

11 November 2019

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**House of Representatives Standing Committee On Economics
Review of the Four Major Banks And Other Financial Institutions – Superannuation Sector
Re: Questions in Writing**

- 1 This letter responds to your letter of 21 October 2019 requesting responses to questions in writing prior to the appearance of IFM Investors Pty Ltd (“**IFM**”) before the House of Representatives Standing Committee on Economics (“**Committee**”) on 22 November 2019.
- 2 IFM welcomes this opportunity to assist the Committee in the important work of ensuring that the superannuation sector operates efficiently, fairly and to the benefit of fund members. This response begins with a general background to IFM, its operations and its role in the superannuation sector, before turning to the specific questions raised by the Committee.

Background of IFM

- 3 IFM is part of the IFM Group, the wholly owned investment management business of Industry Super Holdings (**ISH**). The shares in ISH are held by the trustees of 27 not-for-profit Australian industry superannuation funds.
- 4 IFM is the main operating entity within the IFM Group and is an investment manager. IFM provides investment management and advisory services to IFM Group funds and mandates established as part of the IFM Group’s infrastructure, debt investments, listed equities, and private equity business lines.
- 5 IFM is headquartered in Melbourne, and has offices in Sydney, London, New York, Berlin, Zurich, Tokyo, Hong Kong, and Seoul.
- 6 As at 30 September 2019, IFM manages funds on behalf of 420 institutional investors globally, including superannuation and pension funds, sovereign wealth funds, insurers, endowments, foundations, and universities. IFM does not have any retail clients or clients who are individuals. IFM manages approximately A\$152 billion worth of assets across four asset classes – namely infrastructure, debt investments, listed equities, and private equity.
- 7 The income of IFM is generated from management fees for investment management and advisory services provided to funds and mandates. Performance fees may also be payable where investment returns exceed a pre-determined return threshold.
- 8 IFM is an exporter of financial services, with approximately 75 per cent of Fiscal Year 2019 revenue, and the majority of IFM’s profit, attributable to investors domiciled outside of Australia. The pooling of investments of overseas investors with Australian investors has enabled Australian investors to enjoy lower costs and global expertise.

Improving outcomes in the superannuation sector

- 9 Superannuation plays an important role in Australian households. For most Australians, superannuation is their primary source of retirement savings, and represents the most significant asset aside from the family home.
- 10 IFM was established by superannuation funds that are run only to benefit their members for the specific purpose: to provide world class investment services on their members' behalf, which today is approximately 7 million Australians. IFM's distinct ownership model brings a unique alignment with IFM's investors. Because of the nature of superannuation, it also brings a focus on investing for the long term.
- 11 IFM makes a substantial contribution to outcomes for superannuation fund members principally through market-leading risk-adjusted investment returns net of fees, together with high-quality investment advisory and client service. IFM performed strongly across all asset classes in 2018/19, with 85% of products performing at or ahead of their stated objectives on a rolling five year basis, and achieved a client satisfaction score of 8.0, a result in the top 10 percent of funds managers.
- 12 In the past year, IFM provided a 7.5% management fee rebate to its investors. In the past year, IFM delivered A\$6 of alpha per dollar of fees charged to investors.
- 13 Over the past five years IFM has delivered A\$31.3 billion in net returns to investors, including alpha of A\$5.9 billion. Put another way, the millions of people on whose behalf IFM invests received almost A\$6 billion more wealth and retirement security than they would have if their investments been undertaken by a manager that achieved benchmark returns.
- 14 IFM's heritage has created a customer-first culture and helped to attract world-class talent, driving superior investor and shareholder value.
- 15 Since 2010:
- (a) The number of clients for whom IFM invests has grown from 52 to 420.
 - (b) IFM funds under management has grown from \$23 billion to \$150 billion.
 - (c) The value of the IFM Investors business has increased from \$227 million to over \$1 billion, an increase in value to shareholders of 17.4 per cent per year, which is nearly double the average return of the ASX 200 over that period.
 - (d) The number of employees has grown from 112 to 437.
- 16 The superannuation sector in Australia also promotes the Australian economy more broadly. As you will no doubt be aware, superannuation has played a major role in improving Australia's national saving rate, reducing Australia's reliance on foreign capital, and diversifying household balance sheets. The investments made by superannuation fund managers like IFM promote economic growth by providing necessary support for critical parts of the economy (such as infrastructure and private equity) that may not be available through other means.
- 17 IFM has a strong track record of supporting significant investments to improve and expand the infrastructure assets it owns and operates. In the past 5 years, \$6.6 billion has been spent within these critical assets on capital projects to improve and expand them. These investments alone have generated over 13,000 estimated new jobs.
- 18 Investments have been made on a broad range of projects, including:
- (a) New parallel runway at Brisbane Airport;
 - (b) Melbourne Airport Terminal 4 development;

- (c) Melbourne Airport aviation capacity upgrades and commencement of third runway redevelopment program;
- (d) Melbourne Airport ground transport upgrades and commencement of elevated road and forecourt redevelopment projects;
- (e) Port of Brisbane's Port Drive Upgrade project, and other upgrades to ground access and transport;
- (f) Terminal expansion at Darwin International Airport;
- (g) NSW Ports Enfield Intermodal Facility and commencement of port rail improvement program.

19 IFM recognises and takes seriously its responsibilities as a significant Australian institution with increasingly global influence. IFM participates constructively in Australian delegations organised by the Commonwealth and state governments, and regularly engages with major national and multilateral organisations to support sound investment and policy frameworks. IFM is the only Australian business on the US Investment Advisory Council, an advisory body to the US Secretary of Commerce on foreign direct investment to the United States.

Specific responses

20 IFM recognises the importance of the Committee's work in applying scrutiny to the financial sector generally, and the superannuation sector specifically. IFM agrees with the Chair's statement that "it is crucial that the superannuation sector is operating effectively, fairly and to the benefit of fund members". Accordingly, IFM has responded to the Committee's questions below, while ensuring that in answering the Committee's questions IFM does not itself prejudice the interests of the approximately 7 million Australian industry super fund members who ultimately benefit from IFM's investments.

Governance

21 IFM provides below its responses to the questions in writing concerning governance (IFM3QW, IFM4QW, IFM5QW, IFM6QW, IFM7QW, and IFM14QW).

22 IFM is a purpose-driven company, embracing modern governance practices. This characteristic is reflected in IFM's governance documents. We enclose at Schedule 1 a copy of the IFM Group Boards Charter.

23 The IFM Group Boards ("**Board**") objective is to deliver IFM's mission which is to:

- (a) deliver superior long-term net performance for IFM's investors through the establishment, and active management, of quality investment portfolios;
- (b) for IFM to be the preferred financial resource for independent fiduciaries globally; and
- (c) to build a business of value for IFM's shareholders over the long term.

24 Two key elements of the Board charter exemplify its modern character.

25 First, the charter expressly observes that, in fulfilling its obligations, the Board will act in the best interests of IFM's shareholders, clients, employees and the communities in which IFM operates. Put another way, IFM recognises that good outcomes for shareholders goes hand-in-hand with considering the many stakeholders of companies. IFM's approach has been a demonstrable success, with compound average growth rates in shareholder value of nearly 20 per cent per year for each of the last 10 years.

26 Second, the charter expressly observes that the Board will always keep in mind the interests of the millions of working people and retirees who are ultimately the prime beneficiaries of

IFM's endeavours. These obligations will be fulfilled honestly, fairly, diligently and in accordance with all relevant laws.

Annual general meetings

- 27 ISH holds an annual general meeting which is open to all shareholders of ISH, all of which are industry super fund trustees. The details of the date and location of ISH's annual general meetings for the past five years are set out below:

| Year | Date held | Location |
|------|------------------|-----------|
| 2015 | 18 November 2015 | Melbourne |
| 2016 | 5 December 2016 | Melbourne |
| 2017 | 4 December 2017 | Melbourne |
| 2018 | 4 December 2018 | Melbourne |
| 2019 | 2 December 2019 | Melbourne |

Fund member briefings

- 28 All of IFM's clients are institutions, rather than retail clients or individuals.
- 29 IFM's Global Infrastructure Fund holds an annual general meeting which is open to all members of (i.e., institutional investors in) that fund. The details of the date and location of IFM's Global Infrastructure Fund annual general meeting for the past five years are set out below:

| Year | Date held | Location |
|------|-------------|--|
| 2015 | 20 May 2015 | Pittsburgh (Duquesne Light and Power) |
| 2016 | 24 May 2016 | Berlin (50Hertz Transmission) |
| 2017 | 16 May 2017 | Chicago (Indiana Toll Road) |
| 2018 | 16 May 2018 | Knutsford, Cheshire (Manchester Airport) |
| 2019 | 7 May 2019 | New York City |

- 30 In addition to annual general meetings for members of the Global Infrastructure Fund, IFM holds regular investor advisory committee meetings for IFM's Australian Infrastructure Fund and Global Infrastructure Fund. These investor advisory committee meetings enable ongoing close engagement between IFM investment professionals and a representative group of IFM's clients. The details of those meetings for the past five years are set out below:

| Year | Date of AIF IAC meetings | Date of GIF IAC meetings |
|------|--------------------------|--------------------------|
| 2015 | 7 July 2015 | 21 May 2015 |
| | 11 August 2015 | 9 November 2015 |
| 2016 | 5 May 2016 | 26 February 2016 |

| Year | Date of AIF IAC meetings | Date of GIF IAC meetings |
|------|--------------------------|--------------------------|
| | 22 November 2016 | 26 May 2016 |
| | | 8 November 2016 |
| 2017 | 5 May 2017 | 23 March 2017 |
| | 4 December 2017 | 17 May 2017 |
| | | 15 December 2017 |
| 2018 | 23 February 2018 | 17 May 2018 |
| | 18 April 2018 | 12 November 2018 |
| | 23 August 2018 | |
| | 23 November 2018 | |
| 2019 | 29 March 2019 | 13 February 2019 |
| | 24 July 2019 | 7 May 2019 |
| | 8 November 2019 | 18 October 2019 |

- 31 IFM recently started conducting briefings for its equities clients. The details of those meetings since 2017 (when the briefings commenced) are set out below:

| Year | Date of meeting |
|------|-----------------|
| 2017 | 11 August 2017 |
| 2018 | 22 March 2018 |
| | 1 November 2018 |
| 2019 | 14 March 2019 |

Annual report

- 32 We enclose at Schedule 2 copies of the annual reports of ISH for the financial years ended June 2015, June 2016, June 2017, June 2018, and June 2019. Please note that IFM's information is integrated into the ISH annual reports. IFM's annual accounts are filed with the Australian Securities and Investments Commission.

Company structure

- 33 We enclose at Schedule 3 a copy of the ISH group corporate structure as at 11 November 2019 which sets out IFM's corporate structure.

Auditor

- 34 IFM's auditor for the past five financial years was Neil Brown of Deloitte Touche Tohmatsu.

Board of Directors

35 We set out below a list of IFM Board members for the past five years:

| Year of appointment | Name |
|---------------------|--|
| 2014 | The Hon. Greg Combet AM (<i>chair from 2019</i>) |
| 2016 | Carol Gray |
| 2014 | Deborah Kiers |
| 2009 | Michael Migro |
| 2018 | John Denton AO |
| 2018 | Alison Larsson |
| 2018 | Grant Dempsey |
| 2019 | Cath Bowtell |

36 We set out below a list of Board members within the last five years who have since retired from the Board:

| Year of retirement | Name |
|--------------------|--------------------------------------|
| 2018 | Garry Weaven (<i>former chair</i>) |
| 2018 | Murray Bleach |
| 2018 | Linda Rubinstein |
| 2017 | Glenn Bunney |

37 We enclose at Schedule 4 a summary biography for each current Board member and former Board member during the last five years.

38 We set out de-identified director remuneration details and expense reimbursement details requested by the Committee below:

Table 38.1: De-identified director and former director total remuneration (including superannuation) (A\$)

| Director | FY19 | FY18 | FY17 | FY16 | FY15 |
|----------|---------------|---------------|---------------|---------------|---------------|
| A | \$ 157,499.98 | \$ 161,499.98 | \$ 173,819.22 | \$ 130,487.25 | \$ 100,220.33 |
| B | \$ 110,000.02 | \$ 57,115.39 | \$ - | \$ - | \$ - |
| C | \$ 137,422.96 | \$ - | \$ - | \$ - | \$ - |
| D | \$ 195,173.14 | \$ 161,884.85 | \$ 132,106.39 | \$ 103,887.26 | \$ 92,073.11 |
| E | \$ 174,596.25 | \$ 163,749.87 | \$ 150,984.31 | \$ 12,977.57 | \$ - |

| Director | FY19 | FY18 | FY17 | FY16 | FY15 |
|----------|---------------|---------------|---------------|---------------|---------------|
| F | \$ 75,653.92 | \$ 180,000.14 | \$ 176,838.60 | \$ 121,757.40 | \$ 126,919.75 |
| G | \$ - | \$ 60,096.12 | \$ 133,042.26 | \$ 117,287.26 | \$ 100,411.84 |
| H | \$ 68,076.90 | \$ 132,499.94 | \$ 140,542.26 | \$ 111,287.25 | \$ 94,420.74 |
| I | \$ 137,653.85 | \$ 125,288.47 | \$ 125,496.18 | \$ 91,887.26 | \$ 97,994.25 |
| J | \$ 134,846.14 | \$ - | \$ - | \$ - | \$ - |
| K | \$ 60,153.84 | \$ - | \$ - | \$ - | \$ - |
| L | \$ 99,329.55 | \$ 217,500.00 | \$ 202,605.30 | \$ 132,728.63 | \$ 125,078.12 |

Table 38.2: De-identified director and former director expenses (A\$)

| Director | FY19 | FY18 | FY17 | FY16 | FY15 |
|----------|-------------|-------------|-------------|------------|-------------|
| A | \$3,571.93 | \$1,939.71 | \$1,120.43 | \$4,441.26 | \$2,640.67 |
| B | \$6,790.51 | - | - | - | - |
| C | \$498.00 | - | - | - | - |
| D | \$38,305.60 | \$6,820.40 | - | \$68.00 | \$2,473.65 |
| E | \$5,111.10 | \$11,042.56 | \$3,140.19 | \$4,993.99 | - |
| F | - | \$1,718.24 | \$1,698.08 | \$1,331.80 | \$3,519.99 |
| G | - | - | \$1,578.46 | - | \$500.59 |
| H | - | \$639.52 | - | - | \$2,555.93 |
| I | \$646.06 | \$7,990/76 | \$2459.10 | \$311.40 | \$2522.60 |
| J | \$107.73 | - | - | - | - |
| K | - | - | - | - | - |
| L | \$29,290.56 | \$29,572.80 | \$29,337.97 | \$7,092.00 | \$33,481.74 |

39 The reimbursed expenses for directors were predominantly for business travel related expenses (airfares, accommodation and meals), and as a matter of policy IFM only reimburses reasonable and appropriate business expenses.

Sponsorship and marketing

40 IFM provides below its responses to the questions in writing concerning sponsorship and marketing (IFM11QW and IFM12QW).

41 IFM conducts a range of marketing activities for the purposes of:

- (a) increasing IFM's brand awareness among its global target audiences, which include prospective institutional investors, industry stakeholders and the media;
- (b) increasing awareness of IFM's investment strategies among all of the above as well as among existing institutional investors;
- (c) acquiring new institutional investors and retaining existing institutional investors.

42 IFM adopts a conservative and selective approach to marketing and sponsorship activities. As well as producing a range of communications collateral such as printed and electronic factsheets and investor updates, IFM publishes informational content on its website, distributes informational email communications to existing investors and places limited print advertising in selected industry journals. IFM also sponsors selected industry conferences and events and selected initiatives or projects that will assist IFM to increase awareness of its brand among existing or prospective investors and industry stakeholders.

Sponsorship, marketing, and in-kind arrangements, and arrangements for corporate venue hire

43 We enclose at Schedule 5 a listing of IFM's sponsorship, marketing, in-kind and venue hire arrangements for the past five years.

44 We enclose at Schedule 6 a listing of expenses relating to marketing and business development that are not otherwise included in sponsorships, for example the provision of client hospitality at an infrastructure asset site visit.

Remuneration

45 IFM provides below its responses to the questions in writing concerning remuneration (IFM1QW, IFM2QW, IFM13QW and IFM15QW). As mentioned above, IFM has sought to answer questions in a manner which does not prejudice the interests of the approximately 7 million Australian industry super fund members who ultimately benefit from IFM's investments. Disclosure of executive remuneration would cause such prejudice and that information has not been provided. IFM is a private company operating in a global marketplace, with a high degree of competition for talented and experienced employees. IFM's ability to retain and attract staff in that marketplace would be compromised by disclosure of specific executive remuneration information, and would ultimately harm the interests of IFM's investors and their beneficiaries. Additionally, under European privacy laws (*General Data Protection Regulation* (EU) 2016/697), IFM is prohibited from disclosing the personal information requested in relation to Mr Michel-Verdier subject to only limited exceptions.

46 IFM's remuneration structures are designed to be competitive, and to attract, motivate, retain, and align its teams of talent to high performance in support of its purpose of delivering superior net investment returns to members of superannuation funds and like-minded institutional investors. This includes designing to:

- (a) reflect the market/s in which IFM operates;
- (b) ensure that individual key performance objectives are linked to IFM's strategic goals and objectives;
- (c) incorporate and uphold IFM's Risk Management Frameworks; and
- (d) not compromise the independence of risk and financial control employees have in carrying out their roles and functions.

47 The key components of IFM's remuneration framework are set out below:

- (a) Total Employment Cost (TEC) – TEC (inclusive of superannuation in Australia) is determined with reference to a number of internal factors (such as internal role

relativities, complexity of role, individual performance factors) and external factors (such as market data);

- (b) Total Employee Reward (TER) – TER at IFM consists of the TEC and incentives (including long and short term incentives, and where appropriate, special incentives). The quantum and form of the components of the TER are benchmarked to internal factors and external factors.
- (c) Short-term Incentive (STI) – all permanent employees who meet eligibility criteria participate in the STI plan. The STI is designed to:
 - (i) create and sustain a performance and results culture where a high level of successful performance is expected and rewarded;
 - (ii) strengthen and provide direct linkage between incentives and IFM's Cultural Foundations and Behaviours; and
 - (iii) ensure transparency for employees in the awarding of appropriate rewards whilst protecting investors' interests and meeting their expectations.

The STI is assessed against a range of individual and corporate performance measures each year resulting in one overall assessment outcome and a single corresponding award.

- (d) Long-term Incentive (LTI) – typically employees in senior roles are eligible to participate in the LTI plan. The plan is designed to:
 - (i) ensure a focus on positive client outcomes;
 - (ii) retain key employees to ensure successful business continuity;
 - (iii) provide a reward for performance against IFM's strategic goals; and
 - (iv) provide a consistent retention and reward approach across teams and locations.

Staff participating in the LTI scheme may receive an annual award based on various performance measures, both individual and corporate. The first of three instalments is paid upon being awarded the grant, with the payment of the second and third instalments deferred for 12 and 24 months, respectively. The deferred LTI has notional interest paid to eligible employees upon vesting.

- (e) Special Incentive Schemes (SIS) – there are a number of special incentive schemes which are funded and aligned directly to investment performance. The schemes are overwhelmingly funded from performance fees as distinct from the financial performance of the firm. The majority of these schemes vest in alignment with the performance and duration of underlying funds for periods of typically between 3 to 14 years. Participants are those identified as significant contributors to a fund and investment returns, and (with some exceptions) are ineligible to participate in the LTI plan. The objectives of the schemes are to:
 - (i) further align employees' reward to investors' interests which is frequently demanded by asset consultants and investors to ensure that investment professionals have "skin in the game" and financial rewards are tied to client investor returns;
 - (ii) provide a mechanism for retention and succession planning of our key employees; and
 - (iii) reward exceptional performance.

- 48 No commissions are paid to employees of IFM.
- 49 As IFM Chief Executive Brett Himbury said in the Australian Financial Review article *Retiring Brett Himbury vows pay transparency* (19/09/2019), and notwithstanding that IFM is a privately-owned company which has no legal requirements for disclosure of remuneration, IFM is committed to improving transparency in relation to its remuneration, where it will not prejudice IFM's investors to do so (e.g. by facilitating poaching of key staff). IFM is keenly aware of the importance of its executives' and managers' skills and expertise to IFM achieving its strategic goals, consistent market-leading returns and generating significant value for its shareholders.
- 50 Making available the specific remuneration of IFM's executives and managers puts IFM at risk of not being able to attract similarly highly skilled and high performing staff in the future, and of not being able to retain its existing staff. Accordingly, it also puts IFM at risk of not being able to continue to deliver significant value to its investors and shareholders, and to the approximately 7 million Australian industry fund members who are the ultimate beneficiaries of IFM's performance.
- 51 We set out below the remuneration for each of Mr Himbury and Deputy Chief Executive of IFM, Mr Joshua Lim:

| Name | Title | Year | TEC (A\$) | STI (A\$) | LTI (A\$) | Total (A\$) |
|---------------|------------------------|---------|-----------|-----------|-----------|------------------|
| Brett Himbury | Chief Executive | 2018/19 | 906,100 | 728,493 | 1,242,577 | 2,877,171 |
| | | 2017/18 | 884,000 | 868,088 | 878,696 | 2,630,784 |
| Joshua Lim | Deputy Chief Executive | 2018/19 | 472,500 | 374,815 | 401,649 | 1,248,964 |
| | | 2017/18 | 450,000 | 400,770 | 410,700 | 1,261,470 |

- 52 Mr Himbury did not have any expenses reimbursed for Financial Year 2019. As a matter of policy IFM only reimburses reasonable and appropriate business expenses. Mr Himbury's business expenses for Financial Year 2019 were A\$186,234.77, incurred on corporate credit card and paid by IFM, and were predominantly related to business travel (expenses such as airfares, accommodation and meals whilst travelling), undertaken as a leader of IFM's global activities, with major investor client, assets and offices distributed around the world. During Financial Year 2019 Mr Himbury undertook 191 days of business travel.
- 53 Neither Mr Himbury nor Mr Lim are eligible for any other forms of remuneration. The remuneration of Messrs Himbury and Lim is strongly tied to their role in IFM's investment performance and growth in recent years, as well as IFM's consistently favourable shareholder return to industry super funds.

Valuation

- 54 IFM provides below its responses to the questions in writing concerning valuation (IFM8QW, IFM9QW, and IFM10QW). The information requested falls into three categories:
- Information about valuation methodology, frequency and the level of independence of the valuer (**Valuation Methodology**);
 - Information about asset identity and location (**Asset Identification**); and
 - Information about value of particular assets (**Valuations**)
- 55 We have not provided the information set out at paragraph 54(c) above, other than on an aggregated basis by asset class. Valuations of particular assets are both confidential and

commercially sensitive. To disclose that information would prejudice the interests of IFM's investors and their beneficiaries. In relation to assets held in co-investment structures, disclosure may cause IFM to breach contractual confidentiality obligations owed to co-investors. In the case of some asset classes, release of valuation information could distort the market (e.g. certain debt instruments on OTC markets).

56 We enclose at Schedule 7 a copy of the IFM Group valuation policy. The Valuation Methodology information illustrates our robust approach to determining fair market value of assets in accordance with applicable accounting standards and with independent oversight.

57 We enclose at Schedule 8 the names and locations of the infrastructure assets in which IFM has an interest. This list includes assets headquartered in Australia as well as other countries. IFM is not able to provide this information for unlisted debt and private equity investments due to different market practices in those asset classes. In particular, the presence of strict confidentiality provisions contained in the issuance documents or shareholder agreements, and because the information is considered confidential to those entities, which are private companies that seek to limit unintentional dissemination of information about their capital raising and investor base. Information about capital raisings by private companies, especially smaller issuers, can affect market perceptions, including among customers and key suppliers.

58 We set out below the aggregated Valuation information of unlisted assets by asset class:

| Asset class | Value as of 30 September 2019 (\$A) |
|------------------|-------------------------------------|
| Private Equity | 1,425,814,115 |
| Infrastructure | 61,677,680,838 |
| Debt Investments | 48,927,658,656 |

59 However, having regard to the duties we owe as trustee to our beneficiaries, provision of Valuations causes considerable difficulty as it is not in the best interests of our investors for this sensitive and confidential information to be released into the public domain. Further, in relation to assets held in co-investment structures, this may cause us to breach confidentiality provisions we are bound by in our contracts with co-investors.

60 Many of our investors are trustees of regulated superannuation funds, and disclosure of sensitive valuation amounts would be contrary to the interests of those superannuation funds' members. For unlisted assets, sending a price signal to the market could place a cap on the value the asset may ultimately be realised for. We have a track record of divesting assets. In some cases, realised prices are well above the Valuations, so the harm to the interests of fund members arising from providing the Valuations could be significant.

61 IFM also manages investments on behalf of institutional investors, mostly pension funds, domiciled in OECD countries with whom Australia has close economic relationships. Disclosure of valuation amounts would be contrary to the interests of the millions of beneficiaries of these institutions, and could undermine Australia's strong reputation for financial regulation and financial services policy.

62 The fact that disclosure of Valuation for unlisted assets can hurt superannuation fund members has been recognised by the Parliament in relation to the *Superannuation Legislation Amendment (Transparency Measures) Bill 2016 (Bill)* which was to modify section 1017BB of the Corporations Act. While the Bill lapsed and similar amendments have now been made under the Treasury Laws Amendment (Improving Accountability and *Member Outcomes in Superannuation Measures No. 1) Act 2019 (Member Outcomes Act)*, it was clear that the Government recognised the potential for the disclosure regime to commercially disadvantage

superannuation trustees and their members. The Bill sought to balance the importance of transparency with the need for the regime to be “workable for the industry”.

- 63 In preparing the Bill, the Government consulted with superannuation trustees subject to the current regime. As a result of these consultations, the Bill proposed that superannuation trustees may determine up to five per cent of the assets attributable to each of their investment options for which they are not required to make information publicly available. This has now been legislated in the Member Outcomes Act¹. As stated in the Bill’s explanatory memorandum (and similarly referred to in its second reading speech), these amendments were:

*...intended to address situations where disclosure of detailed valuations may be **commercially sensitive** or may **disadvantage the fund and its members**. For such investments the disclosure of detailed price information may either be impossible, due to the inherent difficulty of estimating their value, or may even create a **competitive disadvantage**, for example in situations where the fund is negotiating to sell the investment...* (emphasis added)

- 64 Similarly the explanatory memorandum to the Member Outcomes Act states the rationale of the 5% exclusion as to prevent disclosure of information that is commercially sensitive where disclosure would be detrimental to members of the fund². The explanatory memorandum mentions private equity and venture capital investments as those most likely to fall within this exemption³.
- 65 Even if the relevant assets were assets of a regulated superannuation fund to which section 1017BB of the Corporations Act applied, IFM would not be required to disclose this information before 31 December 2020, and would also be able to withhold information for 5% of assets. We also note that pooled superannuation trusts (PSTs) (which are functionally equivalent to IFM’s funds as underlying investment vehicles for the efficient investment of superannuation fund assets), are excluded from the portfolio holdings disclosure regime.
- 66 Although transparency and access to information is important, the Parliament has recently recognised that there is a genuine need to protect trustees and fund members from the adverse impact of disclosing information that is commercially sensitive, and which, if disclosed, may create a competitive disadvantage. This difficulty has contributed to the commencement of this measure being delayed on a number of occasions most recently on 28 October 2019⁴. Disclosure of this information would be inconsistent with the careful policy position the Government and the Parliament has adopted on this issue.

Conclusion

- 67 IFM looks forward to engaging further with the Committee at the hearing on 22 November 2019 as to how the superannuation sector as whole can work together to ensure that the sector continues to operate efficiently, fairly, and to the benefit of fund members.

Yours faithfully

IFM Investors Pty Ltd

¹ Corporations Act section 1017BB(5A).

² Paragraph 7.35

³ Paragraph 7.37

⁴ ASIC Corporations (Amendment) Instrument 2019/1056.

Schedule 1

IFM GROUP BOARDS CHARTER



IFM Group Policies

**Section 1(c)
IFM Group Boards Charter**

13 August 2019

Prioritise Investors

- We focus on investor interests to inform our actions
- We work as one IFM to build long term, constructive investor relationships
- We work together to act as a trusted advisor and a steward of other people's money

Achieve Excellence

- We work as one IFM to achieve great results
- We regularly give and receive feedback openly and constructively
- We take ownership of our actions and learn from our experiences

Respect Each Other

- We value diversity and act in an inclusive manner
- We respect each other's time and efforts and conduct ourselves in a thoughtful manner
- We support each other in a positive and constructive way

Inspire Innovation

- We welcome new ideas and encourage informed discussion
- We are open to change and constructively challenge the status quo
- We look for opportunities to share knowledge

Lead by Example

- We all have the opportunity to lead by example
- We do what we say we will do and hold ourselves accountable
- We get involved in wider company and community activities

| | |
|---|-----------|
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IFM Investors Purpose Statement

Established by all-profits-to-members Australian superannuation funds, IFM Investors focuses on delivering superior net investment returns to members of superannuation and pension funds and like-minded institutional investors around the world.

IFM's distinct ownership drives an alignment with investor objectives, a commitment to investing for the long term, and respect for labour rights and environmental and social responsibility.

The IFM Cultural Foundations, Behaviours and Purpose, underlie and inform this Charter.

1 Background

The Directors of IFM Holdings Pty Ltd ("IFMH") and its subsidiaries (collectively "IFM") are responsible for delivering shareholder value, whilst respecting the interests of the community, employees, clients, suppliers and the environment.

The IFM Group¹ Boards ("Board") objective is to deliver IFM Investors' mission which is to:

- Deliver superior long-term net performance for IFM Investors' investors through the establishment, and active management, of quality investment portfolios;
- For IFM Investors to be the preferred financial resource for independent fiduciaries globally; and
- To build a business of value for IFM Investors' shareholders over the long term.

In fulfilling its obligations, the Board will act in the best interests of IFM Investors' shareholders, clients, employees and the communities in which IFM Investors operates. Importantly, the Board will always keep in mind the interests of the millions of working people and retirees who are ultimately the prime beneficiaries of IFM Investors' endeavours. These obligations will be fulfilled honestly, fairly, diligently and in accordance with all relevant laws.

Implementation of this Charter is to be in accordance with the IFM Group Delegations of Authority Register (Section 1(a) of the Policies).

2 The Board's Role

The Board has been appointed by IFM's shareholder (Industry Super Holdings Pty Ltd ("ISH")) to:

- In its capacity as the Board of IFMH, develop the vision, mission, values and strategic direction of IFM Investors and monitor their implementation overall.
- Ensure compliance with regulatory requirements and ethical standards.
- Increase IFM Investors' value.
- Appoint and remove the Chief Executive of IFM Investors Pty Ltd.
- Approve IFM Investors' annual business plan, budget and monitor financial and business plan outcomes.

¹ IFM Holdings Pty Ltd, IFM Investors Pty Ltd, IFM Investors (Nominees) Limited, IFM Fiduciary Pty Ltd and IFM Fiduciary No. 2 Pty Ltd.

- Ensure effective financial, safety and risk management, audit and compliance systems are in place and develop the IFM Group Risk Appetite Statement.
- Safeguard the assets and interests of IFM Investors and IFM Investors' clients and ensure the integrity of reporting.
- Ensure effective and timely reporting to ISH and its shareholders as required.
- Establish and approve Board committees and their charters, as required.
- Review and approve matters relating to IFM Investors' remuneration of executives with a total potential remuneration of greater than \$1m, remuneration policies, practices and programs, as well as matters related to IFM Investors' succession planning at the senior executive level including:
 - Review and approve changes to IFM Investors' remuneration policies.
 - Review and approve annual remuneration changes relevant to the Chief Executive of IFM Investors ("CE") and staff outside their delegation.
 - Review and approve matters related to the terms and conditions of employment of the CE and senior executives.
 - Complete the annual performance appraisal of the CE.
 - Review and approve any succession plans formed for senior executive (including CE) positions.

The Board may create appropriate committees and delegate appropriate responsibilities to them. Current committees of the Board are:

- IFM Group Boards Audit and Risk Committee.
- IFM Group Boards People and Remuneration Committee.
- IFM Investors Board Investments Committee.
- IFM Investors Board Responsible Investment & Sustainability Committee.

3 Roles of IFM Group Companies

3.1 IFM Holdings Pty Ltd

IFMH is a non-operating holding company for the IFM Group. In its capacity as the board of directors of IFMH, the Board must consider financial and other strategic matters for the entire IFM Group, including governance structures.

3.2 IFM Investors Pty Ltd ("IFMPL")

IFMPL offers administrative, advisory and investment management services to a range of clients, including IFM Investors Nominees Ltd, in its capacity as trustee of various IFM Investors managed funds.

In its capacity as the board of directors of IFMPL, the Board will have regard to financial and other strategic matters in relation to the business of IFMPL and its subsidiaries.

3.3 IFM Investors (Nominees) Ltd ("IFMN")

IFMN acts as trustee for the majority of IFM Investors managed funds.

In its capacity as the board of directors of IFMN, the Board will have regard to its role as a fiduciary and the responsibilities owed as trustee of IFM Investors' funds including regulated Pooled Superannuation Trusts.

3.4 IFM Fiduciary Pty Ltd (“IFMF”)

IFMF acts as trustee for certain IFM Investors managed funds and sub-trusts.

In its capacity as the board of directors of IFMF, the Board will have regard to its role as a fiduciary for the trusts of which it is trustee.

3.5 IFM Fiduciary No. 2 Pty Ltd (“IFMF2”)

IFMF2 acts as trustee for certain IFM Investors managed funds and sub-trusts.

In its capacity as the board of directors of IFMF2, the Board will have regard to its role as a fiduciary for the trusts of which it is trustee.

4 Management’s Role

The Board has delegated to the CE and other senior executives (in accordance with IFM Group delegation of authority register) responsibility for:

- Implementing the strategic direction of IFM Investors.
- Maintaining an effective risk management framework and keeping the Board fully informed about material risks.
- The appointment of senior management, determining the appropriate terms of appointment (subject to delegations), evaluating performance against key indicators, and planning for succession in senior management roles.
- Developing IFM Investors’ business plans and annual budget and recommending these to the Board for approval, and subsequently managing day-to-day operations within the approved budget, and guiding the development and regular review of the business plan.
- The investment and investment management operations of IFM Investors.
- Operational Responsibility for Business Continuity Management.

5 Board Composition

Subject to IFM’s constitution and applicable laws and regulations, the Board determines its size and composition. (Note that the Registrable Superannuation Entity licence issued by the Australian Prudential Regulation Authority to IFMN dated 24 March 2006², has set the minimum size of the board of IFMN to be four directors (three of which must be domiciled in Australia) and one company secretary).

6 Board Renewal

Refer to the IFM Group Boards Renewal Policy at Appendix 2 of this Charter.

² Varied 22 July 2011 & 6 December 2017

7 Board Meetings

The Board will:

- Meet formally not less than five times a year.
- The quorum consists of three Directors with voting by majority.
- Convene additional meetings to deal with matters which may require prompt attention.
- Issue a standing invitation to the CE to attend all Board meetings but ask him or her to leave when deemed appropriate.
- Where necessary, involve senior members of IFM Investors management in Board meetings to present reports on, or seek approvals within, individual areas of responsibility.

8 Chair

The Chair will preside over the Board and General Meetings and will be responsible for ensuring that Board meetings are well conducted and that the Directors are able to explore ideas and contribute a diversity of viewpoints and experience towards the continued growth and objectives of IFM Investors.

The Chair (with the assistance of the company secretary) is responsible for setting the agenda and conduct of Board meetings, and ensuring that General Meetings are conducted efficiently.

Other responsibilities of the Chair include acting as:

- The Board's representative in dealings with management, ensuring that the Board's views are communicated clearly and accurately.
- The primary counsellor to the CE.
- In conjunction with the CE, an interface with IFM Investors' shareholders and investors.
- Instigating a review of the performance of the Board and ensure Directors' skills and training are appropriate for the role (see part 9 below).

