

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

AMP

AMP149QW

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

AMP Trustees (AMP Superannuation Limited and NM Superannuation Pty Ltd) were the RSE licensees of 7 funds prior to 15 May 2020. As a result of the separation of AMP Life from the AMP Group (prior to the eventual sale), a number of Successor Fund Transfers (SFTs) were undertaken. The number of funds now controlled by AMP has reduced to 2 funds, under the single trustee of NM Superannuation Pty Ltd.

Data provided for the fund valuation questions below are only comparable for the period 1 January 2020 to 15 May 2020 (with the exception of the AMP Eligible Rollover Fund as no SFT impacted this fund).

The ProSuper fund has not been included in the responses below as its members (currently 5 individuals) have an interest in an old insurance hybrid product that has not been able to be rationalised.

Please note, only month-end data was available in the time available to respond to the questions.

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?**

	AMP Superannuation Savings Trust (SST)	Super Directions Fund (SDF)	AMP Retirement Trust (ART)	National Mutual Retirement Fund (NMRF)	Wealth Personal Superannuation and Pension Fund (Wealth Fund)	Eligible Rollover Fund (ERF)
a. The date and value at the highest valuation of the fund?	\$ 54,879,532,585 (31 Jan 2020)	\$ 2,296,729,607 (31 Jan 2020)	\$ 16,199,468,289 (31 Jan 2020)	\$ 12,043,557,856 (31 Jan 2020)	\$ 46,254,439,409 (31 Jan 2020)	\$ 1,098,086,643 (31 Jan 2020)
b. The date and value at the lowest valuation of the fund?	\$ 47,001,911,089 (31 Mar 2020)	\$ 2,003,869,143 (31 Mar 2020)	\$ 13,525,073,540 (31 Mar 2020)	\$ 10,614,028,118 (29 Feb 2020)	\$ 39,779,393,577 (31 Mar 2020)	\$ 1,027,380,196 (30 Jun 2020)
c. The number of business days between the highest and lowest valuation for the fund?	42 business days	42 business days	42 business days	20 business days	42 business days	107 business days
d. The nominal value between the highest and lowest valuation for the fund?	\$ 7,877,621,495	\$ 292,860,464	\$ 2,674,394,749	\$ 1,429,529,738	\$ 6,475,045,832	\$ 70,706,447
e. The percentage value between the highest and lowest valuation for the fund?	14%	13%	17%	12%	14%	6%
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? <i>* Note we have used the ASX All Ordinaries Index which recorded its lowest opening valuation on March 24 2020.</i>	5 business days	5 business days	5 business days	16 business days	5 business days	70 business days

Note: month-end data was available in the time available to respond to the questions.

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?

AMP funds do not directly invest in unlisted assets, all exposure is via underlying trust structures managed by parties external to the Trustee.

h. What volume of switching of investments occurred between funds between the highest and lowest valuations?

AMP Superannuation Savings Trust (SST)	Super Directions Fund (SDF)	AMP Retirement Trust (ART)	National Mutual Retirement Fund (NMRF)	Wealth Personal Superannuation and Pension Fund (Wealth Fund)	Eligible Rollover Fund (ERF)
\$ 1,849,896,818	\$ 19,927,314	\$ 614,166,179	\$ 242,827	\$ 4,407,695,516	n/a

Note: The ERF has only a single investment option, hence switching data is not applicable.

- 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?**

The data provided is for the relevant staff superannuation plan (Employee Superannuation Plan). The plan is unable to identify ‘employee, executives, trustees’ as member types, and therefore outlines the consolidated switching information for the plan. The plan in February and March 2020 was within the SignatureSuper product, included in the SST RSE Funds Under Management (in the above highest and lowest values).

Month	Switching FUM Value	Switches Conducted	Unique Members Switching
February 2020	\$7,994,098	132	91
March 2020	\$18,264,983	332	233

I. 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?

AMP's superannuation funds have a large exposure to liquid traded securities. The funds' valuations change to reflect the changes in the underlying securities on a daily basis, which prevents the opportunity to profit from a valuation arbitrage.

AMP's superannuation funds do not own unlisted assets directly, they have exposure to unlisted assets held through Trust structures. The valuation changes of the fund resulting from the unlisted assets are therefore the result of valuation changes provided by the investment managers, which the Superannuation Trustee has no prior knowledge of.

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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?
- a. What is the aggregated cost for the unit, including overheads, that provides financial advice within the fund?

Answer

The AMP Trustee (NM Superannuation Pty Ltd) does not employ any advisers to provide non-intrafund advice within its funds.

AMP Group has a small employed advice channel, as well as an extensive aligned advice network with whom members may enter into private arrangements to provide non-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

Yes.

AMP allows a member to pay for financial advice received using funds from their superannuation account, consistent with the requirements of the SIS Act. There is no restriction on a member as to whether their adviser is an internal or external adviser.

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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

A member's nominated external financial adviser is able to set up deductions for advice fees (initial, ad-hoc, ongoing) within a member's account on AMP's platform. Any deduction for advice fees is restricted within the online platform, with maximum fees dependent upon the size of the member's account balance.