

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

AMP

AMP38QW: Over the last five financial years:

- a) What is the total budget for all costs associated with the fund?
- b) What were the total assets under management?
- c) What are the total number of employees?
- d) What are the total number of contractors?
- e) What are the total number of externally hired contracts, and their value?

Answer:

- a) What is the total budget for all costs associated with the fund?

The administration fee of a fund is a proxy for the costs of the fund, as this fee is paid to the contracted service provider for the administration and operation of the fund.

The administration fees for each MySuper product are set out in the table below:

	2015	2016	2017	2018	2019
Administration Fee Deducted (\$'000s)					
AMP MySuper Balanced	\$ 3,656	\$ 5,623	\$ 8,731	\$ 10,571	\$ 11,816
AMP MySuper 1970s	\$ 30,070	\$ 48,953	\$ 75,386	\$ 117,918	\$ 90,219
SDF MySuper 1970s	\$ 3,585	\$ 4,499	\$ 13,863	\$ 15,914	\$ 11,294

- b) What were the total assets under management?

The assets under management for each MySuper product is set out in the table below:

	2015	2016	2017	2018	2019
Total Assets under management (\$'000s)					
AMP MySuper Balanced	\$ 215,852	\$ 373,875	\$ 759,642	\$ 936,710	\$ 1,108,206
AMP MySuper 1970s	\$ 2,527,560	\$ 6,639,146	\$ 13,497,819	\$ 14,468,317	\$ 14,868,936
SDF MySuper 1970s	\$ 180,066	\$ 267,439	\$ 1,208,948	\$ 1,244,523	\$ 1,236,998

- c) What are the total number of employees?

There are no employees directly employed by any of AMP's superannuation funds.

Refer to AMP79QW for further information.

d) What are the total number of contractors?

There are no contractors directly employed by the any of AMP's superannuation funds.

e) What are the total number of externally hired contracts, and their value?

There are no externally hired contractors directly employed by any of AMP's superannuation funds.

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AMP

AMP39QW:

Over the last five financial years:

- a) What is the total number of member accounts?
- b) What is the total increase in the number of members as a result of the fund's default status?
- c) What is the total increase in the number of members through voluntary adoption or switching?
- d) What was the average member balance?
- e) What was the average dollar amount deducted in insurance fees per member, across all fund products in dollar terms and as a share of a member account?
- f) What was the total number of inactive accounts? (Please use the APRA definition: no contributions for two years)

Answer:

Please refer to tables provided in AMP39QW.01 for the answers to the above questions.

AMP has a total of seven superannuation funds, but only three of these offer MySuper products. In our response to question AMP39QW, AMP has focused on only the funds that offer a default MySuper product.

Within these three MySuper products, there are specific investment options that are generally offered as the default investment option to individuals, either directly or via an employer plan.

As a result, these investment options are the largest within the relevant MySuper product, both by number of members and value of savings, and it is these investment options on which we have based our responses to this question.

The default investment options are:

- AMP Retirement Trust (ART) – AMP MySuper Balanced investment option
- AMP Superannuation Savings Trust (SST) – AMP MySuper 1970s lifecycle investment option
- AMP Super Directions Fund (SDF) – AMP MySuper 1970s lifecycle investment option

AMP39QW

ART MySuper Balanced	FY ending 30 June				
	2015	2016	2017	2018	2019
a. Total Number of Member accounts	49,871	72,100	82,725	91,853	102,441
b. Total increase in the number of members as a result of the fund's default status	not available	not available	not available	not available	not available
c. Total increase in the number of members through voluntary adoption or switching	20,433	22,229	10,625	9,128	10,588
d. Average member balance	\$ 4,328	\$ 5,186	\$ 9,183	\$ 10,198	\$ 10,818
e. Average dollar amount deducted in insurance fees per member in dollar terms	258	209	216	212	197
Average dollar amount deducted in insurance fees per member as a share of a member					
e. account	6.0%	4.0%	2.4%	2.1%	1.8%
f. Total number of inactive accounts	3,244	10,005	8,998	13,212	18,531

SST MySuper 1970s	FY ending 30 June				
	2015	2016	2017	2018	2019
a. Total Number of Member accounts	352,597	471,365	624,744	591,663	555,934
b. Total increase in the number of members as a result of the fund's default status	not available	not available	not available	not available	not available
c. Total increase in the number of members through voluntary adoption or switching	73,648	118,768	153,379	- 33,081	- 35,729
d. Average member balance	\$ 7,168	\$ 14,085	\$ 21,605	\$ 24,454	\$ 26,746
e. Average dollar amount deducted in insurance fees per member in dollar terms	365	336	338	361	375
Average dollar amount deducted in insurance fees per member as a share of a member					
e. account	5.1%	2.4%	1.6%	1.5%	1.4%
f. Total number of inactive accounts	1,539	7,890	20,538	31,198	61,030

SDF MySuper 1970s	FY ending 30 June				
	2015	2016	2017	2018	2019
a. Total Number of Member accounts	48,067	52,183	98,421	89,158	82,347
b. Total increase in the number of members as a result of the fund's default status	not available	not available	not available	not available	not available
c. Total increase in the number of members through voluntary adoption or switching	10,048	4,116	46,238	- 9,263	- 6,811
d. Average member balance	\$ 3,746	\$ 5,125	\$ 12,283	\$ 13,959	\$ 15,022
e. Average dollar amount deducted in insurance fees per member in dollar terms	188	177	128	137	139
Average dollar amount deducted in insurance fees per member as a share of a member					
e. account	5.0%	3.5%	1.0%	1.0%	0.9%
f. Total number of inactive accounts	-	-	9,847	10,487	16,971

Notes: AMP does not have the reporting systems in place to track the number of members joining as a result of the fund's default status. Therefore any movements will be reported as part of the response to question c. We do not believe the numbers of new members joining as a result of the Fund's default status to be significant in any case.

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AMP

AMP40QW: Please provide the one, five, and ten year net return after fees, costs and taxes for the primary default MySuper balanced product.

Answer:

AMP has a total of seven superannuation funds, but only three of these offer MySuper products.

Within these three MySuper products, there are specific investment options that are generally offered as the default investment option to individuals, either directly or via an employer plan.

As a result, these investment options are the largest within the relevant MySuper product, both by number of members and value of savings, and it is these investment options on which we have based our responses to this question.

The default investment options are:

- AMP Retirement Trust (ART) – AMP MySuper Balanced investment option
- AMP Superannuation Savings Trust (SST) – AMP MySuper 1970s lifecycle investment option
- AMP Super Directions Fund (SDF) – AMP MySuper 1970s lifecycle investment option

AMP MySuper investment options only commenced in 2013 with the introduction of MySuper legislation, therefore 10 year comparison information is not available.

RSE	Product Name	1 Year	5 Year	10 year
Net Return % p.a.				
ART	AMP MySuper Balanced	8.18%	7.23%	N/a
SDF	AMP SDF MySuper 1970s	5.62%	7.37%	N/a
SST	AMP MySuper 1970s	5.81%	7.68%	N/a

Notes¹:

- Net returns are based on a \$50k balance
- Net returns do not take account of employer rebates in Signature/CustomSuper (some plans receive discounts on AMP MySuper member fees and/or administration fees).
- Net returns are after tax and as at 30 June 2019.

¹ AMP has adopted methodology consistent with APRA's Superannuation Reporting Form SRF702.1

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AMP

AMP41QW:

Over the last five financial years:

- a) What was the average dollar amount deducted for administration and asset management fees per member, across all fund products (please do not include insurance fees)
- b) What was the cost (%) of the fund administration expense as a proportion of funds under management?
- c) What was the total cost of in-house administration expenses?
- d) What was the cost of in-house administration expenses as a proportion of funds under management?
- e) What was the total cost of any external administration expenses?
- f) What was the cost of any external administration expenses as a proportion of funds under management?
- g) What was the total cost of any external administration expenses to Related Parties?
- h) What was the cost of any external administration expenses to Related Parties as a proportion of funds under management?
- i) How many staff are employed in roles considered to be part of the administrative cost?

Answer:

For responses to please refer to tables provided in AMP41QW.01.

AMP has a total of seven superannuation funds, but only three of these offer MySuper products. In our response to question AMP41QW, AMP has focused on only the funds that offer a default MySuper product.

Within these three MySuper products, there are specific investment options that are generally offered as the default investment option to individuals, either directly or via an employer plan.

As a result, these investment options are the largest within the relevant MySuper product, both by number of members and value of savings, and it is these investment options on which we have based our responses to this AMP41QW (a-h), question.

The default investment options are:

- AMP Retirement Trust (ART) – AMP MySuper Balanced investment option
- AMP Superannuation Savings Trust (SST) – AMP MySuper 1970s lifecycle investment option
- AMP Super Directions Fund (SDF) – AMP MySuper 1970s lifecycle investment option

In relation to AMP41QW (i), refer to AMP79QW for information on employee numbers.

AMP41QW.01

Product	FY ending 30 June				
	2015	2016	2017	2018	2019
ART MySuper Balanced					
average dollar amount deducted for administration and asset management					
a. fees per member, across all fund products excluding insurance fees	\$ 98	\$ 99	\$ 128	\$ 140	\$ 146
cost (%) of fund administration expenses as a proportion of funds under					
b. management	2.59%	1.93%	1.37%	1.24%	1.18%
c. total cost of in-house administration expenses	NIL	NIL	NIL	NIL	NIL
cost of in-house administration expenses as a proportion of funds under					
d. management	NIL	NIL	NIL	NIL	NIL
e. total cost of any external administration expenses	\$ 3,655,896	\$ 5,622,936	\$ 8,730,578	\$ 10,571,348	\$ 11,815,603
cost of any external administration expenses as a proportion of funds under					
f. management	2.59%	1.93%	1.37%	1.24%	1.18%
g. total cost of any external administration expenses to Related Parties	\$ 3,655,896	\$ 5,622,936	\$ 8,730,578	\$ 10,571,348	\$ 11,815,603
cost of any external administration expenses to Related Parties as a proportion					
h. of funds under management	2.59%	1.93%	1.37%	1.24%	1.18%

Product	FY ending 30 June				
	2015	2016	2017	2018	2019
SST MySuper 1970s					
average dollar amount deducted for administration and asset management					
a. fees per member, across all fund products excluding insurance fees	\$ 130	\$ 211	\$ 302	\$ 380	\$ 346
cost (%) of fund administration expenses as a proportion of funds under					
b. management	1.81%	1.01%	0.87%	0.84%	0.63%
c. total cost of in-house administration expenses	NIL	NIL	NIL	NIL	NIL
cost of in-house administration expenses as a proportion of funds under					
d. management	NIL	NIL	NIL	NIL	NIL
e. total cost of any external administration expenses	\$ 30,069,886	\$ 48,953,199	\$ 75,385,735	\$ 117,918,072	\$ 90,219,474
cost of any external administration expenses as a proportion of funds under					
f. management	1.81%	1.01%	0.87%	0.84%	0.63%
g. total cost of any external administration expenses to Related Parties	\$ 30,069,886	\$ 48,953,199	\$ 75,385,735	\$ 117,918,072	\$ 90,219,474
cost of any external administration expenses to Related Parties as a proportion					
h. of funds under management	1.81%	1.01%	0.87%	0.84%	0.63%

Product	FY ending 30 June				
	2015	2016	2017	2018	2019
SDF MySuper 1970s					
average dollar amount deducted for administration and asset management					
a. fees per member, across all fund products excluding insurance fees	\$ 102	\$ 124	\$ 298	\$ 277	\$ 238
cost (%) of fund administration expenses as a proportion of funds under					
b. management	2.94%	2.02%	1.51%	1.30%	0.93%
c. total cost of in-house administration expenses	NIL	NIL	NIL	NIL	NIL
cost of in-house administration expenses as a proportion of funds under					
d. management	NIL	NIL	NIL	NIL	NIL
e. total cost of any external administration expenses	\$ 3,585,462	\$ 4,498,740	\$ 13,863,156	\$ 15,913,512	\$ 11,293,524
cost of any external administration expenses as a proportion of funds under					
f. management	2.94%	2.02%	1.51%	1.30%	0.93%
g. total cost of any external administration expenses to Related Parties	\$ 3,585,462	\$ 4,498,740	\$ 13,863,156	\$ 15,913,512	\$ 11,293,524
cost of any external administration expenses to Related Parties as a proportion					
h. of funds under management	2.94%	2.02%	1.51%	1.30%	0.93%

Notes:

Asset management fees include indirect fees. Other indirect costs for 2015 and 2016 have been estimated using pre-RG97 rules, and include performance based fees only. In respect of the SST and SDF, AMP MySuper 1970s lifecycle investment has been used as the proxy for the calculation of indirect fees as it holds the most FUM of the Lifecycle range.

The simple average of opening and closing end of financial year member count has been used as the denominator as average daily member count records are not held.

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AMP

AMP42QW: What is the total number of statutory fines over the past 5 years?

Answer:

No statutory fines by either ASIC or APRA have been imposed on AMP Superannuation Limited or NM Superannuation Pty Ltd over the past 5 years.

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AMP

AMP43QW: Over the last five financial years:

- a) The number of rollover request that the fund did not pay out to another fund each year?
- b) The average dollar value of a rollover for each year?
- c) The value of any clawback accounts and/or funds held that is used to hold funds between financial years?

Answer:

- a) The number of rollover request that the fund did not pay out to another fund each year?

AMP Superannuation Limited and NM Superannuation Pty Ltd would never not pay a valid rollover request.

It is possible that rollover requests are cancelled or withdrawn, primarily because they have been raised incorrectly, are duplicate requests or where the customer has requested us not to proceed.

- b) The average dollar value of a rollover for each year?

The average dollar value of the rollovers¹ each year are set out in the table below:

	Avg. Rollover (\$)
2014-15	57,821
2015-16	47,616
2016-17	51,636
2017-18	49,546
2018-19	51,200

- c) The value of any clawback accounts and/or funds held that is used to hold funds between financial years?

Not applicable.

¹ Calculations are based on averages across products

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AMP

AMP44QW:

- a) Does the fund maintain a reserve at least partially funded through insurance premiums, rebates from an insurance company (such as profit share arrangements) or tax benefits that have arisen from insurance?
- b) The total value of that reserve?
- c) The total value of tax rebates received from the ATO on insurance premiums?

Answer:

The Superannuation Industry (Supervision) Act 1993 (SIS Act) requires an RSE licensee to maintain and manage, in accordance with the prudential standards, financial resources to cover the operational risk that relates to each RSE within its business operations.

The Board of an RSE licensee is ultimately responsible for ensuring that it holds, and has unfettered access to, financial resources in the form of operational risk reserve(s), operational risk trustee capital or a combination thereof to meet the target amount of financial resources that the RSE licensee determines is necessary to respond to these losses (ORFR target amount). (APRA SPS 114)

AMP Superannuation Limited and NM Superannuation Pty Ltd both maintain adequate Tier 1 Capital to cover the operational risk that relates to their respective operations as RSE Licensee.