9 Review of Performance

The Chair will instigate, at least once every year, a comprehensive review of the performance of the Board against its objectives, its members, and of the performance of Board committees. The review consists of an assessment by each Director and Committee Member on the operational, strategic and leadership aspects of the Board and Committees, utilising the questionnaires contained in Appendices 3 and 4 of this Charter. The outcomes of the questionnaires will form a basis of self-review by the Board. The Board will engage an independent external party to undertake a review at least every three years³.

The Board will set a reasonable time frame following each review, to analyse the outcomes and implement any action plans which may arise.

³ APRA Prudential Practice Guide SPG510 - Governance

10 Fitness and Propriety

Each Director is responsible for meeting the Fitness and Propriety obligations outlined in the IFM Group Fitness and Propriety Policy (Section 4(p) of the Policies). As a minimum, each Director is responsible for ensuring they maintain their knowledge and skills in the areas of:

- Superannuation Law, Policy and Practice;
- Investment Management;
- Corporate Governance Principles;
- Financial Reporting and Audit;
- Marketing and communications;
- Administration; and
- Risk management.

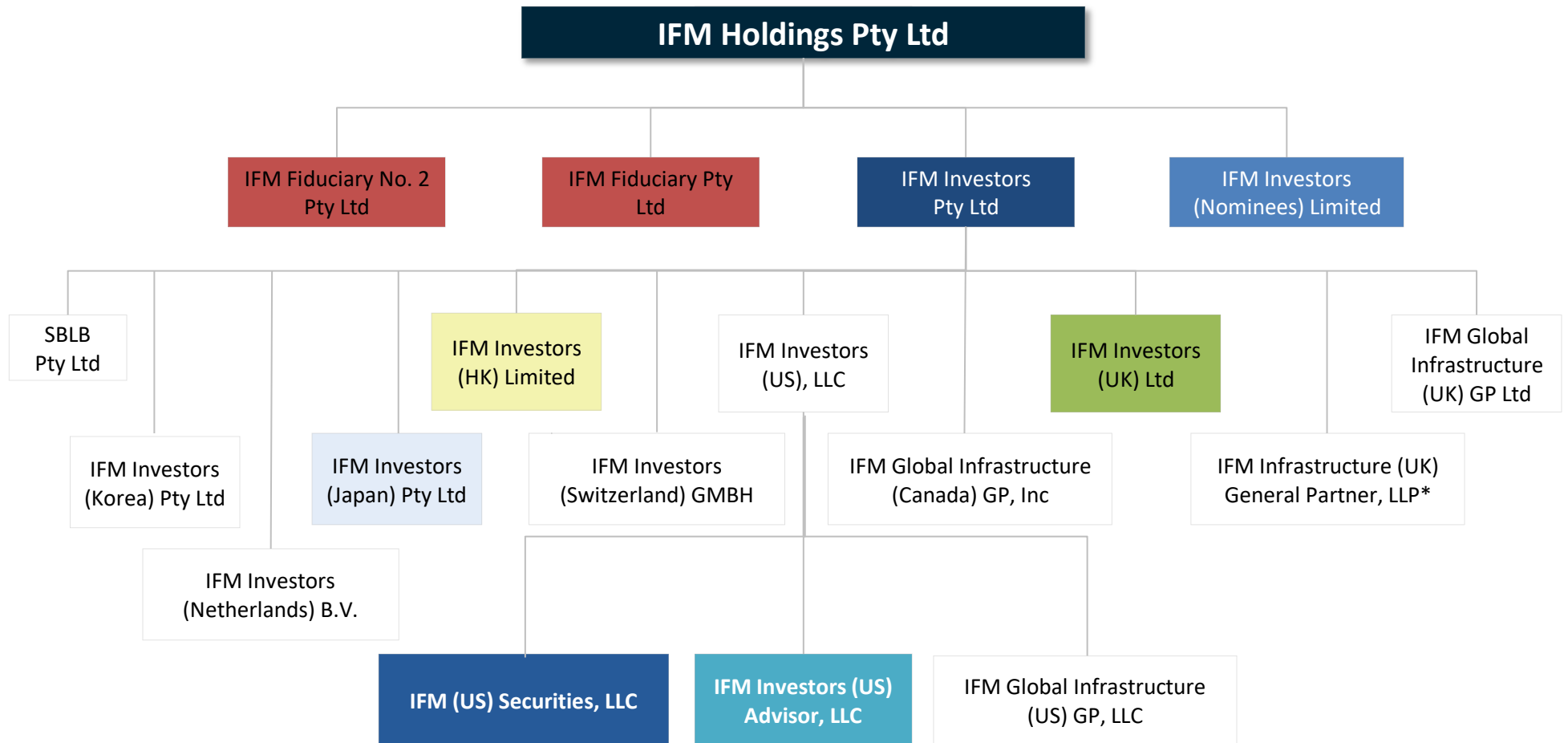
Whilst each Director is not expected to be an expert in each of these areas, as a body the Board must contain sufficient skills to meet its Fitness and Propriety obligations such that it can suitably undertake its role as outlined in section 2 above.

11 ISH and Shareholder Reserved Matters

The following matters may be considered by the Board, but will be referred to the Board of ISH or its shareholders for decision and approval:

- Any alteration to the constitution of IFMH and its subsidiaries.
- Reorganisation of the equity interests of IFM Investors.
- Variation of the rights attaching to membership interests of IFM Investors or the proposal or implementation of any merger.
- The taking of any step to have any member of the IFM Group wound up or liquidated whether for the purposes of amalgamation or reconstruction or otherwise.
- The redemption or purchase by IFM Investors of any IFM Investors equity interests or the reduction of the company's equity interests or any reserve.
- The sale or transfer of a material part of the business of IFM Investors to any person.
- IFM Investors seeking the admission of all or any part of issued share capital (or other securities) on any stock exchange, market or trading facility and the agreement or recommendation of any matters ancillary to any such recommendation or course of action.
- Appointment of IFM Investors' auditor(s) on recommendation from the IFM Group Boards Audit and Risk Committee.

Appendix 1 – IFM Group Structure



Note: IFM Investors Pty Ltd also holds licences in South Korea and Switzerland and is applying for licences in the Netherlands

Appendix 2 – IFM Group Boards Renewal Policy

Background

To ensure that the Board remains open to new ideas and independent thinking, while retaining adequate expertise, the Board undergoes a renewal process on a regular basis. This Boards Renewal Policy does not replace the processes outlined in the various company constitutions. If any part of this policy is in conflict with the constitutions, those constitutions remain the paramount authority.

Tenure

Each Director's appointment is for a period of three years from the 1st January of the year following their appointment. At the end of that tenure, they have an opportunity to either retire or seek re-appointment. Directors' tenure is not set at a fixed maximum period, however if a Director seeks re-appointment at the end of their tenure, consideration must be given by the Board and the Director Nominations Committee as to:

- Period of time already served;
- Ongoing effectiveness of the Director as a member of the Board;
- Fitness and Propriety of the Director;
- Any material conflicts;
- Whether the Director continues to materially contribute to the Fitness and Propriety of the Board as a whole (in terms of paragraph 10); and
- Whether the Director retains a level of objectivity which contributes to a sound, strategic assessment of all matters considered by the Board.

Each year, one third of the Directors must retire, or retire and seek reappointment. Rotation is determined by the date of appointment of each Director. The current rotation dates are:

| Name | Initial Appointment | End of Rotation Period |
|----------------|---------------------|------------------------|
| Michael Migro | 2009 | 2019 |
| Greg Combet | 2014 | 2019 |
| Deborah Kiers | 2014 | 2020 |
| Carol Gray | 2016 | 2019 |
| John Denton | 2018 | 2020 |
| Alison Larsson | 2019 | 2021 |
| Grant Dempsey | 2019 | 2021 |
| Cath Bowtell | 2019 | 2021 |

If there is greater than one third of Directors due for rotation, order will be determined in accordance with the IFMH constitution (Section 6.2A).

Maximum Tenure

Subject to the following provisions, the maximum tenure period for any Director is 12 years.

The Board may resolve to extend the tenure of a Director beyond the maximum term in circumstances where the Board determines that it would not be in the best interests of investors (and their beneficiaries) in IFM's funds and products, while having regard also to the interests of the IFM Group and ISH shareholders, for the particular Director to retire from the Board.

The Board takes the view that continuity of fund knowledge is of particular importance in the context of IFM's business. Investments undertaken by open ended funds are long-term in nature. This emphasises the particular need to maintain ongoing fund knowledge and experience of the Board as carefully balanced against any introduction of Board renewal.

Matters the Board may consider in extending a Director's maximum tenure include but are not limited to:

- Overall tenure of the Board, including ensuring that there is an appropriate stagger of tenure periods;
- The importance of experience and corporate knowledge of a Director;
- The value of effective Board dynamics and decision-making ability that comes from Board stability and shared experience;
- Where a Director brings skills to the Board which cannot easily be replaced by another person at that time;
- Diversity, including gender, age, geographic representation;
- Where an appropriate replacement has not yet been found; and
- Any special circumstances at the relevant time which make the continued involvement of that Director particularly significant.

In all instances, a Director's ability to continue acting in the best interests of beneficiaries is paramount.

Board Renewal

Appointment of new directors or re-appointment of current directors must be subject to nomination by the Director Nominations Committee and ratified by the Board and the Holding Company shareholders. Nominees must meet the fitness and propriety obligations contained in the IFM Group Fitness and Propriety Policy.

Nomination and appointment of directors, and the process of establishment and membership of the IFM Director Nominations Committee, is found in the IFMH constitution (Sections 6.1 and 6.1A).

Appendix 3 – Board Performance Evaluation Questionnaire⁴

Please answer each of the questions below in respect of your experience with the Board for the period xxx to xxx (or since you were appointed). In responding to each question please write the number that corresponds with your response. Please also feel free to make additional comments in the general comments section.

| IFM Board Performance Evaluation Questionnaire – Period Ended xxx | | 0 – <i>Insufficient knowledge</i> | 1 – <i>Strongly disagree</i> | 2 – <i>Disagree</i> | 3 – <i>Agree</i> | 4 – <i>Strongly agree</i> |
|---|---|-----------------------------------|------------------------------|---------------------|------------------|---------------------------|
| Membership | | | | | | |
| 1. | Members have appropriate qualifications, skills and experience to fulfil the board’s charter. | | | | | |
| 2. | Members have a diverse mix of experience and backgrounds and bring a range of perspectives on the business of the board. | | | | | |
| 3. | Members have an appreciation of the IFM Purpose and values, and are able to contribute to their promotion within and external to IFM. | | | | | |
| 4. | Members are sufficiently exposed to management, products and clients to maintain a contemporary understanding of the drivers of business performance. | | | | | |
| 5. | The number of members of the board is appropriate. | | | | | |
| 6. | Members demonstrate integrity, interpersonal skills and independent thought. | | | | | |
| 7. | Members are appropriately prepared for board meetings. | | | | | |
| 8. | Members contribute to board deliberations. | | | | | |
| 9. | Members make appropriate time commitments to the board. | | | | | |
| 10. | Any conflict is resolved constructively. | | | | | |
| 11. | The level of independence of the board is acceptable. | | | | | |
| 12. | The “tone at the top” set by the board promotes organisation wide motivation for performance alongside awareness of and compliance with legal requirements and internal policies. | | | | | |
| 13. | For matters that require specialised expertise, the board engages external parties as appropriate. | | | | | |

⁴ This questionnaire is distributed via MyComplianceOffice.

| IFM Board Performance Evaluation Questionnaire – Period Ended xxx | | 0 – Insufficient knowledge | 1 – Strongly disagree | 2 – Disagree | 3 – Agree | 4 – Strongly agree |
|---|---|----------------------------|-----------------------|--------------|-----------|--------------------|
| 14. | The board evaluates its performance and reviews its charter annually to determine whether its responsibilities are adequately described and undertaken. | | | | | |
| 15. | The board provides members with the opportunity to undertake continuing education in areas relevant to board business. | | | | | |
| 16. | New members receive appropriate induction training. | | | | | |
| 17. | The board has in place an adequate board succession plan taking into consideration, board diversity. | | | | | |
| 18. | The board chair has in place a process to address performance issues with board members. | | | | | |
| 19. | Board members' compensation is adequate. | | | | | |
| Meetings | | | | | | |
| 20. | The board participates in the development of a calendar and an agenda to ensure that responsibilities are met. | | | | | |
| 21. | Members have the opportunity to have input into meeting agendas. | | | | | |
| 22. | The board encourages input on the meeting agenda from management and the members. | | | | | |
| 23. | Board papers are circulated in advance of meetings, to allow members sufficient time to study and understand the information. | | | | | |
| 24. | The frequency of meetings is appropriate. | | | | | |
| 25. | The location of the meetings is appropriate. | | | | | |
| 26. | The written materials provided to board members are appropriately balanced (i.e. relevant and concise). | | | | | |
| 27. | The board has sufficient opportunity to discuss board business with management. | | | | | |
| 28. | The level of openness between the board and management is appropriate. | | | | | |
| 29. | The board is sufficiently probing and challenging of management. | | | | | |
| 30. | The board receives information from management related to changes in the organisation on a timely basis. | | | | | |
| 31. | The board dedicates appropriate time and resources to execute its responsibilities. | | | | | |
| 32. | The board divides its time appropriately between strategic business issues and compliance matters. | | | | | |
| 33. | The chair provides for sufficient interaction and participation of all board members. | | | | | |

| IFM Board Performance Evaluation Questionnaire – Period Ended xxx | | | | | | |
|---|---|-----------------------------------|------------------------------|---------------------|------------------|---------------------------|
| | | <i>0 – Insufficient knowledge</i> | <i>1 – Strongly disagree</i> | <i>2 – Disagree</i> | <i>3 – Agree</i> | <i>4 – Strongly agree</i> |
| 34. | The Board is effective in setting or influencing the strategy of the Manager and the products/fund managed. | | | | | |
| 35. | Board members feel able to freely contribute to discussions in meetings. | | | | | |
| 36. | The board has established committees as appropriate. | | | | | |
| 37. | Board solidarity is good, that is, decisions are supported outside the meeting. | | | | | |
| 38. | Board confidentiality is maintained. | | | | | |
| 39. | Conflicts of interest are addressed in an appropriate manner. | | | | | |
| 40. | The board reports regularly to the board of the parent company. | | | | | |
| 41. | The Board is able to effectively promote the importance of Environmental, Social and Governance (ESG) factors in IFM’s investment management. | | | | | |
| 42. | The board receives appropriate, relevant and timely information to oversee the company’s risk relative to its strategy and risk appetite. | | | | | |
| 43. | List the 3-5 points the board should focus its attention in the coming year. | | | | | |

Appendix 4 – IFM Board Committee Performance Evaluation Questionnaire⁵

Please answer each of the questions below in respect of your experience with the Board Committee for the period xxx to xxx (or since you were appointed). In responding to each question please write the number that corresponds with your response. Please also feel free to make additional comments in the General Comments section.

| IFM Board Committee Performance Evaluation Questionnaire – Period Ended xxx | | 0 – Insufficient knowledge | 1 – Strongly disagree | 2 – Disagree | 3 – Agree | 4 – Strongly agree |
|---|---|----------------------------|-----------------------|--------------|-----------|--------------------|
| Membership | | | | | | |
| 1. | Members have appropriate qualifications, skills and experience to fulfil the Committee’s charter. | | | | | |
| 2. | Members have a diverse mix of experience and backgrounds and bring a range of perspectives on the business of the Committee. | | | | | |
| 3. | Members are sufficiently exposed to management, products and clients to maintain a contemporary understanding of the drivers of business performance. | | | | | |
| 4. | The number of members of the Committee is appropriate. | | | | | |
| 5. | Members demonstrate integrity, interpersonal skills and independent thought. | | | | | |
| 6. | Members are appropriately prepared for Committee meetings. | | | | | |
| 7. | Members contribute to Committee deliberations. | | | | | |
| 8. | Members make appropriate time commitments to the Committee. | | | | | |
| 9. | Any conflict is resolved constructively. | | | | | |
| 10. | The level of independence of the Committee is acceptable. | | | | | |
| 11. | The “tone at the top” set by the board promotes organisation wide motivation for performance alongside awareness of and compliance with legal requirements and internal policies. | | | | | |
| 12. | For matters that require specialised expertise, the Committee engages external parties as appropriate. | | | | | |
| 13. | The Committee evaluates its performance and reviews its charter annually to determine whether its responsibilities are adequately described and undertaken. | | | | | |

⁵ This questionnaire is distributed via My Compliance Office

| IFM Board Committee Performance Evaluation Questionnaire – Period Ended xxx | | | | | | |
|---|---|-----------------------------------|------------------------------|---------------------|------------------|---------------------------|
| | | <i>0 – Insufficient knowledge</i> | <i>1 – Strongly disagree</i> | <i>2 – Disagree</i> | <i>3 – Agree</i> | <i>4 – Strongly agree</i> |
| 14. | The board provides members with the opportunity to undertake continuing education in areas relevant to board business. | | | | | |
| 15. | New members receive appropriate induction training. | | | | | |
| 16. | The board has in place an adequate Committee succession plan. | | | | | |
| 17. | The Committee chair has in place a process to address performance issues with members. | | | | | |
| 18. | Committee members' compensation is adequate. | | | | | |
| Meetings | | | | | | |
| 19. | The Committee participates in the development of a calendar and an agenda to ensure that responsibilities are met. | | | | | |
| 20. | Members have the opportunity to have input into meeting agendas. | | | | | |
| 21. | The Committee encourages input on the meeting agenda from management and the members. | | | | | |
| 22. | Committee papers are circulated in advance of meetings, to allow members sufficient time to study and understand the information. | | | | | |
| 23. | The frequency of meetings is appropriate. | | | | | |
| 24. | The location of the meetings is appropriate. | | | | | |
| 25. | The written materials provided to members are appropriately balanced (i.e. relevant and concise). | | | | | |
| 26. | The Committee has sufficient opportunity to discuss Committee business with management. | | | | | |
| 27. | The level of openness between the Committee and management is appropriate. | | | | | |
| 28. | The Committee is sufficiently probing and challenging of management. | | | | | |
| 29. | The Committee receives relevant information from management related to changes in the organisation on a timely basis. | | | | | |
| 30. | The Committee dedicates appropriate time and resources to execute its responsibilities. | | | | | |
| 31. | The chair provides for sufficient interaction and participation of all Committee members. | | | | | |
| 32. | Committee members feel able to freely contribute to discussions in meetings. | | | | | |
| 33. | Committee confidentiality is maintained. | | | | | |

| IFM Board Committee Performance Evaluation Questionnaire – Period Ended xxx | | | | | | |
|---|---|-----------------------------------|------------------------------|---------------------|------------------|---------------------------|
| | | <i>0 – Insufficient knowledge</i> | <i>1 – Strongly disagree</i> | <i>2 – Disagree</i> | <i>3 – Agree</i> | <i>4 – Strongly agree</i> |
| 34. | Conflicts of interest are addressed in an appropriate manner. | | | | | |
| 35. | The Committee reports regularly to the board. | | | | | |

Schedule 2

ANNUAL REPORTS

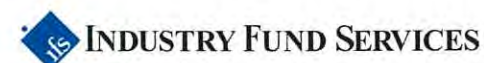


IFM Investors is a uniquely-structured global fund manager. Our interests are deeply aligned with those of our investors and our unwavering focus is on maximising investor returns.

One Purpose. Shared Prosperity.

HIGHLIGHTS OF 2015

- \$9 billion deployed in global infrastructure
- Launched Global Indexed Equities capability
- Expansion of Global Infrastructure Debt
- Further developed and refined IFM Investors' Partnership Model in Private Capital.



Industry Funds Services (IFS) is Australia's leading provider of financial planning, specialist financial products and support services to industry super funds.

HIGHLIGHTS OF 2015

- IFS records first consolidated profit in 10 years of \$0.86 million through streamlining processes, strong markets and business growth
- Adviser numbers have continued to grow, increasing by 38% to 117
- IFS continues to build on its digital advice solutions onboarding two new clients and adding three new online tools
- AUSfund named Heron's Top ERF for the ninth time.



Industry Super Australia (ISA) manages collective projects on behalf of a number of Industry SuperFunds with the objective of maximising the retirement savings of industry super members.

HIGHLIGHTS OF 2015

- Advocating for retention of key elements of our super system which put the interests of working Australians first- including the representative trustee governance model and protections for those many workers that do not nominate a fund
- Development of a ground breaking modelling tool that boosts Industry SuperFunds influence in public debate regarding glaring inequities in the taxation of superannuation and how best to improve retirement saving outcomes for low income earners
- Hosting the inaugural symposium on the capacity of Industry SuperFunds and Australia's retirement savings pool to boost economic growth through infrastructure investment partnerships
- Using communications to boost community understanding of the benefits of saving for their future and protect members from the risk to their savings if they switch to an underperforming bank-owned fund.



The independent valuation of ISH as at 30 June 2015 was \$478 million (at the mid-point of the valuation range), an increase of 16% for the year.

IFM Investors' global scale advantage and shareholder value have continued to surge in a year of mixed fortunes in investment markets.

The valuation reflects the growth in funds under management to approximately \$57 billion and growth in our client base to 175 funds globally, 108 of which are based in North America and Europe and include some of the best known public institutions in the world.

The first half saw IFM Investors' leading renewable energy investment in Pacific Hydro engulfed in a perfect storm. A dramatic reduction in Australian energy demand and forecast electricity prices, a political/regulatory attack on renewable energy by the Abbott Government, and a record drought and tax hike in Chile, combined to produce severe write-downs. Nevertheless, the IFM Australian Infrastructure Fund recovered to a small positive net return of 1.31% for the year and the orderly sales process for Pacific Hydro continues to attract significant global and local interest, with subsequent events in Australia creating a much more favourable outlook for renewable energy. The IFM Global Infrastructure Fund produced a very strong 10.18% return after tax and fees.

This year also marks five years under the leadership of our Chief Executive, Brett Himbury, and I want to take this opportunity to publicly thank him and indeed all our staff for their great work. We have developed the company to a point where it is a truly valuable asset, not only to its shareholders, but to all its investors in helping them to grow, diversify and unlock new sources of global value.

IFS has continued its growth journey delivering a modest consolidated profit of \$0.82m. The main growth areas include adviser numbers increasing to 117, expansion of digital calculators and member self-directed online tools and Industry Funds Credit Control collecting over \$164 million of unpaid super.

After a very long battle and great persistence, ISA was successful in resisting regulatory changes to remove recently won consumer protections around financial advice and the use of sales commissions.

The joint advertising campaign continues to go from strength to strength in informing members of the value of their membership of an industry super fund. 85% of Australians recognise the industry super fund 'symbol'.

The Directors of ISH are currently considering a proposal to consolidate the ownership of The New Daily (thenewdaily.com.au) and I have written separately to ISH shareholders concerning this matter.

Garry Weaven
Chair - ISH

The last financial year has seen a very positive outcome with the company posting a modest consolidated profit of \$0.82 million. A significant achievement as this is the first time in 10 years IFS has reported a positive result. There are a number of factors underlying this result including strong markets, growth in business and continued streamlining of processes.

FINANCIAL SUMMARY

Core operating profit

↑ 25%

IFS recorded a 2015 before tax profit of \$816k [2014: \$2.1m loss]. The result comprised a profit on core operations of \$2.1m offset by approximately \$1.2m in project spend. Project spend was focussed

on building interactive, real time reporting to Advice and IFCC clients and further expansion of the financial advice product suite.

IFS GROUP HIGHLIGHTS

Wealth Management has continued to attract new clients and improve services to existing clients. Over the past year we have welcomed two new client funds to the Advice business. Vision Super and Statewide Super now provide their advice services under the IFS AFSL, electing to be part of the Authorised Representative model.

Adviser numbers have continued to grow, increasing by 38% up to 117. Some outputs from the Streamline Advice project were a more member friendly SoA and a 30% efficiency improvement in paraplanner production.

117 Advisers produced
6124 Statements of Advice

During the year Wealth Management developed an Advice Excellence program designed to raise standards and is built on the foundation of adopting a best practice standard that exceeds the minimum regulatory obligations. This included benchmarking the performance of the Wealth Management business against peers using industry wide data from a leading research firm. A key component is the Advice Quality Framework, a governance and quality assurance measure that provides greater rigour, better communication and more robust auditing, supervision, monitoring and measuring of advice staff performance. Our goal is for our advice staff to be the best they can be for our Client Funds, the members we serve and their own professional principles.

Digital advice solutions are capturing the attention of the financial services sector. IFS has continued its development of online tools and is adding three Online Advice tools to the suite. During the last financial year we gained two new clients and are seeing exponential growth in their usage.

271,000 unique digital sessions

AUSfund has just been awarded the Heron 'ERF of the Year' for the ninth consecutive year recognising the continued provision of high quality service to the inactive members of Industry Super. AUSfund has just under one million members and FUM of \$550m and, as always, is doing an excellent job looking after lost and inactive members. AUSfund is a great alternative to transferring members to the ATO. In addition to the increased likelihood of retaining members within the Industry sector, AUSfund's five year return of 8.32% compares very favourably against the ATO's growth of CPI only and to other Heron rated ERF's. AUSfund continues to be one of Australia's lowest cost super funds with a member admin fee of \$14 per annum in 2014/15.

2014/15 also saw solid growth in the Industry Fund Portfolio Service (IFPS). This can be attributed in part to the strong market position of the past financial year.

Industry Fund Portfolio Service
286 investors with over
\$112M FUM

Investment models that have performed particularly well are Australian Shares, Property and High Growth, all achieving returns of 9% for the quarter ending 31 March 2015.

Investor numbers continue to grow and FUM now exceeds \$112m. A positive trend is the continued increase in subscribers to the regular investment plan. This now constitutes about 25% of FUM and tends to be very 'sticky' dollars.

The IFPS is a strategically sound option for Advisers and Funds wanting to offer members a non-super investment option founded on the ethos of 'run only to benefit members'.

In February the IFPS added the IFS Infrastructure Investment Model to its investment stable, providing retail investors with access to major unlisted infrastructure investment opportunities.

IRIS again performed very well, achieving investment returns in excess of benchmarks in all but one of the 10 options available to members. In respect of that one option, Property, the return was a very satisfactory 7.11% for the year.

IFCC recovered over \$164M in unpaid super on behalf of client funds' members

Industry Funds Credit Control (IFCC) continues to recover members unpaid super with exceptional results. This year IFCC continued to help members achieve their goal of a better

retirement by delivering over \$164m of unpaid super back to members' accounts. The additional support they provide client funds through data cleansing and correction is an added benefit of these relationships.

IFCC underwent a major system upgrade, the first major system change for many years. The result of these changes will be significant workflow enhancements across the various teams and file transfers between Collections and Legal/Insolvency. We are seeing significant productivity gains as a result of these changes.

IFS Insurance Solutions (IFSIS) is a subsidiary of IFS and the specialist insurance broking and consulting arm of the ISH group.

IFSIS delivered its tenth consecutive positive profit result to the group in 2014/15. The company maintained its strong focus on delivering value-added insurance advisory and consulting services

to ISH related funds and entities, while also actively pursuing a diversification strategy where corporate mandates were pursued and won. Strategic alliances were formed with external organisations enabling IFSIS to compete for global mandates. IFSIS has developed market leading policy wordings for the benefit of our clients and engages with both local and international insurance markets for risk placement and outsourcing.

IFSIS Annual premiums under management in excess of \$500M



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INDUSTRY SUPER HOLDINGS

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ABOUT INDUSTRY SUPER HOLDINGS



IFM Investors is a uniquely-structured global fund manager. Our interests are deeply aligned with those of our investors and our unwavering focus is on maximising investor returns.

One purpose. Shared prosperity.

HIGHLIGHTS OF 2016

- Total funds under management rose by 22.8% from \$57 billion to \$70 billion as of 30 June 2016
- Over 80% of client products and mandates across all four asset classes outperformed client objectives (net over five years to 30 June 2016)
- Expanded our product offering to include global passive as well as Australian and Asian active equities strategies
- Received our first investment in the recently developed Private Equity 'Investment Partnership' model
- \$16 billion lease of Ausgrid – Pension Public Partnership with government in infrastructure
- Welcomed our first overseas board member, Carol Gray from Toronto, Canada.



Industry Fund Services (IFS) is Australia's leading provider of financial planning, specialist financial products and support services to industry super funds.

HIGHLIGHTS OF 2016

- IFS returned a consolidated profit of \$1.34 million, up \$525k from 2015
- Almost 280,000 unique users accessed IFS digital advice tools
- Strong investment performance across all products, with AUSfund crediting 4.15% and nine out of ten options within IRIS outperforming their benchmarks
- AUSfund has the green light to recommence Cross Fund Matching.



Industry Super Australia (ISA) manages collective projects on behalf of a number of Industry SuperFunds with the objective of maximising the retirement savings of industry super members.

HIGHLIGHTS OF 2016

- Defended Industry SuperFunds governance and the representative trustee system, sponsoring the Fraser Governance Review with AIST
- Protected the low-income earners rebate (LISTO) and worked with Government to re-balance tax concessions
- Promoted Industry SuperFunds as major investors, including a high-level trade mission to Washington DC, USA
- Deployed a multi-channel marketing campaign to inform members about the need for a strong system of workplace default funds.



The independent valuation for 100% of ISH at 30 June 2016 was \$584 million (at the mid-point of the valuation range), an increase of 22.2% for the year.

Both IFM Investors and IFS had improved profitability and excellent investment performance for the year.

The Australian Infrastructure Fund's performance at 21.8% (PST fund) for the year was a real stand out as the marketplace, through our sale process, chose to value Pacific Hydro at a favourable long-term value. In fact, the renewable energy industry has received a welcome boost internationally as a result of the Paris commitments and in Australia as a result of (at least for the time being) changes in political leadership.

IFM Investors' investment returns across all listed and unlisted mandates and products were the strongest in aggregate in our history, providing a welcome boost to client performance in a difficult year for investment markets globally.

Nine of the ten investment options available to IRIS members outperformed their benchmarks, while both AUSfund and IFPS were also relatively strong performers compared to the average fund.

The IFM Investors globalisation story has continued apace, with the launch of our first global listed equities offering and offshore institutional investors now accounting for some 140 of our approximately 200 total clients. We also welcomed our first overseas resident board member Carol Gray from Toronto, Canada.

The IFM Investors board has also agreed to create the position of Deputy Chair and to appoint Greg Combet to the role upon his re-election by the AGM.

I want to thank all of our clients for their strong support, and in particular the collaborative approach of key shareholder clients, in ensuring our continued diversification and skill development in the interests of the fund members. I also want to welcome aboard IFM Investors' newly acquired and highly accomplished active equities team and thank all of our staff who have made 2015-16 an outstanding year across the full range of IFM Investors' services.

Industry Super Australia (ISA) continued to grow in stature throughout the year, mounting a major public and lobbying defence against attacks on the representative trustee system governance model while sponsoring, together with AIST, the Fraser Governance review. It also helped to engineer the retention of the low-income earners rebate (LISTO) while working with both Government and Opposition to re-balance tax concessions. ISA also played a prominent role in a high-level trade mission to Washington, promoting Industry SuperFunds as major investors. More recently, ISA has deployed a multi-channel marketing campaign to inform members about the need for a strong system of workplace default funds.

During the year, ISH arranged the consolidation of ownership of The New Daily and has since driven readership to around 1.3 million average monthly unique viewers.

Group CEO's Brett Himbury (IFM Investors), Cath Bowtell (IFS) and David Whiteley (ISA) will present updates to the AGM outlining the continuing success of our companies, including the very important success of IFM Investors in partnership with our largest shareholder and client, AustralianSuper, in purchasing a 50.4% interest in Ausgrid, the owner, operator and manager of the largest distribution network in the national electricity market.

Garry Weaven
Chair - ISH

\$70

BILLION
FUNDS UNDER
MANAGEMENT

\$549

MILLION
IFM VALUATION

6

GLOBAL
OFFICES

80%

PRODUCTS THAT HAVE
EXCEEDED BENCHMARKS
NET OVER 5 YEARS

263

FULL-TIME
EMPLOYEES
GLOBALLY

197

INVESTORS ACROSS
AUSTRALIA, ASIA,
NORTH AMERICA
AND EUROPE

At IFM Investors, the 2016 fiscal year delivered excellent results for investors, shareholders and the communities we impact locally and globally. Investment returns across all listed and unlisted mandates and products were the strongest in aggregate in our history, with the vast majority outperforming client objectives after fees and taxes over most, and in many cases all, meaningful timeframes.

Through our strategic commitment to asset and portfolio management, the quality of the returns has also improved substantially, particularly given the level of investment and divestment undertaken throughout the year. While investment returns remain our priority, there has also been substantial improvement in investor satisfaction, global client support, team engagement and shareholder value.

In our constant drive to find greater value for our investors, we expanded our product offering to include global passive and Australian and Asian active equities products. We also received our first investment in the recently developed Private Equity Investment Partnership Model.

Our offshore institutional investors now account for 137 of our 197 total clients and we welcomed our first overseas resident board member, Carol Gray from Toronto, Canada. To meet the needs of our evolving global client base, we continue to invest in people, systems and capabilities which provide a sound platform for sustainable growth.

Infrastructure

The IFM Australian Infrastructure Fund's net performance of 21.8% (PST fund) for the year was outstanding. The fund now has \$9.8 billion in funds under management with a portfolio of 17 assets. A well-executed, competitive sales process resulted in the sale of Pacific Hydro in January 2016, with fund performance metrics improving significantly as a result.

Our FY16 Asset Management Strategy saw the delivery of a significant program of works over the past 12 months. IFM Investors' infrastructure team has undertaken over 135 asset initiatives that improve value, manage risk or promote sustainable business practices across the global portfolio of infrastructure assets. In Australia, some of these include the opening of terminal four at Melbourne Airport, the solar photovoltaic development at

*Figures as at 30 June 2016

NT Airports and the international terminal redevelopment at Brisbane Airport.

Assets within the IFM Global Infrastructure Fund continued to perform strongly, with standouts including Indiana Toll Road, 50Hertz, Conmex, Manchester Airports Group and Vienna Airport. The fund returned a net 13.89% (PST fund) for the year. In June we completed the 100% divestment of Essential Power. The fund now has \$21.9 billion in funds under management with a portfolio of 11 assets.

Debt Investments

As at 30 June 2016, funds under management for debt and cash investments totalled \$20.7 billion. The global debt team's ability to deliver tailored solutions and value across the risk-reward spectrum of debt has resulted in new mandates, new clients and success with new product developments. Existing clients have also broadened their mandate scope to benefit from the team's global capacity and deal sourcing.

The Debt Investment Committee met 57 times during the year to review and approve over \$1.8 billion of investments. We also established a new US Dollar infrastructure debt fund to take advantage of these opportunities. In addition, existing Australian clients have expanded the scope of their mandates.

We have started to leverage our longstanding expertise and skill in managing the FX risk. This is a significant capability which we are now offering to clients for the first time. Increasingly, foreign exchange risk and hedging of international assets is a topic of discussion for Australia's industry superannuation funds. We recently signed our first IMA for an external client for FX services.

IFM Investors was named the Australian Credit Fund Management House of the Year for 2015 by Australian bond markets trade journal, KangaNews.

Australian Equities

This year we secured our first non-Australian client into Australian indexing and launched an Australian small caps smart beta strategy. In Australian Indexed equities we have outperformed the benchmark by 0.27% since inception after fees.

Our Australian small cap capability delivered over 10% alpha across all of its mandates relative to the Small

Ordinaries benchmark, which was itself up around 14%. The small caps strategy is now in soft close, with FUM across the mandates standing at approximately \$850 million as at 30 June 2016 (\$124 million of net inflows across the year).

