

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

AMP

AMP179QW:

In dollar terms, how much advertising space did your fund book (directly or indirectly through a broker or agent) in the second half of 2020 that was unused on:

- a. radio?
- a. television?
- b. print?

ANSWER:

NM Superannuation Proprietary Limited, the trustee of the AMP super funds, does not undertake any advertising or marketing itself. However, AMP Limited does undertake marketing and advertising campaigns from time to time.

AMP Limited did not have any booked and unused advertising space in the second half of 2020 for any of the above media.

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AMP

AMP180QW:

In minutes, how much advertising space did your fund book (directly or indirectly through a broker or agent) in the second half of 2020 that was unused on:

- a. radio?
- a. television?
- b. print?

ANSWER:

NM Superannuation Proprietary Limited, the trustee of the AMP superannuation funds, does not undertake any advertising or marketing itself. However, AMP Limited does undertake marketing and advertising campaigns from time to time.

AMP Limited did not have any booked and unused advertising space in the second half of 2020 for any of the above media.

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AMP

AMP181QW:

Please complete the table for the last five financial years outlining your financial contribution to Industry Super Australia.

Financial year	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020
Contribution (\$)					

ANSWER:

AMP has made no financial contribution to Industry Super Australia for the last five financial years.

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AMP

AMP182QW:

What is your current policy on whether your funds are permitted to invest in:

- a. residential property?
- b. Build-to-Rent housing?
- c. social housing?

ANSWER:

AMP has one generic MySuper product, which uses a lifecycle approach with different cohorts of members based on their decade of birth. There are six funds within this product. AMP has responded to this question in respect of these six MySuper funds, unless otherwise stated.

Under the MySuper current mandate, there are no restrictions to invest in residential property, Build-to-Rent housing or social housing. However, AMP does not currently have any investments in Build-to-Rent housing or social housing in MySuper, other than those which may arise through its investment in residential property as described below.

Within its unlisted allocation, the MySuper product holds a diversified range of property assets and investments in the office, retail and industrial sectors through allocations to the AMP Capital Diversified Property Fund, AMP Capital Shopping Centre Fund and AMP Capital Wholesale Office Fund. The AMP Capital Diversified Property Fund's target sector allocation does not include residential property, however it may hold/develop ancillary residential assets where it forms part of a larger holding of office, retail and industrial. This does not represent a material part of the AMP Capital Diversified Property Fund, and an even less material proportion of the MySuper funds.

Across the MySuper range of funds, the allocation to listed property ranges from approximately 2% - 3.6%, depending on the age cohort represented by the individual fund. Within that allocation to listed property, there are investments in residential property. For example, through its allocation to a global listed property (Global REITs) strategy, the MySuper 1970s product has a 0.52% allocation (as at 30 June 2020) to the Residential REITs sector which are defined to be real estate investment trusts specialising in the ownership, development and management of residential properties. Residential REITs may own, develop or manage apartment buildings, known as multi-family residential, or single dwellings, known as single family residential. In addition to these Residential REITs, the Global REIT portfolio also invests in diversified REITs and property companies, which may also have residential exposure.

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AMP

AMP183QW:

What data do you have on the home ownership rates of fund members?

ANSWER:

AMP does not have any data on the home ownership rates of fund members.

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AMP

AMP184QW:

Have you ever:

- a. completed *internal* research that includes retirement outcomes for fund members who own their home in retirement, compared to those who do not?
- b. commissioned *external* research that includes retirement outcomes for fund members who own their home in retirement, compared to those who do not?

ANSWER:

AMP Limited has not completed internal research, nor commissioned external research, that considered retirement outcomes for members based on whether or not members own their home in retirement.

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AMP

AMP185QW:

For the last five financial years, please complete the table for the average return on all your investments.

Financial year	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020
Average return (%)					

ANSWER:

AMP has one generic MySuper product, which uses a lifecycle approach with different cohorts of members based on their decade of birth. There are six funds within this product. AMP has responded to this question in respect of these six MySuper funds.

The annual returns given are representative member returns for the relevant financial year, assuming a \$50,000 balance, net of product fees. Given the different asset allocations within each fund, which vary according to the risk profile of each fund, and the differing size of the funds, we have not calculated an overall average across the funds for each financial year.

Financial year	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020
Annual return (%)					
AMP MySuper Capital Stable	1.7%	5.3%	4.7%	5.1%	-0.7%
AMP MySuper 1950s	1.9%	6.1%	5.1%	5.2%	-0.5%
AMP MySuper 1960s	2.3%	8.1%	6.7%	5.5%	-0.6%
AMP MySuper 1970s	2.1%	11.2%	9.2%	5.8%	-2.1%
AMP MySuper 1980s	1.9%	11.8%	9.5%	6.1%	-2.5%
AMP MySuper 1990s	1.8%	11.6%	9.4%	5.9%	-3.1%

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AMP

AMP186QW:

For the last five financial years, please complete the table for investments across all your funds in all forms of residential property:

- a. in nominal value
- b. as a share of your total portfolio
- c. the average return on investment

ANSWER:

As noted in AMP’s response to AMP182QW, AMP has one generic MySuper product, which uses a lifecycle approach with different cohorts of members based on their decade of birth. There are five funds within this product.

The information below relates to the AMP’s MySuper 1970’s fund, as this is the largest fund by FUM of the MySuper range and is broadly representative of the five funds.