Accordingly, no additional reserves are required to be maintained by the Trustees.

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AMP

AMP45QW:

The number of trusts or investment vehicles the fund controls in each of the low tax regions, including Andorra, the Bahamas, Belize, Bermuda, the British Virgin Islands, the Caymen Islands, the Channel Islands, the Cook Islands, Hong Kong, the Isle of Man, Mauritius, Lichtenstein, Luxembourg, Monaco, Panama, St Kitts and Nevis?

Answer:

AMP can confirm that the AMP Capital 1970s Fund and the AMP Capital Diversified Balanced Fund (which are the underlying investment funds for the ART MySuper Balanced, SST MySuper 1970s and SDF MySuper 1970s products) do not control any trusts or investment vehicles in each any of the low tax regions listed above¹.

¹ For these purposes we have assumed that control is defined as a 50% or more ownership interest.

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AMP

AMP46QW:

- a) The number of accounts that have been transferred to the ATO as a result of 'Protecting your Super' legislation?
- b) The value of the money that will be paid to the ATO as a result of 'Protecting your Super' legislation?
- c) The number of accounts that has been transferred into an eligible rollover fund in the 2019 financial year?
- d) The value of the money that has been transferred into an eligible rollover fund in the 2019 financial year?

Answer:

- a) The number of accounts that have been transferred to the ATO as a result of 'Protecting your Super' legislation?

Since the introduction of the 'Protecting your Super' legislation, AMP has transferred to the ATO a total of 567,057 accounts¹.

- b) The value of the money that will be paid to the ATO as a result of 'Protecting your Super' legislation?

The value of all accounts transferred to the ATO as a result of the 'Protecting your Super' legislation totals approximately \$491 million².

- c) The number of accounts that has been transferred into an eligible rollover fund in the 2019 financial year?

AMP Superannuation Limited's Eligible Rollover Fund operates on a 1 July - 30 June financial year. For the period 1 July 2018 to 30 June 2019, ASL's ERF reported that 16,364 new members were transferred into the fund.

- d) The value of the money that has been transferred into an eligible rollover fund in the 2019 financial year?

For the period 1 July 2018 to 30 June 2019, ASL's ERF reported that 16,364 new members were transferred into the fund, with a reported net after tax contribution value of \$146,430,000.

¹ As at 20 December 2019

² *ibid.*

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AMP

AMP47QW: Have you ever made a donation and/or subscription fee to the ACTU Member Connect and/or ACTU Superannuation Partnerships program, and if so, to what value over the past 5 years?

Answer:

AMP has never made a donation or paid a subscription fee to the ACTU Member Connect or the ACTU Superannuation Partnerships Program.

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AMP

AMP48QW: Does the fund pay any external consultants for any advocacy and communication services, and if so can you please name them and the costs incurred over the past 5 years?

Answer:

None of the AMP funds employ the services of any external consultants directly for advocacy or communication services.

However AMP more broadly, employs consultants from time to time for advocacy services in relation to specific matters. These matters may cover any or all of AMP's business activities, including the superannuation, financial advice, retail banking, insurance or investment management businesses.

Over the past 5 years, AMP has utilised the services of Hawker Britton and Barton Deakin for routine advice as well as specific matters. The total cost of those services is approximately \$453k over the past 5 years.

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AMP

AMP49QW:

- a) How many staff are employed for the purpose of policy research or analysis?
- b) How much was spent on engaging external policy and data analysis consultants?
- c) How much was spent on membership of industry advocacy organisations that provide policy and data analysis service to member funds?

Answer:

- a) How many staff are employed for the purpose of policy research or analysis?

Neither AMP Superannuation Limited (ASL), NM Superannuation Proprietary Limited (NM Super) or any of the RSE funds directly employs any staff.

AMP Group employs a total of three dedicated people for the purpose of policy research or analysis at a corporate level. These employees support the superannuation, insurance, financial advice, retail bank and investment management activities undertaken across all of AMP's business areas. A number of business specialists (eg: legal, tax, product technical, etc) assist the central policy team by providing expert advice/information on an informal, case-by-case basis.

- b) How much was spent on engaging external policy and data analysis consultants?

AMP may undertake research for a variety of reasons, such as increasing engagement with customers, understanding customer sentiment or gaining insights as to industry direction/trends. An example of such research is the AMP Financial Wellness Report.

Over the past 12 months, AMP has spent approximately \$54k on external data analysis consultants in relation to superannuation matters. Over the past 5 years, AMP has spent approx. \$494k on external data analysis consultants in relation to superannuation matters.

- c) How much was spent on membership of industry advocacy organisations that provide policy and data analysis service to member funds?

AMP retains membership of a number of industry associations which provide policy and data analysis services to members. These services are available to all members to access/participate in, rather than a service provided solely for the benefit of one member.

The relevant industry associations for the AMP's superannuation funds are the Association of Superannuation Funds of Australia (ASFA) and the Financial Services Council (FSC).

For the 2019/2020 financial year, AMP spent \$630,349 (ex. GST) on membership of industry advocacy organisations that provide policy and data analysis service to member funds.

Over the past 5 years, AMP has spent \$2,930,853 (ex. GST) on membership of industry advocacy organisations that provide policy and data analysis service to member funds.

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AMP

AMP50QW: In the context of building investments:

- a) Have you completed assessments of the prevalence of flammable cladding across some buildings?
- b) Have you completed assessments of the prevalence of flammable cladding across all buildings?
- c) Have you taken any remediation to reduce your exposure to risk to identify flammable cladding, and if so, what?
- d) Have you taken any remediation to reduce your exposure to risk to remove flammable cladding, and if so, what?
- e) Do you hold any properties where insurance has been refused or are uninsured due to defective building construction such as cladding?

Answer:

AMP Capital (AMPC) is the investment manager for the assets of AMP Superannuation Limited and NM Superannuation Pty Ltd superannuation funds.

AMPC has been undertaking a comprehensive review of the commercial, industrial and shopping centre buildings across its managed real estate assets to determine the presence of Aluminium Composite Panel (ACP) cladding. Where ACP has been found, AMPC has worked with their tenant customers to implement a number of short-term risk mitigation measures while awaiting advice from engineers and consultants on whether any long-term rectification works or additional safety measures are required.

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AMP

AMP51QW:

- a) What external parties manage your investments, if any?
- b) What are the fee structures per member from external management?

Answer:

- a) What external parties manage your investments, if any?

AMP Capital (AMPC) is the investment manager for the assets of AMP Superannuation Limited and NM Superannuation Pty Ltd superannuation funds.

- b) What are the fee structures per member from external management?

The fee structures per member for external asset management are:

RSE	MySuper product	Investment fee % p.a.	FY19 indirect costs % p.a.
ART	AMP MySuper Balanced	0.15%	0.08%
SST	AMP MySuper	0.30%	0.41%
SDF	AMP SDF MySuper	0.30%	0.40%

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AMP

AMP52QW: Governance:

- a) How many trustee board members did the fund have?
- b) What was the total salary of all trustee board members?
- c) What was the average salary of all trustee board members?
- d) Are there any performance-based assessments that determine trustee board remuneration, and if so what are they?
- e) What was the salary of the trustee board chair?
- f) What was the average length of service of all trustee board members?
- g) What is the length of service of the longest serving trustee board member?
- h) Are trustee board members asked whether they have conflicts of interest at each meeting, and if not, why not?
- i) What is the conflict of interest policy for trustee board members?
- j) Does your fund have a policy on gender diversity and/or balance for listed companies?
- k) Does your board have gender balance?

Answer:

- a) How many trustee board members did the fund have?

AMP's Trustee Directors sit across both the AMP Superannuation Limited (ASL) and NM Superannuation Proprietary Limited Boards (NM Super).

There are presently 8 Board Directors, including 7 Non-Executive Directors and 1 Executive Director.

- b) What was the total salary of all trustee board members?

AMP's Trustee Directors sit across both the AMP Superannuation Limited (ASL) and NM Superannuation Proprietary Limited Boards (NM Super).

ASL and NM Super Directors received a total of \$691,832 in fees (including superannuation) for the 2019 calendar year.

- c) What was the average salary of all trustee board members?

AMP's Trustee Directors sit across both the AMP Superannuation Limited (ASL) and NM Superannuation Proprietary Limited Boards (NM Super).

Trustee Directors receive fees rather than a salary, depending on their specific responsibilities whilst appointed as a director. AMP believes that it is not accurate to calculate an average director fee, as it does not adequately reflect these differing responsibilities.

The table below sets out the various fees received by the ASL and NM Super directors.

<i>Fees inclusive of superannuation</i>	Effective Jan 2019		Effective from Nov 2019	
	Chairman (AUD)	Director (AUD)	Chairman (AUD)	Director (AUD)
AMP Superannuation Limited & NM Super Board	105,000	72,000	\$190,000 inclusive of all Committee attendances + [#]	\$125,000 +
Audit Committee	16,900	11,200	20,000*	15,000
Risk Committee	n/a	n/a	20,000*	15,000

[#] Chairman fee of ASL/NM Super Boards is inclusive of all Board Committee attendances

- d) Are there any performance-based assessments that determine trustee board remuneration, and if so what are they?

AMP's Trustee Directors sit across both the AMP Superannuation Limited (ASL) and NM Superannuation Proprietary Limited Boards (NM Super).

Neither ASL nor NM Super board fees are linked to individual or company performance and board members do not receive any variable incentives.

- e) What was the salary of the trustee board chair?

AMP's Trustee Directors sit across both the AMP Superannuation Limited (ASL) and NM Superannuation Proprietary Limited Boards (NM Super).

With effect from 1 Nov 2019, the Chairman fee increased from \$105,000 to \$190,000 per annum, inclusive of all Board Committee attendances.

Based on this, the average chairman's fee for 2019 was \$119,167 (10 months @ \$105,000 and 2 months @ \$190,000)

- f) What was the average length of service of all trustee board members?

AMP's Trustee Directors sit across both the AMP Superannuation Limited (ASL) and NM Superannuation Proprietary Limited Boards (NM Super).

Based on the current board composition the average tenure as at 31 Dec 19 and as at 4 March 20 is set out below:

	Average tenure in years	
	as at 31 December 2019	as at 4 March 2020
AMP SUPERANNUATION LIMITED	1.49	1.67
N.M. SUPERANNUATION PTY LTD	3.92	4.10

- g) What is the length of service of the longest serving trustee board member?

AMP's longest serving Trustee director was appointed in April 2012 (7 years and 10 months)

- h) Are trustee board members asked whether they have conflicts of interest at each meeting, and if not, why not?

AMP's Trustee Directors sit across both the AMP Superannuation Limited (ASL) and NM Superannuation Proprietary Limited Boards (NM Super).

AMP Trustee Directors are asked at each meeting whether they have any conflicts of interest in relation to any of the matters on the agenda, as well as more broadly.

At each Board meeting the Chair enquires of Directors whether there are any changes to their standing declarations or any conflicts of interest in the matters to be considered at the meetings. Legal representatives acting for the Trustee review each Agenda in advance to identify potential conflicts in relation to the Executive Director, which are then managed appropriately in accordance with the Trustees' Conflicts Management Policy.

- i) What is the conflict of interest policy for trustee board members?

AMP's Trustee Directors sit across both the AMP Superannuation Limited (ASL) and NM Superannuation Proprietary Limited Boards (NM Super).

The current policy for the ASL and NM Super Trustee Board Directors is the Trustees' Conflicts Management Policy (last approved 4 December 2019) and is publicly available on the Trustee Section of the AMP Corporate website. Refer to Attachment AMP52QW.01 for a copy of the policy.

- j) Does your fund have a policy on gender diversity and/or balance for listed companies?

AMP's Trustee Directors sit across both the AMP Superannuation Limited (ASL) and NM Superannuation Proprietary Limited Boards (NM Super).

The ASL and NM Super boards have adopted the AMP Inclusion and Diversity Policy, which is available on the Trustee section of the AMP Corporate website. Refer to Attachment AMP52QW.02 for a copy of the policy.

- k) Does your board have gender balance?

AMP's Trustee Directors sit across both the AMP Superannuation Limited (ASL) and NM Superannuation Proprietary Limited Boards (NM Super).

The ASL and NM Super Boards have previously set their gender diversity target at 40:40:20 whereby board positions were to be filled by 40% women, 40% men and 20% either men or

women by 2020. The current composition of the ASL and NM Super Boards achieves this target.

Trustees' Conflicts Management Policy

AMP Superannuation Limited ABN 31 008 414 104

N.M. Superannuation Proprietary Limited ABN 31 008 428 322

Overview	The Trustees' Conflicts Management Policy provides principles for managing conflicts of interest and conflicts of duty relating to each of AMP Superannuation Limited (ABN 31 008 414 104) (ASL) and N.M. Superannuation Proprietary Limited (ABN 31 008 428 322) (NM Super) (each a Trustee).
Objective	To uphold the integrity of each Trustee, comply with regulatory requirements in relation to conflicts of interest and minimise the risk of misconduct by ensuring that conflicts are identified, documented and managed.
Scope	Trustee Board Directors, Superannuation Trustee Office, risk experts, AMP Australia (AMPA's) Leadership Team, AMP Life Limited (AMP Life) and its Leadership Team, Trustee responsible persons and responsible managers, any other person who undertakes activities on behalf of, or for, the Trustee.
Owner	Superannuation Trustee Executive
Document Approver	Each Trustee Board
Date Last Approved	4 th December 2019
Scheduled Review Date	4 th December 2020

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1 Background

The purpose of this Conflicts Management Policy (**Policy**) is to document the policy, controls and processes that AMP Superannuation Limited (ABN 31 008 414 104) (**ASL**) and NM Superannuation Proprietary Limited (ABN 31 008 428 322) (**NM Super**) (each a **Trustee**) have in place to identify, record and manage conflicts of interest and duty (each a **conflict**).

The Trustees and their directors are subject to a number of legal requirements for the management of conflicts, including obligations arising from the statutory covenants in Part 6 of the SIS Act. Relevantly, these include covenants:

- a) to perform their duties and exercise their powers in the best interests of the beneficiaries;
- b) to exercise the requisite degree of care, skill and diligence set out in Part 6 of the SIS Act; and
- c) where there is a conflict between the duties of a Trustee or a director of a Trustee to the beneficiaries, or the interests of the beneficiaries, and the duties of that Trustee or that director to any other person, or a conflict between the interests of a director, a Trustee or an Associate of either of them, that Trustee or director must:
 - i) give priority to the duties to and interests of the beneficiaries over the duties to and interests of other persons;
 - ii) ensure that the duties to the beneficiaries are met despite the conflict;
 - iii) ensure that the interests of the beneficiaries are not adversely affected by the conflict; and
 - iv) comply with the APRA Prudential Standards in relation to conflicts.