We recruited a respected, sizeable, experienced active equities team to broaden our offering. The team has more than 20 years' experience in quantitative and fundamental investing in Australia, and more than 10 years' experience in Asia. Two new domestic strategies are to be offered, the IFM Australian Core Equities strategy and the IFM Australian Equities Extended Alpha Fund. The strategies are actively managed portfolios of equity investments, with the Australian Equities Extended Alpha Fund incorporating long-short positions. The investment style for each strategy is based on a quantitative approach with a fundamental overlay.

Global Equities

We extended our long and strong track record in indexed equities to include a global offering and completed and launched a global better beta strategy.

We recently launched the IFM Asia-Pacific Market Neutral Fund, which is an actively managed portfolio of Asian equities.

Private Equity

In Private Equity we completed three significant investments: follow-on capital to fund Scottish Pacific's acquisition of Bibby ANZ to create the dominant independent working capital provider in Australia; funding support for eCV (our omni-channel furniture retailer) to acquire Focus on Furniture and Bedding; and secured a new platform investment in telecommunications services provider ISGM, the first investment for the recently developed Investment Partnership Model.

We established an Executives and Entrepreneurs Network, a framework to attract and collaborate with senior industry experts in our key target investment sectors. We also added two experienced individuals to the investment team.

We are making good progress in compressing timeframes to wind up our fund of funds programs, including broad and positive engagement with investors.

INDUSTRY FUND SERVICES (IFS)

The last financial year saw a very positive outcome with the company posting a strong consolidated profit of \$1.3M, up from \$0.82M for 2014/15.

The result comprised a profit on core operation of \$1.8M offset by approximately \$450K in project spend. Project spend focused on expanding financial advice channels.

IFS core operating profit up over \$500k

IFS Group Highlights

The past year saw the IFS Group simplify and streamline operations, allowing the Group to focus on the services that make strategic and commercial sense to our client funds.

The simplification of the Group structure is occurring in stages, which commenced with the wind up of The Bond Market in 2014/15. During the year IFS acquired full ownership of IFS Insurance Solutions. The coming year will see Super Members Investments Ltd transfer IRIS members to a new home, with the transition expected late 2017.

Streamlining our operations allows the IFS Group to focus on our core services - embedding our position as leading specialists licencing fund-based advice practices, insurance solutions, arrears collection and cross-fund matching of lost and inactive accounts. We will continue to provide an industry fund aligned non-super offer to supplement and support our business.

Financial advice

In recent years financial advice has moved from back-room to centre-stage, and industry funds are increasingly looking to IFS for advice on the optimal model to assist members make better financial decisions. This includes looking to IFS for leadership in the provision of digital advice.

In 2016 IFS supported 279,471 unique users through our digital advice tools.

119 Advisers produced 6607 Statements of Advice

We delivered three new advice tools during the year, and built out the suite of tools from simple calculators, general advice tools and personal advice tools. IFS is now able to provide funds with a complete advice service which is consistent across all channels - face to face, phone and online.

Our focus next year will be to develop the tools' user interface and identify suitable technology partners to meet the differing needs of our client funds.

Online advice delivered to 279,471 users

Traditional advice models are also changing. Funds are moving to employ planners (licenced through IFS) rather than utilise the services of IFS employed planners. This model is now the dominant model adopted by IFS clients. At the end of 2015, half the planners providing advice under the IFS licence were IFS employed planners. By July 2016 this number had fallen to just over a third of planners, and a further reduction is forecast for 2016/17. Moving to this model allows IFS to concentrate on providing high quality dealership services to fund based advice practices, and leveraging scale in adviser support functions.

The model relies on a genuine partnership between IFS and its client funds to ensure that members receive best practice financial advice from skilled and engaged professional financial planners.

While the model confers on funds control over the day to day activities of their advice team, it also requires a greater role by trustees in monitoring and supervision of their advice teams. IFS will continue to work with client funds to ensure that the balance of risk and responsibility between IFS as licensee and our clients is appropriate.

To this end, IFS has invested heavily in its Advice Excellence Program, which has involved a review of all aspects of our advice practice management, including new training and development for planners, new templates and improved software.

2015/16 saw the first year of a revised Advice Assurance Program, which involved detailed audits and coaching of

all planners against the IFS best practice standards. The program has already delivered results. At the same time IFS continued to deliver efficiencies with an uplift in the numbers of advice per planner and per paraplanner.

AUSfund has over 850,000 members and FUM of approximately \$500M and continues its role looking after unclaimed and inactive members. Following a competitive tender, AUSfund transitioned to the new administrator AAS, with migration in September 2016. In May 2016, the government made a regulation to facilitate AUSfund matching members' accounts with their active super account. AUSfund is now working with partner super funds to reintroduce a Cross Fund Matching program and simplify the process of reuniting members with their super.

In the three years to July 2016, AUSfund transferred over \$65M to super funds at the request of over 63,000 individual members and continues to be the Heron Partnership Top Rated ERF.

The **Industry Fund Portfolio Service** grew rapidly during the year with FUA increasing to over \$215M, up from \$112M, and the number of investors continues to trend upward at 34%.

Enhancements made to the IFPS resulted in an expanded investment suite, with seven new investment options added as well as an additional term deposit provider. The IFPS continues to be a sound option for Advisers and Funds wanting to offer members a non-super investment option founded on the ethos 'run only to benefit members'. During the year both adviser and investor research was conducted to provide insights that will underpin further changes to IFS' non super offer.

Industry Fund Portfolio Service FUA increased to \$215M, up from \$112M

IRIS again performed very well, achieving investment returns in excess of benchmarks in all but one of the 10 options available to members. In respect of that one option, Defensive, the return was a very satisfactory 4.19% for the year. For the second year, IRIS members attended seminars across Australia. The seminars

provided members with an update on fund performance as well as issues that may impact them such as changes to deeming and the 1 January 2017 asset test changes.

Industry Funds Credit Control (IFCC) has a proud 22 year history helping members achieve their goal of a better retirement outcome. This year, IFCC delivered \$191M of unpaid super back into 297,064 members' accounts. This includes 559 legal cases that were resolved, with 80% of the cases resulting in the successful recovery of full SG entitlements for members. IFCC continues to evolve its service offering to ensure it meets the needs of current and future client funds. Throughout this year, IFCC invested in a major IT system upgrade, and developed a new flexible pricing model that enables funds to pick and pack arrears services on a fee for service basis.

IFS collected \$191M in unpaid super for 297,064 members

IFS Insurance Solutions (IFSIS) is a subsidiary of Industry Fund Services and the specialist insurance broking and consulting arm of the ISH group.

IFSIS delivered its eleventh consecutive profit result to the group in 2015/2016. The company maintained its strong focus on delivering value-added insurance advisory and consulting services to ISH related funds and entities, whilst continuing to pursue a diversification strategy aimed at securing corporate mandates. Strategic alliances were put in place with external organisations enabling IFSIS to compete for and place global mandates. IFSIS has developed market leading policy wordings for the benefit of our clients and engages with both local and international insurance markets for risk placement and outsourcing services.

IFSIS delivered its eleventh consecutive profit result to the group in 2015/2016

INDUSTRY SUPER AUSTRALIA (ISA)

Industry Super Australia (ISA) represents the collective of Industry SuperFunds. As well as running the Industry SuperFunds Joint Marketing Campaign, ISA undertakes research and advocacy to maximise the retirement savings of more than five million Industry SuperFund members.

Key areas of activity 2014

Defending members' interests

ISA prosecuted a comprehensive public relations and government relations strategy to combat legislative change proposed by the Abbott/ Turnbull Government to restructure the governance structure of Industry super funds and dismantle aspects of the not-for-profit superannuation sector to the detriment of members.

Following a comprehensive engagement strategy, ISA and AIST established the Fraser Review led by former Reserve Bank of Australia chair Bernie Fraser to review of governance arrangements in respect of Not-for-profit superannuation funds and to propose a best practice governance code for such funds. The announcement of the Fraser Review forestalled passage of the Government's legislative proposals.

Influencing tax settings and improving the system

During the year ISA made the case for improvements to the superannuation system and influenced the growing debate around the glaring inequalities in the taxation of superannuation. Particularly, how low-income workers were at a disadvantage under the current system with high income workers taking the lion's share of tax concessions.

ISA's leadership and influence on the issue over many years, has been bolstered by in-depth analysis by ISA's retirement income modelling collaboration, with respected actuarial firm Rice Warner.

It was comforting to see a shift in support to rebalancing superannuation tax concessions during a hotly contested federal election year, with both major parties supporting significant reforms. In particular, the support for retaining

the LISC (Low-income super contribution) in the form of the LISTO (Low-income Super Tax Offset) by the Federal government in the 2016 Budget is a significant win for low income Industry SuperFund members.

Framing the role of finance in the economy

ISA led a trade delegation to Washington DC to highlight industry super funds capacity to invest in infrastructure. With the investment environment looking more challenging, it is important that new investment and diversification opportunities become available to the funds in the future. The trip was a chance to open doors to international infrastructure projects, an important factor given the low level of domestic opportunities currently available.



Our ISF trade delegation, led by Mark Vaile and Peter Collins, witnessed a heightened level of political and public concern in Washington about the state of the nation's deteriorating infrastructure, which is nearing a point of materially impacting on economic growth. Meetings involved senior White House officials, the Departments of State, Treasury and Transportation, U.S. pension funds, state-based investment authorities, Austrade and others. Obvious to all during discussions was the real potential of Australia's industry super funds to provide a solution.

The greater challenge lies at home, overcoming the inertia of Australian governments and their limited interest to date in utilising the co-investment capability and expertise of our funds.

Conditioning employers to bank behaviour and motives

With around 75% of Australian workers still not actively choosing a fund, and going with the fund their employer has chosen as a default fund, ISF members could be exposed to risks if an employer adopts a bank-owned default fund.

The banks are lobbying the government for change to make it easier for employers to adopt a bank-owned super fund as a default fund, even if their funds don't have the same strong performance history as ISFs. Industry SuperFunds launched a campaign to communicate to employers the benefits for their employees of being with an industry superfund.



Industry SuperFunds launched a campaign to communicate to employers the benefits for their employees of being with an industry superfund.

THE BOARD



GARRY WEAVEN (Chair)

Non-Executive Director

Garry is the founding Executive Chair of Industry Fund Services (1994) and now chairs IFM Investors, as well as The New Daily (thenewdaily.com.au). He is also an Independent Director and past Chair of ME Bank and was a foundation member of Melbourne's Docklands Authority and Infrastructure Australia. As ACTU Assistant Secretary in the 1980s, Garry played a seminal role in the development of the industry superannuation fund movement and was the founding Chair of a number of today's leading funds before leaving the ACTU to take a range of consultancies in the early 1990's. Garry is a member of the Board Investment Committee and the Board Remuneration & People Committee for IFM Investors.



MICHAEL MIGRO

Non-Executive Director

Michael's extensive career in fund management and financial services spans 35 years. His experience has been gained in both Australia and the USA. Michael has had significant leadership responsibilities in various capacities as Head of Business Strategy (BT Funds Management), Joint Managing Director (Westpac Financial Services), CEO (Perpetual Funds Management and Principal Global Investors Australia), and more recently in the USA as COO (Principal Global Investors) and President and Chief Operating Officer (Post Advisory Group LLC). Michael is also a Director of IFM Investors as well as Industry Fund Services, and is on the Investment Committee of the Steve Waugh Foundation Australia. He joined the board as Chair of IFS Insurance Solutions in April 2014. Michael is Chair of both the Board Audit and Risk Committee and the Board Remuneration & People Committee and is a member of the Board Investment Committee for IFM Investors. Michael is also a member of the Audit Risk & Compliance Committee of Industry Fund Services.



LINDA RUBINSTEIN

Non-Executive Director (appointed 31 March 2016)

Linda has extensive industry fund experience. She served on IFM's Investment Advisory Board and was the Chair of the Australian Government Employees Superannuation trust (AGEST) until its merger with AustralianSuper. Linda also had long period of employment with the ACTU, where her responsibilities included industrial legislation and superannuation and at different times was appointed to the boards of HOSTPLUS and Cbus. Linda was a director of Superpartners prior to its sale, is currently Chair of Industry Fund Services and a Director of IFS Insurance Solutions. She is National Pro Bono Manager (part-time) at Holding Redlich. Linda is a member of the Board Audit and Risk Committee and the Board Investment Committee for IFM Investors and chaired the Remuneration Committee of Industry Funds Services until 3 Mar 2016, when she stepped down to chair their board.



CATH BOWTELL

Non-Executive Director (resigned 31 March 2016)

Cath Bowtell is the CEO of Industry Fund Services. Prior to her appointment as CEO, Cath was a member of the IFS Board, (from January 2014) and served as Chair from September 2014-March 2015. She was also working as a Senior Advisor at Industry Super Australia. Cath has worked for many years in senior roles in both the superannuation industry and union movement. She was the Chief Executive of the Australian Government Employees Superannuation Trust (AGEST Super) from 2010 until 2013, when the fund merged with AustralianSuper and was the Australian Labor Party Candidate for the Federal Seat of Melbourne from September 2012 to September 2013. Prior to this Cath was a Senior Industrial Officer at the ACTU and Assistant State Secretary for the National Tertiary Education Union (NTEU). Cath has held a number of Directorships and committee positions throughout her career including: Director of AGESE; Director of AustralianSuper; Member of the Industry Super Network Advisory Committee and Hon President of the Australian Labor Party's, Victorian Branch just to name a few. Cath is also a member of the Victorian Public Sector Commission Advisory Board.



FINANCIAL REPORTS

STATEMENT OF FINANCIAL POSITION

(as at 30 June 2016)

| | Consolidated | |
|---|----------------|----------------|
| | 2016 \$'000 | 2015 \$'000 |
| Assets | | |
| Cash and cash equivalents | 47,725 | 42,991 |
| Trade and other receivables | 88,633 | 44,834 |
| Investments | 64,950 | 35,102 |
| Derivatives | 100 | 301 |
| Investments in controlled entities | - | - |
| Capitalised expenses | 123 | 245 |
| Current tax assets | - | - |
| Deferred tax assets | - | - |
| Other assets | 6,281 | 5,173 |
| Plant and equipment | 5,280 | 6,659 |
| Intangible assets | 48,428 | 49,711 |
| Total assets | 261,520 | 185,016 |
| Liabilities | | |
| Trade and other payables | 15,123 | 13,832 |
| Derivatives | 496 | 222 |
| Current tax liabilities | 2,138 | 2,584 |
| Deferred tax liabilities | 4,949 | 1,037 |
| Provisions | 111,445 | 57,145 |
| Total liabilities | 134,151 | 74,820 |
| Net assets | 127,369 | 110,196 |
| Equity | | |
| Issued capital | 57,163 | 57,163 |
| Minority interest reserve | - | (2,700) |
| Foreign currency translation reserve | 1,894 | 1,881 |
| Retained earnings | 68,312 | 53,490 |
| Equity attributable to equity holders of the parent entity | 127,369 | 109,834 |
| Non-controlling interest | - | 362 |
| Total equity | 127,369 | 110,196 |

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

(financial year ended 30 June 2016)

| | Consolidated | |
|--|----------------|----------------|
| | 2016 \$'000 | 2015 \$'000 |
| Income | | |
| Interest income | 649 | 906 |
| Dividend income | - | - |
| Income from funds management and trustee services | 278,230 | 182,981 |
| Other income | 1,572 | 6,358 |
| Gain on acquisition of The New Daily | 512 | - |
| Change in fair value of investments | (1,862)) | (316) |
| Total operating income | 279,101 | 189,929 |
| Expenses | | |
| Operating expenses | 252,802 | 181,300 |
| Share of loss of associates | - | - |
| Total expenses | 252,802 | 181,300 |
| Profit before income tax | 26,299 | 8,629 |
| Income tax expense/(benefit) | 9,003 | 4,457 |
| Profit / (loss) for the year | 17,296 | 4,172 |
| Other comprehensive income, net of income tax | | |
| Items that may be reclassified subsequently to profit or loss | | |
| Foreign exchange differences | 13 | 1,481 |
| Total comprehensive income for the year from continuing operations | 17,309 | 5,653 |
| Profit / (loss) for the year attributable to owners of the parent | 17,311 | 4,049 |
| (Loss) / profit for the year attributable to non-controlling interests | (15) | 123 |
| Total profit / (loss) for the year | 17,296 | 4,172 |
| Total comprehensive income for the year attributable to owners of the parent entity | 17,324 | 5,530 |
| Total comprehensive income for the year attributable to non-controlling interests | (15) | 123 |
| Total comprehensive income for the year | 17,309 | 5,653 |

Industry Super Holdings Pty Ltd

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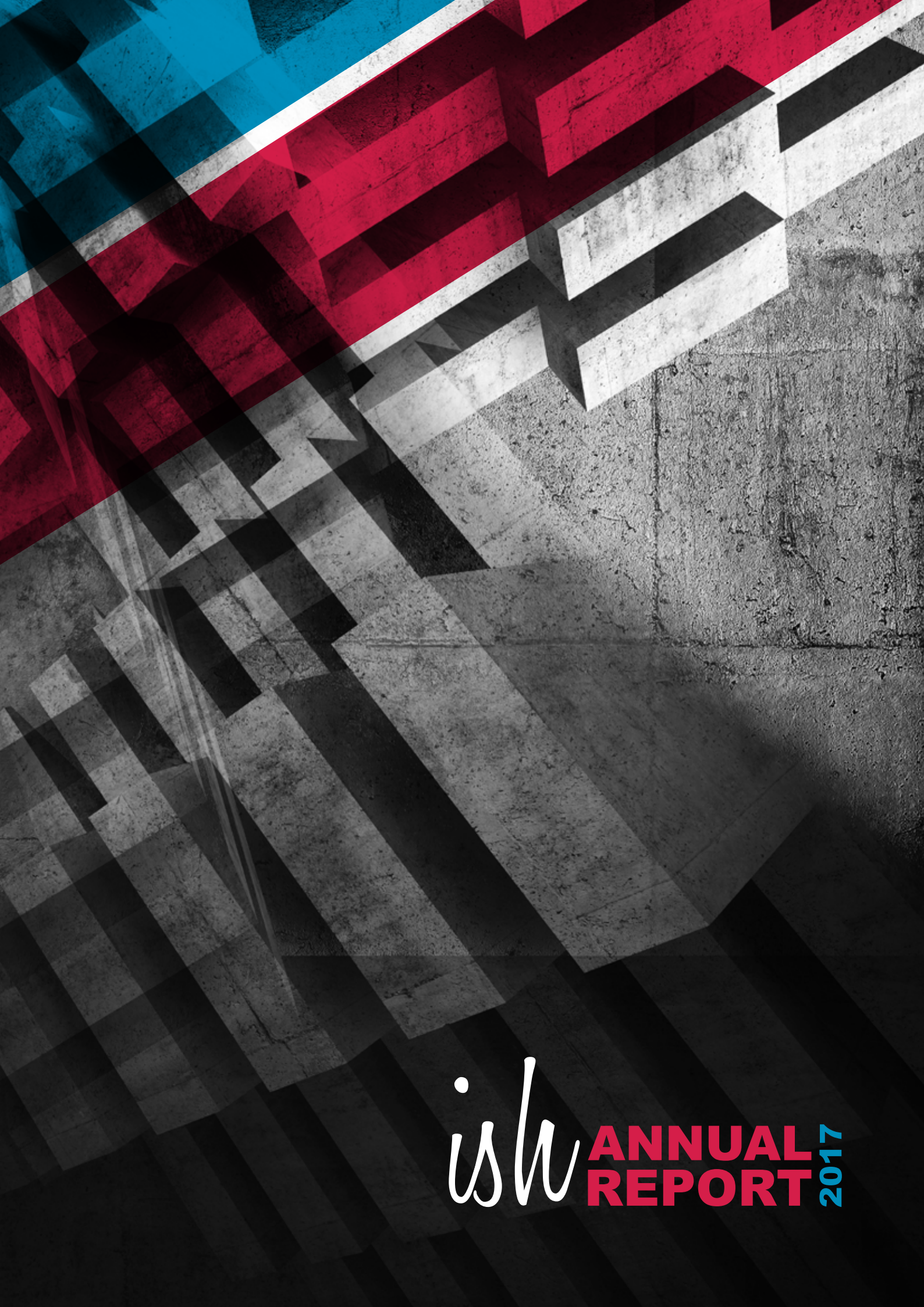
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INDUSTRY SUPER HOLDINGS



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INDUSTRY SUPER HOLDINGS

ABOUT INDUSTRY SUPER HOLDINGS (ISH)



IFM Investors is a uniquely-structured global fund manager. Our interests are deeply aligned with those of our investors and our unwavering focus is on maximising investor returns.

HIGHLIGHTS OF 2017

- Acquired majority stake in Ausgrid alongside AustralianSuper
- Debt Investments team launched funds aimed at Korean investors; strong inflows for the Treasury Services strategy
- Large Caps equity team wins first two mandates for Australian Core Equities strategy
- Private Equity team acquires stakes in retailer Colette by Colette Hayman and medical software provider Genie Solutions.



The New Daily is an independent and fast-growing news website providing up to the minute reporting on the biggest stories of the day. The New Daily is provided free for all Australians.

HIGHLIGHTS OF 2017

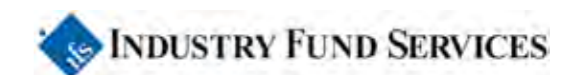
- Audience growth rose by 54 percent with the number of monthly users (readers) up from 1.1m to 1.8m at 30 June 2017
- During the year, The New Daily built a database of 1,129,000 subscribers, 411,000 of which had become regularly engaged readers
- The New Daily moved in to the top 20 news websites in Australia, ranked by official industry auditor, Nielsen
- The site employed 21 journalists, creating eight new positions in the year and launched a daily PM Update and Your Property monthly real estate special
- Reported extensively on retirement issues facing working people, including the age pension changes, lost super, calls for the monthly superannuation threshold to be scrapped, and explanations of the super changes that took effect on 1 July 2017.



Industry Super Australia (ISA) manages collective projects on behalf of a number of Industry SuperFunds with the objective of maximising the retirement savings of industry super members.

HIGHLIGHTS OF 2017

- Launched a marketing campaign to highlight how members can grow their income in retirement with an Industry SuperFund income stream
- Deployed a public awareness campaign to inform members of adverse policy changes that could affect their retirement outcomes
- Defended the successful Industry SuperFund governance architecture using the findings of the ISA/AIST-sponsored Fraser Governance Review
- Emphasised the concern of a number of reports highlighting the widespread underpayment and non-payment of the Super Guarantee.



Industry Fund Services (IFS) is Australia's leading provider of financial planning, specialist financial products and support services to industry super funds.

HIGHLIGHTS OF 2017

- Third consecutive year of profit
- Continued focus on the quality of advice saw tangible improvement in the advice compliance and quality audits across all client funds
- Reviewed and refreshed IFS digital advice strategy
- Successful pilot of cross fund matching via AUSfund, with roll out commencing October 2017
- Collected \$187.1 million in unpaid super from 35,711 employers
- Simplification of IFS non-super offer
- Resolution of the future of IRIS, with successful tender for successor fund
- Strong investment performance across all products.

FROM THE CHAIR



The independent valuation for 100% of ISH as at 30 June 2017 was \$698.9 million (at the mid-point of the valuation range), a 19.7% increase for the year. Of that value, \$663 million was attributable to IFM Investors.

This means that over the past two years IFM Investors has grown in value by an impressive 53%, and our Chief Executive

will update the meeting with a summary of further growth in funds under management, client numbers and profitability that has continued subsequent to the end of the financial year.

Investment performance and client satisfaction have also continued to be strong and the globalisation theme has continued apace in terms of physical presence, investment assets, revenue and clients.

In fact, as at 31 October 2017, IFM Investors had 202 offshore clients out of a total of 264 institutional investors. We strongly believe that scale benefits will continue to accrue for clients and shareholders, both in terms of unit costs and investment effectiveness.

I want to take this opportunity to thank Glenn Bunney who retires as a director for his service to the Board of IFM Investors. Glenn has a great record of achievement as an industry fund non-executive director, having previously served on the HESTA and ISPT Boards, and continues as a CEO in the Aged Care sector. He will be replaced by John Denton, currently Managing Partner and CEO of Corrs Chambers Westgarth, who will bring a whole new dimension of experience and global connection.

I also want to again thank our highly talented and increasingly diverse executive team for their continued focus on investment excellence.

The IFS group delivered its third consecutive year of profit notwithstanding its core focus of providing reliable, cost effective and compliant services to funds and fund members. Initiatives include a strategy to become a leader in the delivery of digital advice.

ISA continues to be at the forefront of defence of the successful Industry Super model for building Australians' retirement incomes in the face of relentless, unwarranted political attacks. It has done this with leading research, advocacy and creative content.

The New Daily has built readership from 1.3 million to just under two million average monthly 'unique viewers', but continues to face severe challenges, as well as opportunities, in a news media environment that is radically changing.

Group CEOs' Brett Himbury (IFM Investors), Cath Bowtell (IFS) and David Whiteley (ISA) will present updates to the AGM outlining the continuing success of our companies.

Subsequent to the financial year's end, a successful restructuring of the ISH shareholding was completed. A schedule of the new shareholdings is included in the papers.

In November 2018 I will attain the age of 70 and have decided to retire from the Board of IFM Investors (and ISH) at that time. I truly believe that IFM Investors is still in the early stages of what will be a great and momentous journey and can assure you that I and the Board remain fully committed to its progress in 2018.

Garry Weaven
Chair - ISH

THE BOARD



GARRY WEAVEN (Chair)
Non-Executive Director

Garry is the founding Executive Chair of Industry Fund Services (1994) and now chairs IFM Investors Pty Ltd, and the group holding company, Industry Super Holdings Ltd, as well as The New Daily (thenewdaily.com.au). He is a director of Industry Super Australia and also of the newly formed International Property Funds Management Pty Ltd. Garry is a former independent director and Chair of ME Bank and was a foundation member of Melbourne's Docklands Authority and Infrastructure Australia. As ACTU Assistant Secretary in the 1980s, Garry played a seminal role in the development of the industry superannuation fund movement, and was the founding Chair of a number of today's leading funds before leaving the ACTU to take on a range of consultancies in the early 1990s. Garry is a member of the Board Investment Committee and Board People and Remuneration Committee for IFM Investors.



MICHAEL MIGRO
Non-Executive Director

Michael's extensive career in funds management and financial services spans more than 35 years. His experience has been gained in both Australia and the USA. Michael has had significant leadership responsibilities in various capacities as Head of Business Strategy (BT Funds Management), Joint Managing Director (Westpac Financial Services), CEO (Perpetual Funds Management and Principal Global Investors Australia), and more recently in the US as COO (Principal Global Investors) and President and Chief Operating Officer (Post Advisory Group, LLC). Michael is a Director of Industry Super Holdings as well as a Director of Industry Fund Services, the leading provider of financial products and advice services to industry superannuation funds in Australia, and is on the Investment Committee of the Steve Waugh Foundation Australia. He joined the board of IFS Insurance Services in April 2014, an entity that provides insurance solutions to industry superannuation funds and Australian corporate clients. Michael is a member of the board of IFM Investors, Chair of both the Board Audit and Risk Committee and the Board People & Remuneration Committee, and is a member of the Board Investment Committee.



LINDA RUBINSTEIN
Non-Executive Director

Linda has extensive industry fund experience. She served on IFM Investors' Investment Advisory Board and was the Chair of the Australian Government Employees Superannuation Trust until its merger with AustralianSuper. Linda had a long period of employment with the ACTU, where her responsibilities included industrial legislation and superannuation, and at different times was appointed to the boards of HOSTPLUS and Cbus. Linda was a director of Superpartners prior to its sale, and is currently Chair of Industry Fund Services and a member of its Remuneration Committee, and Audit Risk & Compliance Committee, and a Director of IFS Insurance Solutions. Linda is a member of the Board Audit & Risk Committee and Board Investment Committee for IFM Investors.

IFM INVESTORS

\$93
BILLION
FUNDS UNDER MANAGEMENT

244 
INVESTORS ACROSS
AUSTRALIA, NORTH AMERICA,
EUROPE & ASIA

8.1 
INVESTOR
SATISFACTION
RESULTS
ITS HIGHEST-EVER LEVEL

304 
EMPLOYEES ACROSS
SEVEN OFFICES

\$663M
IFM INVESTORS'
VALUATION

93.8% 
PRODUCTS EXCEEDED
BENCHMARKS PAST 5 YEARS

AS AT 30 JUNE 2017

The 2016-17 financial year saw IFM Investors continue from strength to strength, with solid performance across all of our asset classes benefitting both our shareholders and clients. The year also saw further globalisation of our portfolio, client base and office presence, continuing our strategy to extend the benefits of scale enjoyed by our Australian clients to like-minded overseas investors.

Clients continue to appreciate our investor-first approach, as reflected in our annual Investor Satisfaction Questionnaire (ISQ). First conducted in 2013, this year's results built on an already impressive result of 8.0 to be scored 8.1 by clients. We thank those of our clients who generously gave their time to offer frank feedback on where we succeed as a company, but also where we can improve. The ISQ score is a reflection of the quality and depth of the client service and support delivered by our teams globally, and aids us in our mission to become the world's most trusted institutional funds manager.

We will aim to build on this level of customer satisfaction even as the number of clients continues to grow, this year for the first time exceeding 200, and reaching 244 by the end of the financial year.

IFM Investors' growth has been underpinned by an investment in people, systems and capabilities, with this theme continuing as we seek to extend on our position and ensure we deliver superior net returns in the most cost effective manner.

Infrastructure

The year saw consistent returns and significant activity in the infrastructure space, with several notable and high-profile transactions.

The IFM Australian Infrastructure Fund (Wholesale Unit Trust) returned 12.6% for the year to 30 June 2017. Over the course of the year, the Fund acquired an additional 1.5% shareholding in the Australia Pacific Airports Corporation, parent company of Melbourne Airport and Launceston Airport.

Notably, the Fund also partnered with AustralianSuper to jointly acquire a 50.4% stake in Ausgrid, New South

Wales' largest energy transmission grid operator. The company plays a crucial role in delivering energy to approximately 1.7 million people across Australia's most populous state, and after less than a year under our ownership, Ausgrid has set about modernising its business practices, transforming the oldest company within our infrastructure portfolio into a world-class operator.

Globally, our footprint continued to grow. The IFM International Infrastructure Fund (Wholesale Unit Trust) returned 15.1% during the year to 30 June 2017. Over the course of the year, it increased its stake in Organizacion

de Proyectos de Infraestructura (OPI), the holding company of Mexican toll road Conmex, to 49%. Our commitment to Vienna Airport was also recognised, as IFM Investors was granted two Supervisory Board seats. This followed the Fund's decision to grow its stake in Austria's largest airport to 39.80%, announced in May 2016 after a voluntary public offer process.

Notably, our global reach expanded as a result of acquiring a 25% stake in global marine terminals business VTTI. Headquartered in the Netherlands and offering revenue security in form of take-or-pay contracts denominated in US dollars and euros, and not linked to commodity prices, it maintains 13 terminals spread across Europe, the US, the United Arab Emirates and Greater Singapore.

The Fund also increased its exposure to toll roads through the acquisition of a 70% interest in the UK's M6toll, IFM Investors' first European toll road asset.

Debt Investments

The Debt Investments team's ability to add value across the risk-reward spectrum continues to be recognised, leading to a number of new mandates from both new and existing clients. Additionally, it has allowed us to successfully enter new markets, expanding our global client base and boosting funds under management to A\$31.2 billion.

Part of the growth in our global client base stemmed from the launch of several global infrastructure debt funds aimed at Korean investors. The Samsung Asset Management/IFM Investors partnership, announced in April, raised US\$480 million and is supported by four local institutional investors. The fund complements our first foray into the Korean market, established earlier in the financial year.

We continue to build our reputation in the Infrastructure Debt space, and as a skilful and reliable non-bank lender, pursuing opportunities across our three regions of North America, Australia and UK/Europe.

In the Treasury Services space, IFM Investors saw strong inflows of A\$10 billion, largely in the form of clients seeking the best returns for monies needed for operational cash flow purposes. We also attracted close to A\$1 billion in external FX mandates, complementing the hedging activity already undertaken for the firm's infrastructure portfolio.

Listed Equities

Listed equities continued its reliable performance across the Indexed & Quantitative Equities, Small Caps, Large Caps and Global Equities teams, seeing funds under management rise to A\$20.9 billion, an increase of 15.1%. The Australian Indexed & Quantitative Equities team accounted for the largest share of Funds Under Management within Listed Equities, growing due to the support of two new clients, existing investors and market gains alike.

Our Small Caps strategy remains in soft close, with A\$833 million under management. As an investor-focused manager, we will not grow the strategy beyond our capacity to deliver strong performance. For the year to 30 June 2017, the Small Caps composite underperformed, however the composite performance since inception on 31 March 2012 remains ahead of client objectives.

The Large Caps team joined the firm in 2016, and has secured two mandates, exceeding A\$1 billion for the IFM Australian Core Equities strategy. Additionally, both the IFM Australian Equities Extended Alpha Fund and the IFM Asia-Pacific Market Neutral Fund have been seeded to establish a track record.

Private Equity

The Private Equity team completed two sizable deals on behalf of a segregated account mandate including investing in fashion handbags and accessories retailer Colette by Colette Hayman.

The partnership saw Colette maintain its current leadership team, including the involvement of its co-founders, allowing IFM Investors to benefit from their experience while assisting them as the company continues along its growth path.

A second deal, which completed in April, led to the acquisition of a majority stake in medical software specialist Genie Solutions.

Both transactions formed part of a strategy to invest between A\$50-300 million in growing businesses in Australia and New Zealand, where IFM Investors acted as a patient investor willing to partner with growth companies.

INDUSTRY FUND SERVICES (IFS)

The IFS Group booked a consolidated profit of \$2.2 million for the year. This was up from \$1.34 million in 2015/16 and is the third consecutive profit, with Insurance Solutions, unpaid super collection and AUSfund and IRIS all making positive contributions to the result.

Over the past three years, the Group has simplified its strategy and structure to focus on providing services that are valued by our client funds.

The closure of The Bond Market, the decision to transition IRIS members to a successor fund, and the simplification of our non-super offer through a “white-label” arrangement have enabled the Board and staff to focus on partnering with super funds to deliver advice solutions and support.

While we continue to leverage our deep expertise, aligned ownership and integrity, the past year has also seen IFS focus on better use of technology for advisers and delivery of advice to members.

We have also refreshed our digital advice strategy, and are building the capability to take a leadership role in bringing digital advice solutions to not-for-profit super funds.

Behind the scenes, we have been driving efficiency in the organisation with a view to reducing corporate overhead and rebalancing our operational expenditure towards our service and delivery teams.



The **Financial Advice** environment continues to be dynamic. A number of institutional players are reducing their involvement in the provision of advice, consumer confidence remains low, and few if any licensees are able to support planners without cross-subsidies from product fees.

As advice assumes a more strategic role within super funds, IFS' role is changing our partnership with our advice clients continues to evolve, with IFS guiding funds to build their advice offer.

Our **Advice Assurance Programme** has demonstrated its value over the past two years. This program involves IFS ranking advisers on a scale against both quality and compliance measures. This past year saw a measured uplift in the results across the board, with a 20% increase in the number of advisers receiving strong performance outcomes. The feedback from our clients' is that this service has created a genuine partnership between advisers and IFS.

While the advice environment continues to change, digital remains in the spotlight. Digital advice is well suited to the industry fund model, providing a mechanism to deliver unconflicted, affordable and pragmatic assistance to large numbers of members at low cost. The IFS Board has endorsed a strategy that will see IFS take a leadership role in developing 2nd generation digital tools, tailored to the needs of ordinary Australians, and IFS is developing its capability to deliver on this. A key to success will be involvement with our clients in co-designing the solution. IFS has formed an Advice Forum and digital working group, with fourteen participating funds, to coordinate this effort.



