

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

AMG SUPER

AMG80QW:

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:

Questions a – f:

AMG Super Fund Name	Question A		Question B		Question C	Question D	Question E	Question F
	Highest mid price	Date of highest mid price	Lowest mid price	Date of lowest mid price	Number of business days between highest and lowest price	Nominal Value of difference between highest and lowest price	Percentage value of difference between highest and lowest price	Number of business days between ASXs lowest valuation and lowest day for valuation of the fund
High Growth	3.3744	19/02/2020	2.5008	20/03/2020	23	-0.8736	26%	0
Managed Growth	3.3500	19/02/2020	2.5935	20/03/2020	23	-0.7565	23%	0
Balanced	3.1554	19/02/2020	2.5625	20/03/2020	23	-0.5929	19%	0
Capital Stable	2.7341	19/02/2020	2.3449	20/03/2020	23	-0.3892	14%	0
Conservative	2.6003	21/02/2020	2.3889	27/03/2020	26	-0.2114	8%	6
Australian Equities	4.3617	21/02/2020	2.8945	20/03/2020	21	-1.4672	34%	1
International Equities	3.3300	19/02/2020	2.4760	20/03/2020	23	-0.8540	26%	0
Listed Property Trusts	2.9681	19/02/2020	1.8931	27/03/2020	28	-1.0750	36%	6
Australian Fixed Interest	1.9648	17/07/2020	1.8955	25/03/2020	83	-0.0693	4%	4
International Fixed Interest	2.2730	6/03/2020	2.1234	18/03/2020	9	-0.1496	7%	3
AMG Cash	2.2639	17/07/2020	2.2495	1/01/2020	143	-0.0145	1%	58
AMG MySuper	1.5364	21/02/2020	1.2224	20/03/2020	21	-0.3140	20%	0

- g. N/A – the fund has no unlisted assets
- h. 37 members of AMG Super requested switches in the period between each funds highest and lowest mid-price since 1-Jan-20. The absolute value of these switches was \$1,689,272.06, resulting in an average switch of \$45,656 per member.
- i. N/A – no trustees of the fund are members of the fund
- j. N/A – no executives of the fund are members of the fund
- k. None
- i. We price our investment options post-date so gap arbitrage is not possible. When a member requests a switch, or a buy/sell into an investment, they receive the close price of the day they make the request. This close price is not published until 1-3 days later. You are unable to take advantage of arbitrage as you receive the current un-published price, not a pre-published price.

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AMG81QW:

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:

AMG Super do not employ any financial advisers

- a. None
- b. N/A
- c. N/A
- d. N/A

- e. N/A
- f. N/A
- g. None
- h. N/A

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AMG SUPER

AMG82QW:

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:

AMG Super do not employ any financial advisers.

- a. None
- 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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AMG83QW:

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 – for external advice services provided in relation to their superannuation
- b. N/A – AMG super do not have internal financial advisers
- c. Yes – for advice services provided in relation to their superannuation

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AMG84QW: Do you allow external financial advisers access to online facilities to charge for external financial advisers consented by members using their funds?

ANSWER:

No. The member must submit a signed nomination form giving their express consent for an external adviser to charge fees in relation to advice solely regarding their superannuation.