APRA Prudential Standard, SPS 521 - Conflicts of Interest (**SPS 521**), establishes requirements for the identification, avoidance and management of Conflicts.

Under section 52A(2)(f) of the SIS Act, a director must exercise a reasonable degree of care and diligence for the purpose of ensuring that the Trustee complies with its statutory covenants.

Directors and officers of each Trustee are also subject to various obligations under Part 2D.1 to identify and manage Conflicts, and section 912A of the *Corporations Act 2001* (Cth).

The activities of RSE licensees are also subject to the general law obligations of trustees. At general law, a trustee has a primary duty to avoid putting itself in a position where there is an actual conflict, or a reasonable possibility of conflict, between its duty to beneficiaries and its interests or its duty to another person.

This Policy documents the procedures implemented by each Trustee to ensure compliance with legal obligations in relation to the management of conflicts. This Policy is supported by the Trustees' Conflicts Management Procedures (**Procedures**), which provide further detail on the processes to identify conflicts arising from each Trustee's relationship, or the relationship of a Responsible Person, with an existing or prospective service provider, including those that have the potential to affect the service provider's performance of the obligations undertaken by it in respect of each Trustee's business operations.

This Policy and the Procedures complement AMP Group's Policies, which are listed in the Related Documents section, and should be read and understood in conjunction with this Policy.

2 Scope

2.1 Who does this Policy apply to?

This Policy applies to each of the following:

- a) each Trustee;
- b) a Responsible Person of a Trustee;
- c) a person with delegated authority from a Trustee Board; and
- d) a service provider, and its delegates, officers and key employees, if the service contract specifies that this Policy applies to that service provider.

The persons to whom this Policy applies are collectively referred to as **Personnel**.

Outsourced services

Each Trustee has outsourced material business activities of the registrable superannuation entities for which it acts as trustee to various service providers, both related and third parties. The duties and obligations of each service provider are set out in the terms of their corresponding contract with the relevant Trustee, with a clause that requires the service providers' compliance with this Policy. The service provider is also required to ensure that its delegates and employees are aware of, and required to act in accordance with, this Policy. The relevant Trustee remains ultimately accountable for the actions of each service provider, its delegates and employees.

3 Policy Principles

Each Trustee adopts the following guiding principles in its approach to managing conflicts:

- a) all potential or actual conflicts must be identified, managed and monitored in accordance with this Policy;
- b) all Personnel are required to be familiar with and comply with this Policy;
- c) where a conflict is identified, the relevant Personnel will take the necessary action to:
 - i) avoid the conflict if required; and
 - ii) to the extent that the conflict cannot be avoided:
 - A) give priority to the duties to and interests of the beneficiaries;
 - B) ensure the duties to the beneficiaries are met despite the conflict; and
 - C) ensure the interests of Fund members are not adversely affected by the conflict.
- d) The Trustee will regularly review and monitor this Policy to ensure it remains effective for its stated purpose.

4 What is a conflict?

A conflict arises when the duties or interests of the Trustees or their Personnel are inconsistent with or diverge from the interests of its beneficiaries or the Trustees' duties to its beneficiaries.

4.1 Conflicts of duties

A "conflict of duty" may arise where an entity or representative of an entity owes a duty to two different parties and there is a reasonable possibility that the duties owed to each of those parties will conflict.

Under general law, a person who owes a duty to two parties must take care not to find themselves in a position where there is an actual conflict of duty so that they cannot fulfil their obligations to one principal

without failing in their obligations to the other. For the purposes of SPS 521, a reference to 'conflict' is a reference to conflict:

- between the duties owed by an RSE licensee (or Responsible Person of an RSE licensee) to beneficiaries, and the duties owed by them to any other person;
- between the interests of beneficiaries and the duties owed by an RSE licensee (or Responsible Person of an RSE licensee) to any other person;
- between an interest of an RSE licensee, an Associate of an RSE licensee (or a Responsible Person of an RSE licensee or an employee of an RSE licensee) and the RSE licensee's duties to beneficiaries; and
- between an interest of an RSE licensee, an Associate of an RSE licensee (or a Responsible Person of an RSE licensee or an employee of an RSE licensee) and the interests of beneficiaries.

For example, a director's duty to avoid conflicts of duties would arise if there was a conflict, or a potential conflict¹, between the director's duty to act in good faith and with care and diligence in the best interests of the relevant Trustee and either:

- a) a corresponding duty, in the same circumstances, to act in good faith and with care and diligence in the best interests of another company of which he or she is a director; or
- b) the paramount duty that the director owes to the beneficiaries of a Fund under the SIS Act.

Where a conflict of duty arises, the conflicted person cannot fulfil the duties owed by the person to both parties because the interests of the parties are not aligned. A conflict of duties cannot be 'cured' by merely disclosing the conflict. The conflict must also be managed or avoided. This may require the conflicted person to stand aside from both sides of the potential conflict.

In SPS 521, APRA identifies the following conflicts:

- a) the duties owed by a Trustee (or a Responsible Person of the Trustee) to beneficiaries of a Fund and the duties owed by the Trustee (or Responsible Person) to any other person; and
- b) the interests of beneficiaries of a Fund and the duties owed by the Trustee of that Fund (or a Responsible Person of the Trustee) to any other person.

In each of these conflicts, the duties owed to Fund beneficiaries, and the interests of those beneficiaries, must be prioritised.

4.1.1 Potential conflict between AMP entities and Fund beneficiaries

Each Trustee has delegated authority (other than Trustee Board reserved matters) for the operation and administration of the Funds to related party service providers within the AMP Group, with the result that:

- the Managing Director, Super, Retirement and Platforms (**MD SRP**) is the senior executive responsible for the day to day operation of the Trustees' contemporary superannuation business; and
- the Chief Executive Officer, AMP Life Limited (**AMP Life**) (**AMP Life CEO**) is the senior executive responsible for the day to day operation of the Trustees' mature superannuation

¹ The term 'potential conflict' is used in this Policy to mean where there is a reasonable possibility of an actual or apparent conflict arising under certain circumstances or conditions.

business

(each of the MD SRP and AMP Life CEO is a **Senior Superannuation Executive**).

While there should be frequent alignment between improving AMP shareholder returns and acting in the best interests of Fund beneficiaries, there may be occasions when a conflict arises between the interests of AMP entities (and ultimately, AMP Limited's shareholders) and the interests of Fund beneficiaries.

Each Senior Superannuation Executive has duties to act in the best interests of the Trustees and the Fund beneficiaries, as well as duties to AMPA and AMP Life as members of the AMP Group. The latter set of duties extend to the maximisation of AMP Limited's shareholder value.

Each Senior Superannuation Executive must seek to avoid or manage situations of conflict, such as where that Senior Superannuation Executive is responsible for managing the success of another AMP entity, while additionally ensuring, under delegations from a Trustee, that AMP entities act in the best interests of Fund members. That Senior Superannuation Executive must always prioritise her duties to the Trustees and to the Fund beneficiaries.

Where a conflict can be managed, the Senior Superannuation Executive must implement appropriate controls to manage (avoid or mitigate) that conflict. Those controls may include (but are not limited to):

- escalating the conflicted decision to the relevant Trustee Board;
- referring the conflicted matter to another member of the AMPA or AMP Life executive team (on behalf of the relevant AMP Group entity) and the Superannuation Trustee Executive (on behalf of the Trustee and/or Fund members), with the Senior Superannuation Executive removing herself from the decision-making process and escalation available to each of the relevant boards involved;
- referring the conflicted matter to, or being advised/informed by, an appropriate management committee, with a robust, transparent, and documented decision-making process.

The Conflicts Manager for each Senior Superannuation Executive is the Superannuation Trustee Executive.

4.1.2 Potential conflict between interests of Fund members and IDPS investors

There is potential for conflict to arise in relation to the roles that NMMT Limited (**NMMT**) performs. This is because NMMT:

- acts as agent for NM Super in relation to the operation of the superannuation wrap platform, pursuant to an agency agreement; and
- also acts as a responsible entity of registered managed investment schemes (including some that are available for investment via the NM Super wrap platform) as well as an operator of an investor directed portfolio service (**IDPS**) for investment outside of superannuation.

There is potential for a conflict to arise as NMMT has a duty to act in the best interests of members of the relevant Fund as well as (for example):

- an interest in generating revenue as a service provider to NM Super;
- a duty to act in the interests of IDPS investors and members of any managed investment scheme for which it acts as responsible entity.

Where a conflict involving NMMT can be managed, the MD SRP must implement appropriate controls to manage (avoid or mitigate) that conflict. Those controls may include (but are not limited to):

- referring the conflicted decision to the NM Super Board;
- referring the conflicted matter to another member of the AMPA executive team (for NMMT)

and the Superannuation Trustee Executive (for NM Super), with the MD SRP removing herself from the decision-making process;

- referring the conflicted matter to, or being advised/informed by, an appropriate management committee, with a robust, transparent, and documented decision-making process.

4.2 Conflicts of interest

A conflict of interest may arise where a person has (or there is a reasonable possibility that the person may have) a material personal interest in a matter that is in conflict with the interests of another party to whom the person owes a duty.

The material personal interest may be one that the person has directly or indirectly (for example, as a result of an interest that the person's family member may have).

Typical situations where a conflict of interest might arise for a Trustee include:

- a) where a director of that Trustee has an interest in the outcome of a proposal which the Trustee Board is asked to consider and approve; or
- b) where Personnel (such as members of a body with delegated authority from that Trustee) have an interest in the outcome of an exercise of that delegated authority.

Where the conflict of interest is unavoidable, the conflicted person must resolve the conflict by favouring the duties to and interests of the beneficiaries of the Fund over the duties owed to, and interests of, other persons (including the Trustee, another entity in the AMP Group or the AMP Group more broadly).

In SPS 521, APRA identifies the following conflicts of interest:

- a) a 'relevant interest' of a Trustee (or an Associate or a Responsible Person of the Trustee) and their duties to beneficiaries of a Fund; and
- b) a 'relevant interest' of a Trustee (or an Associate or a Responsible Person of the Trustee) and the interests of beneficiaries of a Fund in respect of which the Trustee acts as trustee.

Each of these conflicts is an example of a conflict of interest. In each, the duties owed to Fund beneficiaries, and the interests of those beneficiaries, must be prioritised.

The Procedures provide guidance in relation to identifying a 'relevant interest'.

5 Procedures for the identification and management of conflicts

5.1 Processes and procedures

The Trustees have adopted the Procedures, which detail the processes and procedures for the identification, assessment, and management of conflicts that arise or may arise in relation to its business operations. These include:

- a) the Group Process Monitoring Function (**Control Room**) will maintain oversight of conflicts management as per the AMP Group Conflicts of Interest Policy, including oversight of the conflicts that will exist between the Trustees and other parts of the AMP Group;
- b) all staff identifying and recording all potential, actual and perceived conflicts;
- c) recording the conflict in the conflicts register, as well as the minutes of Board, Board committee and, for other relevant meetings, details of each conflict identified and the action taken to manage this conflict;
- d) assessing the conflict;
- e) developing a response to manage the conflict (which includes avoiding, controlling or disclosing) in accordance with the requirements to give priority to the duties to, and interests of, beneficiaries in the SIS Act;

- c) ongoing evaluation of management of the conflict and provision for escalation or alternative action if required; and
- d) processes for the development and maintenance of the Register of Relevant Duties and Register of Relevant Interests in accordance with this Policy.

The Trustees have delegated approval of any amendments to the Procedures, to the Superannuation Trustee Executive.

5.2 Where the member of Personnel has a conflict

There is a potential for conflicts to arise for a member of Personnel where that person is involved in two sides of any decision-making situation.

Where all Personnel are in a position of conflict, no Personnel will be able to act in relation to that matter. In these circumstances, the Personnel and/or the relevant Trustee Board will seek professional advice on how to manage the conflicts.

5.3 Where the Board has a conflict

There is a potential for conflicts to arise for the directors of a Trustee where a Trustee is involved in two sides of any decision-making situation.

Where all members of a Trustee Board are in a position of conflict, this will result in that Trustee Board not being able to act in relation to that matter. In these circumstances, the Trustee Board will seek professional advice on how to manage the potential conflicts.

6 Breach of Policy

Any breach of this Policy must be immediately notified to the Conflicts Manager. Breaches of this Policy must be managed in accordance with AMP's Enterprise Risk Management Policy and the AMP Conflicts of Interest Policy and Standard.

6.1 Non-compliance with this Policy

Action may be taken against any Personnel intentionally involved in a contravention of this Policy, including:

- a) removal from office or position giving rise to the person's position as a Personnel;
- b) re-assessment of bonus qualification/award/profit share; and/or
- c) termination of employment.

Any instance of non-compliance with this Policy should be treated in accordance with the AMP Enterprise Risk Management Policy and recorded via the AMP GRC Database. Where staff have concerns that a breach of this Policy has occurred or will occur, they may choose to raise their concerns in accordance with the AMP Whistleblowing Policy.

Non-compliance with this Policy will be a breach of a service provider's contract and the Trustee may exercise all of its rights under that contract, including requiring remedy of the breach, review of conflicts handling procedures of the service provider/ and/or termination of the service provider.

7 Registers

7.1 Matters to be disclosed in a conflicts register

Each Trustee utilises a register to manage the identification, recording, assessment and monitoring of conflicts that arise or may arise in its business operations.

The appropriate Conflict Manager will gather sufficient information about the conflict to enable it to be assessed. If the appropriate Conflict Manager determines that a conflict exists, that Conflict Manager will ensure the matter is recorded in the conflicts register.

The matters recorded in the conflicts register include:

- a) records of the assessment of the conflict;
- b) records of any conflicts; and
- c) records of any actions taken to avoid or manage the conflict.

See the Procedures for more information on the Trustees' processes and procedures for the identification, assessment, and management of conflicts that arise in relation to their business operations.

7.2 Matters to be disclosed in the Register of Relevant Duties and the Register of Relevant Interests

As a transparency measure and as required by law, the STO maintains a Register of Relevant Duties and a Register of Relevant Interests on behalf of the Trustee Boards. These registers are maintained as part of the Trustee Board's Conflicts Management Framework and form a part of the Trustees' conflicts register, which is distinct from the register discussed in Section 7.1. For these purposes:

- a) a relevant duty is a duty owed by a Trustee or by a Responsible Person to beneficiaries of the Fund or to any other person; and
- b) a relevant interest is any interest, gift, emolument or benefit, whether pecuniary or non-pecuniary, directly or indirectly held by a Trustee, an Associate of that Trustee or a Responsible Person, that that Trustee has determined to be relevant in accordance with section 7.3 below.

