

IFM18QON	Dr Mulino	<p><b>Dr MULINO:</b> One of the challenges with looking at the superannuation sector is its complexity, and I think one always needs to reflect that complexity in any conclusions drawn. But it would be useful—and this is probably something to put on notice—if you could think about sensible measures of how much better off member industry funds are from having had the opportunity of investing in IFM rather than if they had, for example, just gotten benchmark returns or even average retail fund returns.</p> <p><b>Mr Himbury:</b> I'm happy, for this committee, to expand on it and provide some further detail on notice. But the scale of performance of IFM that we have calculated in terms of the last five years is that \$31 billion number. As a result of being entrusted with all of that money from people around the world, our exposure to global markets and the skill that we've added and the extra performance that we've added as a result of our insight is that \$31 billion. That's now sitting in members' accounts in this country, and around the world, as a result of what our team has—</p> <p><b>Dr MULINO:</b> That's a significant number. It would be good to be able to drill that down, in a sense, to your average worker in an industry fund also.</p>
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**Response:**

Over five years, IFM Investors generated \$31 billion of returns to Australian super fund and overseas pension fund members. \$5.9 billion of this was above benchmark.

In 2018/2019, IFM Investors returned in excess of \$7.3 billion in returns to 29 Australian all-profit-to-member superannuation fund investors.

IFM and the scale it achieves creates further value for its shareholders that flows to members in the following ways:

- **Valuation increase:** Growth in revenue in 2018/19 resulted in a \$176 million increase in IFM's valuation in that year alone
- **Share value greater than fees:** In 2018/19, Industry Super Funds saw their shares in IFM increase in value by more than the amount they paid to IFM for management fees for all asset classes
- **Revenue growth and fee rebate:** Growth in IFM revenue allowed IFM to rebate management fees in 2018/2019, resulting in lower costs for funds and their members