held annual general meetings during the past 5 years.

SPSL is a wholly-owned subsidiary of Suncorp Life Holdings Limited, which is itself a wholly-owned subsidiary of Suncorp Group Limited (SGL).

Moving forward, SPSL will be holding annual member meetings in accordance with the recent legislative changes to the SIS Act. This will provide an opportunity for members to engage directly with the trustee and ask questions.

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**Suncorp**

**SC2QW:**

The details of any fund member briefings where it was possible to ask fund managers, executives or directors questions over the past five years.

**Answer:**

SPSL does not hold regular briefings attended by fund managers, executives and directors for members of the fund generally.

Seminars for members of the Suncorp Employee Superannuation Plan (SESP) are held annually. These seminars are usually delivered by Suncorp's Intermediaries team. In September and October 2016, Morningstar Investment Management Australia Limited (Morningstar) attended the seminars and presented to members of the SESP. Morningstar is the investment manager appointed to SPSL's default MySuper investment option, the Suncorp Lifestage Fund.

In April 2016 and May 2017, meetings were held for employer and employee representatives of SESP. Morningstar attended these meetings and provided an economic update.

Suncorp's intermediaries team often provide briefings and presentations to members' advisers, particularly when a new product is launched such as Suncorp's Brighter Super product which was launched in May 2016.

SPSL is aware that independent financial advisers also provide similar services to that provided to SESP members (to greater and lesser extent), with or without the support of our Intermediary team.

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**Suncorp**

**SC3QW:**

Details of all ASIC fines and infringement notices incurred over the past five years.

**Answer:**

SPSL has not incurred any ASIC fines or infringement notices over the past five years.

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**Suncorp**

**SC4QW:**

The name and company of your auditor for the past five years.

**Answer:**

Financial year 2015 - Malcolm Kafer, Partner, KPMG

Financial year 2016 - David Kells, Partner, KPMG

Financial year 2017 - David Kells, Partner, KPMG

Financial year 2018 – David Kells, Partner, KPMG

Financial year 2019 – David Kells, Partner, KPMG

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**Suncorp**

**SC5QW:**

For the past five years the total value in dollars and as a percentage of the total value of a fund:

- a. Listed investments
- b. Unlisted investments
- c. Total investments.

**Answer:**

Refer to the attached Excel spreadsheet in response to SC5QW and SC6QW (Document ID SC5.2QW).

The data in the spreadsheet has been extracted from submissions reported to APRA in SRF 530 Investments and SRF 531 investment Flows for FY2015 to FY2019. The basis of preparation of SRF 530 and 531 is on an investment look through basis, this means the underlying investment in the portfolio.

In relation to total investments, this has been interpreted to represent the Net Assets of the Suncorp Master Trust operated by SPSL.

**As Reported on SRF 530 Annual returns****Sum of Value**

<b>Asset Listing Type (\$),000</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>
Listed	2,542,392	3,705,533	4,076,997	3,790,316	3,356,690
Not applicable	1,416,698	1,446,676	1,700,613	1,933,555	1,546,966
Unlisted	2,764,028	1,680,255	1,134,310	1,336,292	1,982,833
<b>Grand Total</b>	<b>6,723,118</b>	<b>6,832,465</b>	<b>6,911,920</b>	<b>7,060,163</b>	<b>6,886,489</b>

**Value of the Fund (\$),000**

	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>
<b>SRF 320 - Net Assets</b>	6,704,438	6,794,679	6,885,635	7,000,502	6,910,591

Assumed to be Net Assets available for Members Benefits as reported in SRF 320 Statement of Financial Position

**Sum of Value**

<b>Asset Listing Type (%)</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>
Listed	38%	54%	59%	53%	49%
Not applicable	21%	21%	25%	28%	22%
Unlisted	41%	25%	16%	19%	29%
<b>Grand Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**Asset Listing Type (\$),000**

	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>
Listed	1,987	61,643	260,296	277,808	289,808
Not applicable	12,908	60,459	76,153	47,627	22,552
Unlisted	1,026	30,387	41,429	43,608	24,055
<b>Grand Total</b>	<b>15,921</b>	<b>152,489</b>	<b>377,878</b>	<b>369,043</b>	<b>336,415</b>