Relevant duties must be disclosed in the Register of Relevant Duties as they are identified in accordance with this Policy.

Relevant interests must be disclosed in the Register of Relevant Interests as they are identified in accordance with this Policy.

The Register of Relevant Duties and Register of Relevant Interests must each be updated at least annually to remove matters which are no longer deemed relevant. Matters that were identified more than 12 months ago are to be removed from the relevant Register, except in circumstances where the appropriate Conflict Manager is of the view that the matter remains relevant.

The Procedures provide guidance in relation to disclosing relevant duties and relevant interest for the purpose of the Register of Relevant Duties and the Register of Relevant Interests.

8 Roles and Responsibilities

Roles and responsibilities defined by this Policy are set out in the following table:

Role	Responsibility
Each Trustee Board	<ul style="list-style-type: none"> Review and approve this Policy. Monitor the effectiveness of this Policy in addressing risks associated with conflicts.
Personnel (see Section 2.1)	<ul style="list-style-type: none"> Awareness of the requirements of this Policy. Identify conflicts as they arise and report them to the appropriate Conflict Manager. Record identified conflicts in the conflicts register
Conflict Manager	<ul style="list-style-type: none"> Assess reported conflicts. Oversee assessment of whether a conflict is manageable or whether it must be avoided. Oversee the agreement of actions to address conflicts that are capable of being managed. Oversight of Conflict Holder for ensuring any actions required in respect of their conflicts are implemented. Maintain and update the conflicts register.
Superannuation Trustee Office	<ul style="list-style-type: none"> Oversee the review of this Policy in accordance with section 11. Ensure that relevant duties and relevant interests are recorded in the Register of Relevant Interests or Register of Relevant Duties (as applicable). Monitor compliance with this Policy. Provide certification to each Trustee Board on a bi-annual basis regarding compliance with this Policy. Maintain and review the Register of Relevant Interests and Register of Relevant Duties on a quarterly basis. Publish the Register of Relevant Interests and Register of Relevant Duties on the AMP website on a quarterly basis. Provide a report to each Trustee Board regarding matters arising from this Policy on a bi-annual basis.

9 Conflict Manager

The appropriate Conflict Manager varies depending on the circumstances of the Conflict. Please refer to the Procedures for details.

10 Record keeping

Each Trustee requires a record of the following to be kept for at least seven years:

- conflicts identified and actions taken;
- any reports given to the Trustee Board about conflicts matters;
- all communications with the Conflicts Manager about conflict of interest matters; and
- copies of written conflicts disclosures made available to members (e.g. on the AMP website).

Documents and records may be kept in paper form or electronically.

11 Monitoring

The Superannuation Trustee Executive or their delegate is responsible for monitoring compliance with this Policy.

12 Training and attestations

The Superannuation Trustee Executive and Enterprise Risk Management team will coordinate training materials for Personnel on the content and purpose of this Policy on their appointment, and annually.

All Trustee directors, Responsible Persons, and identified Trustee investment team members will be required to periodically complete an attestation to confirm that they have disclosed all relevant conflicts as required by this Policy.

13 Review

The Superannuation Trustee Executive or their delegate will ensure that this Policy and the Trustees' Procedures are formally reviewed:

- to include changes in compliance requirements, including legislation, regulations, licence requirements, industry standards, the AMP Group Policies immediately; and otherwise
- at least once a year.

Results of the review are to be reported to the Trustee Boards.

A comprehensive review of this Policy and the Procedures is conducted every 3 years by an operationally independent person qualified to do so. The triennial review will consider:

- a) whether all relevant interests and relevant duties have been identified and are being addressed in accordance with this Policy;
- b) the level of compliance with this Policy, including reporting on the Register of Relevant Duties and Register of Relevant Interests;
- c) any non-compliance with this Policy, including steps taken to return to and improve, ongoing compliance; and
- d) any required changes or updates to this Policy and the Trustees' Conflicts Management Procedure.

Results of the comprehensive review are to be reported to the Trustee Boards.

14 Related Documents

14.1 Concurrence with AMP Group Policies

As part of the AMP Group, each Trustee is subject to Group Policies. These include the following:

- Business Integrity Policy;
- Trading Policy;
- Code of Conduct;
- Conflicts of Interest Policy and Standard;
- Enterprise Risk Management Policy;
- Complaint Handling Policy;
- Whistleblowing Policy;

- Fit and Proper Policy;
- Trustees' Conflicts Management Procedures; and
- AMP Outsourcing Policy.

This Policy is intended to operate in a manner that complements the Group Policies, and such that compliance with this Policy will not cause the requirements of the Group Policies to be breached. The Trustees' Conflicts Management Policy complements the Group Policy which supports the AMP Limited framework. That framework is applied unless there are specific requirements for specific business areas. The Trustees' Conflicts Management Policy and Procedures will apply in the event of any inconsistency.

The Trustees' Conflicts Management Policy applies the specific requirements for the RSE licensee's conflicts management framework to be appropriate to the size, business mix and complexity of the RSE licensee's business operations.

15 Definitions

In this Policy, words and phrases have the meaning provided below.

Term	Definition
AFS licence	Australian Financial Services licence.
AMPA	AMP Australia
ASL	AMP Superannuation Limited (ABN 31 008 414 104).
Associate	Has the meaning in the <i>Corporations Act 2001</i> (Cth). Relevantly, in relation to a Trustee includes: <ol style="list-style-type: none"> a director or secretary of that Trustee; a subsidiary of that Trustee and another company within the AMP Group; and a director or secretary of a person listed in (b) above.
Emoluments	Any money, consideration or benefit given, directly or indirectly, to Personnel (but does not include amounts in payment or reimbursement of out-of-pocket expenses properly incurred by the Personnel) in connection with their office or employment.
Fund	A superannuation fund of which a Trustee is the trustee.
Group Policies	Corporate policies established by AMP Limited.
IDPS	the Investor directed portfolio service operated by NMMT
NM Super	NM Superannuation Proprietary Limited (ABN 31 008 428 322).
NMMT	NMMT Limited
Responsible Person	A responsible person for a Trustee as contemplated by SPS 520 and the AMP Fit and Proper Policy. A responsible person need not be an employee. In some circumstances, a consultant, contractor or otherwise related person may be a responsible person.
RSE licence	Registrable Superannuation Entity licence.
SIS Act	<i>Superannuation Industry (Supervision) Act 1993</i> (Cth).
SIS Legislation	SIS Act and the SIS Regulations.

SIS Regulations	<i>Superannuation Industry (Supervision) Regulations 1994 (Cth).</i>
Superannuation Trustee Executive	The Superannuation Trustee Executive, who leads the Superannuation Trustee Office.
Trustee Board	The board of directors of a Trustee.

16 Version Control

Version number	Reason for review (eg 2 year cycle review) and any regulatory information (eg to comply with a regulation, Standard etc)	Date of approval

Inclusion and Diversity Policy

What you need to know

- AMP is committed to creating an inclusive and diverse work environment. We all play a role in this.
- Inclusion and diversity is about people **and** performance. By actively seeking and including a diverse range of ideas, perspectives and approaches, AMP is better able to reflect, understand and connect with customers; foster creativity and innovation; solve complex problems; improve the quality of business decisions; and boost employee engagement and morale.

Overview	The AMP Inclusion and Diversity Policy sets out AMP's commitment and approach to creating an inclusive and diverse work environment.
Objective	To provide information on what inclusion and diversity means at AMP; how inclusion and diversity influences both people and business performance; and the role employees and leaders play in creating an inclusive and diverse work environment.
Scope	All AMP employees, AMP Board (including subsidiary Board) members, anyone seeking AMP employment
Policy Owner	Director, Culture, Leadership, Inclusion and Diversity
Policy Approver	Group Executive, People & Culture
Effective Date	March 2019
Review Date	March 2021

Background

Diverse thinking is critical to AMP's success: we need all kinds of ideas, perspectives and approaches working together to achieve the right outcomes for our customers and business.

Improving inclusion and diversity helps us drive individual and team performance through the ability to:

- better reflect, understand and connect with customers
- source talent from traditionally under-tapped groups/areas
- solve complex problems
- foster creativity and innovation
- improve the quality of business decisions
- boost employee engagement and morale.

When we say 'diversity' at AMP, we mean diverse thinking (or diversity of thought), which incorporates differences and similarities in both perspective and approach.

These differences and similarities can be individual—including things like life experiences, personality types, working and learning styles—or particular to a broader group—such as age, gender identity, indigenous identity, opposite or same sex marital/relationship status, ethnicity and/or cultural background and sexual identity (see [Definitions](#))

When we talk about 'inclusion', we mean actively inviting and valuing the unique characteristics and contributions of each employee. We want all our people to feel involved and empowered with a shared sense of belonging (see [Definitions](#))

It is the combination of inclusion and diverse thinking that delivers superior performance.

1. Policy Principles

The following principles underpin AMP's approach to inclusion and diversity:

1. inclusion and diversity is good for our people, our customers, our business and our shareholders
2. we treat our people fairly and with respect
3. we help our people to give—and be—their best
4. we are all responsible for creating an inclusive and diverse workplace
5. we are accountable and monitor our performance
6. our leaders demonstrate the behaviours we value and expect.

2. Policy Requirements

All AMP employees and leaders must comply with the principles set out in this Policy, as well as those listed in clause 4 below—in particular the AMP Workplace Respect Policy which prohibits discrimination against others based on characteristics or attributes which may be different to yours. Together, these policies support AMP's commitment to creating an inclusive and diverse work environment.

Commitment

AMP's commitment to inclusion and diversity extends to all areas of our business. This includes:

- our customer focus
- the way we work and organise our teams
- how we attract, recruit, retain, develop, manage and promote our people
- the steps we take to identify, develop and manage our talent
- the way we evaluate and reward performance
- how we approach and plan for succession.



A range of policies, procedures and benefits support inclusion and diversity at AMP. These include our approach to flexible work and a range of leave options that support the changing work and lifestyle needs of employees throughout their working life.

Governance

The AMP Inclusion and Diversity Council (consisting of the CEO and AMP Group Leadership Team) guides our strategy and works to foster inclusion and diversity across the organisation.

The AMP Limited Board sets measurable objectives for achieving gender diversity. These objectives, and progress towards them, are assessed annually and communicated in the AMP Annual Report, accessible via the AMP website.

3. Roles and Responsibilities

The roles and responsibilities with regard to this Policy are set out in the table below.

<p>Employees</p>	<ul style="list-style-type: none"> • Understand what inclusion and diversity means at AMP • Be inclusive of your AMP colleagues: <ul style="list-style-type: none"> • get to know one another • be fair and respectful • invite and value each person’s unique contribution • make the most of differences, similarities and shared goals. • Talk to the People & Culture Advice Line if you want to know more.
<p>Leaders</p>	<ul style="list-style-type: none"> • Understand what inclusion and diversity means at AMP • Deeply know each of your team members • Value and harness individual strengths and difference • Proactively seek out different perspectives when making decisions • Challenge bias and inappropriate behaviour • Role model inclusion • Maximise team diversity • Create an environment that helps people give—and be—their best.
<p>People & Culture Consulting Team</p>	<ul style="list-style-type: none"> • Provide leaders with inclusion and diversity advice, support and guidance.
<p>People & Culture Advice Line</p>	<ul style="list-style-type: none"> • Provide employees with inclusion and diversity advice, support and guidance.



4. Interactions with related documents

The documents listed below support this Policy.

Hub page	Inclusion and diversity at AMP
Other policies	<ul style="list-style-type: none"> AMP Code of Conduct AMP Flexible Work Policy AMP Workplace Respect Policy AMP Workplace Health and Safety Policy AMP Whistleblowing Policy Complaints handling policy for workers

5. Compliance with this policy

This Policy sets out the minimum standards required for AMP employees. Additional requirements may apply in some circumstances, for example international employees in overseas jurisdictions. In addition to meeting the minimum requirements of this Policy, AMP employees will also need to comply with local or entity specific requirements, policies, and procedures where they exceed the requirements of this Policy. Where specific requirements are inconsistent with this Policy these should immediately be referred to the Policy owner.

Any instances of non-compliance with this Policy should be treated in accordance with the [AMP incident management process](#). Where AMP employees are concerned that a breach of this Policy has occurred or will occur, and that pursuing their concern through normal channels will be personally damaging, they should report their concern in accordance with the [AMP Whistleblowing Policy](#).

Non-compliance with this Policy may result in disciplinary action up to and including termination of employment.

6. Terms and Conditions

This Policy does not form part of any contract of employment or contract of engagement and may be amended, replaced or revoked at any time by AMP at its discretion.



7. Definitions

In this Policy, words and phrases have the meaning provided below.

Inclusion	<p>Inclusion is the active process of inviting and valuing the unique characteristics and contributions of each employee.</p> <p>Inclusion requires fairness and respect; being valued for who you and what you bring; and a sense of belonging.</p>
Diversity	<p>Diversity is the collective mix of differences and similarities in perception and approach that enables diverse thinking (or diversity of thought) to take place.</p> <p>Differences and similarities can be individual or particular to a broader group. They can include, but are not limited to:</p> <ul style="list-style-type: none"> • ability/disability • age • caring responsibilities • education • ethnicity/cultural background • gender • gender expression • gender identity • indigeneity • industry experience • intersex status • location • life experiences • political beliefs • sexual expression • sexual orientation • personality types • relationship status • religious beliefs and/or practices • work and learning styles • work practices, including flexible work.

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

AMP

AMP53QW: In the context of the ACCC's legal action and question for competition in monopoly infrastructure entities:

- a) What are the implications for infrastructure investment returns of the ACCC is successful in its legal action?
- b) Have you analysed your infrastructure investment portfolio to examine the risk of ACCC action to reduce anti-competitive monopoly of oligopoly pricing?
- c) If so, can you provide details of the likely impact, and what is the projected impact on revenue and income?

Answer:

AMP Capital (AMPC) is the investment manager for the assets of AMP Superannuation Limited and NM Superannuation Pty Ltd superannuation funds.

AMPC is unaware of any specific ACCC actions pending or ongoing with respect to any of the Australian infrastructure assets in AMPC's portfolio. In the event that the question is referring to the current legal action in relation to the Port of Newcastle and Port of Sydney, no AMPC managed funds are invested in either asset.

AMP's investment portfolio is under constant review for the various risks that it may be exposed to. Before AMPC invests in any asset, AMPC undertakes detailed due diligence to identify risks and potential mitigants and either prices the risk into the equity return or determines if it can be mitigated or eliminated in some other way. AMPC also run detailed financial model sensitivities to analyse the impact of changes to key value drivers. These would include the risk of a reduction in revenue if an asset might be subjected to price controls or similar regulatory impact.