Unpaid Super has been a political focus this past year, with IFS presenting at the Senate Enquiry to provide information about what we do. This year, \$187.1 million of unpaid super was delivered back into 225,840 members' accounts. This includes 489 legal cases resolved in full and 129 partial payments, and a 69% success rate of the cases resulting in the recovery of SG entitlements

for members. We continue to evolve the Unpaid Super Service offering to ensure it meets the needs of current and future client funds. Throughout this year, we have invested in a major IT system upgrade, and developed a new flexible pricing model that enables funds to pick and pack arrears services on a fee-for-service basis.



The regulatory environment over the past 12 months has seen a focus on multiple account holders and unpaid super. During the year, IFS convened a working

group of six participating funds to explore an enhanced **Cross Fund Matching** program, which would see funds utilise **AUSfund** as a vehicle for a form of auto consolidation, to reduce multiple account holdings across industry super funds.

The results validated our hypothesis that AUSfund can be a highly effective mechanism to address multiple account holdings across industry super funds.

Participation in AUSfund's new cross-fund matching program will address the erosion of inactive members' accounts and build super balances of thousands of Australians. The re-establishment of cross fund matching also provides the not-for-profit sector with a strong and credible response to the need for major change to the existing default system.

For AUSfund, the pilot has resulted in a number of funds showing strong support for the program.



During the year we undertook a review of our **non-super offer** and decided to simplify the structure and reduce the internal costs associated with offering the product. This involved outsourcing some functions and relaunching an enhanced product under the brand of **ifsinvest**. The product is designed to complement the investment options available to industry super fund members.

IFS-licensed planners were involved in the design of the new product to ensure our offering meets the needs of the members they service. Early indicators are that the new product is popular with IFS advice clients.



IFS Insurance Solutions (IFSIS) is a subsidiary of Industry Fund Services and the specialist insurance broking

and consulting arm of the ISH group. IFSIS delivered its 12th consecutive profit result to the group in FY17. The company maintained its strong focus on delivering value-added insurance advisory and consulting services to ISH-related funds and entities, whilst continuing to pursue a diversification strategy aimed at securing corporate mandates. Strategic alliances were formed with external organisations enabling IFSIS to compete for and place global mandates. IFSIS has developed market-leading policy wordings for the benefit of our clients and engages with both local and international insurance markets for risk placement and outsourcing services.



In last year's report we flagged our intention to undertake a successor fund transfer for **IRIS** in 2018 and all shareholder funds were invited to participate. After a thorough review, the decision to award the tender to HESTA was not easy and the Trustee is confident IRIS members'

best interests will be served through continuing to provide quality service, low fees, tailored advice and financial education for its members. IRIS also provided another year of solid performance for its members, achieving investment returns in excess of benchmarks in all but one of the 10 options available to members. The return for that one option, International Shares, was a very satisfactory 17.09% for the year. For the third year, IRIS members attended seminars across Australia.

INDUSTRY SUPER AUSTRALIA (ISA)



Industry Super Australia (ISA) represents the collective interests of Industry SuperFunds. As well as running the Industry SuperFunds Joint Marketing Campaign, ISA undertakes research and advocacy to maximise the retirement savings of more than five million Industry SuperFund members.

Key areas of activity of 2016/17

Defending members' interests

ISA prosecuted a comprehensive public relations and government relations strategy to combat the continued attempts by the banks to lobby the Federal Government to make changes to the super system that would come at the expense of Industry SuperFund members.

Part of this strategy involved Industry SuperFunds' deployment of a campaign using the well-known 'Fox in the henhouse' fable to boost member awareness of the bank lobbying efforts, and the impact it could have if the Federal Government lets the big banks have their way with super laws.

The findings of the Fraser Governance Review, led by former Reserve Bank Chair Bernie Fraser, provided its report to ISA and Australian Institute of Superannuation Trustees (AIST) during the year. The report found that Industry SuperFund governance processes and member-first ethos are central to their outperformance and avoidance of scandals affecting other parts of the finance sector. Mr Fraser's review concluded that the Government

had not adequately made the case for a mandatory quota of independent directors, and members' interests will be better served through a focus on directors' values, skills and expertise. The report coincided with the release of AIST's updated Governance Framework for not-for-profit super funds.

Advocating for an improved superannuation system

During the year ISA made the case for improvements to the superannuation system and influenced the growing debate around members being underpaid their entitled Superannuation Guarantee (SG) payments. ISA launched a new report in conjunction with Cbus that highlighted the widespread nature of SG non-payment, resulting in a Senate inquiry and the Government announcing an inter-departmental inquiry into the issue.

ISA continued to play a leadership role in the industry campaigning against changes that would have an impact on members' retirements, including changes to the

pension asset test and various measures that emerged out of the 2017 budget, such as allowing access to superannuation for housing.

Comprehensive engagement with politicians of all persuasions destabilised support for the proposed changes, delaying any attempts by Government to implement controversial budget reforms.

Framing the role of finance in the economy

ISA travelled to the United States as a part of a trade delegation to highlight industry super funds' capacity to invest in infrastructure. With the investment environment looking more challenging, it is important that new investment and diversification opportunities become available to the funds in the future. The trip was a chance to open the door to international infrastructure projects, an important factor given the low level of domestic opportunities currently available.

ISA launched the report 'Industry Super and the Australian economy', highlighting how Australia's not-for-profit industry super funds are effectively leveraging the scale and long-term investment horizon to invest in real economy assets which have been the foundation of superior member returns. The report examined the potential of industry super funds to work in practical cost-effective partnerships with governments to modernise infrastructure and drive productivity.



In November of 2016, in partnership with the ACTU and Ai Group, ISA hosted the conference 'The Superannuation Opportunity' at Parliament House in Canberra, promoting industry funds' capacity to invest in nation building infrastructure projects, bringing together key policymakers, regulators, industry bodies and fund executives.

Elevating the Industry SuperFund brand

The Industry SuperFund brand went from strength to strength, as Industry SuperFunds joined some of Australia's most high-profile brands as a broadcast sponsor for the 2016 Rio Olympic Games. Industry SuperFunds also launched an updated version of the brand advertisement – A Show of Strength – highlighting members' involvement in sporting activities.

Broadening its capabilities, the Joint Marketing Campaign launched the Retirement Campaign to educate members of the benefit of staying with their Industry SuperFund into retirement and improve retention of members by participating funds. The campaign highlights how members can grow their income in retirement with an Industry SuperFund income stream.

The Industry SuperFund brand continues to be rated as one of the most trusted brands within Australia and is one of the most highly regarded for its open and honest communication.

THE NEW DAILY



Audience growth

The New Daily experienced significant audience growth during the financial year. The site's audience increased by 54 percent with the number of monthly users (readers) up from 1.1 million to 1.8 million at 30 June 2017. Pageviews increased by 77 percent from 4.7 million to 8.4 million over the 12-month period. Increased users and pageviews are the metrics by which advertising inventory is sold on the site.

Considerable effort was undertaken to build the subscriber database through the year. A number of member funds, unions and not-for-profit organisations were invited to participate in subscriber procurement strategies. Over the year, The New Daily grew its database to 1,129,000 subscribers, 411,000 of which became regularly engaged readers.

Engagement

Subscribers are the distribution mechanism for the news. Email alerts with a summary of the news are distributed to each subscriber's email address. Once a subscriber opens a story, it takes the reader to The New Daily website which adds to the site's traffic figures for the day, recorded by Google Analytics. The New Daily's daily open rate averages at 30 percent, which is above industry standard.

Position in the market

At the time of its launch, in November 2013, The New Daily sat outside of the top 200 news websites visited by

Australians. Pleasingly, in this year The New Daily moved in to the top 20 news websites in Australia, ranked by the official industry auditor, Nielsen. The New Daily also moved into the top 10 list of sites which were Australian-owned.

Resourcing

The New Daily changed its resourcing to operate a seven day a week, 24-hour news service, sending two news alerts each working day, and one on Saturday and Sunday. The site employed 21 journalists, creating eight new positions for journalists during the year. It also contracted over 20 regular specialist writers.

In February, The New Daily launched 'Your Property' - a monthly real estate special released in conjunction with realestateview.com.au.

Financial literacy

As part of the The New Daily's charter to provide financial literacy about superannuation to members of Industry Superfunds and cover issues relevant to working Australians, it reported extensively on retirement issues facing working people, including the age pension changes, lost super, calls for the monthly superannuation threshold to be scrapped, and explanations of the super changes that took effect on 1 July 2017.

During the year, The New Daily established a 'Your Super' section which was dedicated to coverage of superannuation.

ISH SHAREHOLDERS

| Shareholder | Weighting |
|--------------------------------------|----------------|
| AustralianSuper | 20.55% |
| CBUS | 17.90% |
| HESTA | 17.68% |
| HOSTPLUS | 10.53% |
| MTAA | 4.64% |
| First Super | 3.67% |
| CARE SUPER | 3.56% |
| Media Super | 3.27% |
| Vision Super | 2.88% |
| Sunsuper | 1.85% |
| UniSuper | 1.70% |
| Maritime Super | 1.68% |
| LUCRF Pty Ltd | 1.59% |
| TWU Super | 1.50% |
| Statewide Super | 1.26% |
| AUS Fund | 0.98% |
| Electricity Supply Industry Super | 0.96% |
| Auscoal Superannuation Pty Ltd | 0.89% |
| CSF Pty Limited | 0.85% |
| Tasplan Super | 0.48% |
| BUSS(Q) Pooled Superannuation Trust | 0.36% |
| WA Local Government Super (WA Super) | 0.35% |
| REI Superannuation Fund | 0.33% |
| NGS Super | 0.30% |
| Australian Catholic Super | 0.09% |
| IS Industry Fund | 0.08% |
| Mercy Super | 0.07% |
| QIEC Super* | 0.00% |
| | 100.00% |

* The table assumes the buy-back of all of QIEC Super's shares

STATEMENT OF FINANCIAL POSITION
(as at 30 June 2017)

| | Consolidated | |
|--------------------------------------|----------------|----------------|
| | 2017 \$'000 | 2016 \$'000 |
| Assets | | |
| Cash and cash equivalents | 48,405 | 47,725 |
| Trade and other receivables | 154,245 | 88,633 |
| Investments | 78,940 | 64,950 |
| Derivatives | 1,929 | 100 |
| Investments in joint venture | 1,600 | - |
| Capitalised expenses | - | 122 |
| Deferred tax assets | 15,277 | - |
| Other assets | 6,079 | 6,281 |
| Related party receivables | 220 | - |
| Plant and equipment | 5,571 | 5,314 |
| Intangible assets | 47,561 | 48,395 |
| Total assets | 359,827 | 261,520 |
| Liabilities | | |
| Trade and other payables | 17,433 | 15,123 |
| Derivatives | 2 | 496 |
| Payable to joint venture | 1,600 | - |
| Current tax liabilities | 17,767 | 2,138 |
| Deferred tax liabilities | - | 4,949 |
| Provisions | 172,788 | 111,445 |
| Total liabilities | 209,590 | 134,151 |
| Net assets | 150,237 | 127,369 |
| Equity | | |
| Issued capital | 56,564 | 57,163 |
| Foreign currency translation reserve | 2,680 | 1,894 |
| Retained earnings | 90,993 | 68,312 |
| Total equity | 150,237 | 127,369 |

STATEMENT OF PROFIT AND LOSS AND
OTHER COMPREHENSIVE INCOME
(financial year ended 30 June 2017)

| | Consolidated | |
|---|----------------|----------------|
| | 2017 \$'000 | 2016 \$'000 |
| Income | | |
| Interest income | 631 | 649 |
| Income from funds management and trustee services | 326,301 | 278,230 |
| Other income | 4,143 | 1,572 |
| Gain on acquisition of The New Daily | - | 512 |
| Change in fair value of investments | 276 | (1,862) |
| Total operating income | 331,351 | 279,101 |
| Expenses | | |
| Operating expenses | 297,385 | 252,802 |
| Total expenses | 297,385 | 252,802 |
| Profit before income tax | 33,966 | 26,299 |
| Income tax expense/(benefit) | 11,285 | 9,003 |
| Profit / (loss) for the year | 22,681 | 17,296 |
| Other comprehensive income, net of income tax | | |
| Items that may be reclassified subsequently to profit or loss: | | |
| Foreign exchange differences | 786 | 13 |
| Total comprehensive income for the year from continuing operations | 23,467 | 17,309 |
| Profit / (loss) for the year attributable to owners of the parent | 22,681 | 17,311 |
| (Loss) / profit for the year attributable to non-controlling interests | - | (15) |
| Total profit / (loss) for the year | 22,681 | 17,296 |
| Total comprehensive income for the year attributable to owners of the parent entity | 23,467 | 17,324 |
| Total comprehensive income for the year attributable to non-controlling interests | - | (15) |
| Total comprehensive income for the year | 23,467 | 17,309 |

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INDUSTRY SUPER HOLDINGS



ish ANNUAL
REPORT

2018

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FROM THE CHAIR



As announced last year, I am retiring from the Chair of ISH and IFM Investors as at 31 December this year. I will also retire from The New Daily and, from the date of the next Federal Election, the Board of Industry Super Australia.

I want to take this opportunity to thank the very many people,

both within IFM Investors and the wider industry fund movement, for providing the gift of finishing on such a high note. Not only has IFM Investors achieved outstanding short-term and long-term investment returns, but the industry fund movement and the representative trustee system in general have finally achieved public recognition for their collective model of delivery of superior retirement benefits for working people.

There is, I believe, every prospect that the deeply flawed but extremely resilient system of conflicted financial advice and sales practices of the retail superannuation sector have been dealt their final blow. I also have renewed optimism that the common sense of incorporating longer term social and environmental aspects into investment decision-making may be returning to centre stage after a period of reactionary denial from much of the business and political establishment.

Within ISH, global client growth and value growth in IFM Investors' business were again stand out features in the year to 30 June 2018. Institutional investors around the world are increasingly warming to the IFM Investors business model and investment performance, with total clients standing at 312, up from 244 last year. Of these, some 250 are offshore institutions resident in 18 different countries.

The KPMG Valuation for Industry Super Holdings stands at \$903.1 million at the mid-point, representing a 29.4% increase for the year. Comparable shareholder returns are provided in the table. The uplift in shareholder value again exceeded the total management fees paid to IFM Investors by shareholder clients.

While the IFM Investors corporate bottom line, as well as some short-term investment performance numbers, were boosted by some exceptional asset sales, the underlying value growth in the business is fundamentally driven by long-term investment performance across asset classes and the outstanding execution capabilities of our talented and increasingly diverse staff.

Murray Bleach and Linda Rubinstein are also retiring from the IFM Investors Board this year and I want to acknowledge their outstanding service. Murray has brought deep and extensive funds management experience, particularly in unlisted markets, while Linda has benefited the Board particularly with her interrogative intellect and long and strong commitment to the industry fund sector. I am particularly pleased that the renewed Board will exhibit complete gender balance, as well as an excellent blend of skills and industry fund affinity, and will be led by current Deputy Chair Greg Combet. I have worked closely with Greg in recent times and have a very high regard for his capacity and leadership qualities. He will also assume the Chair of ISH.

Elsewhere in the group, Industry Fund Services booked its fourth consecutive year of profit, with a consolidated profit before tax of \$1.47 million for the year. IFS' long-standing focus on conflict-free financial advice stood IFS' clients in good stead through the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry, and AUSfund's cross-fund matching program provided industry funds with a strong

| | 1 Year (%) | 3 Years (%pa) | 5 Years (%pa) | 10 Years (%pa) |
|--|------------|---------------|---------------|----------------|
| ISH Valuation | 29.4 | 23.7 | 18.1 | 16.3 |
| S&P / ASX200 Accumulation | 13.1 | 9.0 | 9.1 | 6.4 |
| S&P / ASX200 Accumulation (Financials) | 3.9 | 7.1 | 11.0 | 11.3 |
| MSCI World Developed Markets USD (Gross) | 11.7 | 9.1 | 10.6 | 6.9 |
| MSCI World Financials USD (Gross) | 5.2 | 7.6 | 9.3 | 4.2 |

and credible response to the need to address unintended multiple accounts. IFS also contributed meaningfully to the long overdue public interest in unpaid super through enhanced engagement with the ATO.

Industry Super Australia's ongoing outstanding work in leadership and co-ordination of industry fund interaction with Canberra and in policy development, public advocacy of the industry super fund model and innovative advertising of the brand, have been a critical element of the overwhelmingly successful response to the extremely intensive examination of industry practices by the Royal Commission.

Congratulations go to Bernie Dean on his elevation to the Chief Executive role and to David Whiteley on his outstanding and game-changing leadership over many years. Also to outgoing Chair Peter Collins who trades places with Deputy Chair Greg Combet. Peter has been a forthright and courageous advocate whose persistence has contributed greatly to a much improved policy outlook.

At *The New Daily*, thenewdaily.com.au also continued to grow its readership and influence over the year and now records around 2.3 million monthly unique views, according to Google Analytics. Research conducted by UMR showed *The New Daily* readers over-perform on brand recognition and trust of industry super funds. *The New Daily* now provides an opportunity for participating funds to take it, and their public reach, to a much expanded audience with very little effort and at virtually zero cost, by ensuring that all members are sent a new opt-out invitation to receive the publication at no charge.

As this will be my final AGM Report, let me conclude by acknowledging the outstanding achievement, in particular of the IFM Investors global team and the leadership of Brett Himbury over the past eight years. Now comprising some 400 people in 9 offices globally, IFM Investors stands ready to take off from a remarkable platform. From the first outposts approved by Damian Moloney in London and New York back in 2005, IFM Investors has grown its business to become a diversified powerhouse, while maintaining performance for clients and respect for our heritage as the clearly dominant culture.

IFM Investors' pre-eminence and track record globally

in infrastructure speaks for itself; but we have also developed a substantial enhanced passive equities business with an unsurpassed record of consistency where it was said that we could not compete because of the massive scale of global giants. Our more recently acquired capabilities in active equities are also demonstrating their value. We were pioneers of alternative fixed income in Australia and now have a rapidly expanding global debt offering. We have ridden the bumps of an evolving private equity market and are now on the threshold of a significant step-up, which could provide the Australian superannuation industry with something it really needs – an aligned partner of scale for long-term private equity following our successful model in infrastructure and building on our emerging leadership in asset management as a distinct discipline.

Similarly, and perhaps a little belatedly, we are taking on the challenge of global property funds management with our joint venture partner ISPT, in order to provide a trusted partner for the inevitable journey that Australian super funds must take given their continued growth.

Throughout our journey, success has followed where we have applied genuine knowledge and insight to our determination to add value for the people represented by our clients. That is the culture that can carry us to an even greater future.

Again, thank you to everyone that has created this retirement gift for me, an industry fund movement that stands ready to go to the next level: one of collaboration with governments and business communities for the building of investment opportunities that enhance retirement outcomes while contributing to a better, more sustainable society.



Garry Weaven

Industry Super Holdings & IFM Investors
November 2018

THE BOARD



GARRY WEAVEN (Chair)
Non-Executive Director

Garry is the founding Executive Chair of Industry Fund Services (1994) and now chairs IFM Investors Pty Ltd, and the group holding company, Industry Super Holdings Ltd, as well as The New Daily (thenewdaily.com.au). He is a director of Industry Super Australia and also of the newly formed International Property Funds Management Pty Ltd. Garry is a former independent director and Chair of ME Bank and was a foundation member of Melbourne's Docklands Authority and Infrastructure Australia. As ACTU Assistant Secretary in the 1980s, Garry played a seminal role in the development of the industry superannuation fund movement, and was the founding Chair of a number of today's leading funds before leaving the ACTU to take on a range of consultancies in the early 1990s. Garry is a member of the Board Investment Committee and Board People and Remuneration Committee for IFM Investors.



MICHAEL MIGRO
Non-Executive Director

Michael's extensive career in funds management and financial services spans more than 35 years. His experience has been gained in both Australia and the USA. Michael has had significant leadership responsibilities in various capacities as Head of Business Strategy (BT Funds Management), Joint Managing Director (Westpac Financial Services), CEO (Perpetual Funds Management and Principal Global Investors Australia), and more recently in the US as COO (Principal Global Investors) and President and Chief Operating Officer (Post Advisory Group, LLC). Michael is a Director of Industry Super Holdings as well as a Director of Industry Fund Services, the leading provider of financial products and advice services to industry superannuation funds in Australia, and is on the Investment Committee of the Steve Waugh Foundation Australia. He joined the board of IFS Insurance Services in April 2014, an entity that provides insurance solutions to industry superannuation funds and Australian corporate clients. Michael is a member of the board of IFM Investors, Chair of both the Board Audit and Risk Committee and the Board People & Remuneration Committee, and is a member of the Board Investment Committee.



LINDA RUBINSTEIN
Non-Executive Director

Linda has extensive industry fund experience. She served on IFM Investors' Investment Advisory Board and was the Chair of the Australian Government Employees Superannuation Trust until its merger with AustralianSuper. Linda had a long period of employment with the ACTU, where her responsibilities included industrial legislation and superannuation, and at different times was appointed to the boards of HOSTPLUS and Cbus. Linda was a director of Superpartners prior to its sale, and is currently Chair of Industry Fund Services and a member of its Remuneration Committee, and Audit Risk & Compliance Committee, and a Director of IFS Insurance Solutions. Linda is a member of the Board Audit & Risk Committee and Board Investment Committee for IFM Investors.

HIGHLIGHTS 2017/18



- Recorded strong investment performance across all asset classes, with 88.9% of products and mandates outperforming client objectives over the past five years
- Highest-ever client satisfaction results, highlighting that our investor-first model is paying dividends
- Achieved significant milestone, exceeding \$100 billion in funds under management with 312 clients across 19 countries
- Valuation for IFM Investors now stands at \$869.5 million at the mid-point, a 31% increase for the year, and a 19.5% p.a. increase on a 10-year basis
- The IFM Investors Board agreed a 7.5% management fee rebate to all clients drawn as of 30 June 2018.



- The IFS Group booked its fourth consecutive year of profit, with a consolidated profit before tax of \$1.47 million.
- IFS's long-standing focus on conflict-free financial advice stood our clients in good stead through the Royal Commission
- AUSfund's cross fund matching program provided industry funds with a strong and credible response to the issue of addressing unintended multiple accounts
- We enhanced our engagement with the ATO on unpaid super.



- Continued to defend members from adverse policy change with an integrated program of consumer advertising, public relations and engagement with law makers
- Highlighted the reasons behind outperformance of Industry SuperFunds and the systemic under-performance of retail funds
- Worked with Industry SuperFunds to enhance understanding of the 'member-first' model of super as part of the Royal Commission
- Led public debate on how Industry SuperFunds can play a greater role in solving hard social problems and generate economic growth
- Smooth leadership transition as ISA's inaugural Chief Executive David Whiteley prepared to depart and hand over to incoming Chief Executive Bernie Dean.



- *The New Daily* subscriber database grew to 1.2 million with 446,000 engaged subscribers receiving daily news alerts
- *The New Daily* was listed at number 17 in the ranking of over 200 news web sites in Australia by Nielsen
- *The New Daily* achieved 2.3 million monthly users (Google Analytics) and 11 million+ page views, capturing five percent of the total news reading market in Australia
- Research conducted by UMR showed *The New Daily* readers over-perform on brand recognition and trust of Industry Superfunds.

IFM INVESTORS

The 2017-18 financial year was a turbulent one for institutional investors. IFM Investors' mission – to be the most trusted institutional fund manager, consistently meeting and exceeding our investment objectives – can only be brought into sharper focus by the uncertain and challenging market conditions. The current environment shows the value of IFM Investors' unique model, backed by a world-class investment team delivering consistent returns across our suite of products.

Crucially, the business recorded strong investment performance across all asset classes. The results to 30 June 2018 show 88.9% of products and mandates outperformed client objectives on a five-year basis. These results supported the business in achieving its best results in its 22-year history, to the benefit of shareholders, and leading to a 7.5% management fee rebate paid to all clients invested as of 30 June 2018.

The firm continued to perform well across a number of other measures. Our performance, flows, profit, staff engagement and client satisfaction are amongst the strongest ever, and this unprecedented success is reflected in our valuation – standing at \$869.5 million, a 31% increase over the previous year.

Additionally, we now invest on behalf of millions of working people in Australia and 18 other countries globally, with almost 28% growth in clients over the course of the year. Success in Korea, where IFM Investors has launched a number of infrastructure debt funds, saw the firm open an office in Seoul, the eighth overall.

For all of these achievements, IFM Investors wishes to recognise the continued faith and enduring support of shareholders. The firm boasts a strong, resilient and global business that is resourced to invest further in capabilities and add even more to investor returns. We are proud of these results, yet completely focussed on how we might leverage our privileged position to improve net returns and selectively build on our momentum.

INFRASTRUCTURE

The year saw consistently strong returns and significant activity in the infrastructure space, with several notable and high profile transactions.

The IFM Australian Infrastructure Wholesale Fund returned 11.6% for the year to 30 June 2018. In March, the Australian Infrastructure portfolio divested its 100% stake in Ecogen Energy to EnergyAustralia, as an existing 20-year hedging agreement approached the end of its life. Comprising Newport and Jeeralang gas-fired power stations, the asset provided peaking and intermediate-load generation and accounted for around 9% of Victoria's generation capacity.

Several Australian Infrastructure assets completed notable transactions and agreements over the course of the financial year, as Ausgrid completed the acquisition of digital smart metering company, Active Stream, and lodged its regulatory submission for FY20-24, following extensive consultation. Elsewhere, Port of Brisbane completed nearly two years of work, supported by IFM Investors, to see a Market-led Proposal for the Brisbane International Cruise Terminal approved by the Queensland Government.

Globally, we continued to build our portfolio of assets. The IFM International Wholesale Fund returned 18.2% for the year to 30 June 2018, beginning the financial year with the completion of its first seaport investment, Mersin International Port.

The fund also agreed a number of other significant acquisitions over the course of the year, acquiring a 49% stake in leading Spanish water company FCC Aqualia, and finalising the acquisition of OHL Concesiones. The latter, since renamed Aleatica,



comprises a diversified portfolio of 19 transportation assets across five countries. Finally, the fund also entered into a partnership agreement for a 37.5% stake in Canadian container terminal operator GCT Global Container Terminals, which is expected to close in the first half of 2019.

Over the course of the year, a number of divestments were also agreed, with the fund realising its investment in a 10-year investment note for Freeport LNG. It also divested a 20% stake in German electricity operator 50Hertz Transmission, with the remaining 20% stake in the firm divested post-30 June.

DEBT INVESTMENTS

The Debt Investments team saw strong year-on-year growth in clients, aided, in part, by the launch of IFM Investors' first open-ended infrastructure debt fund. Targeting senior-secured sub-investment grade opportunities in the US, the fund assisted the growth in debt clients to 37 at the end of the year – with clients now based in North America, Europe and Asia-Pacific. Meanwhile, the Treasury Services team in Australia supported clients managing cash and currency, with fundamental enhancements to their net returns.

Building on the success of the first KDB KIAMCO global infrastructure debt fund, which has fully deployed the Korean client's commitments, the team will once again partner with KDB KIAMCO to launch a second global fund, further growing IFM Investors' presence in Korea. Our investment team in the UK successfully executed our first debt investment in the social and affordable housing space, while the Australian team was successful in supporting the bid and providing senior debt to Netflow, behind the Victorian Western Roads Upgrade PPP.

LISTED EQUITIES

IFM Investors is the third-largest manager of Australian listed equities, according to a recent survey.¹ The Australian Indexed & Quantitative Equities team saw funds under management (FUM) grow to \$22.2 billion – a 26% increase over the course of the financial year – aided by both inflows from existing clients and market gains.

Similarly, our expansion into Global Equities represented a major opportunity to support IFM Investors' clients, with FUM growth of almost 90% to \$2.4 billion. We continue to research new, and enhance existing, strategies to meet our clients' needs in equities.

PRIVATE EQUITY

Over the past year we have achieved increasing market recognition and acceptance of IFM Investors' differentiated and attractive Private Equity investment model. The team agreed a term sheet with a major superannuation fund for a second investment mandate, and have commenced discussions on potential investments while the mandate agreement is being finalised.

Across the market, our 'growth partnership' philosophy continued to resonate strongly with potential investees and intermediaries, while our fund-of-funds program returned significant cash distributions to investors over the course of the financial year.

FACTS AND FIGURES

(AS AT 30 JUNE 2018)



88.9%
products met or exceeded benchmarks over the past five years



\$106.8
billion Funds Under Management



312
investors across 19 countries



8.2
INVESTOR SATISFACTION RESULTS
Its highest-ever level



356
employees across eight offices



\$869.5
million IFM Investors' valuation

¹ Rainmaker Group, June 2018

INDUSTRY FUND SERVICES (IFS)

SUMMARY OF FINANCIAL PERFORMANCE

- The IFS Group booked its fourth consecutive year of profit, with a consolidated profit before tax of \$1.47m. Profit was down from 2016/17 (\$2.2m) driven by the transfer of IRIS to HESTA in February 2018
- Unpaid super recoveries, AUSfund and Insurance Solutions all contributed to profit
- Our non-super investment option, **ifs**invest, enjoyed modest growth and is now on a realistic path to profit
- The Advice Solutions business performed well on service delivery but is unlikely to be profitable in the near future
- The Board and management have retained focus on costs and efficiency. Over the past two years, approximately \$1.8m has been eliminated from shared services overheads.

- The May federal budget sparked a review of AUSfund's new account consolidation program
- Insurance Solutions was busy assisting clients with the development and implementation of the Insurance Code of Practice.

BUSINESS HIGHLIGHTS ADVICE SOLUTIONS

THE ENVIRONMENT

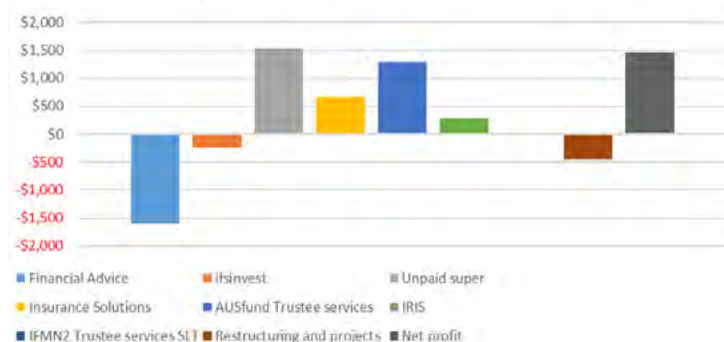
- The Financial Advice environment remains challenging from a regulatory and strategic outlook
- While demand for advice is growing, consumer confidence remains low, and the cost remains prohibitive for many working Australians
- The major banks' decision to exit wealth management highlights the difficulty in operating financial advice as a service, as opposed to a sales channel
- Industry funds are evolving new operating models to deliver affordable, high quality advice, and we partner with our clients to guide and support them.

OVERVIEW

Advice Solutions:

- Continued to build its reputation for integrity and deep expertise
- Focused on improved technology for advisers and to streamline advice delivery
- Refreshed its digital advice strategy, built capability to lead digital advice solutions to not-for-profit super funds.

IFS GROUP SUMMARY OF FINANCIAL PERFORMANCE



OUR OPERATING ENVIRONMENT

This year presented challenges and opportunities for the IFS Group.

- The Royal Commission saw resources diverted to support our client funds. Pleasingly, our advice as a service model and not a sales channel proved robust
- Time was spent understanding the impact of new educational and ethics standards for advisers and to prepare funds and advisers for greater external scrutiny
- New legislation allowing the ATO to match an employer's SG liability with SG payments, coupled with improved enforcement powers, will impact our unpaid super business

| KEY NUMBERS | | ADVICE DELIVERED: 6034 | |
|-------------------------|--------|------------------------|------|
| Funds | 15 | Comprehensive | 4476 |
| Advisers | 89 | Limited | 1558 |
| First Appointments held | 12,201 | Digital intrafund | 291 |

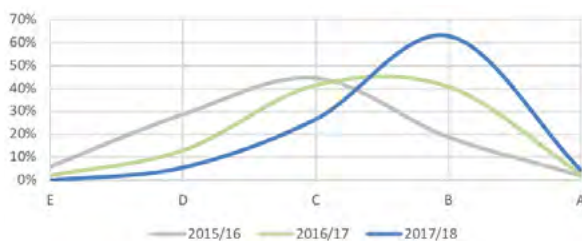
HIGHLIGHTS

We:

- Delivered a digital library providing advisers a single source for all technical guidance
- Introduced an online client portal to manage our licensing obligations for advisers
- Developed a framework for licensing digital advice, and worked with one client fund to license their digital advice technology partner

- Evolved our Advice Assurance Program, ranking advisers on a scale against quality and measures. For three years, IFS has simultaneously lifted the adviser standards and seen a material uplift in performance
- Delivered over 20 hours of professional development. This included our annual adviser conference and the Advice Symposium, in collaboration with AIST.

ADVISER REVIEW GRADE DISTRIBUTION



DIGITAL ADVICE

IFS believes digital advice is able to deliver un-conflicted, affordable advice to large numbers of members at low cost.

IFS continued taking a leadership role in sourcing high quality digital tools, tailored to the needs of ordinary Australians, working collaboratively to co-design the solution with clients, we formed an Advice Forum and digital working group to coordinate this effort.

UNPAID SUPER

| HIGHLIGHTS |
|---|
| Recovered \$181.5m of unpaid super |
| From 38,035 employers |
| On behalf of 221,334 members |
| 341 legal cases were settled and 68% resulted in unpaid super recoveries for members. |

We continue to evolve the Unpaid Super service, to ensure it meets the needs of current and future client-funds. We:

- Established a working group of client funds to examine common data needs and service improvements
- Worked with the ATO to refer employers that are persistently late in meeting their obligations
- Invested in IT system upgrades
- Refreshed our client reporting portal
- Enhanced our fee-for-service pricing option
- Developed a new service to identify employers at risk of delinquency.

AUSFUND – CROSS FUND MATCHING

Last year we re-established our Cross Fund Matching program, where participating funds use AUSfund as a vehicle for auto consolidation, reducing multiple account holdings across industry funds.

This program addresses the erosion of inactive members’ accounts and provides the not-for-profit sector with a strong and credible response to the need for major change to the existing default system.

- Nine funds signed up to participate in the inaugural matching exercise
- 48,147 AUSfund accounts [\$28.6m] were successfully transferred to active industry super accounts
- The closure of microbalance accounts and a tripling of member rollouts since the end of 2016, has seen a reduction in AUSfund member numbers.

AUSfund accounts remain solid at 500,000+ and renewed interest in reducing multiple accounts has meant that AUSfund is now working with a broader range of funds with a view to expanding the program.

IFSINVEST

Last year we reviewed our non-super offer, outsourced functions and relaunched under the brand of **ifsinvest**. The product complements the investment options provided by industry super funds and is an investment option for affiliated organisations. IFS-licensed advisers drove the development of the product.

ifsinvest enjoyed modest growth during this financial year, with inflows of \$61m. Total FUM increased by 30% reaching \$229m, which was slightly ahead of target.

IFS INSURANCE SOLUTIONS

Our specialist insurance broking and consulting arm maintained its focus on delivering value-added insurance advisory and consulting services to ISH related funds, unions and corporate entities. Our development of market-leading policy wordings benefits our clients, as does our engagement with both local and international insurance markets for risk placement and outsourcing services. IFSIS has also developed strategic alliances with external organisations that enables the company to compete for and place global mandates. IFSIS delivered its 13th consecutive profit result to the group in FY18.

IRIS

IRIS successfully transitioned to HESTA in February 2018.

INDUSTRY SUPER AUSTRALIA (ISA)

PROTECTING INDUSTRY SUPERFUND MEMBERS FROM ADVERSE POLICY CHANGE

Throughout the year, Industry Super Australia (ISA) continued deployment of the campaign to defend members from adverse legislative changes being pursued by the government.