**As reported on SRF 531 Annual Returns****Sum of Total Gains/Losses**

<b>Asset Listing Type (\$),000</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>
Listed	300,316	79,335	125,438	212,853	43,646
Not applicable	145,689	15,447	6,366	12,751	30,235
Unlisted	134,191	25,068	14,711	-17,077	56,844
<b>Grand Total</b>	<b>580,196</b>	<b>119,850</b>	<b>146,515</b>	<b>208,527</b>	<b>130,725</b>

**Sum of Investment Income**

<b>Asset Listing Type (\$),000</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>
Listed	1,987	61,643	260,296	277,808	289,808
Not applicable	12,908	60,459	76,153	47,627	22,552
Unlisted	1,026	30,387	41,429	43,608	24,055
<b>Grand Total</b>	<b>15,921</b>	<b>152,489</b>	<b>377,878</b>	<b>369,043</b>	<b>336,415</b>

**Total Fund Returns (\$),000**

	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>
Listed	302,303	140,978	385,734	490,661	333,454
Not applicable	158,597	75,906	82,519	60,378	52,787
Unlisted	135,217	55,455	56,140	26,531	80,899
<b>Grand Total</b>	<b>596,117</b>	<b>272,339</b>	<b>524,393</b>	<b>577,570</b>	<b>467,140</b>

Assumed to be total gains/losses and investment income

**Total Returns of the Fund (%)**

	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>
Listed	51%	52%	74%	85%	71%
Not applicable	27%	28%	16%	10%	11%
Unlisted	23%	20%	11%	5%	17%
<b>Grand Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

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**Suncorp**

**SC6QW:**

For the past five years the total value in dollars and as a percentage of the total return for the fund:

- a. Listed investments
- b. Unlisted investments
- c. Total investments.

**Answer:**

Refer to the response to SC5QW.

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**Suncorp**

**SC7QW:**

A copy of your asset valuation policy (covering amongst other things independence of valuation, managing conflicts of interest, frequency of valuation, publication of latest valuation timings to members etc).

**Answer:**

The majority of fund assets are listed valued on a daily basis. This process is completed by our custodian, NAB Asset Services (NAS).

Copies of the relevant documents have been provided on a confidential basis.



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**Suncorp**

**SC8QW:**

Details of each individual asset currently held at a value other than available listed market prices (an unlisted asset) wholly owned by the fund or funds under your control, including:

- a. The asset name and location.
- b. The frequency of the revaluation of the asset.
- c. The most recent valuation.
- d. A copy of that valuation.
- e. The methodology used for its valuation.
- f. Whether the valuation was completed internally or externally.
- g. The details of any external party involved in the valuation.

**Answer:**

SPSL does not currently hold any wholly owned unlisted assets.

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**Suncorp**

**SC9QW:**

Details of each individual asset currently held at a value other than available listed market prices (an unlisted asset) partly owned by the fund or funds under your control, including:

- a. The asset name and location.
- b. The frequency of the revaluation of the asset.
- c. The most recent valuation.
- d. A copy of that valuation.
- e. The methodology used for its valuation.
- f. Whether the valuation was completed internally or externally.
- g. The details of any external party involved in the valuation.

**Answer:**

SPSL is responsible for the operation of the Suncorp Master Trust. The Suncorp Master Trust holds investments in The Infrastructure Fund (TIF) which is managed by Macquarie Fund Advisers Pty Limited (MFA) which represents approximately 0.57% of total funds under management. We have not included details of bonds or other fixed income instruments in this response. The details requested are below.

- a. The asset name and location.

As at 30 September 2019, TIF holds investments in:

- Queensland Airports Limited – Australia
- North Queensland Airports - Australia
- Perth Airport - Australia
- Sydney Desalination Plant - Australia
- ElectraNet - Australia
- Port of Newcastle - Australia
- New Royal Adelaide Hospital - Australia
- Porterbrook – United Kingdom
- NSW Land Registry Services - Australia
- Ballarat Water – Australia

- b. The frequency of the revaluation of the asset.

In order to calculate the value of the assets of TIF, as per the above definition, the fair value of the various investments are determined:

- semi-annually, each June and December half-year, by an independent valuation firm;

- on a monthly basis (excluding the months of June and December) by the Manager, in accordance with the terms of the investment management agreement (IMA); and
- on an ad hoc basis by an independent valuation firm, if recommended by the Manager and approved by the Trustee in accordance with the terms of the IMA.

c. The most recent valuation.