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

AMP

AMP54QW: In dollar terms, for each of your superannuation products, can you please provide annual data for the past five financial years on average, for a member with a balance of \$6,000, \$50,000 and \$150,000?

- a) Investment fees
- b) Administration fees
- c) Indirect costs
- d) Any other cost to a member which is incurred or foregone by way of a lesser return pre-unit price (but not included in the indirect cost ratio) including any other costs, charges, fees, direct or indirect benefits including any benefit by way of rebate, set-off, commission, in-kind, tax credit/offset retained, interest (or interest rebate) retained by any party involved in the management, custody, review, compliance, administration, servicing, asset consulting, valuation, operation and maintenance, financing, auditing, brokerage, execution, settlement, or otherwise of the assets in the fund, or their underlying assets.
- e) An aggregate total of all fees mentioned above.

Answer:

See attachment AMP54QW.01

\$6,000**\$50,000****\$150,000**

		Account balance \$6,000					
AMP MySuper Balanced		FY ending 30 June					
		2015	2016	2017	2018	2019	2020 est
	MySuper FUM 31 Dec \$m	\$ 214.9	\$ 368.8	\$ 758.8	\$ 936.0	\$ 1,106.4	\$ 1,106.4
a.	Investment fee pa	\$ 9.00	\$ 9.00	\$ 9.00	\$ 9.00	\$ 9.00	\$ 9.00
b.	Administration fees pa	\$ 131.40	\$ 132.36	\$ 133.44	\$ 135.60	\$ 135.72	\$ 135.12
c.	Indirect costs pa	\$ -	\$ -	\$ 1.80	\$ 2.40	\$ 4.80	\$ 4.80
d.	Tax benefit pa	-\$ 21.06	-\$ 21.20	-\$ 21.37	-\$ 21.69	-\$ 21.71	-\$ 21.62
e.	Total fees and costs pa (net of tax)	\$ 119.34	\$ 120.16	\$ 122.87	\$ 125.31	\$ 127.81	\$ 127.30
AMP MySuper 1970s		FY ending 30 June					
		2015	2016	2017	2018	2019	2020 est
	MySuper FUM 31 Dec \$m	\$ 2,519.0	\$ 6,601.8	\$ 13,516.4	\$ 14,461.1	\$ 14,931.7	\$ 14,931.7
a.	Investment fee pa	\$ 24.00	\$ 24.00	\$ 24.00	\$ 24.00	\$ 20.40	\$ 18.70
b.	Administration fees less rebates pa	\$ 109.74	\$ 103.79	\$ 110.49	\$ 111.44	\$ 101.16	\$ 97.28
c.	Indirect costs pa	\$ 15.00	\$ 22.80	\$ 32.40	\$ 25.20	\$ 24.60	\$ 24.60
d.	Tax benefit pa	-\$ 20.06	-\$ 19.17	-\$ 20.17	-\$ 20.32	-\$ 18.23	-\$ 17.40
e.	Total fees and costs pa (net of tax)	\$ 128.68	\$ 131.42	\$ 146.72	\$ 140.32	\$ 127.92	\$ 123.18
SDF MySuper 1970s		FY ending 30 June					
		2015	2016	2017	2018	2019	2020 est
	MySuper FUM 31 Dec \$m	\$ 180.1	\$ 267.2	\$ 1,208.6	\$ 1,243.7	\$ 1,236.0	\$ 1,236.0
a.	Investment fee pa	\$ 24.00	\$ 24.00	\$ 24.00	\$ 24.00	\$ 20.40	\$ 18.70
b.	Administration fees pa	\$ 129.00	\$ 130.08	\$ 131.16	\$ 132.96	\$ 114.84	\$ 108.24
c.	Indirect costs pa	\$ 15.00	\$ 22.80	\$ 38.40	\$ 24.00	\$ 24.00	\$ 24.00
d.	Tax benefit pa	-\$ 22.95	-\$ 23.11	-\$ 23.27	-\$ 23.54	-\$ 20.29	-\$ 19.04
e.	Total fees and costs pa (net of tax)	\$ 145.05	\$ 153.77	\$ 170.29	\$ 157.42	\$ 138.95	\$ 131.90

		Account balance \$50,000					
AMP MySuper Balanced		FY ending 30 June					
		2015	2016	2017	2018	2019	2020 est
	MySuper FUM 31 Dec \$m	\$ 214.9	\$ 368.8	\$ 758.8	\$ 936.0	\$ 1,106.4	\$ 1,106.4
a.	Investment fee pa	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00
b.	Administration fees pa	\$ 351.40	\$ 352.36	\$ 353.44	\$ 355.60	\$ 342.52	\$ 337.52
c.	Indirect costs pa	\$ -	\$ -	\$ 15.00	\$ 20.00	\$ 40.00	\$ 40.00
d.	Tax benefit pa	-\$ 63.96	-\$ 64.10	-\$ 64.27	-\$ 64.59	-\$ 62.63	-\$ 61.88
e.	Total fees and costs pa (net of tax)	\$ 362.44	\$ 363.26	\$ 379.17	\$ 386.01	\$ 394.89	\$ 390.64
AMP MySuper 1970s		FY ending 30 June					
		2015	2016	2017	2018	2019	2020 est
	MySuper FUM 31 Dec \$m	\$ 2,519.0	\$ 6,601.8	\$ 13,516.4	\$ 14,461.1	\$ 14,931.7	\$ 14,931.7
a.	Investment fee pa	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 170.00	\$ 155.83
b.	Administration fees less rebates pa	\$ 338.09	\$ 316.39	\$ 338.73	\$ 338.43	\$ 246.86	\$ 217.31
c.	Indirect costs pa	\$ 125.00	\$ 190.00	\$ 270.00	\$ 210.00	\$ 205.00	\$ 205.00
d.	Tax benefit pa	-\$ 80.71	-\$ 77.46	-\$ 80.81	-\$ 80.76	-\$ 62.53	-\$ 55.97
e.	Total fees and costs pa (net of tax)	\$ 582.38	\$ 628.93	\$ 727.92	\$ 667.66	\$ 559.33	\$ 522.17
SDF MySuper 1970s		FY ending 30 June					
		2015	2016	2017	2018	2019	2020 est
	MySuper FUM 31 Dec \$m	\$ 180.1	\$ 267.2	\$ 1,208.6	\$ 1,243.7	\$ 1,236.0	\$ 1,236.0
a.	Investment fee pa	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 170.00	\$ 155.83
b.	Administration fees pa	\$ 450.20	\$ 451.28	\$ 452.36	\$ 454.16	\$ 290.84	\$ 235.84
c.	Indirect costs pa	\$ 125.00	\$ 190.00	\$ 320.00	\$ 200.00	\$ 200.00	\$ 200.00
d.	Tax benefit pa	-\$ 97.53	-\$ 97.69	-\$ 97.85	-\$ 98.12	-\$ 69.13	-\$ 58.75
e.	Total fees and costs pa (net of tax)	\$ 677.67	\$ 743.59	\$ 874.51	\$ 756.04	\$ 591.71	\$ 532.92

		Account balance \$150,000					
AMP MySuper Balanced		FY ending 30 June					
		2015	2016	2017	2018	2019	2020 est
	MySuper FUM 31 Dec \$m	\$ 214.9	\$ 368.8	\$ 758.8	\$ 936.0	\$ 1,106.4	\$ 1,106.4
a.	Investment fee pa	\$ 225.00	\$ 225.00	\$ 225.00	\$ 225.00	\$ 225.00	\$ 225.00
b.	Administration fees pa	\$ 851.40	\$ 852.36	\$ 853.44	\$ 855.60	\$ 812.52	\$ 797.52
c.	Indirect costs pa	\$ -	\$ -	\$ 45.00	\$ 60.00	\$ 120.00	\$ 120.00
d.	Tax benefit pa	-\$ 161.46	-\$ 161.60	-\$ 161.77	-\$ 162.09	-\$ 155.63	-\$ 153.38
e.	Total fees and costs pa (net of tax)	\$ 914.94	\$ 915.76	\$ 961.67	\$ 978.51	\$ 1,001.89	\$ 989.14
AMP MySuper 1970s		FY ending 30 June					
		2015	2016	2017	2018	2019	2020 est
	MySuper FUM 31 Dec \$m	\$ 2,519.0	\$ 6,601.8	\$ 13,516.4	\$ 14,461.1	\$ 14,931.7	\$ 14,931.7
a.	Investment fee pa	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 510.00	\$ 467.50
b.	Administration fees less rebates pa	\$ 857.07	\$ 799.56	\$ 857.44	\$ 854.32	\$ 578.01	\$ 490.10
c.	Indirect costs pa	\$ 375.00	\$ 570.00	\$ 810.00	\$ 630.00	\$ 615.00	\$ 615.00
d.	Tax benefit pa	-\$ 218.56	-\$ 209.93	-\$ 218.62	-\$ 218.15	-\$ 163.20	-\$ 143.64
e.	Total fees and costs pa (net of tax)	\$ 1,613.51	\$ 1,759.63	\$ 2,048.83	\$ 1,866.17	\$ 1,539.81	\$ 1,428.96
SDF MySuper 1970s		FY ending 30 June					
		2015	2016	2017	2018	2019	2020 est
	MySuper FUM 31 Dec \$m	\$ 180.1	\$ 267.2	\$ 1,208.6	\$ 1,243.7	\$ 1,236.0	\$ 1,236.0
a.	Investment fee pa	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 510.00	\$ 467.50
b.	Administration fees pa	\$ 1,180.20	\$ 1,181.28	\$ 1,182.36	\$ 1,184.16	\$ 690.84	\$ 525.84
c.	Indirect costs pa	\$ 375.00	\$ 570.00	\$ 960.00	\$ 600.00	\$ 600.00	\$ 600.00
d.	Tax benefit pa	-\$ 267.03	-\$ 267.19	-\$ 267.35	-\$ 267.62	-\$ 180.13	-\$ 149.00
e.	Total fees and costs pa (net of tax)	\$ 1,888.17	\$ 2,084.09	\$ 2,475.01	\$ 2,116.54	\$ 1,620.71	\$ 1,444.34

Notes: Total fees are net of 15% tax on investment and admin fees

AMP MySuper 1970s has been used as the proxy option as it holds the most FUM in the Lifecycle range

AMP MySuper 1970s fees are aggregated across Flexible Lifetime Super, Superleader, CustomSuper, SignatureSuper excluding Tailored MySuper arrangements but including Personal plans, SignatureSuper Select, Simple Super, Tailored Super, SS & TS Rollover Plans, Super Directions for Business and Super Directions for Business Rollover Section.

Rebates may be offered to plans in CU, SG and SSS AMP on their MySuper admin fees

Other indirect costs and PBFs for 2020 have been estimated based on 2019 figures.

Other indirect costs for 2015 and 2016 have been estimated using pre-RG97 rules, and include PBFs only.

Full effect of the reduction in AMP/SDF MySuper investment fee to 30bps will not be apparent in these figures until 2021 (additional 1.2bps reduction on 2020 figures)

SDF and AMP MySuper differences due to different Stronger Super fee allowance in admin fee, different indirect costs and effect of MySuper rebates in SG, SSS and CU products

SDF MySuper Lifecycle will transfer to AMP MySuper Lifecycle on 15 May 2019.

2015-2016 increase due to change in PBFs and member fee indexation

2016-2017 increase due to new RG97 rules, adding in other indirect costs and member fee indexation

2017-2018 reduction due to change in indirect costs, offset member fee indexation increase

2018-2019 reduction due to part year effect of 30/9/18 MySuper fee reductions, no member fee indexation

2019-2020 reduction due to full effect of 30/9/18 reductions and part year effect of 31/1/2020 MySuper fee reductions, no member fee indexation

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

AMP

AMP55QW: As a percentage of the value of the member account, for each of your superannuation products, can you please provide annual data for the past five financial years on average, for a member with a balance of \$6,000, \$50,000 and \$150,000?

- a) Investment fees
- b) Administration fees
- c) Indirect costs
- d) Any other cost to a member which is incurred or foregone by way of a lesser return pre-unit price (but not included in the indirect cost ratio) including any other costs, charges, fees, direct or indirect benefits including any benefit by way of rebate, set-off, commission, in-kind, tax credit/offset retained, interest (or interest rebate) retained by any party involved in the management, custody, review, compliance, administration, servicing, asset consulting, valuation, operation and maintenance, financing, auditing, brokerage, execution, settlement, or otherwise of the assets in the fund, or their underlying assets.
- e) An aggregate total of all fees mentioned above.

Answer:

See attachment AMP55QW.01

		Account balance \$6,000					
AMP MySuper Balanced		FY ending 30 June					
		2015	2016	2017	2018	2019	2020 est
MySuper FUM 31 Dec \$m		\$ 214.9	\$ 368.8	\$ 758.8	\$ 936.0	\$ 1,106.4	\$ 1,106.4
a.	Investment fee pa	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%
b.	Administration fees pa	2.19%	2.21%	2.22%	2.26%	2.26%	2.25%
c.	Indirect costs pa	0.00%	0.00%	0.03%	0.04%	0.08%	0.08%
d.	Tax benefit pa	-0.35%	-0.35%	-0.36%	-0.36%	-0.36%	-0.36%
e.	Total fees and costs pa (net of tax)	1.99%	2.00%	2.05%	2.09%	2.13%	2.12%
AMP MySuper 1970s		FY ending 30 June					
		2015	2016	2017	2018	2019	2020 est
MySuper FUM 31 Dec \$m		\$2,519.0	\$6,601.8	\$13,516.4	\$14,461.1	\$14,931.7	\$14,931.7
a.	Investment fee pa	0.40%	0.40%	0.40%	0.40%	0.34%	0.31%
b.	Administration fees less rebates pa	1.83%	1.73%	1.84%	1.86%	1.69%	1.62%
c.	Indirect costs pa	0.25%	0.38%	0.54%	0.42%	0.41%	0.41%
d.	Tax benefit pa	-0.33%	-0.32%	-0.34%	-0.34%	-0.30%	-0.29%
e.	Total fees and costs pa (net of tax)	2.14%	2.19%	2.45%	2.34%	2.13%	2.05%
SDF MySuper 1970s		FY ending 30 June					
		2015	2016	2017	2018	2019	2020 est
MySuper FUM 31 Dec \$m		\$ 180.1	\$ 267.2	\$ 1,208.6	\$ 1,243.7	\$ 1,236.0	\$ 1,236.0
a.	Investment fee pa	0.40%	0.40%	0.40%	0.40%	0.34%	0.31%
b.	Administration fees pa	2.15%	2.17%	2.19%	2.22%	1.91%	1.80%
c.	Indirect costs pa	0.25%	0.38%	0.64%	0.40%	0.40%	0.40%
d.	Tax benefit pa	-0.38%	-0.39%	-0.39%	-0.39%	-0.34%	-0.32%
e.	Total fees and costs pa (net of tax)	2.42%	2.56%	2.84%	2.62%	2.32%	2.20%