The government's agenda represented an ideological attack on the best performing part of the sector, extending well beyond the dismantling of the representative trustee model to include new disclosure rules and administrative requirements that would primarily impact industry super funds (ISF) to the advantage of retail funds.



The campaign encompassed all parts of ISA's integrated business model, including engagement with lawmakers, public relations activity and deployment of the iconic 'fox and henhouse' advertising campaign.

ISA was active in providing regular briefings for funds as well as key media and political stakeholders to ensure clear understanding of what was at stake for members if the government's proposed changes went ahead.

Research showed broad community concern about the big banks lobbying the government for change, and high levels of support for ISA leading a campaign to stop the banks from getting their hands on more people's super.

The government withdrew several of its change proposals in late 2017 after it became clear there was

not enough support in the parliament to pass them.

Apart from defending members against adverse change ISA invested significant effort in promoting positive change that would improve outcomes for members by improving the system. Through research papers, reports and working groups, ISA pushed for change to address the entrenched disadvantage suffered by women saving for retirement, make insurance in superannuation more sustainable and improve tax settings to ensure members get maximum benefit of their savings in retirement.

HIGHLIGHTED ISF OUTPERFORMANCE FOR THE PRODUCTIVITY COMMISSION

ISA played a key role in defending the interests of Industry SuperFunds and their members during the course of the Productivity Commission's review into competition and efficiency of the superannuation system.

In addition to making submissions to the Commission, ISA coordinated a series of research reports, which boosted understanding amongst key stakeholders of the reasons why retail funds underperform and why Industry SuperFunds deliver more to members.

The key finding of the Commission's draft report released in May 2018 closely mirrored ISA's research reports, concluding that retail funds have systemically underperformed. The report generated significant media coverage and sparked an increase in visits to the ISF collective website by people looking to switch funds.

To help capitalise on the opportunity, ISA deployed an updated version of the Compare The Pair campaign demonstrating ISF comparative outperformance over multiple time periods for the first time: three, 10 and 15 years.

ISA later tackled the Commission's misguided solution, which called for replacing the industrially based default system with a list of national funds that were selected on a 'best in show' basis. In the closing months of the year, ISA's research and public relations program helped highlight how such a model would be open to market manipulation and political influence, with the better option involving a strengthening of the existing system in the Fair Work Commission.



PROMOTING THE BENEFITS OF 'MEMBER-FIRST' SUPER

ISA welcomed the establishment of the Royal Commission into the finance sector and committed to support funds during the inquiry by promoting awareness of the 'member first' ethos that drives Industry SuperFunds.

As with ISFs, ISA cooperated with the Commission, providing submissions that highlighted the structural and cultural factors, which have helped ISFs deliver better outcomes for members.

Through the public and stakeholder relations program ISA was able to promote policy change which if adopted by the Commission would address underperforming elements in the system; including a ban on grandfathered commissions and conflicted remuneration in the retail sector.

During the course of the Commission the joint marketing campaign was active, using integrated campaigns to demonstrate the outperformance of Industry SuperFunds and other positive benefits of membership. New in-program sponsorships with the AFL, NRL, The Block and Australian Open all helped drive value for participating funds.

ISA also continued to talk to Industry SuperFund members and potential members to empower them with information on issues such as closing the gender super gap, chasing up unpaid super and the super freeze, and the work Industry SuperFunds are doing to fix these issues, through a partnership with the *Guardian Australia*, under their G-Labs banner.

LEADING PUBLIC DEBATE ON THE BIGGER ROLE SUPER CAN PLAY

Throughout the year, ISA released a series of research reports highlighting how, given the right conditions, Industry SuperFunds could help deal with tough issues. The reports generated significant interest and coverage, focussing on how super funds could drive investment in key industries like agriculture and aged care, as well as helping improve housing affordability.

In addition ISA's continued to provide stakeholders with regular briefing notes on emerging budget and financial issues.

Together with IFM Investors and representatives of participating funds, ISA also attended the third trade delegation to the United States aimed at highlighting Industry SuperFunds' capacity to invest in infrastructure, and opening doors for potential investments.

LEADERSHIP TRANSITION AT ISA

After twelve-and-a-half years, ISA's inaugural Chief Executive, David Whiteley, prepared to depart the organisation to take up a new global head of external relations role with IFM Investors.

Under David's stewardship, ISA developed into a leading policy, advocacy and campaigning organisation with a strong record of defending the industry super model and reshaping the superannuation system to the betterment of members.

After five years in senior roles with ISA, including as Director of Marketing and Chief Operations Officer, Bernie Dean began transitioning into the role as David's replacement. Bernie will maintain ISA's integrated work program and will focus on delivering value to funds participating in the ISF collective and boosting members' balances by increasing the super guarantee, getting a fair deal for women and stemming the tide of unpaid super.

THE NEW DAILY

The *New Daily* is a media company owned by Industry Super Holdings to provide an engagement and financial literacy tool for members of industry super funds. It has been operating for five years and in that time has built a substantial Australian audience.

HOW DOES IT OPERATE?

Each day *The New Daily* creates and distributes a news bulletin to approximately 450,000 engaged subscribers and a news update at 5pm each working day.

The news alert links to a 24-hour, seven day a week news website with breaking news, financial and consumer news, entertainment and lifestyle information and comment and analysis. The mix is provided as an engagement strategy with a broad cross-section of the Australian population.

Special interest newsletters are also created and sent to this database on a monthly basis – covering travel, health and property.

WHY THE NEW DAILY?

The New Daily was established as an engagement vehicle for fund members – using news that members can trust as a way to connect.

This means that advertising and content messages can be integrated into the daily email and onto the website promoting industry super funds.

An editorial focus for *The New Daily* is to educate, equip and better inform its readers, with a particular focus on financial literacy.

The New Daily also maximises the industry super fund brand recognition and communication.

With members of the general public signing up to receive *The New Daily*, this has created an acquisition funnel for new members for the industry super funds.

AUDIENCE

The New Daily's audience is broken into two parts – subscribers to the email database and the visitors to the website. *The New Daily* has accumulated an email database of over 1.2 million records – 446,000 of these are engaged readers who receive an email from us and open it to read *The New Daily*.

The online audience is those unique users who visit the website to read a *New Daily* story. Based on the Google Analytics data we have 2.25 million unique

monthly users. (Users are measured by the device that opens the website). Most of these users are our subscribers. However a growing portion are coming from search and social media.

This website audience is accessing over 11 million pages on *The New Daily* website each month.

The majority of our audience accesses the website from their mobile phone – which aligns with our sending times of early in the morning and at 5pm to catch the commuter market.

VALUE

Recent research conducted by UMR showed *The New Daily* readers over-perform on brand recognition and trust of industry super funds.

“Readers of *The New Daily* are more likely than the average Australian to recognise the Industry SuperFund symbol, and industry super funds are more likely to be at the top of their minds when asked to name the super funds they are aware of. They are also more likely than the public as a whole to say that the Industry Superfund symbol helps them to trust a fund more, even if they are not currently in an Industry Superfund themselves.” – UMR Research

Fund members of Industry Super Holdings have access to \$150,000 value per fund in advertising and marketing services from *The New Daily*.

In 2017/18, *The New Daily* has increased the profile of its commentators in media and social media amplification, particularly Bruce Guthrie, Michael Pascoe, Quentin Dempster and Paula Mathewson.

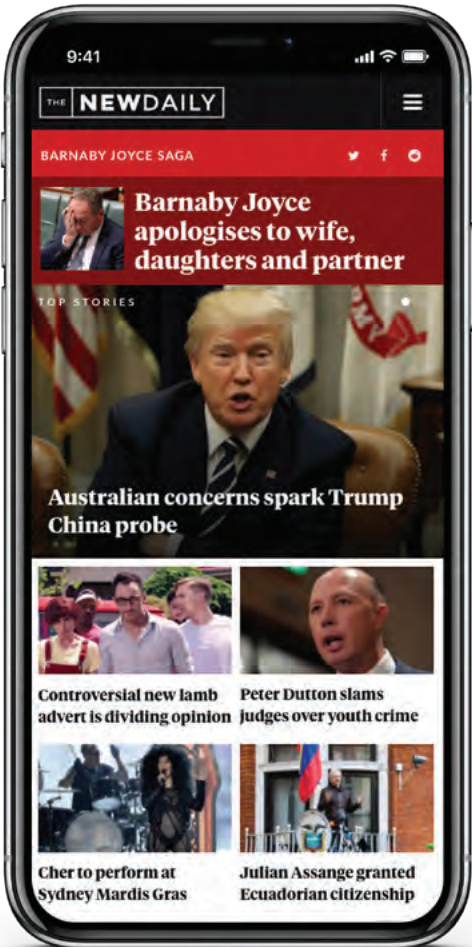
A key value proposition for *The New Daily* is the ability to use news that can be trusted as a daily engagement vehicle for fund members. *The New Daily* has 446,000 engaged subscribers, many of whom have identified as members of Industry super funds.

Of those not members of funds, *The New Daily* becomes a channel to acquire new fund members by marketing to the general *New Daily* audience.

The New Daily also adds to the Australian media landscape diversity by being one of the only Australian owned digital news websites to be established in the last five years. There have been other voices established, mostly foreign owned, and the major media landscape is becoming more concentrated with Nine's takeover of Fairfax Media and other mooted media consolidation.

RESULTS IN THE FIRST FIVE YEARS:

- Grown *The New Daily* subscriber database to 1.2 million with 446,000 engaged subscribers receiving daily news alerts.
- In 2013 we entered the Nielsen Net Ratings outside of the top 200 news websites. In July we were ranked at number 17 and one of only a few Australian owned sites in the top 20.
- According to Nielsen, *The New Daily* has 5 percent of the news reading market in Australia.
- In July, *The New Daily* had 2.3 million monthly users (GA Analytics) and 11 million+ pageviews
- Advertising revenue is contributing 25 percent to the cost of operating *The New Daily* and growing.

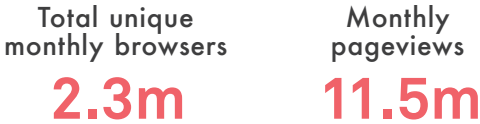


AUDIENCE PROFILE

GROWING MOBILE AUDIENCE



ONLINE AUDIENCE



DAILY NEWS EDM AUDIENCE



ACTIVE DATABASE

446,000

STATEMENT OF FINANCIAL POSITION

(as at 30 June 2018)

| | Consolidated | |
|--------------------------------------|----------------|----------------|
| | 2018 \$'000 | 2017 \$'000 |
| Assets | | |
| Cash and cash equivalents | 64,282 | 48,405 |
| Trade and other receivables | 175,677 | 150,397 |
| Investments | 301,578 | 78,940 |
| Derivatives | 1 | 1,929 |
| Investment in joint venture | 844 | 1,600 |
| Deferred tax assets | 49,769 | 15,277 |
| Other assets | 4,250 | 6,079 |
| Related party receivables | 3,339 | 4,068 |
| Plant and equipment | 7,374 | 5,571 |
| Intangible assets | 46,659 | 47,561 |
| Total assets | 653,773 | 359,827 |
| Liabilities | | |
| Trade and other payables | 18,618 | 17,433 |
| Derivatives | 3,120 | 2 |
| Payable to joint venture | - | 1,600 |
| Current tax liabilities | 59,277 | 17,767 |
| Provisions | 327,496 | 172,788 |
| Total liabilities | 408,511 | 209,590 |
| Net assets | 245,262 | 150,237 |
| Equity | | |
| Issued capital | 55,633 | 56,564 |
| Foreign currency translation reserve | 2,560 | 2,680 |
| Retained earnings | 187,069 | 90,993 |
| Total equity | 245,262 | 150,237 |

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

(financial year ended 30 June 2018)

| | Consolidated | |
|---|----------------|----------------|
| | 2018 \$'000 | 2017 \$'000 |
| Income | | |
| Interest income | 739 | 631 |
| Income from funds management and trustee services | 514,279 | 326,301 |
| Other income | 11,686 | 4,143 |
| Change in fair value of investments | 1,060 | 276 |
| Total operating income | 527,764 | 331,351 |
| Expenses | | |
| Operating expenses | 412,301 | 297,385 |
| Total expenses | 412,301 | 297,385 |
| Profit / (loss) before income tax | 115,463 | 33,966 |
| Income tax expense / (benefit) | 19,387 | 11,285 |
| Profit / (loss) for the year | 96,076 | 22,681 |
| Other comprehensive income, net of income tax | | |
| Items that may be reclassified subsequently to profit or loss: | | |
| Foreign exchange differences | 3,013 | 786 |
| Total other comprehensive income, net of income tax | 3,013 | 786 |
| Total comprehensive income for the year | 99,089 | 23,467 |



INDUSTRY SUPER HOLDINGS

Industry Super Holdings Pty Ltd

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Melbourne VIC 3000

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ACN 119 748 060

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The New Daily

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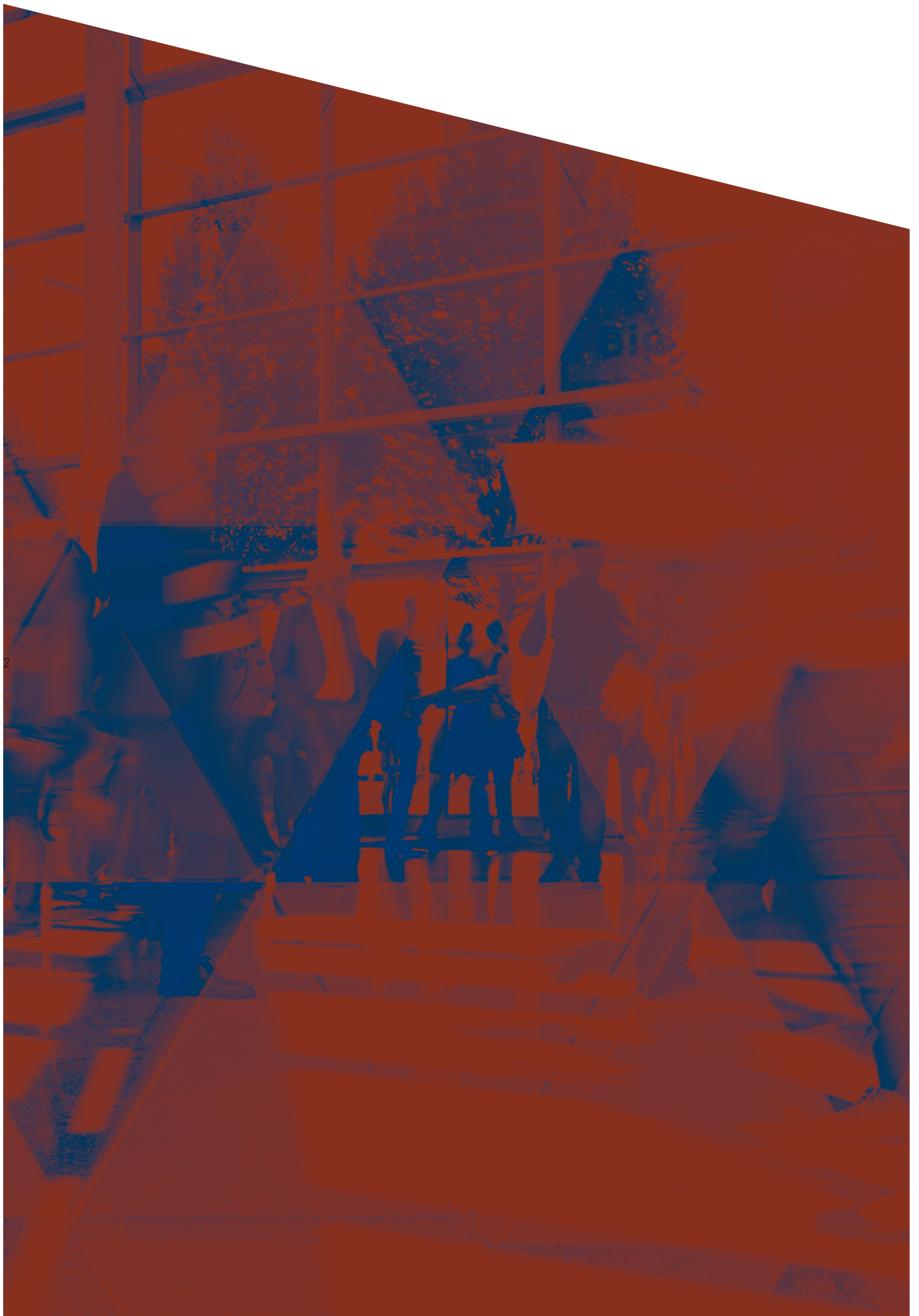
www.thenewdaily.com.au

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Annual Report

2019





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From the Chair



In my initial report as Chair of Industry Super Holdings, I would firstly like to thank and acknowledge Garry Weaven for his stewardship of ISH since its formation in 2007, and

for his pioneering achievements as Chair of IFM Investors and on the Boards of Industry Super Australia and *The New Daily*. His retirement in January brought into focus an exceptional career as a key architect of the industry superannuation fund movement, which has benefited the retirement savings of millions of working people.

In a successful year, industry super emerged from the Productivity Commission inquiry and Financial Services Royal Commission with an enhanced standing based on sustained and demonstrated outperformance in net returns to members. But looking ahead, it is the universal superannuation system itself which is now coming under attack. Critics are attempting to prevent the superannuation guarantee rising to 12%, with some also seeking to allow “opting out” of super contributions altogether. Both of these propositions would be destructive to the effectiveness and foundation of super. In the year ahead, industry funds will need to devote considerable resources to advocate the merits of our tremendous super system.

For ISH, 2018-19 was another successful and productive year from a financial standpoint. The KPMG valuation of the company now stands at \$1.075 billion at the mid-point, which represents a 19% increase for the year. Comparable shareholder returns are provided in the table below.

This success, driven by the growth and investment performance of IFM Investors, has enabled the ISH

Board to declare a fully franked dividend of \$20 million to ISH shareholders for the first time. It has also enabled continuing support for *The New Daily*, Industry Super Australia and Women in Super in 2019-20.

IFM Investors

Within ISH, IFM Investors grew very strongly on all measures. Funds under management increased by 31.4% to \$140.4 billion at 30 June, and the company's independent valuation increased by 20.2% to \$1.045 billion. IFM Investors has now delivered an increase in value to ISH shareholders of 17.4% per annum in the ten years to 30 June 2019, which is an extraordinary result.

This performance is testament to the very significant achievements of the IFM Investors team and demonstrates the power of its business model, which is firmly aligned with the interests of its investors. Accordingly, IFM Investors retains a focus on delivering superior investment performance, a highly competitive fee structure and the generation of long-term value for millions of working people around the world.

As evidence of this commitment during the year, and following the strong investment performance of 2017-18, IFM Investors passed a 7.5% fee rebate on to its clients globally, thereby delivering lower costs and even higher net returns to their members.

During the past year, IFM has also conducted a comprehensive review of its culture. Several of the insights include:

- strong pride in IFM by staff and shareholders, and a firm commitment to its purpose, but also an aspiration to strengthen adherence to the values and cultural foundations derived from profit-to-member industry super funds;
- the desire to build a more affiliative and collaborative culture across all parts of the business, whilst maintaining IFM's competitive focus on growth and strong investment performance;
- recognition of IFM as a successful, results driven business that has delivered extraordinary returns to investors, but which also needs to continue to invest in enterprise-wide capabilities commensurate with its global growth.

The Board and management of IFM are developing a multi-year program in response to the culture review, designed to realise IFM's potential as a highly successful global funds management business known as much for its culture as it is for the success of its investment performance.

ISH valuation growth, compared to key sharemarket indices

| | 1 Year (%) | 3 Years (%pa) | 5 Years (%pa) | 10 Years (%pa) |
|--|------------|---------------|---------------|----------------|
| ISH Valuation | 19.0 | 22.5 | 21.1 | 17.2 |
| S&P/ASX200 Accumulation Index | 11.5 | 12.9 | 8.9 | 10.0 |
| S&P/ASX200 Accumulation (Financials) Index | 8.3 | 9.1 | 6.6 | 11.6 |
| MSCI World USD (Gross) | 6.9 | 12.4 | 7.2 | 11.3 |
| MSCI World Financials USD (Gross) | 2.5 | 13.5 | 5.5 | 9.0 |

Following the strong financial performance during 2018-19, the IFM Investors Board has declared a fully franked dividend of \$26 million. The dividend follows consultation with the Shareholder Advisory Board, and careful consideration of pricing, investment in IFM product development and capability, balance sheet resilience, and dividend policy - in that order of priority.

With the positive impact on performance of several exceptional transactions in the IFM Global Infrastructure Fund over the past two years now abating, and given the prevailing political and economic uncertainty internationally, the pre-tax profit outlook for IFM in 2019-20 has moderated.

More recently Brett Himbury, after ten years as Chief Executive of IFM Investors, has indicated his intention to retire from executive roles in 2020. There will be an opportunity to acknowledge Brett's exceptional achievements at that time. For now, it is important for shareholders to note that stability and continuity in the conduct of the business, alongside a successful transition to a new Chief Executive, are the focus of the IFM Investors Board.

Industry Fund Services

Industry Fund Services continues to build its reputation for deep expertise and integrity in the delivery of advice, recently celebrating 25 years supporting industry super funds and their members.

Through the year, IFS delivered a detailed program to ensure planners are ready to comply with new educational and ethical standards. The digital Advice Solutions Hub was also expanded, along with the roll out of new practice management tools, including an adviser risk dashboard.

Around \$164m of unpaid super was recovered on behalf of client fund members and, in collaboration with funds, IFS developed a program with the ATO to refer employers that are persistently late in meeting their obligations.

Significant expansion of AUSfund's cross fund matching programme also occurred, with ten funds participating this year. The release of the draft Protecting Your Super legislation was the impetus for new funds to join the program. Nearly half a million member accounts from participating funds were transferred into AUSfund at the end of the financial year, to be cross fund matched.

Industry Super Australia

The past financial year marked an important year of transition for ISA both in the Chief Executive and Chair roles. Bernie Dean took over from David Whiteley in the midst of the Financial Services Royal Commission

and, along with the ISA team, successfully navigated a complex policy and political environment. The "member first" ethos promoted by ISA and the industry funds was validated by the Royal Commission, which exposed widespread misconduct and significant conflicts of interest within the retail fund sector.

Data suggests that fund members are responding by voting with their feet, with net rollovers for the year totalling \$17.1 billion, and industry funds recording the strongest growth of any sector.

Industry Super Australia also built on its strengths during the year, with its core marketing and advocacy programs remaining highly effective in generating value and growth for participating funds, defending members' interests and advocating for positive legislative reform.

The period ahead continues to proffer significant challenges in superannuation policy, in the context of the Retirement Incomes Review, and the potential for adverse legislative change. Policy formulation, advocacy, marketing and campaigning will, as a result, be core areas of focus for ISA in the year ahead. This work will be supported by continuing advocacy for improvements to the super system that places member interests first.

In succeeding Peter Collins as ISA Chair in January, I would like to thank Peter for his passionate and often times fearless defence of industry super. Peter continues to contribute to ISA as Deputy Chair.

The New Daily

The popularity and reach of *The New Daily* continues to grow, with its audience reaching 3.1 million unique users per month. Total revenue increased 28% on the previous year, following the implementation of new advertising technology and content marketing strategies.

A new specialist email called *Dollars and Sense*, featuring Michael Pascoe, was also launched, which focuses on enhancing readers' financial literacy through stories covering superannuation, personal finance and retirement themes.

I would like to thank the staff and Board members of ISH companies, and our shareholders, for their continued support and their commitment to advancing the interests of industry super fund members. I look forward to working with you and to our future achievements.

Greg Combet

Industry Super Holdings & IFM Investors
November 2019

The Board



Greg Combet

Chair

Greg joined the IFM Investors Board in 2014 following a high profile and successful six years in Cabinet, Ministerial and Parliamentary Secretary roles in the Australian Government. During this time, he was Minister for Industry and Innovation, Minister for Climate Change and Energy Efficiency, and Minister for Defence Personnel, Science and Materiel. Prior to his service as a Member of Parliament, Greg was the leader of the Australian Council of Trade Unions. He has extensive experience and knowledge of Australian industry and the workings of Parliament and government, has 30 years of experience with industry superannuation, and has degrees in mining engineering and economics and a diploma in labour relations and the law. His skills encompass advocacy, strategy, policy-making, implementation of major programs, negotiation and conflict resolution, superannuation investment and financial management. Greg is also Chair of Industry Super Australia and IFM Investors, a director of ME Bank, has been a director of AustralianSuper (2002-07), and consults to governments and corporations from time to time. He was awarded a Member of the Order of Australia in 2006, and is the co-author of *The Fighters of My Life*.



Michael Migro

Non-Executive Director

Michael's extensive career in funds management and financial services spans more than 35 years. His experience has been gained in both Australia and the USA. Michael has had significant leadership responsibilities in various capacities as Head of Business Strategy (BT Funds Management), Joint Managing Director (Westpac Financial Services), CEO (Perpetual Funds Management and Principal Global Investors Australia), and in the US as COO (Principal Global Investors) and President and Chief Operating Officer (Post Advisory Group, LLC). Michael is a Director of IFM Investors as well as a Director of Industry Fund Services, the leading provider of financial products and advice services to industry superannuation funds in Australia, and is on the Investment Committee of the Steve Waugh Foundation Australia. He joined the board of IFS Insurance Services in April 2014, an entity that provides insurance solutions to industry superannuation funds and Australian corporate clients. Michael is a member of the board of IFM Investors, and is Chair of its Board Audit and Risk Committee and Board People and Remuneration Committee.



Linda Rubinstein

Non-Executive Director

Linda is the current Chair of the IFS Board. Linda was the Chair of the Australian Government Employees Superannuation Trust (AGEST) until it merged with AustralianSuper in 2013, and has also been a member nominee to the board of Hostplus and an ACTU nominee to the Board of Cbus. She was also a board member of Superpartners Pty Ltd until December 2014. From 1995 until 2004 Linda worked at the ACTU, where her responsibilities included industrial legislation and superannuation. Until December 2018, Linda was a board member of IFM Investors and held the role of Holding Redlich's National Pro-Bono Manager (part-time) until November 2016. Linda is a member of both the IFS Audit, Risk and Compliance Committee and IFS Group Remuneration Committee. Linda was elected to the role of Chair in April 2016. She has been an IFS Board Member since May 2013, and also a Director of Industry Super Holdings Pty Ltd, Industry Fund Insurance Solutions and Northern Health. Linda has a Bachelor of Laws (Hons) and a Bachelor of Arts and is a Graduate of Australian Institute of Company Directors.

Highlights

2018/2019



2018/19 was an outstanding year for IFM Investors, its shareholders, its investors and the millions of working people they represent.

Notable achievements included:

- Strong investment performance across all asset classes, with 85% of products performing at or ahead of their stated objectives after tax and management fees, on a five-year basis.
- Funds under management increased 31.4% to \$140.4 billion.
- IFM Investors' company valuation increased 20.2% to \$1.05 billion.
- An increase of 27% in the number of clients, to 396 clients, across 22 countries.
- Staff numbers increased 23% to 437.
- Continued strong client satisfaction, with a score of 8.0.



- Fifth consecutive year of profit (before tax).
- Continued uplift in quality of advice delivered under IFS licence.
- Advice Solutions team delivered a detailed programme to ensure planners are ready to comply with new educational and ethical standards.
- Expansion of our digital Advice Solutions Hub and roll out of new practice management tools – including an adviser risk dashboard.
- Considerable amount of unpaid super recovered on behalf of client fund members and investment in IT Systems upgrades.
- Significant expansion of AUSfund's cross fund matching programme, with ten funds participating this year. Again, recognised as Top Eligible Rollover Fund (ERF).
- IFS Insurance Solutions worked closely with clients to understand the impacts of Protecting Your Super legislation on Group Risk arrangements.
- Modest growth in **ifs**invest FUM, and reduced fees for most investors.



- ISF "member first" ethos validated by the Royal Commission.
- Continued to defend members' interests and advocate for positive legislative reform.
- ISFs continued outperformance through times of change.
- Expanded Industry Super Australia's influence in consumer media.



- *The New Daily* subscriber base hit 1.4 million, with around 446,000 engaged subscribers receiving daily news updates.
- *The New Daily* experienced strong audience growth, with 3.1 million unique monthly users in June 2019 compared to 2.3m in the previous year.
- *The New Daily* was positioned in the top 20 news websites according to Nielsen Net Ratings.
- Revenue increased 28% on previous year, largely due to the implementation of new advertising technology and content marketing strategies.
- A Survey of Fund Members showed that up to 50% read *The New Daily* more than once a day and around two-thirds of respondents believe it is a valuable news source.

IFM Investors

During the 2018/19 financial year IFM Investors successfully navigated the transition from a static and rising interest rate environment to one of reducing rates, while global growth rates lowered, geopolitics remained tumultuous and the volume and impact of regulation intensified.

Against this backdrop, IFM Investors' funds under management grew to \$140.4 billion and the KPMG valuation of the company increased by 20.2% to \$1.045 billion at the midpoint, representing a further significant increase in shareholder value. IFM Investors has now delivered an increase in value to shareholders of 17.4% per annum in the ten years to 30 June 2019.

During the year we made significant changes to our Board and our Global Strategy Team, we've had an unprecedented level of growth in our staff numbers and we embarked on a very substantial operational transformation project.

We also continued to build our focus on environmental, social and governance issues. Climate change has been an important priority.

In February 2019 we published our 2018 Infrastructure Carbon Footprint Report, which reports carbon emissions data for our infrastructure portfolios. This has enabled us to establish emissions reduction targets for individual assets in our Australian infrastructure portfolio and we have started to set targets for our global assets. Setting these targets and being accountable to them is key to protecting our asset values while also delivering environmental benefits to society. Among fund managers, this initiative constitutes a rare exercise in transparency.

Debt investments

Investment highlights included:

- The provision of long-term debt financing to Essendon Fields, a large scale commercial and retail property precinct close to inner city Melbourne.
- The announcement of our investment as a sole lender in ProjectCo, an Australian social and affordable housing project.
- Our investment in a HoldCo loan to a regulated water utility in the UK.

Fundraising highlights included:

- In July we launched the US Infrastructure Debt Fund, with approximately US\$500 million of initial commitments.
- In June 2019, Hanwha Asset Management and Hyundai Investments confirmed the Korean regulator's approval of US\$420 million worth of commitments to an IFM Investors Global Infrastructure Debt mandate from eight underlying Korean insurance firms, of which seven are new clients of IFM Investors. The closing of this mandate takes IFM Investors' Debt Investments funds under management from Korean clients to over US\$1 billion.

In our Treasury Services platform:

- In March 2019 we launched the IFM Investors USD Liquidity Fund, designed to provide investors with exposure to a diversified portfolio of high-quality, USD denominated short-term debt securities.
- In November 2018 we launched the IFM Investors Australian Bond Fund, designed to provide investors with efficient exposure to liquid, diversified, fixed rate bonds in Australia.

Key metrics

(as at 30 June 2019)



85.7%

of products performed at or ahead of objectives, after tax and management fees, on a five-year basis



\$140.4 billion

Funds Under Management



396

investors across 22 countries



8.0

Client satisfaction results



437

employees across nine offices



\$1.045 billion

IFM Investors' valuation



Global Container Terminals (GCT) is IFM Investors' new investment in North American seaports.

Diversified Credit Strategies:

- 1 June 2019 saw the 20th anniversary of the IFM Specialised Credit Fund, one of Australia's longest-standing and most successful debt funds.
- In the 12 months to June 2019 the team deployed over \$1.46 billion across 46 new investments.

Infrastructure - Australian

The Australian Infrastructure Fund returned 12.9%* for the year to 30 June 2019.

Asset highlights during the year:

- We invested approximately \$100 million in additional equity in Brisbane Airport, which has seen strong growth in passenger volumes.
- NSW Ports announced it will invest \$120 million in on-dock rail infrastructure within Patrick's terminal. Patrick announced a corresponding \$70 million investment in equipment and IT to operate the infrastructure.
- We submitted our Market-led Proposal to deliver the Melbourne Airport Rail Link, as part of a consortium comprising IFM Investors, Melbourne Airport, Metro Trains Australia and Southern Cross Station. This Proposal builds on the Victorian and Federal Governments' respective \$5 billion commitments to deliver an airport rail link.

Infrastructure - Global

The IFM Global Infrastructure (Australia) Trust (known as "GIF") returned 19.13% for the year to 30 June 2019.

Asset highlights during the year:

- We finalised the acquisition of a 49% stake in leading Spanish water company FCC Aqualia S.A that operates under long-term concession agreements providing essential water management services to approximately 23 million people worldwide.
- We entered into an agreement to acquire Buckeye Partners L.P., one of the leading midstream energy infrastructure companies in the United States. The acquisition is expected to close in the fourth quarter of 2019.

- We successfully closed on our investment in Global Container Terminals (GCT). GCT is headquartered in Vancouver, Canada, and operates four container terminals in two principal North American ports.

Listed Equities

Australian equities highlights:

- Australian Indexed and Quantitative Equities funds under management grew from \$22.2 billion to \$31.0 billion, representing a 39.6% increase on last year.
- The Enhanced Australian Equities Index composite outperformed its benchmark for the year, adding to a long history of excess returns.
- In active equities, the Australia Core fund returned 9.69% and the flagship Extended Alpha fund was up 11.10% for the year.

Global equities highlights:

- Our global equities funds under management reached \$4.1 billion at 30 June 2019.
- In FY20 we will be adding MSCI ACWI capability to our existing MSCI World index offering.
- We also plan to launch Global Large Cap and Global SMID Cap smart beta products at attractive fee rates, so that we can help our clients add alpha and manage their fee budgets at the same time.

Private Equity

Highlights:

- We significantly expanded the Private Equity senior team in Sydney during the year.
- A new investment in Australia's burgeoning National Disability Insurance Scheme sector was completed in July 2019. The investment is a stake in Adelaide-based company, My Plan Manager, which has developed a unique position in the disability services sector.
- During the year the team finalised plans for the Private Equity Platform, with seed funding of \$30 million from IFM Investors.
- The Fund of Funds program distributed \$197.5 million to investors in FY19.

*Performance has been calculated on a time-weighted return basis and is gross of franking credits ("FCs") passed through the fund and net of management fees, allocable expenses and investment level taxes. The net time-weighted return (net of management fees, allocable expenses and investment level taxes) was 11.7%.

Industry Fund Services (IFS)

Industry Fund Services (IFS)

On May 2nd, 2019 we celebrated our 25th year supporting Industry Super Funds and their members. We are proud of what we've achieved together for your members.

Our operating environment

- The year saw IFS continue to focus on our operating environment.
- The Financial Advice environment remains challenging, both from a regulatory and strategic outlook.
- Restructuring of the industry will see a number of larger players abandon financial advice, while the unwinding of commissions has exposed weaknesses in the commercial models that underpin most of the industry.
- The list of the top 100 licensees at the end of 2018/19, will likely be very different at the end of 2019/20.
- Industry funds continue to evolve to new operating models to deliver affordable, high quality advice. IFS partners with our clients to guide and support them build their advice offer.
- The ATO implemented Single Touch Payroll for employers with less than 19 employees from 1 July 2019. This will see the ATO's role in the recovery of unpaid superannuation extended.
- The Protecting Your Super Package commenced on 1 July 2019 directly impacting the future of AUSfund.

Summary of financial performance

- The IFS Group booked its fifth consecutive year of profit, with a consolidated profit before tax of \$54,000 for the year.
- Profit was down from 2017/18 (\$1.47 million). This is mainly due to the loss of revenue from IRIS in February 2018, and its full impact during the 2018/19 financial year.
- Unpaid Super recoveries, AUSfund and Insurance Solutions all contributed to profit.
- Our non-super investment option, **ifsinvest**, enjoyed modest growth in FUM.
- The Advice Solutions business performed well in terms of service delivery but is unlikely to be profitable in the near future, despite continued focus on efficiency and efforts to attract new business.
- The Board and management have retained their focus on costs and efficiency. Over the past three years, approximately \$2.6 million of shared services overheads have been eliminated from the business.