The most recent independent valuation was conducted at 30 June 2019. Per the response to part B, the Investment Manager also performs interim monthly valuations, with the most recent occurring at 30 September 2019.

d. A copy of that valuation.

MFA has indicated that the valuation reports were provided to SPSL on a confidential basis, and are not available for viewing by other parties. MFA has not consented to SPSL providing the valuation reports to the Committee.

e. The methodology used for its valuation.

An independent valuation involves the review of the investee entity's projected future cashflows (including franking credits, if applicable), discounted back to their present value using an appropriate risk adjusted discount rate. To align with the performance measurement of the Manager, this will exclude foreign tax credits.

f. Whether the valuation was completed internally or externally.

The 30 June 2019 independent valuation was conducted by external independent valuers. The most recent 30 September 2019 interim valuation was performed by the Investment Manager.

g. The details of any external party involved in the valuation.

Per the agreed terms with the Independent Valuer's, the details of their appointment is confidential.

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**Suncorp**

**SC10QW:**

Details of arrangements for the temporary or permanent use for corporate venue hire (including corporate boxes), including additional non-hire costs such as catering, at sporting venues over the past five years.

**Answer:**

Corporate Suites at Suncorp Stadium (20 seat suite) and AAMI Park (18 seat suite) are included as part of SGL's naming rights agreement with each venue. SGL has access to these suites for all events at each venue, which includes rugby league, rugby union, A-League soccer and special events (for example, concerts, boxing matches, monster trucks etc).

Tickets to each suite are included in this agreement. Catering costs for the use of the suite are additional and are at the expense of the line of business who utilise the suite.

The Corporate Suites are used for customer, client and stakeholder entertainment and are not used for staff rewards. Any staff attending the suite are there for hosting purposes only.

We could not determine any corporate box functions being hosted on behalf of SPSL.

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**Suncorp**

**SC11QW:**

Details of costs for advertising campaigns for the past five years, including:

- a. The companies invited to tender for all or parts of any advertising campaign.
- b. The companies awarded campaigns.
- c. The total cost of each campaign.
- d. The cost of the campaign’s development.
- e. Broadcasting (television, radio and internet) and publishing costs.
- f. Assessment reports of the efficacy of campaigns in either retaining or gaining new members.

**Answer:**

No advertising or marketing expenses have been incurred by SPSL as trustee and paid out of moneys of the Suncorp Master Trust in FY2015 to FY2019. This is consistent with the information set out in Item 10.2 of SPSL’s SRF 330.0 returns to APRA.

Separately:

- 1 in its own accounts, SPSL has recorded advertising and promotional expenses in the following amounts for the years FY2015 to FY2019.

Account Code	Account Name	FY2015 \$000s	FY2016 \$000s	FY2017 \$000s	FY2018 \$000s	FY2019 \$000s
793006	MFEE Advertising & Promotions Expense	1,424	1,668	1,807	732	1,113
793156	Cost Recovery Advertising & Promotions Expense	557	303	152	104	43

No recovery from the Suncorp Master Trust has been sought in respect of those expenses; and

- 2 Asteron Life & Superannuation Limited (formerly Suncorp Life & Superannuation Limited) (**Asteron**) provides certain services to SPSL under a Services Deed between Asteron and SPSL. One of those services relates to the payment by Asteron of certain promotional expenses in respect of three divisions of the Suncorp Master Trust. Asteron has identified promotional expenses in the amount of \$462,860 in FY2015 and \$54,649 in FY2016 referable to the provision of this service.

The expenses identified in items 1 and 2 above do not relate solely to the Suncorp Master Trust. Those expenses are the product of the allocation of expenses within the broader

Suncorp Group; they are not directly incurred by SPSL from services providers. Allocation of marketing expenses to SPSL occurs either as a result of a direct allocation of marketing dedicated to promoting SPSL products or services, a share of the general marketing costs of the “Wealth” line of business, or a share of group wide marketing costs. The marketing costs allocated to SPSL comprise not only fees paid to service providers, but also internal expenses (such as marketing resource costs) and other overheads.

The wholesale identification and extraction of individual marketing expenses and associated service providers would require review of approximately 60,000 rows of transactional data in any given month and the associated development of analytical tools, which would yield information with low to moderate confidence in its accuracy.