		Account balance \$50,000					
AMP MySuper Balanced		FY ending 30 June					
		2015	2016	2017	2018	2019	2020 est
MySuper FUM 31 Dec \$m		\$ 214.9	\$ 368.8	\$ 758.8	\$ 936.0	\$ 1,106.4	\$ 1,106.4
a.	Investment fee pa	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%
b.	Administration fees pa	0.70%	0.70%	0.71%	0.71%	0.69%	0.68%
c.	Indirect costs pa	0.00%	0.00%	0.03%	0.04%	0.08%	0.08%
d.	Tax benefit pa	-0.13%	-0.13%	-0.13%	-0.13%	-0.13%	-0.12%
e.	Total fees and costs pa (net of tax)	0.72%	0.73%	0.76%	0.77%	0.79%	0.78%
AMP MySuper 1970s		FY ending 30 June					
		2015	2016	2017	2018	2019	2020 est
MySuper FUM 31 Dec \$m		\$2,519.0	\$6,601.8	\$13,516.4	\$14,461.1	\$14,931.7	\$14,931.7
a.	Investment fee pa	0.40%	0.40%	0.40%	0.40%	0.34%	0.31%
b.	Administration fees less rebates pa	0.68%	0.63%	0.68%	0.68%	0.49%	0.43%
c.	Indirect costs pa	0.25%	0.38%	0.54%	0.42%	0.41%	0.41%
d.	Tax benefit pa	-0.16%	-0.15%	-0.16%	-0.16%	-0.13%	-0.11%
e.	Total fees and costs pa (net of tax)	1.16%	1.26%	1.46%	1.34%	1.12%	1.04%
SDF MySuper 1970s		FY ending 30 June					
		2015	2016	2017	2018	2019	2020 est
MySuper FUM 31 Dec \$m		\$ 180.1	\$ 267.2	\$ 1,208.6	\$ 1,243.7	\$ 1,236.0	\$ 1,236.0
a.	Investment fee pa	0.40%	0.40%	0.40%	0.40%	0.34%	0.31%
b.	Administration fees pa	0.90%	0.90%	0.90%	0.91%	0.58%	0.47%
c.	Indirect costs pa	0.25%	0.38%	0.64%	0.40%	0.40%	0.40%
d.	Tax benefit pa	-0.20%	-0.20%	-0.20%	-0.20%	-0.14%	-0.12%
e.	Total fees and costs pa (net of tax)	1.36%	1.49%	1.75%	1.51%	1.18%	1.07%

		Account balance \$150,000					
AMP MySuper Balanced		FY ending 30 June					
		2015	2016	2017	2018	2019	2020 est
MySuper FUM 31 Dec \$m		\$ 214.9	\$ 368.8	\$ 758.8	\$ 936.0	\$ 1,106.4	\$ 1,106.4
a.	Investment fee pa	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%
b.	Administration fees pa	0.57%	0.57%	0.57%	0.57%	0.54%	0.53%
c.	Indirect costs pa	0.00%	0.00%	0.03%	0.04%	0.08%	0.08%
d.	Tax benefit pa	-0.11%	-0.11%	-0.11%	-0.11%	-0.10%	-0.10%
e.	Total fees and costs pa (net of tax)	0.61%	0.61%	0.64%	0.65%	0.67%	0.66%
AMP MySuper 1970s		FY ending 30 June					
		2015	2016	2017	2018	2019	2020 est
MySuper FUM 31 Dec \$m		\$2,519.0	\$6,601.8	\$13,516.4	\$14,461.1	\$14,931.7	\$14,931.7
a.	Investment fee pa	0.40%	0.40%	0.40%	0.40%	0.34%	0.31%
b.	Administration fees less rebates pa	0.57%	0.53%	0.57%	0.57%	0.39%	0.33%
c.	Indirect costs pa	0.25%	0.38%	0.54%	0.42%	0.41%	0.41%
d.	Tax benefit pa	-0.15%	-0.14%	-0.15%	-0.15%	-0.11%	-0.10%
e.	Total fees and costs pa (net of tax)	1.08%	1.17%	1.37%	1.24%	1.03%	0.95%
SDF MySuper 1970s		FY ending 30 June					
		2015	2016	2017	2018	2019	2020 est
MySuper FUM 31 Dec \$m		\$ 180.1	\$ 267.2	\$ 1,208.6	\$ 1,243.7	\$ 1,236.0	\$ 1,236.0
a.	Investment fee pa	0.40%	0.40%	0.40%	0.40%	0.34%	0.31%
b.	Administration fees pa	0.79%	0.79%	0.79%	0.79%	0.46%	0.35%
c.	Indirect costs pa	0.25%	0.38%	0.64%	0.40%	0.40%	0.40%
d.	Tax benefit pa	-0.18%	-0.18%	-0.18%	-0.18%	-0.12%	-0.10%
e.	Total fees and costs pa (net of tax)	1.26%	1.39%	1.65%	1.41%	1.08%	0.96%

Notes: Total fees are net of 15% tax on investment and admin fees

AMP MySuper 1970s has been used as the proxy option as it holds the most FUM in the Lifecycle range

AMP MySuper 1970s fees are aggregated across Flexible Lifetime Super, Superleader, CustomSuper, SignatureSuper excluding Tailored MySuper arrangements but including Personal plans, SignatureSuper Select, Simple Super, Tailored Super, SS & TS Rollover Plans, Super Directions for Business and Super Directions for Business Rollover Section.

Rebates may be offered to plans in CU, SG and SSS AMP on their MySuper admin fees

Other indirect costs and PBFs for 2020 have been estimated based on 2019 figures.

Other indirect costs for 2015 and 2016 have been estimated using pre-RG97 rules, and include PBFs only.

Full effect of the reduction in AMP/SDF MySuper investment fee to 30bps will not be apparent in these figures until 2021 (additional 1.2bps reduction on 2020 figures)

SDF and AMP MySuper differences due to different Stronger Super fee allowance in admin fee, different indirect costs and effect of MySuper rebates in SG, SSS and CU products

SDF MySuper Lifecycle will transfer to AMP MySuper Lifecycle on 15 May 2019.

2015-2016 increase due to change in PBFs and member fee indexation

2016-2017 increase due to new RG97 rules, adding in other indirect costs and member fee indexation

2017-2018 reduction due to change in indirect costs, offset member fee indexation increase

2018-2019 reduction due to part year effect of 30/9/18 MySuper fee reductions, no member fee indexation

2019-2020 reduction due to full effect of 30/9/18 reductions and part year effect of 31/1/2020 MySuper fee reductions, no member fee indexation

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

AMP

AMP56QW: To the extent that any of the fees and costs listed in the previous two questions are paid to a related entity or associate of the trustee, or any of their respective related entities or associates, please set out the function performed or service provided by that person, and the amount (total quantum) paid to that entity or person at a whole-of-fund level.

Answer:

In relation to the fees and costs listed in the previous two questions:

- Administration fees disclosed in AMP54QW and AMP55QW are retained in full by AMP Life Limited in its capacity as Administrator for the funds (ART, SST and SDF).
- Investment fees disclosed in AMP54QW and AMP55QW are retained in full by AMP Life Limited in its capacity as Investment Manager for the assets of the MySuper products.
- Indirect costs disclosed in AMP54QW and AMP55QW are paid to external parties e.g. underlying external investment/fund manager base and performance fees, custodian fees (safe keeping and custody transaction), brokerage costs and OTC derivative providers.

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

AMP

AMP61QW:

What percentage of the return on investment from your unlisted assets can be attributed to revaluations due to falling interest rates, and capital asset pricing model market yields used as the discount rate in discounted cash flow based valuations?

Answer:

The AMP MySuper Balanced investment option does not have any direct unlisted assets within its portfolio.

With respect to the AMP Capital 1970s Fund (the Fund), both the AMP SST MySuper 1970s and the AMP SDF MySuper 1970s life-cycle investment options invest in this fund.

The Fund's allocations to unlisted assets comprise of unlisted (or direct) property, unlisted (or direct) infrastructure, private equity and infrastructure debt. Exposure to these unlisted assets are gained through investments in co-mingled funds, or in various investment trusts co-owned with other AMP Capital managed funds with similar investment requirements. These investment trusts invest in co-mingled funds and co-investments.

Unlisted real asset (e.g. property and infrastructure) valuations are impacted by; (1) the interest rate environment (where the discounted cash flow and capitalisation valuation methods are commonly used) and (2) the use of leverage. Although a meaningful portion of the real asset return was from repricing over the past five years, it is challenging to attribute the exact rate of return from falling interest rates. The lower long-term interest rates contributed to lower valuation discount rates and terminal yields. Strong investor demand also contributed to firmer capitalisation rates. In addition, the lower borrowing cost enhanced net profits, thereby supported higher leverage levels which, in turn, contributed to higher asset valuations.

For private equity funds, the pricing of an underlying asset may be less sensitive to interest rate movements during the holding period as there are two main valuation approaches for companies: (1) discounted cash flow, and (2) market or relative value approaches which do not rely on interest rates. Private equity typically focuses on value-additive activities in order to maximise sale or exit values rather than relying on changes to interest rates or financial models for returns. Like real assets, lower interest rates and debt availability may enable private equity assets to generate higher cash flows which support higher disposal values. These assets may benefit from favourable pricing in a low interest rate environment.

Finally, the Fund's private debt exposure consists of infrastructure debt funds which are closed-ended strategies in which the underlying assets are held to maturity. The valuation of the underlying

debt instruments is based on an amortised approach. Hence the assets are not impacted by revaluations due to falling interest rates.

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AMP

AMP62QW:

How will the overall fund performance be affected if:

- The income return of unlisted assets declines?
- The fund can no longer purchase unlisted assets onshore?
- The fund can no longer purchase unlisted assets offshore?

Answer:

The AMP MySuper Balanced investment option does not have any direct unlisted assets within its portfolio.

With respect to the AMP Capital 1970s Fund (the Fund), both the AMP SST MySuper 1970s and the AMP SDF MySuper 1970s life-cycle investment options invest in this fund.

The Fund's allocations to unlisted assets comprise of unlisted (or direct) property, unlisted (or direct) infrastructure, private equity and infrastructure debt. Exposure to these unlisted assets are gained through investments in co-mingled funds, or in various investment trusts co-owned with other AMP Capital managed funds with similar investment requirements. These investment trusts invest in co-mingled funds and co-investments.

Generally, an unexpected decline of an unlisted asset's income stream will impact the income return of the respective co-mingled fund or investment vehicle, which will flow through to the Fund's income returns. If the income decline is permanent, it will impact the valuation of the underlying asset, which will flow through to the Fund's capital returns.

AMP Capital's unlisted asset portfolios seek to diversify the asset base across sectors and regions to manage risk and optimise value-adding opportunities. The inability of the Fund to invest onshore or offshore will meaningfully restrict the Fund's opportunity set, its ability to generate value-add and diversify risk.

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AMP

AMP63QW:

How have you structured the fund to address the writing back of the increased investment capitalised future returns?

Answer:

The AMP MySuper Balanced investment option does not have any direct unlisted assets within its portfolio.

With respect to the AMP Capital 1970s Fund (the Fund), both the AMP SST MySuper 1970s and the AMP SDF MySuper 1970s life-cycle investment options invest in this fund.

The Fund's allocations to unlisted assets comprise of unlisted (or direct) property, unlisted (or direct) infrastructure, private equity and infrastructure debt. Exposure to these unlisted assets are gained through investments in co-mingled funds, or in various investment trusts co-owned with other AMP Capital managed funds with similar investment requirements. These investment trusts invest in co-mingled funds and co-investments.

The Fund is structured to invest in unlisted investments as a long-term investor.

Unlisted assets are illiquid investments with a long-term horizon. Accordingly, our investment process aims to manage these assets' risk and return profile through cycles. As part of the due diligence process prior to investing, AMP Capital examines the asset pricing cycle as well as the attractiveness of the investment in a diversified fund context, e.g. its relative risk/return profile comparing to other asset classes. Once invested, AMP Capital reviews the investment regularly and rebalances as appropriate utilising cash flow and liquidity opportunities. Based on AMP Capital's process, the writing back of investment value may provide opportunities to invest in an asset class at more attractive pricing.

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AMP

AMP64QW:

What are the projected changes in income in light of the writing back of the increased investment capitalised future returns?

Answer:

The AMP MySuper Balanced investment option does not have any direct unlisted assets within its portfolio.

With respect to the AMP Capital 1970s Fund (the Fund), both the AMP SST MySuper 1970s and the AMP SDF MySuper 1970s life-cycle investment options invest in this fund.

The Fund's allocations to unlisted assets comprise of unlisted (or direct) property, unlisted (or direct) infrastructure, private equity and infrastructure debt. Exposure to these unlisted assets are gained through investments in co-mingled funds, or various investment trusts co-owned with other AMP Capital managed funds with similar investment requirements. These investment trusts invest in co-mingled funds and co-investments.

Repricing of an asset does not alter the income stream (in dollar terms) of the asset. However, a repricing will change the valuation of an underlying asset, and as a result, the rate of income return of the asset. In recent years, some assets (most notably real assets) experienced strong repricing ahead of the fundamentals supporting the income stream. The rates of income return of these assets generally declined due to higher valuations. A softening in capital market conditions will lead to a reduction in future valuations. In turn, the fall in valuations will increase the rate of income return of these assets.

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AMP

AMP65QW:

Valuation methodologies:

- a) Have you compared your valuation methodologies and assumptions for unlisted assets with other superannuation funds, and if so, what are the differences?
- b) Are you confident that your valuation methodologies and assumptions for unlisted assets reflect their value to the fund, and how often are they reviewed?
- c) How do you compare your valuations to listed investments, including, but not limited to, whether there is a cross check to stock prices for similar assets?
- d) Have you ever calculated whether there would be a difference between valuations if unlisted assets were listed?

Answer:

The AMP MySuper Balanced investment option does not have any direct unlisted assets within its portfolio.

With respect to the AMP Capital 1970s Fund (the Fund), both the AMP SST MySuper 1970s and the AMP SDF MySuper 1970s life-cycle investment options invest in this fund.

The Fund's allocations to unlisted assets comprise of unlisted (or direct) property, unlisted (or direct) infrastructure, private equity and infrastructure debt. Exposure to these unlisted assets are gained through investments in co-mingled funds, or in various investment trusts co-owned with other AMP Capital managed funds with similar investment requirements. These investment trusts invest in co-mingled funds and co-investments.

- a) Have you compared your valuation methodologies and assumptions for unlisted assets with other superannuation funds, and if so, what are the differences?

AMP Capital (AMPC) does not compare the Fund's valuation methodologies and assumptions with other superannuation funds directly. However, AMPC is comfortable that the Fund's valuation methodologies and assumptions are comparable to those adopted by institutional investors.