Advice Solutions

- Our business continues to build its reputation for deep expertise and integrity in the delivery of advice. 2018/19 continued the focus on better use of technology for advisers and delivery of advice to members.
- Focused on preparing our business for the new education and standards, which has placed IFS in a strong position to provide support to our licensed advisers and client funds, as FASEA roles out the schedule of requirements.
- Continued to enhance the Advice Solutions Hub (ASH), providing access to information on licensee standards, technical information and the assurance programme.
- Delivered over 20 hours of professional development. This included our annual planner conference and the not for profit industry Advice Symposium, in collaboration with AIST.
- Continued positive file review results for the 2018/19 financial year, with 100% of adviser audits rated C or above.



13

Client Funds



78

Advisers



10,947

Appointments



6,296

Clients advised

Unpaid Super

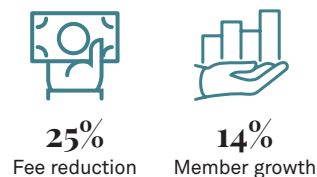
Unpaid Super services continue to evolve to ensure they meet the needs of current and future client-funds.

- IFS continued to convene regular meetings of its Unpaid Super Working Group including participation from the ATO.
- In collaboration with funds, developed a programme with the ATO to refer employers that are persistently late in meeting their obligations.
- Invested in IT system upgrades.
- Refreshed our client reporting portal.
- More funds adopted our fee-for-service pricing option.



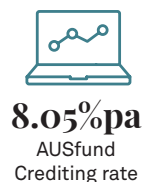
ifsinvest

- ifsinvest is a non-super investment platform designed to complement the investment options available to industry super fund members. ifsinvest is also marketed to membership organisations, including employer organisations and unions.
- During 2018/19, the administration arrangements were restructured which enabled fees to fall by around 25% for most investors.
- Growth continued to be strong, funds under management increased by 29% to \$286 million and the customer base increased by 14%.



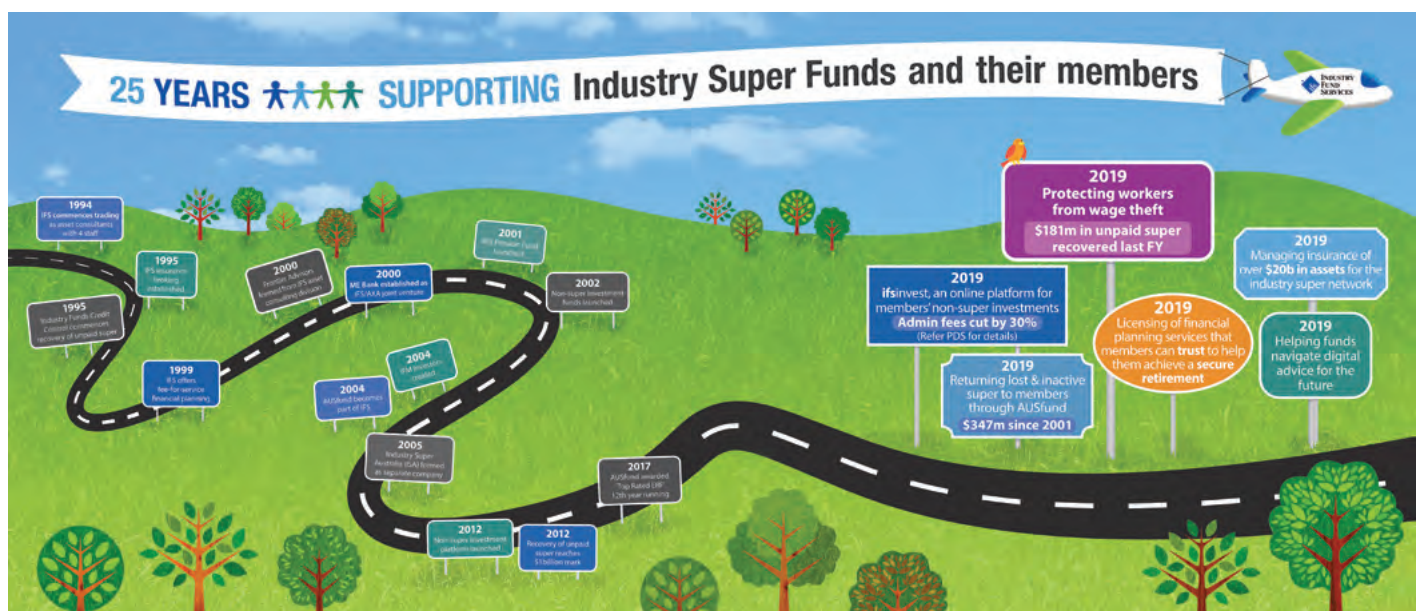
AUSfund

- During the year AUSfund built on its successful cross fund matching pilot.
- The release of the draft Protecting Your Super legislation was the impetus for new funds to join the programme, and to revisit its scope.
- Participating funds agreed to expand the class of accounts transferred to AUSfund for matching to an active account to capture all those low-balance inactive accounts otherwise destined for the ATO.
- Nearly half a million member accounts from 10 participating funds were transferred into AUSfund at the end of the financial year, to be Cross Fund Matched.
- Since the end of the year, AUSfund has identified 140,000 matches, of which 95,000 are being transferred to top up the active accounts of members in the participating funds
- This is the largest reunification exercise AUSfund has ever undertaken.
- AUSfund was the Successor Fund for the AON ERF in April 2019.



IFS Insurance Solutions

- Maintained its focus on delivering value-added insurance advisory and consulting services to industry superannuation funds, unions and corporate entities. As a specialist insurance broking and consulting firm, we assisted a number of funds to better understand the impacts of the Protecting Your Super legislation on their Group Risk arrangements.
- We also developed market-leading policy wordings designed to protect our clients, including our Trustees Liability facility in Lloyds that provided indemnity to our industry superannuation fund clients for the costs incurred in responding to the Notices to Produce issued by The Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry.
- IFS Insurance Solutions engages with both local and international insurance markets for risk management and risk transfer services and has in place strategic alliances with organisations that enable us to place global mandates. The year saw IFSIS deliver its 14th consecutive profit result to the group.



Industry Super Australia (ISA)

Generating value for participating funds and their members

The end of 2018/19 marks the sixth year of sustained success despite a variety of persistent hostile forces pushing against member-first super and ISFs.

ISA's core marketing and advocacy work programs remained highly effective in generating value for participating funds in terms of growth and protecting ISF member interests from adverse change.

The marketing campaign helped funds take advantage of favourable market conditions, and further heightened the value of the collectively-owned brand assets. The research and advocacy programs also remain highly effective, helping to forestall adverse legislative change and secure change that will help boost member savings.

Taking a leadership position in the market and policy arenas brings with it greater scrutiny and heavier responsibility to pursue reforms that put members' interests first - most notably by connecting them with a quality, high-performing fund and eradicating the profusion of multiple accounts.

ISF "member first" ethos validated by the Royal Commission

After months of hearings in the Financial Services Royal Commission, the full extent of misconduct became clear and Commissioner Kenneth Hayne handed down a scathing final report early in 2019. In it he concluded 'in almost every case the conduct in issue was driven by the relevant entity's pursuit of profit but also by individuals' pursuit of gain'.

While the extensive misconduct of others was laid bare in the final report, ISFs emerged unscathed in a clear validation of our member first ethos. By exposing the impact of conflicts in the retail fund sector, the Royal Commission highlighted how skills and commitment amongst trustees to do the right thing by members and customers is key to improving outcomes, rather than mandating governance structures.

This has not gone unnoticed among ordinary Australians, with members voting with their feet post-Royal Commission and switching into industry super funds at a rate never seen before. Trust in ISFs is at an all-time high, with positive favourability sitting at 83 per cent at the end of the financial year, in contrast to the big four banks' net favourability of just 39 per cent (Kantar Brand and Advertising Tracker Report, June 2019).

Defending members' interests and advocating for positive legislative reform

Both the Productivity Commission and Royal Commission did a very good job of identifying where the problems are, and the impact poor behaviour and systemic issues can have on people as they save for retirement.

With a suite of recommendations from both inquiries, industry super funds, the superannuation industry and the Government all have a responsibility to work together to implement the recommendations and reform the system through positive legislative change.

ISA was at the forefront of this work, urging the Government to tackle underperformance as a priority and stop the drain on members' savings. ISA also





worked to develop a reform blueprint to support the implementation of the Royal Commission's recommendation relating to 'stapling', which highlights the benefits of a 'money follows member' automatic rollover model, as opposed to a 'fund for life' model.

ISA continued to advocate on behalf of the one in three workers who have their super stolen from them by unscrupulous employers, with a new campaign highlighting the widespread nature of this issue. The campaign ran on TV and online and called for the Government to align the payment of super with wages. This was supplemented by an aggressive public relations campaign targeting consumer and regional media, which resulted in unprecedented results and engagement with local MPs and industry and employer bodies.

ISF's continued outperformance through times of change

Despite the changing economic, political and regulatory environment, industry super funds continued their strong outperformance throughout the past year, with an average of 1.8 percent outperformance over retail super funds.

Analysis of the 2018-19 APRA data shows that members continued to vote with their feet, with net rollovers for the year totalling \$17.1 billion, and industry funds recording the strongest growth of any sector.

To capitalise on the heightened awareness of ISFs' member first ethos post Royal Commission, ISA developed the 'Switch' campaign to remind people about the behaviour of banks and encourage them to take action by switching to a fund that carries the ISF symbol. This campaign was supported by the well-known 'Compare the Pair' campaign, which helps consumers do the maths simply and quickly when comparing super funds, boosting awareness of ISFs' superior performance.

Expanding Industry Super Australia's influence in consumer media

As well as maintaining a consistent voice amongst trade publications and financial press, ISA focused on real-life examples to generate cut-through in consumer media on key issues. Data and research was cut by state and local area, providing journalists with relevant, local angles on a national issue. This has been particularly successful in the unpaid super campaign and the work relating to the super guarantee.

ISA also continued to develop campaigns through different social media channels and online publications. There is a significant opportunity to address the gaps in consumer knowledge on super issues by providing further resources on social media channels, extending from the reach of the ISA website. Partnerships with specific online publications were continued to create content that contextualises complex superannuation issues to the lives of everyday Australian workers.

13

Data highlights

2018-19



\$87.3

billion

Total growth in assets of industry funds

83%

Awareness of the ISF Symbol



70%

of Australians back the compulsory super system in the same way they back Medicare

83%

Positive favourability towards industry super funds

The New Daily

***The New Daily* – an innovative channel to build brand awareness and engage with members**

The New Daily is a free digital news service, with a reputation for fair, independent and balanced reporting. It aims to engage and inform working Australians by providing content that educates and enhances their financial literacy in a news environment.

Industry funds and other organisations can choose to provide *The New Daily* to their members.

Each edition carries the fund's brand, and a prominent space to deliver tailored messages to fund members. Funds can use this to deliver key messages to members, complementing other member engagement channels.

This is valued by funds in an environment where superannuation funds are seeking new ways to communicate with disengaged members.

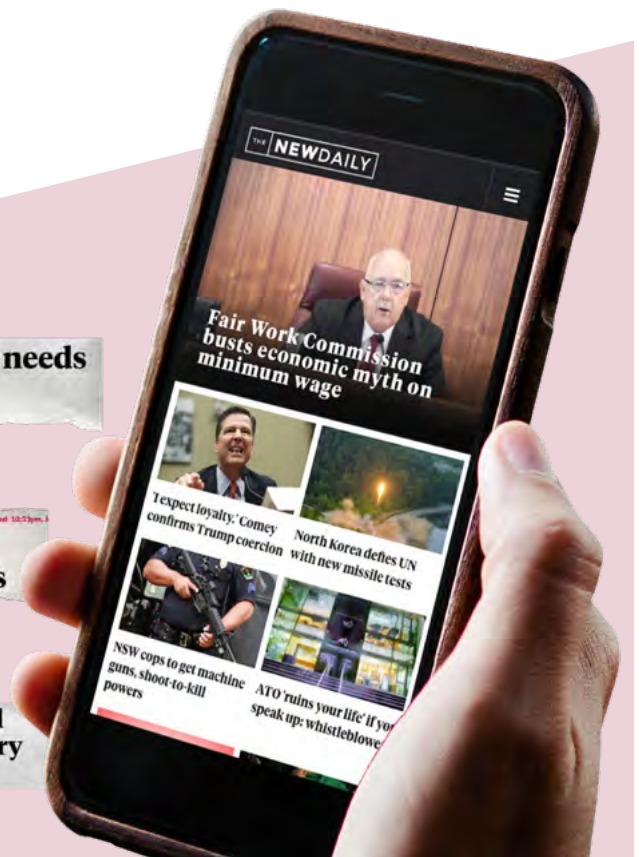
The New Daily readers have a much higher unprompted recall of the industry fund brand category than general population (64% compared to 39%). This recall is even higher amongst *The New Daily* readers who are also members of industry super funds (70% unprompted recognition).

Building a trusted Australian-owned news service

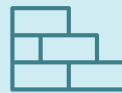
The New Daily has been building a strong Australian audience for its mid-market, quality news service. *The New Daily* puts the readers first by informing people about what they need to know to better live their lives.

In the past year *The New Daily* has strengthened its position as a respected and prominent part of the Australian media landscape, sitting in the top 20 Nielsen ranking of news sites. During the year, the Australian Competition and Consumer Commission invited *The New Daily* to participate in its Industry Round Table as part of the Federal Government's Digital Platforms Inquiry into the impact of new platforms on local media and specifically, journalism.

The New Daily email subscription provides superannuation funds a way to engage with fund members every day. The daily emails are tailored to the fund offering the service. They carry the fund's brand and serve a key message from the fund to readers each morning.



Year in review



1.4
million
Subscriber base



446,000
Daily active subscribers



3.1
million
Unique monthly
users



Top 20
Positioned in top
20 news websites -
Nielsen Net Ratings



28%
Revenue
increase on
previous year

Fund Member survey results:

48% - 50%
read *The New Daily*
more than
once a day

61% - 73%
state that *The New Daily*
is a valuable
news source

28% - 46%
are most likely
to read the
money section

A recent survey conducted by *The New Daily* into the reading habits of fund members found:

- 48% - 50% read *The New Daily* more than once a day.
- 61% - 73% state that *The New Daily* is a valuable news source.
- 28% - 46% are most likely to read the money section.

The New Daily team continues to expand its existing talent of journalists - including Bruce Guthrie, Michael Pascoe, Quentin Dempster, Paula Mathewson and Paul Bongiorno - with the addition of respected journalists, Samantha Maiden, Lucy Morris Marr, Mike Bruce and Garry Linnell. It has also continued its editorial collaborations with respected content partners, The New York Times, ABC and The Conversation.

Growth

Over the year readership of *The New Daily* grew through subscriptions from participating organisations and through organic growth, particularly through social media.

The New Daily grew its audience to 3.1 million unique users per month in June. The accumulated database of *The New Daily* increased over the year by an additional 250,000 records, building the total database to 1.4m, with 446,000 engaged daily subscribers.

During the year we delivered a new specialist email called *Dollars and Sense*, featuring Michael Pascoe. The *Dollars and Sense* publication aims to specifically focus on enhancing financial literacy, highlighting stories including superannuation, personal finance and retirement for *The New Daily* readers.

In a difficult advertising market, *The New Daily* was able to grow its revenue through the implementation of new advertising technology and content marketing strategies. Total revenue increased 28% on the previous year.

The year ahead

In addition to a heightened focus on revenue growth, *The New Daily's* key initiatives for FY20 are focussed on expanding distribution and engagement with shareholder funds, continuing to improve content and

quality, quantifying the value of *The New Daily* to ISH shareholders and maintaining high governance standards.

The overall aim is to grow *The New Daily* through diversifying the revenue base to narrow the funding gap. New databases, optimising social media, enhancing search engine operations, driving PR activities, improving programmatic selling and advertising should make strong contributions to *The New Daily's* revenue.

The New Daily's objective is to provide quality general news, build the financial literacy of its readership and promote industry super funds. What will underpin success, is attracting and retaining quality writers and extending collaborative efforts with organisations such as The Conversation. At the same time, we are increasing our focus on our governance, including managing digital and security risks.

Vale Belinda Tkalcevic

In March this year Belinda Tkalcevic, former Executive Manager for *The New Daily* passed away. Belinda was a committed advocate for *The New Daily*, and we continue to remember her work and mourn her loss.

Financial Reports

Statement of financial position

(as at 30 June 2019)

| | Consolidated | |
|---|----------------|----------------|
| | 2019 \$'000 | 2018 \$'000 |
| Assets | | |
| Cash and cash equivalents | 68,759 | 64,282 |
| Trade and other receivables | 179,350 | 174,094* |
| Investments | 411,234 | 301,578 |
| Derivatives | - | 1 |
| Investment in joint venture | 1,108 | 844 |
| Current tax asset | 1,602 | - |
| Deferred tax assets | 19,918 | 49,769 |
| Other assets | 4,513 | 4,250 |
| Related party receivables | 8,788 | 3,339 |
| Plant and equipment | 13,047 | 7,374 |
| Intangible assets | 50,104 | 46,659 |
| Total assets | 758,423 | 652,190 |
| Liabilities | | |
| Trade and other payables | 21,725 | 17,035* |
| Derivatives | 5,098 | 3,120 |
| Current tax liabilities | 36,881 | 59,277 |
| Provisions | 392,031 | 327,496 |
| Total liabilities | 455,735 | 406,928 |
| Net assets | 302,688 | 245,262 |
| Equity | | |
| Issued capital | 49,341 | 55,633 |
| Foreign currency translation reserve | 4,592 | 2,560 |
| Retained earnings | 245,104 | 187,069 |
| Equity attributable to equity holders of the parent entity | 299,037 | 245,262 |
| Non-controlling interests | 3,651 | - |
| Total equity | 302,688 | 245,262 |

*This number has been restated as explained in IFS consolidated financials.

Statement of profit and loss and other comprehensive income

(financial year ended 30 June 2019)

| | Consolidated | |
|--|----------------|----------------|
| | 2019 \$'000 | 2018 \$'000 |
| Income | | |
| Interest income | 1,169 | 739 |
| Income from funds management and trustee services | 579,700 | 514,279 |
| Other income | 18,351 | 11,686 |
| Change in fair value of investments | 7,740 | 1,060 |
| Total operating income | 606,960 | 527,764 |
| Expenses | | |
| Operating expenses | 497,146 | 412,301 |
| Total expenses | 497,146 | 412,301 |
| Profit / (loss) before income tax | 109,814 | 115,463 |
| Income tax expense / (benefit) | 51,518 | 19,387 |
| Profit / (loss) for the year | 58,296 | 96,076 |
| Other comprehensive income, net of income tax | | |
| Items that may be reclassified subsequently to profit or loss | | |
| Foreign exchange differences | 2,032 | 3,013 |
| Total other comprehensive income, net of income tax | 2,032 | 3,013 |
| Total comprehensive income for the year | 60,328 | 99,089 |
| Total comprehensive income attributable to owners of the parent entity | 60,067 | 99,089 |
| Total comprehensive income attributable to non-controlling interests | 261 | - |
| Total comprehensive income for the year | 60,328 | 99,089 |



INDUSTRY SUPER HOLDINGS

Industry Super Holdings Pty Ltd

Registered office
Level 29 Casselden
2 Lonsdale Street
Melbourne VIC 3000

ABN 71 119 748 060

ACN 119 748 060

IFM Investors

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+61 3 8762 5300

www.ifminvestors.com

Industry Fund Services

Level 22 Casselden
2 Lonsdale Street
Melbourne VIC 3000
+61 3 9657 4321

www.ifs.net.au

Industry Super Australia

Level 39 Casselden
2 Lonsdale Street
Melbourne VIC 3000
+61 3 9657 4321

www.industrysuper.com

The New Daily

Level 6
124 Exhibition Street
Melbourne VIC 3000
+61 3 9037 7900

www.thenewdaily.com.au



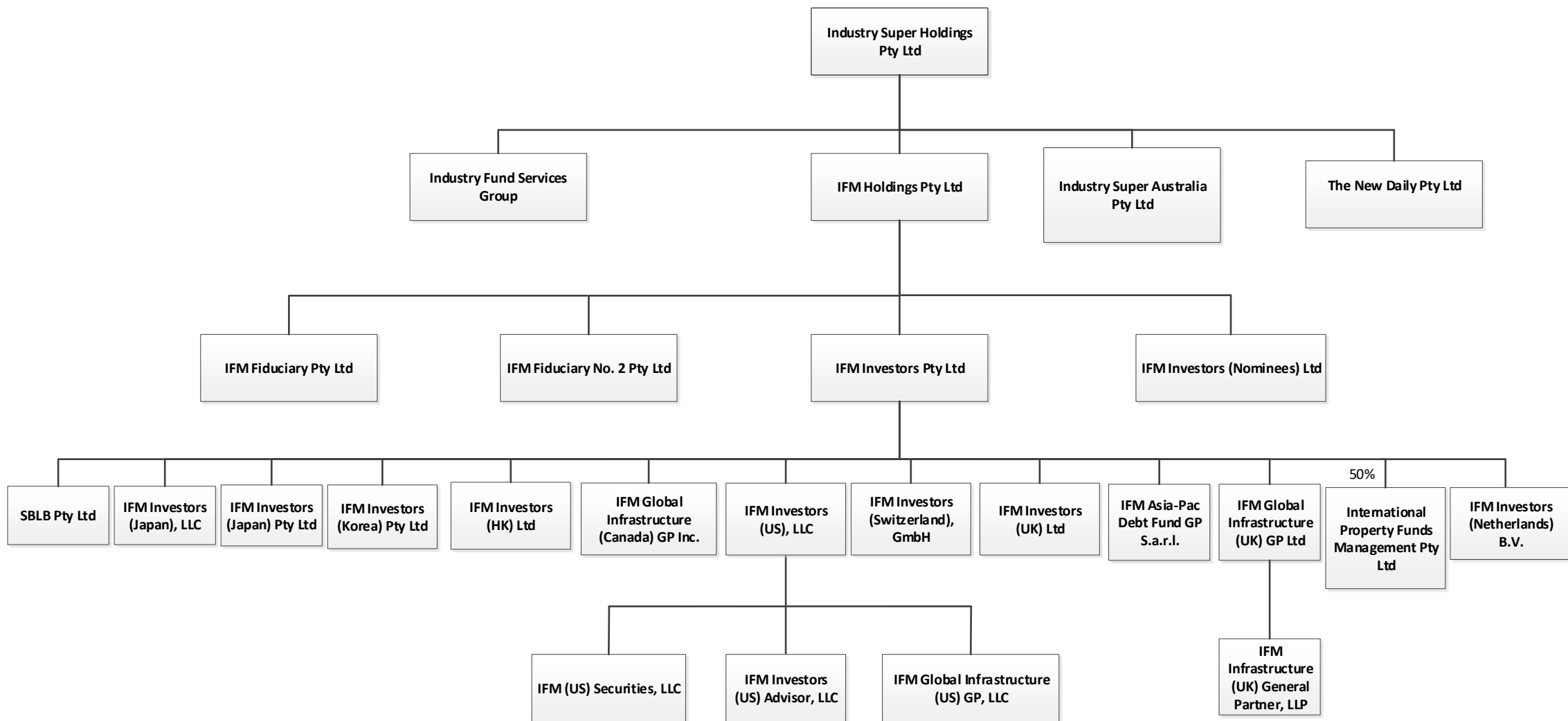
Schedule 3

ISH GROUP CORPORATE STRUCTURE

Industry Super Holdings

Group Corporate Structure as at 11 November 2019

Owned by 27 Industry Shareholders – See Appendix A



Subsidiary entities are wholly owned unless otherwise specified

Industry Super Holdings

Appendix A

| Shareholder | % Ownership |
|--|-------------|
| 1. AustralianSuper | 19.95 |
| 2. CBUS | 17.90 |
| 3. HESTA | 17.68 |
| 4. HOSTPLUS | 10.53 |
| 5. MTAA | 4.64 |
| 6. First Super | 3.67 |
| 7. CARE SUPER | 3.56 |
| 8. Media Super | 3.27 |
| 9. Vision Super | 2.88 |
| 10. Sunsuper | 1.85 |
| 11. UniSuper | 1.70 |
| 12. Maritime Super | 1.68 |
| 13. LUCRF Pty Ltd | 1.59 |
| 14. TWU Super | 1.50 |
| 15. Statewide Super | 1.26 |
| 16. AUS Fund | 0.98 |
| 17. Electricity Supply Industry Super | 0.96 |
| 18. Auscoal Superannuation Pty Ltd | 0.89 |
| 19. CSF Pty Limited | 0.85 |
| 20. Tasplan Super | 0.48 |
| 21. BUSS(Q) Pooled Superannuation | 0.36 |
| 22. WA Local Government Super (WA Super) | 0.35 |
| 23. REI Superannuation Fund | 0.33 |
| 24. NGS Super | 0.30 |
| 25. Australian Catholic Super | 0.09 |
| 26. IS Industry Fund | 0.08 |
| 27. Mercy Super | 0.07 |

Schedule 4

CURRENT AND FORMER BOARD MEMBER BIOGRAPHIES

Biographies – IFM Investors’ Board Members

The Hon. Greg Combet AM

Chair

Joined Board in 2014; Deputy Chair since 2016; Chair since 1 January 2019

Bachelor of Engineering (Mining) (Hons) (University of NSW), Bachelor of Economics (University of Sydney), Graduate Diploma of Labour Relations and the Law (University of Sydney)

Greg joined the IFM Investors Board in 2014 following a high profile and successful six years in Cabinet, Ministerial and Parliamentary Secretary roles in the Australian Government. During this time, he was Minister for Industry and Innovation, Minister for Climate Change and Energy Efficiency, and Minister for Defence Personnel, Science and Materiel. Prior to his service as a Member of Parliament, Greg was the leader of the Australian Council of Trade Unions. He has extensive experience and knowledge of Australian industry and the workings of Parliament and government, has 30 years of experience with industry superannuation, and has degrees in mining engineering and economics and a diploma in labour relations and the law. His skills encompass advocacy, strategy, policy-making, implementation of major programs, negotiation and conflict resolution, superannuation investment and financial management. Greg is also Chair of Industry Super Australia, is a director of ME Bank, has been a director of AustralianSuper (2002-07), and consults to governments and corporations from time to time. He was awarded a Member of the Order of Australia in 2006, and is the co-author of *The Fights of My Life*.



Carol Gray

Board member

Joined in 2016

MBA (Ivey School of Business, University of Western Ontario) and a director designation from the Institute of Corporate Directors, University of Toronto, Rotman School of Business

Carol has an extensive career of more than 30 years across financial and technology services through executive positions and board memberships. Carol's most recent executive position was as President and General Manager of Equifax Canada, where she introduced data analytics and revenue streams with a diversified portfolio of risk management solutions. Previously, Carol held a number of executive roles with the Canadian Imperial Bank of Commerce with pan Canadian responsibility across commercial banking, small business banking, risk management and strategic planning. Carol also has broad experience across a number of corporate and not-for-profit boards. She is the past Chair of Equifax Canada's Client Advisory Board, is a board member of American Express, Bank of Canada, Chair of the Amex Board's Risk Committee, and a Governor and Vice-Chair of the Board of Governors of Trent University, where she is Chair of the Executive Committee. Carol recently retired from the Board of Directors for Infrastructure Ontario, where she served for seven years as Director and Chair of the Risk Committee and prior to that, as Chair of the Board of the Ontario Realty Corporation. Infrastructure Ontario and its predecessor company, Ontario Realty Corporation, are owned by the Province of Ontario and provide a wide range of services to support the Ontario government's initiatives to modernise and maximise the value of public infrastructure and property. Carol is a member of Board People and Remuneration Committee.



Deborah Kiers

Board member

Joined in 2014

Bachelor of Science (Hons) (University of Melbourne), Master of Public Administration (Harvard University)

Deborah is a Non-Executive Director and Consultant to major corporations and organisations internationally. Her long-standing consulting career has spanned a wide range of industries including Power and Resources, Industrials, Financial Services, Pharmaceuticals, Infrastructure and Government Utilities, with extensive experience supporting the delivery and management of infrastructure assets. Alongside strategy development, culture change and improving operating performance, Deborah has also provided executive coaching and development for CEOs, executive teams and board directors. Earlier in her career, Deborah worked as a Consultant and Advisor to a number of federal and state government Ministers. Deborah is a member of the Board Audit and Risk Committee and Chair of the Board Responsible Investment and Sustainability Committee.



Michael Migro

Board member

Joined in 2009

Bachelor of Business (Curtin University of Technology), Advanced Management Program (Harvard Business School)

Michael's extensive career in funds management and financial services spans more than 35 years. His experience has been gained in both Australia and the USA. Michael has had significant leadership responsibilities in various capacities as Head of Business Strategy (BT Funds Management), Joint Managing Director (Westpac Financial Services), CEO (Perpetual Funds Management and Principal Global Investors Australia), and in the US as COO (Principal Global Investors) and President and Chief Operating Officer (Post Advisory Group, LLC). Michael is a Director of Industry Super Holdings as well as Industry Fund Services, a leading provider of financial products and advice services to industry superannuation funds in Australia, and is on the Investment Committee of the Steve Waugh Foundation Australia. He joined the board of IFS Insurance Services in April 2014, an entity that provides insurance solutions to industry superannuation funds and Australian corporate clients. Michael is Chair of both the Board Audit and Risk Committee and the Board People and Remuneration Committee.



John Denton AO

Board member

Joined in 2018

Bachelor of Arts and Bachelor of Laws (University of Melbourne), Advanced Management Program (Harvard Business School)

John is the Secretary General of the International Chamber of Commerce. He is a global business leader and international advisor on policy and is also a legal expert on international trade and investment. He is a Board member of the United Nations Global Compact, the United Nations SDG Advisory Board and the UNICEF Generation Unlimited Board. John is also a founding member of the Business 20 (B20), the Australia–China CEO Roundtable and UNHCR in Australia. A former diplomat, John served for two decades as Partner and Chief Executive Officer of Corrs Chambers Westgarth, Australia’s leading independent law firm. John co-led the Australian Government’s 2012 White Paper on “Australia in the Asian Century” and previously chaired the APEC Finance and Economics Working Group and sustainable Development Working Group. John is co-Chair of the Trade and Investment Working Group for the G20 Japan and a member of the Board of the World Trade Board in New York. He is a former diplomat and an Alumnus of Harvard Business School and the University of Melbourne. In 2015, he was appointed an Officer of the Order of Australia for his services to the business community, the arts and the rights of refugees, including as a founder of Human Rights Watch (Australia) and Teach for Australia.



Alison Larsson

Board member

Joined in 2018

Bachelor of Economics (Monash University), FCPA, GAICD.

Alison has had an extensive career in the finance industry spanning almost 30 years. She has held significant leadership roles in various capacities at Australia and New Zealand Banking Group, including several with global responsibilities. Her banking experience spanned numerous industries: Power, Utilities, Infrastructure, Natural Resources, Industrials and Property. In addition, she held a number of senior executive risk positions and has considerable experience in credit risk, operational risk and compliance, including as Chief Risk Officer for large business divisions. Alison is a Director of the Macfarlane Burnet Institute for Medical Research and Public Health, an organisation whose mission is to achieve better health for vulnerable communities in Australia and internationally. Prior to her move into financial services, Alison had experience in the accounting profession and the oil and gas sector. Alison is a member of the Board Audit & Risk Committee.



Grant Dempsey

Board member

Joined in 2018

Bachelor of Commerce (University of Melbourne)

Grant has more than 30 years' experience as a senior executive, adviser and investment banker. Throughout his career, Grant has completed over 50 strategic transactions and advised 30 of the ASX50 companies, as well as large global and private companies across infrastructure, financial services, industrial, resources, private equity and property sectors. He is currently the Chief Financial Officer of Alumina Limited and was previously Senior Adviser, Finance at ANZ Banking Group, and prior to that, Head of Investment Banking (Australia and New Zealand) at JP Morgan. Grant has served as a non-executive Director of Mission Australia since 2010. Grant is a member of the Board Investment Committee and the Board Responsible Investment and Sustainability Committee.



Cath Bowtell

Board member

Joined 2019

Cath has worked for many years in senior roles in both the superannuation industry and union movement. She was the Chief Executive of the Australian Government Employees Superannuation Trust (AGEST Super) from 2010 until its merger with AustralianSuper in 2013. Prior to this Cath was a Senior Industrial Officer at the ACTU and the Assistant State Secretary for the National Tertiary Education Union (NTEU). She has held a number of Directorships and committee positions throughout her career including Director of AustralianSuper, Director of AGEST Super, and Member of the Industry Super Australia Advisory Committee. Cath was a Board member of IFS and Chair of IFS, before being appointed Chief Executive in 2016. She is Deputy Chair of the Board of the Royal Women's Hospital and Chair of the New Daily.



Biographies – IFM Investors’ Former Board Members

Garry Weaven

Chair

Joined in 1994 and retired 31 December 2018. This biography has not been updated since Garry’s departure.

Bachelor of Economics (Hons) (La Trobe University), Diploma of Education

Garry is the founding Executive Chair of Industry Fund Services (1994) and now chairs IFM Investors Pty Ltd and the group holding company, Industry Super Holdings Ltd, as well as The New Daily (thenewdaily.com.au). He is a director of Industry Super Australia and also of the newly-formed International Property Funds Management Pty Ltd. Garry is a former independent director and Chair of ME Bank, and was a foundation member of Melbourne’s Docklands Authority and Infrastructure Australia. As ACTU Assistant Secretary in the 1980s, Garry played a seminal role in the development of the industry superannuation fund movement and was the foundation Chair of a number of today’s leading funds before leaving the ACTU to take on a range of consultancies in the early 1990s. Garry is a member of the Board Investment Committee, the Board People and Remuneration Committee, and the Board Responsible Investment and Sustainability Committee.



Murray Bleach

Board member

Joined in 2010 and retired 31 December 2018. This biography has not been updated since Murray's departure.

Bachelor of Arts (Financial Studies) and Master of Applied Finance (Macquarie University), GAICD, CA

Murray has more than 35 years' experience in the accounting and finance industry. He originally worked as a Chartered Accountant for KPMG in Sydney and Dallas. His move into financial services came in 1987, when he joined Bankers Trust Australia. Murray joined Macquarie Group as part of Macquarie's acquisition of Bankers Trust Australia. During this time, he was CEO of Macquarie's US business and led the building of its US infrastructure business. He was previously CEO of listed toll road group Intoll, a Director of Eraring Energy, Strongform Group and Zanbato Inc, and Chair of Society One Pty Ltd. He is currently Chair of listed company Energy Action Ltd, and a Director of Carlton Investments Ltd, AddVenture Group Management Pty Ltd and Suicide Prevention Australia. He is also a partner of Alfred Street Investment Partners. Murray has been Chair of the Board of Investment Committee since 2010 and is a member of the Board People and Remuneration Committee.



Linda Rubenstein

Board member

Joined in 2013 and retired 31 December 2018. This biography has not been updated since Linda's departure.

Bachelor of Laws (Hons) (University of Melbourne), Bachelor of Arts (Monash University)

Linda has extensive industry fund experience. She served on IFM Investors' Investor Advisory Board and was the Chair of the Australian Government Employees Superannuation Trust (AGEST) until its merger with AustralianSuper. Linda also had a long period of employment with the ACTU, where her responsibilities included industrial legislation and superannuation, and at different times was appointed to the boards of HOSTPLUS and Cbus. Linda was a director of Superpartners prior to its sale, and is currently Chair of Industry Fund Services, and a director of IFS Insurance Solutions and Industry Super Holdings. Linda is a member of the Board Audit and Risk Committee and the Board Investment Committee.