Financial year	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020
Nominal value (\$)	13.1m (\$2.344bn MySuper 1970s FUM x 0.56% allocation to residential REITs)	23.1m	21.3m	21.4m	29.1m
Share of portfolio (%)	0.56 (18.11% Residential REITs allocation x 3.08% Global REITs allocation)	0.45 (18.63% x 2.44%)	0.37 (13.81% x 2.65%)	0.36 (14.43% x 2.48%)	0.52 (17.16% x 3.02%)
Average return (%)	17.60	8.37	0.20	20.37	-7.93

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AMP

AMP187QW:

For the last five financial years, please complete the table for investments across all your funds in Build-to-Rent property:

- a. in nominal value
- b. as a share of your total portfolio
- c. the average return on investment

Financial year	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020
Nominal value (\$)					
Share of portfolio (%)					
Average return (%)					

ANSWER:

The AMP MySuper range does not currently have any specific allocation to Build-to-Rent property other than those included in AMP's response to AMP182QW.

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AMP

AMP188QW:

For the last five financial years, please complete the table for investments across all your funds in social housing property:

- a. in nominal value
- b. as a share of your total portfolio
- c. the average return on investment

Financial year	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020
Nominal value (\$)					
Share of portfolio (%)					
Average return (%)					

ANSWER:

The AMP MySuper range does not currently have any specific allocation to social housing property other than those included in AMP's response to AMP182QW.

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AMP

AMP189QW:

Please outline your policy on:

- a. Fund members using their superannuation fund for a deposit to buy their first home.
- b. Retirees using their superannuation to:
 - i. renovate their home
 - ii. pay rent.

ANSWER:

- a. The release of super to purchase a home is not in line with the purpose of superannuation, which is to provide an income stream to people in their retirement. Therefore AMP does not support fund members using their superannuation savings for a deposit for their first home.
- b. The trustee of the AMP superannuation funds does not have a policy in respect of how members who have reached preservation age use their superannuation. Once a member is entitled to access their funds, they can use those funds in any way that they consider appropriate, including to renovate their home or to pay rent.

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AMP

AMP190QW:

Within your fund, what percentage of retirees in each of the last five financial years used their superannuation to:

- a. renovate their home?
- b. clear their remaining mortgage?

Financial year	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020
Super used for renovations (%)					
Super used to clear mortgage (%)					

ANSWER:

As noted in AMP's response to part (b) of AMP189QW, once a member has reached preservation age and is entitled to access their superannuation, they can use their funds as they see fit. AMP has no information on how retirees use their funds.

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AMP

AMP191QW:

Insurance premiums:

- a. Have you ever deducted insurance premiums from fund members for insurance policies that they are not covered by?
- b. Have you ever completed an audit to identify if insurance premiums have been deducted from fund members for insurance policies that they are not covered by?

ANSWER:

AMP's responses are in respect of insurance policies held within an AMP super fund (ie insurance inside super), based on information that AMP was able to access from its incident management system in the time available.

- a. Yes, there have been some circumstances where insurance premiums were deducted from member accounts for insurance cover where the member's circumstances differed to what was outlined in our disclosure and underlying insurance policies. For example, Temporary Salary Continuance cover cannot be claimed if a member is unemployed. Another example is where an employer stated that a member is full time or part time and at claim time, we found that they were in fact casual.

These incidents have been rectified with refund of premiums, compensation for lost earnings and communication to members.

- b. As part of a significant successor fund transfer (SFT) in May 2020, User Acceptance Testing was completed to ensure appropriate levels of insurance cover were migrated as appropriate.

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AMP192QW:

Material distributed to members:

- a. Have you ever distributed materials to members that state and/or suggest that:
 - i. members have coverage under insurance policies that they do not have?
 - ii. members are required to keep a minimum balance in their superannuation fund?
 - iii. their employer may be unwilling to contribute to another superannuation fund?
 - iv. members require a statement of any kind from their employer to move away from your fund?
- b. Have you ever completed an audit of materials distributed to members that state and/or suggest that members have coverage under insurance policies that they do not have?
- c. Have you ever completed an audit to establish whether you have distributed materials to members that state and/or suggest that:
 - i. they are required to keep a minimum balance in their superannuation fund?
 - ii. their employer may be unwilling to contribute to another superannuation fund?
 - iii. they require a statement of any kind from their employer to move away from your fund?

ANSWER:

AMP superannuation products are held either in the Wealth Personal Superannuation and Pension Fund (wrap platform products) or the Super Directions Fund (mastertrust products). The answers provided below are in respect of both superannuation funds, unless otherwise stated.

- a. Distribution of materials
 - i. No, other than as noted in AMP's response to AMP191QW. In these instances, members may have received annual statements or other documents indicating that they had cover under the relevant policy.
 - ii. For products in the Wealth Fund: The PDS for Wrap products outline minimum initial contributions, rollovers or transfers to commence accounts, where relevant. For some Wrap super products, disclosure specifies that a super account balance is to be maintained after a partial withdrawal. For other Wrap super products, account balance minimums aren't required, however a minimum cash balance may be required.

For products in the Super Directions Fund: Historically, members who wanted to complete a partial withdrawal were required to maintain \$5,000 in their account. This is no longer a requirement.
 - iii. No.
 - iv. No.

b. No.

c. Audit in respect of distribution of materials

i. No.

ii. No.

iii. No.