The Fund invests primarily in institutional-grade co-mingled funds. These co-mingled funds adopt valuation policies and principles either in line with or superior to common market practices. A broad range of institutional investors, including pension/superannuation funds, invest in these co-mingled funds.

For co-investments, the investment managers adopt a similar valuation approach. The valuations are conducted by independent valuation firms. As a result, AMPC is comfortable that the Fund's valuation methodologies and assumptions are in line with the market practice adopted by institutional investors.

- b) Are you confident that your valuation methodologies and assumptions for unlisted assets reflect their value to the fund, and how often are they reviewed?

AMPC is comfortable that the Fund's unlisted asset valuation methodologies and assumptions are comparable to the market practice and reflect their value to the Fund.

For unlisted real assets, valuations of underlying assets are typically conducted by independent valuation firms. The valuation cycle is generally quarterly, six-monthly or annually. We regularly monitor the underlying managers' valuation process. AMPC gain further confidence in the process by cross-checking the valuation of similar assets across a range of unlisted assets we invest in, as well as recent market evidence.

For private equity, the underlying external co-mingled funds are independently audited on an annual basis. The valuation policies of the underlying funds are assessed by an independent investment consultant upon initial investment and monitored for the life of the investment. Company valuations are compared upon exit to previous carrying valuations and compared on a relative valuation basis to peers.

Finally, the Fund's private debt exposure is hold-to-maturity infrastructure debt strategies. The assets are held in the underlying funds at amortised cost, which is effectively the repayment value of the assets. If the underlying investment manager believes that a material risk of loss will eventuate or does exist, an independent valuation by an external qualified valuer is obtained to support the fair value adjustment.

- c) How do you compare your valuations to listed investments, including, but not limited to, whether there is a cross check to stock prices for similar assets?

Where there are comparable stocks in the listed real asset sector, we conduct analysis to understand the driver of valuation differences and to identify any opportunities. In term of approach, a Net Asset Value (e.g. asset backing) approach may be used to compare a listed property stock to an unlisted property exposure, and an EV/EBITDA approach may be used to compare a listed infrastructure stock to an unlisted infrastructure exposure.

For private equity, relative valuations using comparable company analysis is commonly used as a point of comparison and an input into underlying valuations.

For private debt, the fair value review process for each asset will consider comparative listed debt, where there is a listed comparable.

- d) Have you ever calculated whether there would be a difference between valuations if unlisted assets were listed?

The Fund's unlisted real asset and private debt exposures primarily consist of units in co-mingled funds as minority stakes. The Fund also has exposure to co-investments in the infrastructure sector. The co-investments are also minority stakes in the underlying assets. As a result, the Fund has limited ability to change these unlisted strategies to listed strategies. As a result, AMPC does not focus on whether there would be a difference between valuations if unlisted assets are listed.

A common strategy for private equity includes Initial Public Offerings (IPOs) on listed markets for underlying companies. However, company exits via sales to strategic partners or other buyers are becoming a common route for companies. Relative valuation approaches are also commonly used in private equity valuations and during the listing process. These strategies are implemented by the underlying managers in the private equity funds rather than the Fund.

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AMP

AMP66QW:

What is the current annual average return for your unlisted assets?

Answer:

The AMP MySuper Balanced investment option does not have any direct unlisted assets within its portfolio.

With respect to the AMP Capital 1970s Fund (the Fund), both the AMP SST MySuper 1970s and the AMP SDF MySuper 1970s life-cycle investment options invest in this fund.

The Fund's allocations to unlisted assets comprise of unlisted (or direct) property, unlisted (or direct) infrastructure, private equity and infrastructure debt. Exposure to these unlisted assets are gained through investments in co-mingled funds, or in various investment trusts co-owned with other AMP Capital managed funds with similar investment requirements. These investment trusts invest in co-mingled funds and co-investments.

Historical returns of the Fund's unlisted exposure via co-mingled funds or investment trusts are as follows:

Before fees & taxes	1-year return	3-year return	5-year return
At 31 December 2019	p.a.	p.a.	p.a.
AMP Capital Direct Property Fund	3.6%	7.8%	9.4%
Future Directions Infrastructure Trust	14.5%	13.6%	15.2%
Future Directions Infrastructure Fund	12.4%	13.0%	13.7%
Future Directions Private Equity Fund 3	5.0%	5.9%	10.1%
Future Directions Private Equity Fund 4	15.4%	16.9%	13.2%
Future Directions Private Equity Fund 5	11.7%	n/a	n/a
AMP Capital Infrastructure Debt Fund III	8.2%	9.5%	n/a
AMP Capital Infrastructure Debt Fund IV	14.6%	n/a	n/a
AMP Capital MySuper 1970's	18.3%	9.4%	8.8%

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AMP

AMP67QW:

Given the size of your large joint investments, why are they not listed for liquidity, valuation and public disclosure purposes?

Answer:

The AMP MySuper Balanced investment option does not have any direct unlisted assets within its portfolio.

With respect to the AMP Capital 1970s Fund (the Fund), both the AMP SST MySuper 1970s and the AMP SDF MySuper 1970s life-cycle investment options invest in this fund.

The Fund's exposure to unlisted real asset and private debt sectors primarily consists of minority stakes in co-mingled funds. The Fund has limited ability to change the strategies of these funds. The Fund also has exposure to co-investments in infrastructure assets. The co-investments are minority stakes and not scalable to be listed on a stock exchange.

The Fund's private equity exposure is held via co-mingled fund of funds which are highly diversified with minority investments into external private equity funds. The Fund does not have control or significant influence over any of these underlying investments.

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AMP

AMP68QW:

- a. How many unlisted assets do you hold in the fund?
- b. What value share are unlisted assets of the fund's:
 - i. total value?
 - ii. total property value?

Answer:

The AMP MySuper Balanced investment option does not have any direct unlisted assets within its portfolio.

With respect to the AMP Capital 1970s Fund (the Fund), both the AMP SST MySuper 1970s and the AMP SDF MySuper 1970s life-cycle investment options invest in this fund.

The Fund's allocations to unlisted assets comprise of unlisted (or direct) property, unlisted (or direct) infrastructure, private equity and infrastructure debt. Exposure to these unlisted assets are gained through investments in co-mingled funds, or in various investment trusts co-owned with other AMP Capital managed funds with similar investment requirements. These investment trusts invest in co-mingled funds and co-investments.

- a) How many unlisted assets do you hold in the fund?

At 31 December 2019, the unlisted investments in the Fund were as follows:

Co-mingled funds and Investment trusts	Market value (A\$ mil)	As % of the Fund's total asset value
AMP Capital Direct Property Fund	244.2	4.0%
Subtotal: unlisted property	244.2	4.0%
Future Directions Infrastructure Trust	140.7	2.3%
Future Directions Infrastructure Fund	93.2	1.5%
Subtotal: unlisted infrastructure	233.9	3.8%
Future Directions Private Equity Fund 3	90.7	1.5%
Future Directions Private Equity Fund 4	90.4	1.5%
Future Directions Private Equity Fund 5	122.1	2.0%
Subtotal: private equity	303.2	5.0%

AMP Capital Infrastructure Debt Fund III	57.5	0.9%
AMP Capital Infrastructure Debt Fund IV	16.6	0.3%
Subtotal: private debt	74.1	1.2%
Total unlisted assets	855.4	14.0%

b) What value share are unlisted assets of the fund's:

- i. total value?
- ii. total property value?

At 31 December 2019, the Fund's unlisted property is 60.6% of the total property value as illustrated below:

Unlisted property vs. listed property	Market value (A\$ mil)	As % of the Fund's total property value
Unlisted property	244.2	60.6%
Listed property	158.8	39.4%
Total property	403.0	100.0%

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AMP

AMP69QW:

Discount rates:

- a) For unlisted assets, do you use a consistent discount rate for income across all unlisted assets, or an asset-specific discount rate?
- b) What is the discount rate you apply to the income from unlisted assets, and has it changed over the past decade, and if so, when and why?

Answer:

The AMP MySuper Balanced investment option does not have any direct unlisted assets within its portfolio.

With respect to the AMP Capital 1970s Fund (the Fund), both the AMP SST MySuper 1970s and the AMP SDF MySuper 1970s life-cycle investment options invest in this fund.

- a) For unlisted assets, do you use a consistent discount rate for income across all unlisted assets, or an asset-specific discount rate?

AMP does not use a consistent discount rate across all unlisted assets. Discount rates are asset-specific.

- b) What is the discount rate you apply to the income from unlisted assets, and has it changed over the past decade, and if so, when and why?

Independent valuers will determine the discount rates for cash flow during the valuation process. Discount rates are determined based on long-term interest rates and risk profile of the assets. For example, a core and mature asset may be valued at a 6% discount rate, whereas a high-risk value-add asset may be valued at a 15% discount rate.

On the same asset basis, discount rates have generally compressed since the inception of the Fund in January 2014, impacted by the falling interest rate environment.

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AMP

AMP70QW:

Of the unlisted assets, how many have outperformed the average return on investments in superannuation over the past five years?

Answer:

The AMP MySuper Balanced investment option does not have any direct unlisted assets within its portfolio.

With respect to the AMP Capital 1970s Fund (the Fund), both the AMP SST MySuper 1970s and the AMP SDF MySuper 1970s life-cycle investment options invest in this fund.

The Fund has eight co-mingled funds and investment trusts that invest in unlisted assets. At 31 December 2019, five out of eight funds/trusts have a five-year return track record. Each of these five funds/trusts has outperformed the Fund's 5-year return on gross of fees and tax basis.

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AMP

AMP71QW:

Have you completed any analysis about your capacity to continue to provide returns to fund members at the current, or past rate, into the future based on the valuations of your unlisted assets?

Answer:

The AMP MySuper Balanced investment option does not have any direct unlisted assets within its portfolio.

With respect to the AMP Capital 1970s Fund (the Fund), both the AMP SST MySuper 1970s and the AMP SDF MySuper 1970s life-cycle investment options invest in this fund.

Yes. AMP Capital regularly runs analysis on the expected returns of the unlisted assets where applicable. There are also frequent consultations with the underlying managers to discuss return expectations.

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AMP

AMP72QW:

Over the past decade:

- a. Have you ever devalued an unlisted asset?
- b. Have you ever devalued an unlisted asset by more than \$10 million?
- c. Have you ever devalued an unlisted asset by more than \$50 million?
- d. Have you ever devalued an unlisted asset by more than \$100 million?
- e. Please advise the companies and/or individual valuers that have valued your unlisted assets.

Answer:

The AMP MySuper Balanced investment option does not have any direct unlisted assets within its portfolio.

With respect to the AMP Capital 1970s Fund (the Fund), both the AMP SST MySuper 1970s and the AMP SDF MySuper 1970s life-cycle investment options invest in this fund.

The Fund invests in units in co-mingled funds and investment trusts. The pricing of these investments is based on unit prices reported by the managers of the co-mingled funds and investment trusts based on their valuation policies.

As a result, the Fund does not directly devalue any underlying assets.

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AMP

AMP73QW:

For each year of the past decade:

- a) How many superannuation customers do you have?
- b) How many financial planners do you have in total numbers, and as a superannuation customer to financial planner ratio?
- c) How many financial advisers do you have in total numbers, and as a superannuation customer to financial planner ratio?

Answer:

- a) How many superannuation customers do you have?

The data in the table below is reported annually to APRA as part of the Superannuation Reporting Form SRF 610.2. MySuper was only introduced in 2013, therefore reporting commenced from 30 June 2014.

		# MySuper customers as at 30 June					
		2019	2018	2017	2016	2015	2014
AMP MySuper No.1	AMP Retirement Trust (ART)	102,441	91,853	82,725	72,100	49,871	29,438
AMP MySuper No.2	AMP Superannuation Savings Trust (SST)	555,934	591,663	624,744	471,365	352,597	278,949
AMP MySuper No.3	Super Directions Fund (SDF)	82,347	89,158	98,421	52,183	48,067	-

- b) How many financial planners do you have in total numbers, and as a superannuation customer to financial planner ratio?
- c) How many financial advisers do you have in total numbers, and as a superannuation customer to financial planner ratio?

The Trustees of the AMP MySuper options listed above do not directly employ any financial advisers/planners.

AMP Superannuation Limited offers intra-fund advice to members of the AMP SST MySuper product only at this stage. This advice is offered through AMP Assist which currently employs 8 advisers.

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AMP

AMP74QW:

For each year of the past decade:

- a) How much is charged for financial planning annually to fund members, and what is the average per superannuation customer?
- b) How much is charged for financial planning annually to funds, and what is the average per superannuation customer?
- c) How much is charged for financial advice annually to fund members, and what is the average per superannuation customer?
- d) How much is charged for financial advice annually to funds, and what is the average per superannuation customer?

Answer:

AMP does not distinguish between financial planning and financial advice.

The Trustees of the AMP MySuper options do not directly employ any financial advisers/planners.

AMP Superannuation Limited (ASL) provides members with access to intra-fund advice at no additional cost. General advice is usually provided to a member with no or little cost. Members are able to access other forms of advice through the broader AMP group, the cost of which is individually agreed with the member.

The cost of scaled and comprehensive financial advice varies depending on the needs of the client/member. Not all superannuation members seek scaled or comprehensive financial advice, and therefore an average charge per member is not a meaningful measure in this context.

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AMP

AMP75QW:

For each year of the past decade:

- a) What is the cost of general advice annually, and what is the average per superannuation customer?
- b) What are the aggregate value of bonuses provided for general advice, and what is the average per adviser?

Answer:

- a) What is the cost of general advice annually, and what is the average per superannuation customer?

The Trustees of the AMP MySuper options do not directly employ any financial advisers/planners.

AMP Superannuation Limited (ASL) provides members with access to intra-fund advice at no additional cost. Members are able to access other forms of advice through the broader AMP group, the cost of which is individually agreed with the member.

The cost of scaled or comprehensive financial advice is allowed to be deducted from a member's superannuation account, where the advice relates to the members interest in the superannuation fund, in accordance with the SIS Act.

General advice is usually provided to a member at no or little cost and is not able to be deducted from a member's super account.

Accordingly, an average cost per superannuation member is not a meaningful measure in this context.

- b) What are the aggregate value of bonuses provided for general advice, and what is the average per adviser?

ASL does not employ any financial advisers/planners.

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AMP

AMP76QW:

For each year of the past decade:

- a) What is the cost of scaled advice annually, and what is the average per superannuation customer?
- b) What are the aggregate value of bonuses provided for scaled advice, and what is the average per adviser?

Answer:

- a) What is the cost of scaled advice annually, and what is the average per superannuation customer?

The Trustees of the AMP MySuper options do not directly employ any financial advisers/planners.