Glen Bunney

Non-executive Director

Retired 31 December 2017

Glenn brings to the IFM Investors Board over 30 years' experience as a successful Chief Executive across industrial and human services. Within the Industry Super movement he served a five year term as a Trustee Director with HESTA; five years on the IFM Investment Advisory Board; and two and a half years on the Boards of ISPT and IGIPT (including membership of the Audit and Compliance Committee). Glenn also applies his extensive Governance experience gained across more than 20 years' service on Boards at state, national, and international levels, rising to Board Chair positions at each. Glenn applies his professional and practical business development expertise to Board deliberations and consideration of investment opportunities. During his term as Trustee Director with HESTA he was a strong advocate for ongoing improvement in ESG matters, and was directly involved in investment decisions in the interests of Members. Glenn is a member of the Board Audit and Risk Committee and the Board Investment Committee.

Schedule 5

SPONSORSHIP, MARKETING, IN-KIND, AND VENUE HIRE ARRANGEMENTS

| Date | Memo | Description | Debits AU\$ | Credits AU\$ |
|----------|--|--|----------------|-----------------|
| 01/07/14 | CEB IT Leadership Council for Medsized Comp Jun14 to Jun15 | The Association of Superannuation Funds of Australia Ltd-ASF | 38,000.00 | |
| 14/07/14 | Sponsorship CFMEU Construction dinner table : Oct 14 8 ppl | CFMEU National Office-Sponsorship CFMEU Construction dinner | 6,000.00 | |
| 31/07/14 | CBA Virtual PMA Card July 14 | Super Fund - Melbourne Luncheon - Marketing | 209.65 | |
| 31/07/14 | CBA Virtual PMA Card July 14 | National Conference and Super Expo - Marketing | 5,033.36 | |
| 01/08/14 | 2014 National Long Service Conference-speaker sponsorship | TasBuild Limited-2014 National Long Service Conference-speak | 3,500.00 | |
| 01/08/14 | ISA Policy Research & Gov Relation Actv 1st Qtr Jul14-Sept14 | Industry Super Network-ISA Policy Research & Gov Relation Ac | 135,000.00 | |
| 04/08/14 | Higher Ed Exhibition - Booth TBC | Scene Change Tasmania-Higher Ed Exhibition - Booth TBC | 510.50 | |
| 13/08/14 | Astoria Consulting Group LLC | Astoria Consulting Group LLC-Gold Sponsorship Fee Astoria In | 11,267.61 | |
| 31/08/14 | CBA Virtual PMA Card August 14 | Conference Room Hire - Town Hall Strat Update - The Marriott | 1,724.75 | |
| 01/09/14 | ASFA membership - 1 year 2014 | The Association of Superannuation Funds of Australia Ltd-ASF | 31,394.54 | |
| 01/09/14 | Sponsorship of the 2014 WIS National Roadshow -The New Daily | Women In Super-Sponsorship of the 2014 WIS National Roadshow | 50,000.00 | |
| 03/09/14 | Hire Conference Room | Jones Lang LaSalle (Vic) Pty Limited-Hire Conference Room | 324.54 | |
| 10/09/14 | Koala Sponsor- Macquarie Marsupial Masters Golf Tournament | Wildlife Australia Fund Inc-Koala Sponsor- Macquarie Marsupi | 3,418.02 | |
| 26/09/14 | Deluxe Room - Single Occupancy Dinner Event 2015 1st Deposit | Yarra Valley Lodge Services Pty Ltd-Deluxe Room - Single Occ | 9,050.00 | |
| 01/10/14 | Women In Super | Corporate Table at Christmas Luncheon | 2,181.82 | |
| 28/10/14 | Charity Golf Day 2014 | AHHA Inc. Hotel Care Account-Charity Golf Day 2014 | 4,000.00 | |
| 01/11/14 | ISA Policy, Research and Gov Relations 2nd Qtr Oct - Dec 14 | Industry Super Network-ISA Policy, Research and Gov Relation | 135,000.00 | |
| 01/11/14 | Top Tier Partner - Final Instalment | Australian Institute of Superannuation Trustees-Top Tier Par | 75,000.00 | |
| 01/11/14 | ACTU Member Connect | ACTU Member Connect - Superannuation Partnership Program 2014-2015 - Nov 14 - Oct 15 | 105,000.00 | |
| 24/11/14 | Industry Super Holdings AGM - 24/11/14 | Zinc at Federation Square-Industry Super Holdings AGM - 24/1 | 7,161.24 | |
| 01/12/14 | ISH GST Adjustment - AGM - ZINC at Federation Square | ISH GST Adjustment - AGM - ZINC at Federation Square | 272.73 | |
| 05/12/14 | ISH AGM at Zinc | Zinc at Federation Square-ISH AGM at Zinc | 21.82 | |
| 01/01/15 | ISA Policy research, gov relations, 010115-310315 | Industry Super Network-ISA Policy research, gov relations, 0 | 135,000.00 | |
| 08/01/15 | 50% Sponsorship for Fid Investors Symposium at Oxford | Conexus Financial Pty Ltd-50% Sponsorship for Fid Investors | 28,957.53 | |
| 05/02/15 | Conference Day package 180215 | Yarra Valley Lodge Services Pty Ltd-Conference Day package 0 | 14,057.00 | |
| 01/03/15 | Subscription to PERE Platnium, PERE Fold | PEI Media LTD-Subscription to PERE Platnium, PERE Fold | 10,847.76 | |
| 01/03/15 | OBM Advertising Pty Ltd | France Disclaimer Update | 4,906.00 | |
| 01/03/15 | Final Account for IFM Investors Conference 3-5 Mar 2015 | Yarra Valley Lodge Services Pty Ltd-Final Account for IFM In | 2,121.95 | |
| 03/03/15 | 2015 Premier & Cabinet Dinner | Progressive Business Association-2015 Premier & Cabinet Dinn | 1,000.00 | |
| 06/03/15 | Final 50% for the Fid Investors Symposium - UK Apr 15 | Conexus Financial Pty Ltd-Final 50% for the Fid Investors Sy | 30,343.90 | |
| 07/04/15 | Top Tier Partner 2015 - Installment 1 of 2 | Australian Institute of Superannuation Trustees-Top Tier Par | 75,000.00 | |
| 09/04/15 | 2015 Mother's Day Classic Run | Mother's Day Classic-2015 Mother's Day Classic Run | 350.00 | |
| 01/05/15 | ISA Policy research, gov relations act - 4th Qtr Apr - Jun15 | Industry Super Network-ISA Policy research, gov relations ac | 135,000.00 | |
| 01/05/15 | 2015 contract payment #1 | Matt Graham-2015 contract payment #1 | 3,333.00 | |
| 09/05/15 | 2015 contract payment #2 | Matt Graham-2015 contract payment #2 | 3,333.00 | |
| 01/06/15 | 2015 WiS National Roadshow Sponsorship | Women In Super-2015 WiS National Roadshow Sponsorship | 68,181.82 | |
| 05/06/15 | 2015 contract payment #3 | Matt Graham-2015 contract payment #3 | 3,333.00 | |

| Date | Details | City | Sponsorship/ Event | Company | Total Value Guest Only (inc GST) | Value per guest (inc GST) |
|-----------|--|------------|--|---------------|--|---|
| 26-Feb-16 | CEDA - Economic and Political Overview | Melbourne | CEDA - Economic and Political Overview | CEDA | Total = \$1620 Total value guest only = \$810 | \$162 p/guest |
| 16-Mar-16 | CMSF IFM Hosted Dinner - Sean's Kitchen | Adelaide | CMSF Conference 2016 | IFM Investors | Total \$2740.50 Total value guest Only = \$1541.25 | 171.25 p/guest |
| 27-Apr-16 | Boston Red Sox Game (Red Sox Ticket and Bus Transfer only) | Boston | AIST - 2016 Global Dialogue | AIST | Red Sox tickets Total US\$4,380 (US\$3999.13 for guests) Transfer Bus US\$529.10 (US\$483.10) Total value guest only = US\$4482.23 | Red Sox Ticket US\$190.43 + Transfer Bus US\$23 each Total p/guest = US\$213.43 each |
| 11-May-16 | ASFA Budget Briefing - Sydney | Sydney | ASFA Budget Briefing - Sydney | ASFA | Total \$2,420.50 Total Value guest only = \$1210.25 | \$242.05 |
| 12-May-16 | ASFA Budget Briefing - Melbourne | Melbourne | ASFA Budget Briefing - Melbourne | ASFA | Total \$1,854 Total Value guest only = \$1107 | \$184.50 |
| 01-Jun-16 | 20th Anniversary Listed Equities Dinner | Melbourne | IFM Investors Hosted Dinner | IFM Investors | Total \$4619.50 Total Value guest only = \$1616.83 | \$230.98 p/guest |
| 14-Jun-16 | CEDA - Australia's Economic Growth Agenda | Melbourne | CEDA - Australia's Economic Growth Agenda | CEDA | Total \$1,620 Total Value guest only = \$486 | \$162 |
| 05-Sep-16 | ASI Private Dinner | Cairns | AIST - Hosted dinner during ASI Conference 2016 | IFM Investors | Total \$2,856 Total Value guest only = \$1,270 | \$159 |
| 01-Oct-16 | CFMEU Conference Dinner 2016 - Sponsorship Package | Gold Coast | CFMEU Conference Dinner 2016 - Sponsorship Package | CFMEU | \$8,000 package | n/a |
| 27-Oct-16 | Phil Spathis Governance Address | Melbourne | Phil Spathis Governance Address - IFM hosted table | ASI | Total 1,232 Total Value guest only = \$924 | \$154 |

| Date | Memo | Description | Debits | Credits |
|----------|--|--|------------|----------|
| | | | AU\$ | AU\$ |
| 01/07/16 | ISA 1st Quarterly Contribution 2016/17 | Industry Super Australia-ISA 1st Quarterly Contribution 2016 | 138,532.81 | |
| 01/07/16 | VIC YSN End of Financial Year Networking Night 070716 | Australian Institute of Superannuation Trustees-VIC YSN End | 13.64 | |
| 01/07/16 | Private workshop 250716 | salesforce.com Singapore Pte. Ltd-Private workshop 250716 | 7,000.00 | |
| 05/07/16 | Supplement - PDI US Roundtable Sept 16 | PEI Media LTD-Supplement - PDI US Roundtable Sept 16 | 15,988.49 | |
| 08/07/16 | Town Hall - Melbourne Event - Live Webcasting | Webcasting Pty Ltd-Town Hall - Melbourne Event - Live Webcas | 3,840.00 | |
| 15/07/16 | Ad Sales - Infra Mag July | PEI Media LTD-Ad Sales - Infra Mag July | 14,369.89 | |
| 15/07/16 | Sponsorship of Fiduciary Investors Symposium - Apr 17 | Conexus Financial Pty Ltd-Sponsorship of Fiduciary Investors | 56,101.62 | |
| 15/07/16 | Sponsorship of Fiduciary Investors Symposium - Oct 16 | Conexus Financial Pty Ltd-Sponsorship of Fiduciary Investors | 56,101.63 | |
| 01/08/16 | History Project, Completion of last draft | Australian Institute of Superannuation Trustees-History Proj | 108,000.00 | |
| 23/09/16 | Lead sponsorship of IPE Infra and Real Assets Conference | IPE Investment & Pensions Europe-Lead sponsorship of IPE Inf | 21,412.54 | |
| 01/10/16 | ISA 2nd Quarterly Contribution 2016/17 | Industry Super Australia-ISA 2nd Quarterly Contribution 2016 | 138,532.81 | |
| 14/10/16 | Sponsorship of the 2016 CFMEU National Conference | CFMEU National Office-Sponsorship of the 2016 CFMEU National | 8,000.00 | |
| 01/11/16 | 2016 Women in Super National Roadshow Sponsorship | Women In Super-2016 Women in Super National Roadshow Sponsor | 68,181.82 | |
| 01/11/16 | Charity Golf Day 2016 | AHHA Inc. Hotel Care Account-Charity Golf Day 2016 | 4,545.45 | |
| 01/11/16 | iSentia Pty Ltd | Presentation Video Contract Sky News Live (Sydney) 201016 | 617.87 | |
| 23/11/16 | Gold-Panel Sponsorship Fee | Astoria Consulting Group LLC-Gold-Panel Sponsorship Fee | 22,355.71 | |
| 25/11/16 | ISH AGM at Zinc | Zinc at Federation Square-ISH AGM at Zinc | 10,028.61 | |
| 25/11/16 | ISH AGM at Zinc | Zinc at Federation Square-ISH AGM at Zinc | | 2,500.00 |
| 28/11/16 | 2017 Institutional Investing in Infrastructure (I3) Conferen | Institutional Real Estate Inc-2017 Institutional Investing i | 13,465.47 | |
| 02/12/16 | ISH AGM at Zinc | Zinc at Federation Square-ISH AGM at Zinc | 781.82 | |
| 09/12/16 | TH Illustration Ltd | Sale of Original Color Illustration - FTfm article 141116 | 633.61 | |
| 14/12/16 | Insight Communications Consultants | Korean Media Interviews with B Clarke Nov 9 | 9,678.67 | |
| 16/12/16 | ISA 3rd quarterly contribution 2016/17 | Industry Super Australia-ISA 3rd quarterly contribution 2016 | 138,532.81 | |
| 16/12/16 | Premco meeting | Industry Super Holdings Pty Ltd-Premco meeting | 781.82 | |
| 16/12/16 | Zinc Fed Sq 100 16-12 repaid by IFM as it is IFM cost instea | Zinc Fed Sq 100 16-12 repaid by IFM as it is IFM cost instea | | 860.00 |
| 01/02/17 | TopTier Partner 2017- Installment 1 of 2 | Australian Institute of Superannuation Trustees-TopTier Part | 75,000.00 | |
| 01/02/17 | Prosek Partners LLC | Infrastructure Roundtable Case Study Fact Sheet-Infrastructure | 9,371.80 | |
| 01/02/17 | ACTU Superannuation Partnership Program 2016-2017 | ACTU Superannuation Partnership Program 2016-2017 | 105,000.00 | |
| 22/02/17 | Food and venue hire 280217 | Mawland Quarantine Station Pty Limited-Food and venue hire | 9,668.50 | |
| 24/02/17 | Additional GIR/Infra attendees | Mawland Quarantine Station Pty Limited-Additional GIR/Infra | 1,238.18 | |
| 28/02/17 | Sponsorship for Real Estate, Private Markets conf. Feb 2017 | Conexus Financial Pty Ltd-Sponsorship for Real Estate, Priva | 40,000.00 | |
| 28/02/17 | Mawland Quarantine Station Pty Limited-First Deposit 2017 Of | Prepayments - Feb 17 | 7,082.73 | |
| 01/03/17 | Event Exhibition - II Forum: Melb Summit Jun 17 | PEI Media LTD-Event Exhibition - II Forum: Melb Summit Jun 1 | 17,298.45 | |
| 01/03/17 | ISA 4th quarterly contribution 2016/17 | Industry Super Australia-ISA 4th quarterly contribution 2016 | 138,532.81 | |
| 01/03/17 | FTI Consulting Group Ltd | Development of talking points for IFM Investors' expansion | 9,644.84 | |
| 03/03/17 | 2017 HESTA Awards Program Sponsorship Package | HESTA-2017 HESTA Awards Program Sponsorship Package | 4,545.45 | |
| 31/03/17 | Mawland Quarantine Station Pty Limited-Second 50% deposit 28 | Prepayments - Mar 17 | 8,320.91 | |
| 01/04/17 | KeepCup Qty1300 - CMSF Conf 22-24 0317/SmartBeta Class150317 | Blue Star Print-KeepCup Qty1300 - CMSF Conf 22-24 0317/Smart | 21,621.42 | |
| 01/04/17 | Team Entry Fee, LGS Golf Day - 210417 | Local Government Super - JPMNAL ACF LGSS PTY LTD-Team Entry | 1,818.18 | |
| 01/05/17 | Sponsorship of Lunch with The Hon Gladys - NSW | Women In Super-Sponsorship of Lunch with The Hon Gladys - NS | 7,500.00 | |
| 01/05/17 | Gondwana Choirs - 2017 Sponsorship as per the agreement | Gondwana Choirs-Gondwana Choirs - 2017 Sponsorship as per th | 7,000.00 | |
| 01/05/17 | ACSI 2017 Annual Conference - Gold Sponsor - excluding booth | Australian Council of Superannuation Investors-ACSI 2017 Ann | 8,000.00 | |
| 01/05/17 | Top Up of food for 20th Anniversary for Listed Event | Rebecca Ephraums-Taxi/GRG Offsite/Top up of food for 20th An | 50.47 | |
| 01/05/17 | Top Up of food for 20th Anniversary for Listed Event | Rebecca Ephraums-Taxi/GRG Offsite/Top up of food for 20th An | 39.10 | |
| 05/05/17 | Sponsorship of real assets Infra conf Oct 2017 London | IPE Investment & Pensions Europe-Sponsorship of real assets | 17,489.86 | |
| 15/05/17 | Event Sponsorship II Forum Melb Summit Jun 2017 | PEI Media LTD-Event Sponsorship II Forum Melb Summit Jun 201 | 18,019.30 | |

| Date | Memo | Description | Debits AU\$ | Credits AU\$ |
|----------|---|--|----------------|-----------------|
| 06/07/17 | ISA 1st Quarterly Contribution | Industry Super Australia-ISA 1st Quarterly Contribution 17-1 | 141,442.00 | |
| 28/07/17 | Gold Sponsorship - Infrastructure Investment Aust | Intrepid Minds Pty Ltd-Gold Sponsorship - Infrastructure Inv | 20,000.00 | |
| 31/07/17 | Top Tier Partner 2017 | Australian Institute of Superannuation Trustees-Top Tier Par | 75,000.00 | |
| 01/08/17 | Apr 2018 - Sponsorship of Fiduciary Investors Symposium | Conexus Financial Pty Ltd-Sponsorship of Fiduciary Investors | 53,941.18 | |
| 04/08/17 | ASK 2017 RE&INF Sponsorship Platinum | The Korea Economic Daily-ASK 2017 RE&INF Sponsorship Platinu | 22,651.77 | |
| 16/08/17 | 120917 - Sponsorship - Equities Summit | Conexus Financial Pty Ltd-Sponsorship - Absolute Returns Con | 16,000.00 | |
| 16/08/17 | 140917 - Absolute Returns Conference | Conexus Financial Pty Ltd-Sponsorship - Absolute Returns Con | 16,000.00 | |
| 18/08/17 | ACTU Superannuation Partnership Program 010717 - 300618 | ACTU Superannuation Partnership Program 010717 - 300618 | 105,000.00 | |
| 22/08/17 | Conference Room Hire 1/2 | Jones Lang LaSalle (Vic) Pty Limited-Conference Room Hire 1/ | 483.64 | |
| 23/08/17 | 2017 WIS National Roadshow Sponsorship | Women In Super-2017 WIS National Roadshow Sponsorship | 68,181.82 | |
| 01/09/17 | EAPRC, Asia-pac Regional Conf. - Sponsorship | German - Australian Chamber of Industry and Commerce-EAPRC, | 9,090.91 | |
| 15/09/17 | Finance Event - Sponsorship | 778-Finance Event - Sponsorship-Crispin Derby Ltd | 20,720.48 | |
| 15/09/17 | 778-Finance Event - Sponsorship-Crispin Derby Ltd | Reallocate Crispin Derby sponsorship invoice | | 20,720.48 |
| 30/09/17 | London offsite - IFM UK-Whitechapel Ventures Limited | Tidying CE office costcentre - July to Sept 17 | 2,992.33 | |
| 01/10/17 | Car - AIST Conference for Helen Nugent | Prestige / Delta Limousines-Car - AIST Conference for Helen | 254.54 | |
| 01/10/17 | CPA Congress L Alves & R Tomasiello | Lisa Alves-Month end lunch / CPA Congress L Alves & R Tomasi | 2,090.91 | |
| 04/10/17 | ISA 2nd Quarterly Contribution 2017-2018 | Industry Super Australia-ISA 2nd Quarterly Contribution 2017 | 141,442.00 | |
| 19/10/17 | Charity Golf Day 2017 | AHHA Inc. Hotel Care Account-Charity Golf Day 2017 | 5,000.00 | |
| 01/11/17 | Car - AIST Conference for Helen Nugent | Prestige / Delta Limousines-Car - AIST Conference for Helen | 254.54 | |
| 06/11/17 | CN Prestige/Deal Limousines 06-11 | CN 1504 (NOT FULL INVO-CN Incorrect Invoice Number | | 254.54 |
| 27/11/17 | Remaining payment for IFM Investors AGM - 041217 | Taxi Riverside-Remaining payment for IFM Investors AGM - 041 | 3,890.00 | |
| 27/11/17 | Remaining payment for IFM Investors AGM - 041217 | Taxi Riverside-Remaining payment for IFM Investors AGM - 041 | 313.95 | |
| 01/12/17 | Advertisement Private Debt Investor 011017 | PEI Media LTD-Advertisement Private Debt Investor 011017 | 16,479.20 | |
| 04/12/17 | Remainder payment due ISH event | Taxi Riverside-Remainder payment due ISH event | 4,693.50 | |
| 07/12/17 | ISA 3rd Quarterly Contribution 2017-2018 | Industry Super Australia-ISA 3rd Quarterly Contribution 2017 | 141,442.00 | |
| 01/01/18 | II Investor Forum - Event Sponsorship 1st half - Apr 18 | PEI Media LTD-II Investor Forum - Event Sponsorship 1st half | 14,260.92 | |
| 01/01/18 | II Investor Forum - Event Sponsorship 2nd half - Apr 18 | PEI Media LTD-II Investor Forum - Event Sponsorship 2nd half | 14,260.91 | |
| 01/01/18 | II Investor Forum - Event Sponsorship 1st half, Seoul Apr18 | PEI Media LTD-II Investor Forum - Event Sponsorship 1st half | 14,260.94 | |
| 01/01/18 | II Investor Forum - Event Sponsorship 2nd half, Seoul Apr18 | PEI Media LTD-II Investor Forum - Event Sponsorship 2nd half | 14,260.94 | |
| 01/01/18 | CN II Investor Forum - Event Sponsorship 1st half Apr18 | CN SIHK001121-CN II Investor Forum - Event Sponsorship 1st h | | 14,260.94 |
| 01/01/18 | CN II Investor Forum - Event Sponsorship 2nd half Apr18 | CN SIHK001123-CN II Investor Forum - Event Sponsorship 2nd h | | 14,260.94 |
| 01/01/18 | J Strachan & CG Reynolds | Writing Services "More on the line than just savings" 251017 | 747.00 | |
| 03/01/18 | Venue research for Crispin Derby Dinner | 2801-01-Venue research for Crispin Derby Dinner-Naomi Davies | 1,034.94 | |
| 03/01/18 | Crispin Derby Dinner | B1190-Crispin Derby Dinner-Chew Events Ltd | 4,042.73 | |
| 09/01/18 | Sponsorship ADIS 2018 | Department of Foreign Affairs and Trade-Sponsorship ADIS 201 | 9,016.00 | |
| 01/02/18 | Equities Membership 2018 | Investment Innovation Pty Ltd-Equities Membership 2018 | 17,500.00 | |
| 01/02/18 | RI Events Sponsorship 2018 | Response Global Media Ltd-RI Events Sponsorship 2018 | 31,972.15 | |
| 01/02/18 | Sponsorship of Mavis Robertson IWD Event in March | Women In Super-Sponsorship of Mavis Robertson IWD Event in M | 10,000.00 | |
| 01/02/18 | Event co-ordination for the Infrastructure Asset Management | 2017-07-Event co-ordination for the Infrastructure Asset Man | 2,837.44 | |
| 06/02/18 | Town Hall - Melbourne Event 2018 - Live Webcasting | Webcasting Pty Ltd-Town Hall - Melbourne Event 2018 - Live W | 3,840.00 | |
| 06/02/18 | Balance post event | Webcasting Pty Ltd-Town Hall - Melbourne Event 2018 - Live W | | 2,112.00 |
| 09/02/18 | Investment Innovation Institute 09-02 CN | CN MEM-2018-IFM-Investment Innovation Institute 09-02 CN | | 17,500.00 |

| Date | Memo | Description | Debits | Credits |
|----------|--|--|-----------|---------|
| | | | AU\$ | AU\$ |
| 19/05/17 | Roundtable, Stockholm, May 18 | Tell Media Group AB-Roundtable, Stockholm, May 18 | 11,511.68 | |
| 31/05/17 | 2nd half exhibition space PDI Forum Asia Oct 2016 | PEI Media LTD-2nd half exhibition space PDI Forum Asia Oct 2 | 16,130.77 | |
| 31/05/17 | Advertisement Infra Investor 010717 | PEI Media LTD-Advertisement Infra Investor 010717 | 15,162.92 | |
| 31/05/17 | Mawland Quarantine Station Pty Limited-Food and venue hire 0 | Prepayments - May 17 | 13,502.00 | |
| 01/06/17 | Prosek Partners LLC | Editorial Services -"How the US Hurdles its infa impasse"-Ed | 2,925.07 | |
| 21/06/17 | Deposit payment for IFM Investors AGM - 04/12/2017 | Taxi Riverside-Deposit payment for IFM Investors AGM - 04/12 | 1,818.18 | |
| 30/06/17 | Event Exhibition/Sponsorship - II Forum: Melb Summit Jun 17 | PEI Media LTD-Event Exhibition/Sponsorship - II Forum: Melb | 3,810.30 | |

| Date | Memo | Description | Debits AU\$ | Credits AU\$ |
|----------|---|--|----------------|-----------------|
| 06/07/17 | ISA 1st Quarterly Contribution | Industry Super Australia-ISA 1st Quarterly Contribution 17-1 | 141,442.00 | |
| 28/07/17 | Gold Sponsorship - Infrastructure Investment Aust | Intrepid Minds Pty Ltd-Gold Sponsorship - Infrastructure Inv | 20,000.00 | |
| 31/07/17 | Top Tier Partner 2017 | Australian Institute of Superannuation Trustees-Top Tier Par | 75,000.00 | |
| 01/08/17 | Apr 2018 - Sponsorship of Fiduciary Investors Symposium | Conexus Financial Pty Ltd-Sponsorship of Fiduciary Investors | 53,941.18 | |
| 04/08/17 | ASK 2017 RE&INF Sponsorship Platinum | The Korea Economic Daily-ASK 2017 RE&INF Sponsorship Platinu | 22,651.77 | |
| 16/08/17 | 120917 - Sponsorship - Equities Summit | Conexus Financial Pty Ltd-Sponsorship - Absolute Returns Con | 16,000.00 | |
| 16/08/17 | 140917 - Absolute Returns Conference | Conexus Financial Pty Ltd-Sponsorship - Absolute Returns Con | 16,000.00 | |
| 18/08/17 | ACTU Superannuation Partnership Program 010717 - 300618 | ACTU Superannuation Partnership Program 010717 - 300618 | 105,000.00 | |
| 22/08/17 | Conference Room Hire 1/2 | Jones Lang LaSalle (Vic) Pty Limited-Conference Room Hire 1/ | 483.64 | |
| 23/08/17 | 2017 WIS National Roadshow Sponsorship | Women In Super-2017 WIS National Roadshow Sponsorship | 68,181.82 | |
| 01/09/17 | EAPRC, Asia-pac Regional Conf. - Sponsorship | German - Australian Chamber of Industry and Commerce-EAPRC, | 9,090.91 | |
| 15/09/17 | Finance Event - Sponsorship | 778-Finance Event - Sponsorship-Crispin Derby Ltd | 20,720.48 | |
| 15/09/17 | 778-Finance Event - Sponsorship-Crispin Derby Ltd | Reallocate Crispin Derby sponsorship invoice | | 20,720.48 |
| 30/09/17 | London offsite - IFM UK-Whitechapel Ventures Limited | Tidying CE office costcentre - July to Sept 17 | 2,992.33 | |
| 01/10/17 | Car - AIST Conference for Helen Nugent | Prestige / Delta Limousines-Car - AIST Conference for Helen | 254.54 | |
| 01/10/17 | CPA Congress L Alves & R Tomasiello | Lisa Alves-Month end lunch / CPA Congress L Alves & R Tomasi | 2,090.91 | |
| 04/10/17 | ISA 2nd Quarterly Contribution 2017-2018 | Industry Super Australia-ISA 2nd Quarterly Contribution 2017 | 141,442.00 | |
| 19/10/17 | Charity Golf Day 2017 | AHHA Inc. Hotel Care Account-Charity Golf Day 2017 | 5,000.00 | |
| 01/11/17 | Car - AIST Conference for Helen Nugent | Prestige / Delta Limousines-Car - AIST Conference for Helen | 254.54 | |
| 06/11/17 | CN Prestige/Deal Limousines 06-11 | CN 1504 (NOT FULL INVO-CN Incorrect Invoice Number | | 254.54 |
| 27/11/17 | Remaining payment for IFM Investors AGM - 041217 | Taxi Riverside-Remaining payment for IFM Investors AGM - 041 | 3,890.00 | |
| 27/11/17 | Remaining payment for IFM Investors AGM - 041217 | Taxi Riverside-Remaining payment for IFM Investors AGM - 041 | 313.95 | |
| 01/12/17 | Advertisement Private Debt Investor 011017 | PEI Media LTD-Advertisement Private Debt Investor 011017 | 16,479.20 | |
| 04/12/17 | Remainder payment due ISH event | Taxi Riverside-Remainder payment due ISH event | 4,693.50 | |
| 07/12/17 | ISA 3rd Quarterly Contribution 2017-2018 | Industry Super Australia-ISA 3rd Quarterly Contribution 2017 | 141,442.00 | |
| 01/01/18 | II Investor Forum - Event Sponsorship 1st half - Apr 18 | PEI Media LTD-II Investor Forum - Event Sponsorship 1st half | 14,260.92 | |
| 01/01/18 | II Investor Forum - Event Sponsorship 2nd half - Apr 18 | PEI Media LTD-II Investor Forum - Event Sponsorship 2nd half | 14,260.91 | |
| 01/01/18 | II Investor Forum - Event Sponsorship 1st half, Seoul Apr18 | PEI Media LTD-II Investor Forum - Event Sponsorship 1st half | 14,260.94 | |
| 01/01/18 | II Investor Forum - Event Sponsorship 2nd half, Seoul Apr18 | PEI Media LTD-II Investor Forum - Event Sponsorship 2nd half | 14,260.94 | |
| 01/01/18 | CN II Investor Forum - Event Sponsorship 1st half Apr18 | CN SIHK001121-CN II Investor Forum - Event Sponsorship 1st h | | 14,260.94 |
| 01/01/18 | CN II Investor Forum - Event Sponsorship 2nd half Apr18 | CN SIHK001123-CN II Investor Forum - Event Sponsorship 2nd h | | 14,260.94 |
| 01/01/18 | J Strachan & CG Reynolds | Writing Services "More on the line than just savings" 251017 | 747.00 | |
| 03/01/18 | Venue research for Crispin Derby Dinner | 2801-01-Venue research for Crispin Derby Dinner-Naomi Davies | 1,034.94 | |
| 03/01/18 | Crispin Derby Dinner | B1190-Crispin Derby Dinner-Chew Events Ltd | 4,042.73 | |
| 09/01/18 | Sponsorship ADIS 2018 | Department of Foreign Affairs and Trade-Sponsorship ADIS 201 | 9,016.00 | |
| 01/02/18 | Equities Membership 2018 | Investment Innovation Pty Ltd-Equities Membership 2018 | 17,500.00 | |
| 01/02/18 | RI Events Sponsorship 2018 | Response Global Media Ltd-RI Events Sponsorship 2018 | 31,972.15 | |
| 01/02/18 | Sponsorship of Mavis Robertson IWD Event in March | Women In Super-Sponsorship of Mavis Robertson IWD Event in M | 10,000.00 | |
| 01/02/18 | Event co-ordination for the Infrastructure Asset Management | 2017-07-Event co-ordination for the Infrastructure Asset Man | 2,837.44 | |
| 06/02/18 | Town Hall - Melbourne Event 2018 - Live Webcasting | Webcasting Pty Ltd-Town Hall - Melbourne Event 2018 - Live W | 3,840.00 | |
| 06/02/18 | Balance post event | Webcasting Pty Ltd-Town Hall - Melbourne Event 2018 - Live W | | 2,112.00 |
| 09/02/18 | Investment Innovation Institute 09-02 CN | CN MEM-2018-IFM-Investment Innovation Institute 09-02 CN | | 17,500.00 |

| Date | Memo | Description | Debits AU\$ | Credits AU\$ |
|----------|---|--|----------------|-----------------|
| 19/02/18 | Tam Entry Fee, LGS Golf Day 230318 | Local Government Super - JPMNAL ACF LGSS PTY LTD-Tam Entry F | 2272.73 | |
| 01/03/18 | CEDA Committee for Economic Development of Australia | Research Contribution | 920.00 | |
| 01/03/18 | MERGERMARKET Mergermarket Limited | 2018 AVCJ Private Equity and Venture Forum | 25,435.91 | |
| 01/03/18 | ACSI Australian Council of Superannuation Investors | ACSI 2018 Annual Conference | 8,000.00 | |
| 01/03/18 | CEDA Committee for Economic Development of Australia | State Corporate Membership Subscription 01-01-18 - 31-12-18 | 3,225.00 | |
| 01/03/18 | EMAP Emap Publishing Ltd | LGC Investment Summit 2018 - 060918 Product Sponsorship | 31,086.79 | |
| 01/03/18 | INSIGHTCOMM Insight Communications Consultants | Media Activities for Korea Feb 18 | 10,859.94 | |
| 01/03/18 | CGIGLASS CGI Glass Lewis Pty Ltd | Governance & Remuneration Forum 07-03-18 | 750.00 | |
| 06/03/18 | ANMM Australian National Maritime Museum | The Terrace Room Venue Hire | 1,540.00 | |
| 09/03/18 | LF CATERING Laissez-faire catering | Deposit IFM Conference 18 April 18 | 909.09 | |
| 15/03/18 | PEIMEDIA PEI Media LTD | Event Sponsorship-II Aus Melb Summit 18 | 19,613.70 | |
| 21/03/18 | AMERICANAUST American Australian Association | Diggers of Lone Pine | 32,418.81 | |
| 21/03/18 | MARKETSGROUP Markets Group | Midwest Forum Cocktail Sponsorship 2018 | 19,451.28 | |
| 23/03/18 | HESTA | Awards Program Silver Package | 4,545.45 | |
| 27/03/18 | INFRAPARTNER Infrastructure Partnerships Australia | Hosting- Infrastructure partnerships Australaia Leaders-Luncheon- Marika | 1,847.27 | |
| 01/04/18 | AMERICANAUST American Australian Association | Upgrade sponsorship - Guardian of ANZAC day (additional table) | 32,272.15 | |
| 01/04/18 | BLUESTARPROMO Blue Star Promote | IFM USBs - 4GB | 2,164.14 | |
| 01/04/18 | INFORMA Informa Australia Pty Ltd | AFR National Infrastructure Gold Sponsorship 2018 | 35,000.00 | |
| 10/04/18 | MARKETMAKERS MARKET MAKERS | Japan pension Conference 2018 Sponsorship Fee | 18,158.86 | |
| 11/04/18 | NORDIC Nordic Investor | co-host round table real-estate infra- Copenhagen | 8,096.59 | |
| 11/04/18 | LF CATERING Laissez-faire catering | Deposit IFM Conference 18 April 18/Working lunch/ Nespresso Coffee Up | 2,338.18 | |
| 13/04/18 | AIST Australian Institute of Superannuation Trustees | Top Tier Partner | 75,000.00 | |
| 18/04/18 | PROGBUSINESS Progressive Business Association | Cocktails briefing- Tim Pal | 1,363.64 | |
| 30/04/18 | PEIMEDIA PEI Media LTD | Event Sponsorship-II Aus Melb Summit 18 | 19,613.70 | |
| 01/05/18 | AAAIM The Association of Asian American Investment Managers | Trustee Membership Dues AAAIM Gold Membership | 13,219.90 | |
| 01/05/18 | INTREPIDMIND Intrepid Minds Pty Ltd | Infra Investment Australia Summit Gold Sponsor Package | 20,000.00 | |
| 01/05/18 | ECKER&PARTNER Ecker & Partners | Public relations and Networking for IFM Austria- Project VIE | 23,948.27 | |
| 07/05/18 | MATTGRAHAM Matthew Graham | 2018 Contract Payment #1 | 4,000.00 | |
| 07/05/18 | CFMEU CFMEU National Office | Silver sponsorship 2018 CFMEU National Conference | 10,000.00 | |
| 08/05/18 | MATTGRAHAM Matthew Graham | Taxi Fare- Syd Airport - Bondi 040518/ Taxi IFM Office - Syd Airport 04051 | 153.96 | |
| 10/05/18 | CHEWEVENTS Chew Events Ltd | IFM Event 090518- Satroria London - Final Spend, Venue Service Charge | 4,741.59 | |
| 14/05/18 | M COLEMAN Matthew Coleman | Korea- Office Opening Ceremony 291117 | 253.20 | |
| 15/05/18 | MERGERMARKET Mergermarket Limited | 2018 AVCJ & Inframation Infra Investors Forum- Japan | 24,069.76 | |
| 01/06/18 | AIST Australian Institute of Superannuation Trustees | Top Tier Partner Final Payment | 75,000.00 | |
| 01/06/18 | MATTGRAHAM Matthew Graham | 2018 Contract Payment #2/ #3 | 8,000.00 | |
| 01/06/18 | CRISPINDERBY Crispin Derby Ltd | Finance Event- Commissioned by Irimi Kalamakis | 22,586.25 | |
| 12/06/18 | MERGERMARKET Mergermarket Limited | AVCJ Gold Internet Delevery subscription- 150818 - 140819 | 5,138.73 | |
| 30/06/18 | BUSSQ SKYLIGHT BUSSQ Skylight Financial Solution | Golf day sponsorship mates in construction day | 500.00 | |