AMP Superannuation Limited (ASL) provides members with access to intra-fund advice at no additional cost. Members are able to access other forms of advice through the broader AMP group, the cost of which is individually agreed with the member.

The cost of scaled or comprehensive financial advice is allowed to be deducted from a member's superannuation account, where the advice relates to the members interest in the superannuation fund, in accordance with the SIS Act.

The cost of scaled financial advice varies depending on the needs of the client/member. Not all superannuation members seek scaled financial advice, and not all members that seek scaled financial advice will have the cost of that scaled advice deducted from their superannuation account.

Accordingly, an average cost per superannuation member is not a meaningful measure in this context.

- b) What are the aggregate value of bonuses provided for scaled advice, and what is the average per adviser?

ASL does not employ any financial advisers/planners.

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AMP

AMP77QW:

For each year of the past decade:

- a) What is the cost of comprehensive advice annually, and what is the average per superannuation customer?
- b) What are the aggregate value of bonuses provided for comprehensive advice, and what is the average per adviser?

Answer:

- a) What is the cost of comprehensive advice annually, and what is the average per superannuation customer?

The Trustees of the AMP MySuper options do not directly employ any financial advisers/planners.

AMP Superannuation Limited (ASL) provides members with access to intra-fund advice at no additional cost. Members are able to access other forms of advice through the broader AMP group, the cost of which is individually agreed with the member.

The cost of scaled or comprehensive financial advice is allowed to be deducted from a member's superannuation account, where the advice relates to the members interest in the superannuation fund, in accordance with the SIS Act.

The cost of comprehensive financial advice varies depending on the needs of the client/member. Not all superannuation members seek comprehensive financial advice, and not all members that seek comprehensive financial advice will have the cost of that comprehensive advice deducted from their superannuation account.

Accordingly, an average cost per superannuation member is not a meaningful measure in this context.

- b) What are the aggregate value of bonuses provided for comprehensive advice, and what is the average per adviser?

ASL does not employ any financial advisers/planners.

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AMP

AMP78QW:

For each year of the past decade:

- a) What is the cost of intra-fund advice annually, and what is the average per superannuation customer?
- b) What are the aggregate value of bonuses provided for intra-fund advice, and what is the average per adviser?

Answer:

- a) What is the cost of intra-fund advice annually, and what is the average per superannuation customer?

AMP Superannuation Limited (ASL) provides members with access to intra-fund advice at no additional cost.

- b) What are the aggregate value of bonuses provided for intra-fund advice, and what is the average per adviser?

ASL does not employ any advisers.

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AMP

AMP79QW:

How many employees does the fund have?

Answer:

Neither AMP Superannuation Limited (ASL), NM Superannuation Proprietary Limited (NM Super) or any of the RSE funds directly employs any staff.

The Trustees have agreements in place with a related AMP group entity (AMP Services Limited) to provide various services, including resourcing.

The Trustees are responsible for ensuring that there is appropriate resourcing in place to support members accounts. The trustees manage this obligation through agreements for the provision of administration and operational services with AMP Services Limited and investment management services through the appointed investment manager (AMP Capital).

Due to a significant number of roles within AMP Services and AMP Capital supporting more than one specific business area, it is difficult to provide an accurate estimate of employee numbers that could be ascribed to supporting the superannuation business of the Trustees.

The Superannuation Trustee Office directly supports the Trustee Board. It is currently staffed with approximately 10 individuals.

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

AMP

AMP80QW:

How do you define employee misconduct?

Answer:

None of the AMP superannuation funds or their Trustees employ any staff directly, and accordingly does not maintain its own definition of employee misconduct.

However, AMP more broadly, defines employee misconduct as:

- Wilful, repeated or negligent behaviour which is inconsistent with the continuation of the contract of employment, and which causes serious and imminent risk to the health or safety of a person or the reputation, viability or profitability of AMP
- Misconduct that results in an impact on AMP, its customers or people (financial, reputational or customer impact)
- Causing serious risk to the prudential standing of AMP
- Serious misconduct as per the Fair Work Act
- Misconduct as per the Australian Banking Association's (ABA's) Banking Industry Conduct Background Check Protocol
- Negligence or acting without care in carrying out responsibilities, including failure to act
- Contravening AMP policies

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AMP

AMP81QW:

Over the past five years:

- a) How many employees have been cautioned for misconduct?
- b) How many employees have had a penalty (such as, but not limited to, loss of bonus) for misconduct?
- c) How many employees have been terminated for misconduct?
- d) How many employees have been cautioned for misconduct, as a share of all employees over that timeframe?
- e) How many employees have had a penalty (such as, but not limited to, loss of bonus) for misconduct, as a share of all employees over that timeframe?
- f) How many employees have been terminated for misconduct, as a share of all employees over that timeframe?

Answer:

Neither AMP Superannuation Limited (ASL), NM Superannuation Proprietary Limited (NM Super) or any of the RSE funds directly employs any staff. The Trustees have agreements in place with a related AMP group entity (AMP Services Limited) to provide various services, including resourcing.

AMP Group employee figures used below include the wealth management business, covering the superannuation, financial advice, insurance, and banking teams as well as corporate functions such as finance, risk management, communications, human resources and legal support services.

Over the past five years:

- a. How many employees have been cautioned for misconduct?

Across the AMP Group, a total of 90 employees have been cautioned for misconduct. A caution is defined as a written warning, verbal warning, receiving coaching/counselling/training or subject to a Performance Improvement Plan.

- a. 29 in 2019
 - b. 17 in 2018
 - c. 16 in 2017
 - d. 19 in 2016
 - e. 9 in 2015
- b. How many employees have had a penalty (such as, but not limited to, loss of bonus) for misconduct?

In November 2019 AMP introduced a Management of Conduct Policy and began to formally track penalties for misconduct. The aim of this policy is to reinforce the high standards of conduct expected by AMP's people in a transparent and consistent manner. Misconduct or improper behaviour by a person is unacceptable and the intention of this framework is to guide leaders to make fair and considered decisions when managing people. In cases of inappropriate conduct, this policy provides guidance where an outcome may be applied.

Across the AMP Group, a total of 10 employees received a penalty for misconduct. A penalty in this instance is defined as a Short Term Incentive (STI) impact.

- c. How many employees have been terminated for misconduct?

Across the AMP Group, a total of 141 employees were dismissed as a result of misconduct during the period 2015 – 2019. The definition used for misconduct in responding to this question excludes probation terminations, abandonment of employment and negotiated terminations.

- d. How many employees have been cautioned for misconduct, as a share of all employees over that timeframe?

The average number of AMP Group employees from 2015 – 2019 is 5,019. The total number of employees that have been cautioned for misconduct, as a share of all employees over that timeframe equates to 1.7%.

- e. How many employees have had a penalty (such as, but not limited to, loss of bonus) for misconduct, as a share of all employees over that timeframe?

The average number of AMP Group employees from 2015 – 2019 is 5,019. The total number of employees that have had a penalty (such as, but not limited to, loss of bonus) for misconduct, as a share of all employees over that timeframe equates to 0.19%.

- f. How many employees have been terminated for misconduct, as a share of all employees over that timeframe?

The average number of AMP Group employees from 2015 – 2019 is 5,019. The total number of employees that have been terminated for misconduct, as a share of all employees over that timeframe equates to 2.8%.

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

AMP

AMP82QW:

Of the twenty highest remunerated employees over the past decade, please provide the number whose total remuneration in a financial year (including all forms of remuneration, including but not limited to, base salary, regularized and deferred bonuses and incentives including, but not limited to, shares) falls within these brackets?

Answer:

AMP's superannuation funds do not have any direct employees, as described in AMP79QW.

However, within the broader AMP group, the executives with overall responsibility for the superannuation business and the most senior investment managers over the past decade have been included in the table below.

Total remuneration package value	Number (ie 1 employee)
<\$1,000,000	
\$1,000,001 - \$2,000,000	3
\$2,000,001 - \$3,000,000	9
\$3,000,001 - \$4,000,000	6
\$4,000,001 - \$5,000,000	2
\$5,000,001 - \$6,000,000	
\$6,000,001 - \$7,000,000	
\$7,000,001 - \$8,000,000	
\$8,000,001 - \$9,000,000	
\$9,000,001 - \$10,000,000	
\$10,000,001 - \$11,000,000	
\$11,000,001 - \$12,000,000	
\$12,000,001 - \$13,000,000	
\$13,000,001 - \$14,000,000	
\$14,000,001 - \$15,000,000	
\$15,000,001 - \$16,000,000	
\$16,000,001 - \$17,000,000	
\$17,000,001 - \$18,000,000	
\$18,000,001 - \$19,000,000	
\$19,000,001 - \$20,000,000	
\$20,000,001 - \$25,000,000	

\$25,000,001 - \$30,000,000	
\$30,000,001 - \$35,000,000	
\$35,000,001 - \$40,000,000	
\$40,000,001 - \$45,000,000	
\$45,000,001 - \$50,000,000	
>\$50,000,000	

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AMP

AMP83QW:

Of the twenty highest incentive bonuses paid over the past decade, please provide the number that fall within these brackets?

Answer:

AMP's superannuation funds do not have any direct employees, as described in AMP79QW.

However, within the broader AMP group, the executives with overall responsibility for the superannuation business and the most senior investment managers over the past decade have been included in the table below.

Total incentive bonuses value	Number (ie 1 employee)
<\$1,000,000	7
\$1,000,001 - \$2,000,000	8
\$2,000,001 - \$3,000,000	5
\$3,000,001 - \$4,000,000	
\$4,000,001 - \$5,000,000	
\$5,000,001 - \$6,000,000	
\$6,000,001 - \$7,000,000	
\$7,000,001 - \$8,000,000	
\$8,000,001 - \$9,000,000	
\$9,000,001 - \$10,000,000	
\$10,000,001 - \$11,000,000	
\$11,000,001 - \$12,000,000	
\$12,000,001 - \$13,000,000	
\$13,000,001 - \$14,000,000	
\$14,000,001 - \$15,000,000	
\$15,000,001 - \$16,000,000	
\$16,000,001 - \$17,000,000	
\$17,000,001 - \$18,000,000	
\$18,000,001 - \$19,000,000	
\$19,000,001 - \$20,000,000	
\$20,000,001 - \$25,000,000	
\$25,000,001 - \$30,000,000	
\$30,000,001 - \$35,000,000	
\$35,000,001 - \$40,000,000	
\$40,000,001 - \$45,000,000	
\$45,000,001 - \$50,000,000	

>\$50,000,000	
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AMP

AMP84QW: Of the twenty highest performance bonuses paid over the past decade, please provide the number that fall within these brackets?

Answer:

AMP does not distinguish between performance and incentive payments. Therefore, no information included in the tables below. Please refer to question AMP83QW for information on performance packages paid over the past decade.

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AMP

AMP85QW:

Of the twenty highest severance packages over the past decade, please provide the number whose total package (including all forms of accumulated severance package, including but not limited to, base salary, regularized and deferred bonuses and incentives including, but not limited to, shares) falls within these brackets?

Answer:

AMP's superannuation funds do not have any direct employees, as described in AMP79QW.

However, within the broader AMP group, the executives with overall responsibility for the superannuation business and the most senior investment managers over the past decade have been included in the table below.

Total severance package value	Number (ie 1 employee)
<\$1,000,000	1 ¹
\$1,000,001 - \$2,000,000	1 ²
\$2,000,001 - \$3,000,000	
\$3,000,001 - \$4,000,000	
\$4,000,001 - \$5,000,000	
\$5,000,001 - \$6,000,000	
\$6,000,001 - \$7,000,000	
\$7,000,001 - \$8,000,000	
\$8,000,001 - \$9,000,000	
\$9,000,001 - \$10,000,000	
\$10,000,001 - \$11,000,000	
\$11,000,001 - \$12,000,000	
\$12,000,001 - \$13,000,000	
\$13,000,001 - \$14,000,000	
\$14,000,001 - \$15,000,000	
\$15,000,001 - \$16,000,000	
\$16,000,001 - \$17,000,000	
\$17,000,001 - \$18,000,000	
\$18,000,001 - \$19,000,000	
\$19,000,001 - \$20,000,000	
\$20,000,001 - \$25,000,000	

¹ Consistent with AMP82QW, only severance packages for those executives with overall responsibility for the superannuation business and most senior investment managers have been included in this table.

² *ibid*

\$25,000,001 - \$30,000,000	
\$30,000,001 - \$35,000,000	
\$35,000,001 - \$40,000,000	
\$40,000,001 - \$45,000,000	
\$45,000,001 - \$50,000,000	
>\$50,000,000	

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

AMP

AMP86QW: Of the twenty highest termination payments over the past decade, please provide the number whose total package (including all forms of accumulated termination package, including but not limited to, base salary, regularized and deferred bonuses and incentives including, but not limited to, shares) falls within these brackets?

Answer:

AMP's superannuation funds do not have any direct employees, as described in AMP79QW.

However, within the broader AMP group, the executives with overall responsibility for the superannuation business and the most senior investment managers over the past decade have been included in the table below.

Total termination package value	Number (ie 1 employee)
<\$1,000,000	
\$1,000,001 - \$2,000,000	1 ¹
\$2,000,001 - \$3,000,000	
\$3,000,001 - \$4,000,000	
\$4,000,001 - \$5,000,000	
\$5,000,001 - \$6,000,000	
\$6,000,001 - \$7,000,000	
\$7,000,001 - \$8,000,000	
\$8,000,001 - \$9,000,000	
\$9,000,001 - \$10,000,000	
\$10,000,001 - \$11,000,000	
\$11,000,001 - \$12,000,000	
\$12,000,001 - \$13,000,000	
\$13,000,001 - \$14,000,000	
\$14,000,001 - \$15,000,000	
\$15,000,001 - \$16,000,000	
\$16,000,001 - \$17,000,000	
\$17,000,001 - \$18,000,000	
\$18,000,001 - \$19,000,000	
\$19,000,001 - \$20,000,000	
\$20,000,001 - \$25,000,000	

¹ Consistent with AMP82QW, only severance packages for those executives with overall responsibility for the superannuation business and most senior investment managers have been included in this table.

\$25,000,001 - \$30,000,000	
\$30,000,001 - \$35,000,000	
\$35,000,001 - \$40,000,000	
\$40,000,001 - \$45,000,000	
\$45,000,001 - \$50,000,000	
>\$50,000,000	

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AMP

AMP87QW: Of the twenty highest redundancy payments over the past decade, please provide the number whose total package (including all forms of accumulated redundancy package, including but not limited to, base salary, regularized and deferred bonuses and incentives including, but not limited to, shares) falls within these brackets?

Answer:

AMP does not distinguish between redundancy and severance payments. Therefore, no information included in the tables below. Please refer to question AMP85QW for information on severance packages paid over the past decade.