| Date | Name | Description | Debit AU\$ | Credit AU\$ |
|----------|---|--|---------------|----------------|
| 01/07/18 | IPEREALESTAT IPE International Publishers Ltd | 11600 GBP: Publication IPE Real Assets Full page advert and company profile | 20,804.19 | |
| 09/07/18 | AVENTEDGE Aventededge | HR Law Masterclass - 120918 A McArdie | 1,099.00 | |
| 17/07/18 | AIST Australian Institute of Superannuation Trustees | SuperGrad Program 2018 2nd Instalment | 12,500.00 | |
| 01/08/18 | SUPERPLANTS Superplants Limited | Short term hire-Plant- From 050918-080918 | 759.25 | |
| 01/08/18 | CITYPARENTS Cityparents Ltd | Corporate Access Pass- Category F- Annual Membership | 1,332.01 | |
| 01/08/18 | GES Global Experience Specialists GES Ltd | LGC Investment summit Sept 18- Linear Bar Table/Stools/ Literature Rack | 1,415.70 | |
| 01/08/18 | GES Global Experience Specialists GES Ltd | LGC Investment summit Sept 18- Podium tables/ Brochure Tower | 1,344.45 | |
| 01/08/18 | CONEXUS US Conexus Financial Pty Ltd- US | Sponsorship of the Fiduciary Investors Symposium Sept/Oct 2018 | 102,916.84 | |
| 01/08/18 | I3 Investment Innovation Institute | USD \$14,625- Global Investment Strategy Forum - singapore- Sponsorship fee | 19,928.33 | |
| 06/08/18 | BUSSQ SKYLIGHT BUSSQ Skylight Financial Solution | Townsville Golf Day | 500.00 | |
| 07/08/18 | AIF AIF Global LLC | 2019 Annual AIF Membership Fee- J Papazian | 68,611.23 | |
| 08/08/18 | GES Global Experience Specialists GES Ltd | LGC Investment summit Sept 18- Carrier Bag Holder | 136.75 | |
| 09/08/18 | CUE CUE Media Ltd | Supply of 4 LED wireless up lighters- LGC investment Summit- 050919-070918 | 490.18 | |
| 09/08/18 | GES Global Experience Specialists GES Ltd | LGC Investment summit Sept 18- 240v Socket outlet/ Testing charge | 225.91 | |
| 10/08/18 | GES Global Experience Specialists GES Ltd | LGC Investment summit Sept 18- Carrier Bag Holder | 136.75 | |
| 10/08/18 | CEDA Committee for Economic Development of Australia | Transforming Australia- Sustainable Development 050918- Table - 10 seats | 1,595.45 | |
| 14/08/18 | 4IMPRINT 4 Imprint Direct Limited | 100% Cotton promotional shopper/ screen charge- 130818 | 729.85 | |
| 15/08/18 | INSITE GRAPHICS Insite Marketing Solutions | Inflatable pod logos | 426.24 | |
| 15/08/18 | MARRIOTT Marriott Melbourne Hotel | 150818 Event Room Hire + Catering- Cancellation Fee- 75% of original contracted amount- Town Hall 2018 | 1,405.68 | |
| 01/09/18 | EMBAJADA Embajada de Australia- Dept of Foreign Affairs and | IFM Business Gala Event Contribution- J Papazian Dinner in Mexico | 10,280.92 | |
| 01/09/18 | CUE CUE Media Ltd | Supply of 8 LED wireless up lighters- LGC investment Summit- 050919-070918 | 995.17 | |
| 01/09/18 | CMATRIX C-Matrix Communications AG | Zurich Launch event 191018- Commencement - Swiss office opening | 26,043.65 | |
| 01/09/18 | MARRIOTT Marriott Melbourne Hotel | Updated Even Deposit 190918- Town Hall 2018 | 3,682.50 | |
| 01/09/18 | WEBCASTING Webcasting Pty Ltd | Live Webcasting event 15-16 Aug/ Moderated live webcast/ Setup and deploy security encryption/ 50% deposit p | 2,465.00 | |
| 03/09/18 | MARITIMESUPER Maritime Super | IFM Sponsorship - Maritime Super Charity Golf Day | 2,500.00 | |
| 04/09/18 | AMERICANAUST American Australian Association | Longest Drive Sponsor- 2nd Annual Mateship Charity Golf Tournament | 34,606.62 | |
| 14/09/18 | I3 Investment Innovation Institute | USD \$14,625- sponsorship fee - associate partner/ Swiss office opening- Global Investment Strategy Forum 2018 | 20,181.04 | |
| 14/09/18 | CIP Construction Income Protection | BERT/CIP Competition Sponsor + Team 4 Golf Day | 1,782.00 | |
| 14/09/18 | PI Party Ingredients Event Catering | Booking Fee Deposit for catering 08051- IFM Investors Dinner- Barber-Surgeon's Hall | 901.42 | |
| 14/09/18 | ATTILIO Attilio Meyer | Swiss office opening- RollUp Eco IFM Investor Launce Event | 1,066.06 | |
| 19/09/18 | MARRIOTT Marriott Melbourne Hotel | Updated Even Deposit 190918- Final Payment- Town Hall 2018 | 3,799.32 | |
| 19/10/18 | MARKUS Markus Senn Passion for Pictures | Photography Swiss Launch of IFM 191018 | 1,057.88 | |
| 26/10/18 | CMATRIX C-Matrix Communications AG | Zurich Launch event 191018- Commencement - Swiss office opening | 25,671.17 | |
| 01/11/18 | HOTELCARE AHHA Inc. Hotel Care Account | Charity Golf Day 2018-Donation | 10,000.00 | |
| 01/11/18 | KRAMER Kramer Gastronomie | Lunch at office opening event | 6,397.10 | |
| 01/12/18 | MARKETSGROUP Markets Group | Midwest Forum Cocktail Sponsorship 2019 | 42,265.18 | |
| 01/12/18 | DG PUB DG Publishing Ltd | LAPF Strategic Investment Forum Feb 2019 Sponsorship- P Bolger | 28,688.10 | |
| 01/12/18 | SOKEN Soken Inc | Advertorial 2P | 16,812.76 | |
| 17/12/18 | DFAT Department of Foreign Affairs and Trade | Sponsorship australia day event January 2019 | 19,009.50 | |
| 01/01/19 | CEDA Committee for Economic Development of Australia | Research amount | 950.00 | |
| 06/02/19 | DFAT Department of Foreign Affairs and Trade | Sponsorship ADIS 2019 | 6,425.00 | |
| 01/03/19 | MERGERMARKET CONSULTING Mergermarket Consulting Au | 2019 AVCJ private equity and venture forum - AU & NZ | 28,192.84 | |
| 01/03/19 | AIST Australian Institute of Superannuation Trustees | Top tier partner 2019- 1 of 2 | 75,000.00 | |
| 01/03/19 | LOCALGOVTSUP JPMNAL ACF LGSS PTY LTD | Team Entry for LGS Golf Day- 220319 | 2,727.27 | |
| 01/03/19 | CMATRIX C-Matrix Communications AG | Swiss Media Relations Program 191018- Commencement invoice | 8,821.64 | |
| 01/03/19 | PROSEK Prosek Partners LLC | Roundtable media event 140119 | 3,538.99 | |
| 01/03/19 | RYDGES Rydges Melbourne | Deposit 30% payment for IFM Investors | 4,934.28 | |
| 01/04/19 | HESTA | Hesta awards program silver package | 4,545.45 | |
| 01/04/19 | INFRAPARTNER Infrastructure Partnerships Australia | Sponsor- infrastructure Partnerships Australia Industry Lunch- Airports & the Aviation | 10,000.00 | |
| 01/04/19 | I3 Investment Innovation Institute | i3 Insurance/FICC Membership 2019- Principle member | 45,000.00 | |
| 01/04/19 | AAAIM The Association of Asian American Investment Managers | Trustee Membership Dues AAAIM Gold Membership- JAN-JUN 19 | 7,034.26 | |
| 01/04/19 | NOVATELKOREA Novotel Ambassador Gangnam | Music Charity Party- John Walter Charity Event | 6,135.63 | |

| Date | Name | Description | Debit AU\$ | Credit AU\$ |
|----------|--|--|---------------|----------------|
| 01/04/19 | MARKETMAKERS MARKET MAKERS | RI Asia conference - Japan pension Conference 2019 Sponsorship series I Fee | 18,979.45 | |
| 01/04/19 | WEBCASTING Webcasting Pty Ltd | Live and on demand Town Hall webcast at rydges hotel- Townhall 2019 | 1,845.00 | |
| 01/04/19 | LANGHAM MELBOURNE The Langham Melbourne | IFM Global leadership forum- Final payment | 10,117.00 | |
| 01/05/19 | AIST Australian Institute of Superannuation Trustees | 2018 AIST Awards for Excellence- 051218- S Barker/B Donovan/L Nunez/M Guy/M Kumar/L Parsons/L Butler/E | 1,681.82 | |
| 01/05/19 | INTREPIDMIND Intrepid Minds Pty Ltd | Infra Investment Australia Summit Gold Sponsor Package | 22,500.00 | |
| 01/05/19 | MATTGRAHAM Matthew Graham | 19/20 Contract Payment #1- MAY 19- Apr 20 | 4,000.00 | |
| 01/05/19 | BALLET The Australian Ballet | 2019 IFM Investors Cash Sponsorship New York Installment 2of 2 JAN-JUN | 20,000.00 | |
| 01/05/19 | BALLET The Australian Ballet | 2019 IFM Investors Cash Sponsorship Fee Overhead installment | 30,000.00 | |
| 01/05/19 | MATTGRAHAM Matthew Graham | Lake Placid World Cup 3rd/ Deer Valley World Ski Championship 2nd | 2,000.00 | |
| 01/05/19 | AMERICANAUST American Australian Association | Guardians of ANZAC Day- 2X Platinum Tables | 71,856.96 | |
| 01/05/19 | CONEXUS US Conexus Financial Pty Ltd- US | Platinum Sponsorship of the Fiduciary Investors Symposium at the University of Cambridge April 19 | 136,528.22 | |
| 01/05/19 | GAIL Maeil Business News | GAIL2019 Sponsorship | 6,071.51 | |
| 01/05/19 | MERGERMARKET JP Mergermarket Consulting Japan | Forum sponsored - AVCJ & inframation infra investors forum - Japan 2019 | 29,013.94 | |
| 01/05/19 | ASHTON Ashton Consulting | MAR 19- Media activity on Chris Newton's Japan visit in April/ Media monitoring | 5,806.96 | |
| 01/05/19 | CONGRESS Congress Rental | Hire a Tour guide/ Whisper system for event in Melb 15-16 April 19- Glenn Morey | 1,300.00 | |
| 10/05/19 | AIST Australian Institute of Superannuation Trustees | Sponsorship - G Weaven emerging trustees scholarship 2019 | 140,000.00 | |
| 01/06/19 | ACSI Australian Council of Superannuation Investors | ACSI annual conference gold sponsorship | 8,000.00 | |
| 01/06/19 | CRISPINDERBY Crispin Derby Ltd | Finance Event- Commissioned by Phelim Bolger | 23,952.65 | |
| 01/06/19 | VESEY Vesey UK Limited | Logo print on T-shirts for Corporate Fun Run | 360.27 | |
| 01/06/19 | ASHTON Ashton Consulting | Dec 10 and Jan 19 - media support for IFM investors Japan client seminar , media coverage | 11,761.73 | |
| 03/06/19 | MATTGRAHAM Matthew Graham | 19/20 Contract Payment #2 and 3- MAY 19- Apr 20 | 8,000.00 | |
| 03/06/19 | EMAP Emap Publishing Ltd | LGC investment Summit 060919 - Product Sponsorship - UK | 63,510.82 | |
| 04/06/19 | AIST Australian Institute of Superannuation Trustees | Sponsorship - SuperGrad Program 2019- 1 Rohan Joshi | 25,000.00 | |
| 12/06/19 | IGCC Investor Group on Climate Change | Sponsorship for IGCC 2019 Summit | 25,000.00 | |
| 13/06/19 | PEI UK PEI Media UK | Event sponsorship- Women in Private Equity Nov 2019-Inv SIUK019156 | 17,193.29 | |
| 13/06/19 | PEI UK PEI Media UK | Event sponsorship- Women in Private Equity Nov 2019-Inv SIUK019157 | 17,193.29 | |

Schedule 6

EXPENSES RELATING TO MARKETING AND BUSINESS DEVELOPMENT

| Date | Details | City | Sponsorship/ Event | Company | Total Value Guest Only (inc GST) | Value per guest (inc GST) |
|-----------|---|------------|--|---------------|--|---------------------------|
| 17-Feb-15 | CEDA - Energy Networks Luncheon | Melbourne | CEDA - Energy Networks Luncheon | CEDA | \$472.50 | \$157.50 |
| 27-Feb-15 | CEDA - Economic & Political Overview Luncheon | Melbourne | Ceda - Economic & Political Overview | CEDA | \$945.0 | \$157.50 |
| 18-Mar-15 | CMSF 2015 - IFM Hosted Dinner | Gold Coast | Hosted a Client Dinner for 10 Clients at CMSF Conference | IFM Investors | \$1,439.47 | \$143.95 |
| 31-Mar-15 | Melbourne | Melbourne | CEDA - Address by the Premier of Victoria | CEDA | \$1,732.50 | \$157.50 |
| 21-May-15 | CEDA - Australia's Infrastructure Potential | Melbourne | CEDA - Australia's Infrastructure Potential | CEDA | Table 11 \$1575 + \$175 = \$1750 (only 9 attended) Total Guest cost = \$777 | \$194 |
| 22-Jul-15 | CEDA - Transport Vision | Melbourne | CEDA - Transport Vision | CEDA | Table 10 \$1575 Only 8 attended Total guest cost = \$630 | \$157.50 |
| 26-Aug-15 | S&P Global Economic Outlook Luncheon | Melbourne | IFM/S&P partnership - Paul Sheard, S&P Chief Global Economist | IFM Investors | Table 20 \$1924 12 guests attended Total guest cost = \$1154.40 | \$96.20 |
| 02-Sep-15 | ASI Conference - IFM Hosted Dinner (TBC) | Gold Coast | Hosted dinner during ASI Conference (AIST) | IFM Investors | \$1,064 | \$133 |
| 09-Sep-15 | CEDA - Economic Address - RBA Deputy Governor | Melbourne | CEDA - Economic Address - RBA Deputy Governor | CEDA | Table 10 \$1431.82 4 guests attended Total guest cost = \$572.73 | \$143.18 |
| 14-Sep-15 | IPA Industry Leaders' Luncheon - one-off sponsorship | Sydney | Infrastructure Partnerships Australia Industry Leaders' Luncheon | IPA | Table 10 \$11000 4 guests attended Total guest cost = \$4125.00 | \$1,222.23 |
| 22-Oct-15 | Infrastructure Master Class | Melbourne | Infrastructure Master Class | IFM Investors | Total Room hire = \$1861 (For 9 guests = \$985.26 each) | \$109.47 |
| 22-Oct-15 | Infrastructure Master Class - Seamstress Post dinner & drinks | Melbourne | Infrastructure Master Class - Post dinner & drinks | IFM Investors | \$761.20 | \$95.15 |

| Date | Details | City | Sponsorship/ Event | Company | Total Value Guest Only (inc GST) | Value per guest (inc GST) |
|-----------|--|------------|--|---------------|--|---|
| 26-Feb-16 | CEDA - Economic and Political Overview | Melbourne | CEDA - Economic and Political Overview | CEDA | Total = \$1620 Total value guest only = \$810 | \$162 p/guest |
| 16-Mar-16 | CMSF IFM Hosted Dinner - Sean's Kitchen | Adelaide | CMSF Conference 2016 | IFM Investors | Total \$2740.50 Total value guest Only = \$1541.25 | 171.25 p/guest |
| 27-Apr-16 | Boston Red Sox Game (Red Sox Ticket and Bus Transfer only) | Boston | AIST - 2016 Global Dialogue | AIST | Red Sox tickets Total US\$4,380 (US\$3999.13 for guests) Transfer Bus US\$529.10 (US\$483.10) Total value guest only = US\$4482.23 | Red Sox Ticket US\$190.43 + Transfer Bus US\$23 each Total p/guest = US\$213.43 each |
| 11-May-16 | ASFA Budget Briefing - Sydney | Sydney | ASFA Budget Briefing - Sydney | ASFA | Total \$2,420.50 Total Value guest only = \$1210.25 | \$242.05 |
| 12-May-16 | ASFA Budget Briefing - Melbourne | Melbourne | ASFA Budget Briefing - Melbourne | ASFA | Total \$1,854 Total Value guest only = \$1107 | \$184.50 |
| 01-Jun-16 | 20th Anniversary Listed Equities Dinner | Melbourne | IFM Investors Hosted Dinner | IFM Investors | Total \$4619.50 Total Value guest only = \$1616.83 | \$230.98 p/guest |
| 14-Jun-16 | CEDA - Australia's Economic Growth Agenda | Melbourne | CEDA - Australia's Economic Growth Agenda | CEDA | Total \$1,620 Total Value guest only = \$486 | \$162 |
| 05-Sep-16 | ASI Private Dinner | Cairns | AIST - Hosted dinner during ASI Conference 2016 | IFM Investors | Total \$2,856 Total Value guest only = \$1,270 | \$159 |
| 01-Oct-16 | CFMEU Conference Dinner 2016 - Sponsorship Package | Gold Coast | CFMEU Conference Dinner 2016 - Sponsorship Package | CFMEU | \$8,000 package | n/a |
| 27-Oct-16 | Phil Spathis Governance Address | Melbourne | Phil Spathis Governance Address - IFM hosted table | ASI | Total 1,232 Total Value guest only = \$924 | \$154 |

| Date | Details of sponsorship/donation/event, etc | City | Beneficiary Company/Organisation | Total Value Guest Only (inc GST) | Value per guest (inc GST) |
|---------------|--|------------|--------------------------------------|---|---|
| 15-Feb-17 | CEDA Economical & Political Overview Luncheon | Melbourne | CEDA | \$1665 Guest Total= \$666 | \$166.5 |
| 15-Mar-17 | Smart Beta Master Class | Melbourne | IFM Investors | \$3285 Guest Total= \$2063 | \$131.4 |
| 22-Mar-17 | CMSF private dinner | Gold Coast | IFM Investors | \$3438.5 Guest Total= \$1971 | \$172.0 |
| 13-Apr-16 | Chinca Construction Bank visit to IFM | Melbourne | IFM Investors | \$49.10 | \$5.45 |
| 10-May-17 | ASFA Budget Briefing | Sydney | ASFA | Total = \$2,150 Guest Total = \$1,290 | \$215 |
| 11-May-17 | ASFA Budget Briefing | Melbourne | ASFA | Total = \$1,730 Guest Total = \$692 | \$173 |
| 16-May-17 | Women in Super luncheon (Sponsorship) | Sydney | Women in Super | 0 | n/a - sponsorship |
| 12-15 June-17 | IFM Investors Infrastructure Debt Masterclass for Korean clients and prospects. Cost includes venue, client gifts and 2 private dinners. | Seoul | IFM Investors | AU\$19,115.1 | \$238.95 |
| 6-8 September | ASI Conference 2017 - Private Dinner | Gold Coast | IFM Investors | Total = \$1,753 Guest Total = \$1,022.58 | \$146.08 |
| 10/10/2017 | Songs of my Country with Vienna Boys' Choir | Sydney | Gondwana Indigenous Children's Choir | Costs included in sponsorship agreement | Costs included in sponsorship agreement |
| 2/11/2017 | Wesfarmers Sustainability Lunch | | IFM Investors | Total = \$150 (Catering) | |

| Date | Details of sponsorship/donation/event, etc | City | Beneficiary Company/Organisation | Total Value Guest Only (inc GST) | Value per guest (inc GST) |
|-----------|---|------------------|----------------------------------|-----------------------------------|---------------------------|
| 28-Feb-18 | 2018 AVJC Private Equity and Venture Forum | Sydney | AVJC | n/a | n/a |
| 07-Mar-18 | Women in Super luncheon (Sponsorship) | Melbourne/Sydney | Women in Super | n/a | n/a |
| 14-Mar-18 | 2018 CMSF | Brisbane | CMSF | n/a | n/a |
| 05-Apr-18 | Chris Bowen Luncheon | Melbourne | IFM Investors | \$1,067 | \$48.50 |
| 18-Apr-18 | AUSGRID Site Tour and Briefing | Sydney | IFM Investors | \$2,572 | \$85.70 |
| 01-May-18 | Wesfarmers Breakfast | Melbourne | IFM Investors | \$220 | \$11.5 |
| 09-May-18 | ASFA Budget Briefing | Sydney | ASFA | \$1,802.50 | \$225.31 |
| 10-May-18 | ASFA Budget Briefing | Melbourne | ASFA | \$2,214.50 | \$221.40 |
| 13-Jun-18 | 3TOM Women In Investments | Melbourne | 3TOM | \$1,067 | \$50.81 |
| 04-Jun-18 | AFR National Infrastructure Summit 2018 | Sydney | | 0 | \$0.00 |
| 27-Jun-18 | AIST Global Dialogue | Amsterdam | AIST | | n/a |
| 27-Jun-18 | The Korean Peninsula and the 'Trump' Zone. Should investors be worried? | Melbourne | IFM Investors | \$859.50 | \$53.9 |
| 27-Jun-18 | Woolworths domestic supply chain breakfast briefing | Melbourne | IFM Investors | \$220 | \$36.60 |
| 31-Jul-18 | ASFA Emerging Leaders Breakfast | Melbourne | | \$40 | \$20 |
| 13-Aug-18 | WIS National Road Show 2018 | Sydney | | 0 | 0 |
| 29-Aug-18 | WIS National Road Show 2018 | Melbourne | | 0 | 0 |
| 05-Sep-18 | ASI Conference Cairns - Dinner | Cairns | AIST | \$2,677.60 | \$148.7 |
| 17-Oct-18 | Maritime Super Charity Golf Day | Little Bay NSW | Hunterlink | \$2,500 | |
| 14-Nov-18 | ASFA Conference | Adelaide | ASFA | \$8,866.00 | \$4,433 |

| Date | Details of sponsorship/donation/event, etc | City | Beneficiary Company/Organisation | Total Value Guest Only (inc GST) | Value per guest (inc GST) |
|-----------|---|------------|----------------------------------|---|---|
| 01-Mar-19 | WiBF Deep Dive: Banking & Finance Mega Trends for 2019 | Melbourne | WiBF | \$270.00 | \$90 |
| 06-Mar-19 | Brisbane Airport Site Tour and Briefing | Brisbane | IFM Investors | \$3,510 | \$135 |
| 07-Mar-19 | Women in Super luncheon (Table of 10) | Melbourne | Women in Super | \$1,500 | \$150 |
| 13-Mar-19 | CMSF Dinner (IFM hosted) | Gold Coast | CMSF | \$2,153.60 | \$179.5 |
| 13-Mar-19 | 2018 CMSF | Gold Coast | CMSF | \$3975 for 5 tickets (4 complimentary) | \$795 |
| 14-Mar-19 | 2018 CMSF Dinner | Gold Coast | CMSF | \$0 - dinner included as per registration | \$0 - dinner included as per registration |
| 31-Jul-19 | ESG Equities Forum | Melbourne | IFM Investors | \$644 | \$21.40 |
| 21-Aug-19 | WIS National Roadshow | Sydney | | Part of annual sponsorship* | Part of annual sponsorship* |
| 03-Sep-19 | WIS National Roadshow | Melbourne | | Part of annual sponsorship* | Part of annual sponsorship* |
| 03-Sep-19 | ASI Conference | Hobart | | \$14,588 | \$2,431.3 |
| 03-Sep-19 | ASI Conference: IFM Investors Hosted dinner | Hobart | IFM Investors | \$3,644.00 | \$130.15 |
| 10-Sep-19 | Australian Ballet: Sylvia | Melbourne | IFM Investors | \$1,892.00 | \$126.13 |
| 12-Sep-19 | SCF 20 Year Celebration | Melbourne | IFM Investors | \$11,690.00 | \$137.00 |
| 22-Oct-19 | IFM Investors' Active Australian Equities Market Update | Sydney | IFM Investors | \$450.00 | \$25.00 |
| 23-Oct-19 | IFM Investors' Active Australian Equities Market Update | Melbourne | IFM Investors | \$493.00 | \$22.40 |
| 14-Nov-19 | Australian Ballet: Sylvia | Sydney | IFM Investors | Included in sponsoring agreement with The Australian Ballet | Included in sponsoring agreement with The Australian Ballet |

Schedule 7

IFM GROUP VALUATION POLICY



IFM Group Policies

Section 4(b)

IFM Group Valuation Policy

14 August 2018

Prioritise Investors

- We focus on investor interests to inform our actions
- We work as one IFM to build long term, constructive investor relationships
- We work together to act as a trusted advisor and a steward of other people's money

Achieve Excellence

- We work as one IFM to achieve great results
- We regularly give and receive feedback openly and constructively
- We take ownership of our actions and learn from our experiences

Respect Each Other

- We value diversity and act in an inclusive manner
- We respect each other's time and efforts and conduct ourselves in a thoughtful manner
- We support each other in a positive and constructive way

Inspire Innovation

- We welcome new ideas and encourage informed discussion
- We are open to change and constructively challenge the status quo
- We look for opportunities to share knowledge

Lead by Example

- We all have the opportunity to lead by example
- We do what we say we will do and hold ourselves accountable
- We get involved in wider company and community activities

| | | |
|----------|--|----------|
| 1 | Authority and Responsibilities | 1 |
| 2 | Delegated Staff | 1 |
| 3 | Valuation Policy | 1 |
| 3.1 | Traded Investments/Securities: Equity | 1 |
| 3.2 | Traded Investments/Securities: Debt Investments | 2 |
| 3.3 | Traded Investments/Securities: Derivatives | 2 |
| 3.3.1 | Foreign Currency | 2 |
| 3.3.2 | Futures Contracts – SPI, Bank Bill, Bond Futures | 2 |
| 3.3.3 | Non-Traded Investments/Securities | 2 |
| 3.4 | Directly Held | 2 |
| 3.4.1 | Infrastructure (Equity)..... | 2 |
| 3.4.2 | Private Equity | 4 |
| 3.4.3 | Public Equity..... | 4 |
| 3.4.4 | Debt Investments | 5 |
| 3.5 | Pooled Vehicles | 5 |
| 3.5.1 | Private Equity | 5 |
| 4 | Independent Valuers | 6 |
| 5 | Review | 6 |
| 6 | Sale of Infrastructure Equity Assets | 7 |

1 Authority and Responsibilities

The IFM Group Valuation Policy (“Policy”) is part of the IFM Group Policies (the “Policies”) and determines the approach to the valuation of listed and unlisted investments, portfolios and products by IFM Holdings Pty Ltd and its subsidiaries (collectively “IFM”). The Policy is approved by the IFM Group Boards on advice from the IFM Group Boards Audit & Risk Committee (“BARC”).

The Chief Executive of IFM Investors Pty Ltd is responsible for:

- Communicating and instructing Delegated Staff and relevant IFM staff on the contents of the Policy;
- Advising the IFM Group Risk Committee (“IFMRC”) of breaches to the Policy; and
- The ongoing review and proposing of amendments to the Policy to the IFMRC.

Implementation of this Policy is to be in accordance with the IFM Group Delegations of Authority Register (Section 1(a) of the Policies).

The IFM Investors Cultural Foundations and Behaviours underlie and inform this Policy.

2 Delegated Staff

The following positions within IFM are delegated authority under this Policy (the “Delegated Staff”).

- Chief Executive (“CE”)
- Global Head of Infrastructure (“GHI”)
- Head of Private Equity (“HPE”)
- Group Heads and Executive Directors

3 Valuation Policy

3.1 Traded Investments/Securities: Equity

Traded investments/securities are defined as those investments appearing on an IFM approved independent market data vendor, for example IRESS, Bloomberg.

The current pricing source for traded securities is Bloomberg. The end of day¹ valuation for a security is the “Close” price, and intraday the “Last” price.

Under normal circumstances, the valuations of an equity investment would follow the listed share price, however for equity investments where greater than 20% of issued stock is held by one IFM fund, consideration will be given to a variation from the last traded price for valuation purposes, on the basis of a discount for illiquidity or a premium for control, on a case by case basis. This may include, and is not limited to, situations where IFM has governance or rights in relation to an investment which are not available to the other holders of the publicly traded securities.

¹ Note that references in this Policy to “end of day” refers to the local market where the security is quoted.

Where IFM considers that the market value does not reflect the fair value of these assets due to trading, pricing or other irregularities, a fair market value will be determined by the relevant Group Head for approval of the IFM Board. These occasions are expected to be rare and obvious.

3.2 Traded Investments/Securities: Debt Investments

All debt investments held by, or managed by, or advised by, IFM Debt Investments, are to be valued using the fair market valuation principles enshrined in the International Financial Reporting Standards² or the Generally Accepted Accounting Principles³ in the United States and their international equivalent accounting standards. For details, please refer to the Valuation Guidelines in the IFM Debt Group Operations and Compliance Manual (Section 2(e) of the Policies).

3.3 Traded Investments/Securities: Derivatives

3.3.1 Foreign Currency

Foreign currency contracts are valued using the appropriate spot or forward exchange rates reported by an IFM approved independent pricing source, this currently being Bloomberg. The end of day valuation for a foreign exchange contract is the “Close” price.

3.3.2 Futures Contracts – SPI, Bank Bill, Bond Futures

Futures contracts are valued using rates sourced from the relevant futures exchange reported by an IFM approved independent pricing source, such as IDL and/or Bloomberg.

The current pricing source for traded securities is IDL and/or Bloomberg. The end of day valuation for a security is the “Close” price, and intraday the “Last” price.

3.3.3 Non-Traded Investments/Securities

It is intended that all non-traded IFM products and assets will be fully re-valued at least annually. By sector, the specific approach is outlined below.

3.4 Directly Held

3.4.1 Infrastructure (Equity)

Infrastructure assets will be independently valued quarterly (“as at” quarter end) by an Independent Valuer except where:

- The asset/company/trust’s assets are comprised predominantly of cash (or cash equivalents), in which case the net assets method can be used with the valuation performed by IFM; or
- A non-IFM trustee/responsible entity directs otherwise, in which case specific written agreement will be obtained as to the valuer proposed and the valuation method; or
- Where the asset/company/trust’s investment value in the previous two consecutive quarters is less than AUD100 million (for the IFM Australian Infrastructure Fund) / USD150 million (for the

² International Financial Reporting Standards Section 13

³ Generally Accepted Accounting Principles ASC 820

IFM Global Infrastructure Fund), an IFM internal valuation can be used once this approach has been approved by the full IFMRC (or its delegate); or

- The asset is undergoing the final stage (following receipt of the binding bids to financial close) of a sale process for all or part of its equity interest, in which case, Section 6 will apply; or
- Where the asset/company/trust was acquired within the quarter, the cost-of-investment method⁴ can be used for IFM's valuation, except for situations where the policy regarding "Traded Investments/Securities: Equity" applies; or
- The asset is managed by an external party in a pooled vehicle.
- For infrastructure preferred equity or infrastructure debt investments held within an Infrastructure equity fund, the method of valuation of assets is market value provided by an approved data provider, unless IFM (through the full Risk Committee) determines there is no market in respect of the asset or the market value does not represent the fair value of the asset, in which case the asset must be valued using a method determined by IFM. In addition, the frequency of update to the valuation is expected to be in line with all other infrastructure investments (i.e. on a quarterly basis).

These quarterly valuations (excluding the above mentioned exceptions) may be refreshed by an Independent Valuer before the quarter end on the occurrence of an event that is expected to have a significant impact on the valuation and it has been deemed necessary for a revaluation to occur prior to quarter end. Any recommendation as to whether a valuation is required will be referred by the GHI to the full IFMRC. The full IFMRC will decide whether a valuation before the quarter end is required on the advice of the GHI. Triggers which may prompt a review of the valuation include:

- Circumstances where a sale of an asset fails to settle (refer clause 6 below);
- Significant event within the asset which has the potential to be an adverse/positive factor in the valuation, e.g. loss of physical infrastructure through a natural event; awarding of a material long term contract to the entity, etc;
- Increased sovereign risk in the asset's locality;
- Failure of a major competitor or client;
- Merger and acquisition activities ;
- A co-shareholder divests its interest in a portfolio asset;
- Exposure to significant debt or equity refinancing activity;
- Significant change in operational conditions;
- Significant changes in the performance of the underlying business relative to expectations;
- Breach of obligations by the underlying business (e.g. defaults, breach of agreements); and
- Global or market-specific crises.

The valuation method is to be determined by the appointed Independent Valuer at their discretion as long as the method falls within the standards prescribed under AASB 139, US GAAP ASC § 820 and ASC § 825 (formerly FAS 157 and 159) as appropriate. IFM notes that the preferred method is the discounted cash flow ("DCF") method, subject to the exceptions noted, and valuations should also have regard to quoted prices for identical or similar investments in active markets. Valuation

⁴ The cost-of-investment method is the cost of the investment inclusive of capitalised expenses.

methodology should be kept consistent from quarter to quarter. For valuations performed by IFM, subject to the exceptions noted, the DCF method will be used.

IFM will annually provide valuations to the relevant funds' auditor for review in accordance with the auditor's audit methodology – such review may include an audit of assumptions and calculations of the Independent Valuer's reports, and may involve contact with the Independent Valuer.

Independent Valuers will provide a "Low/Mid/High" scale of values for an asset. IFM's approach is to adopt the "Mid" as the appropriate valuation. The recommendations for valuation points for Australian and international infrastructure assets are made by the GHI. Any recommendation to change any valuation point from the previous quarter is to be referred to the full IFMRC for approval. Any recommendation to adopt a "High" point must be approved by the IFM Group Boards.

Change in valuation of an asset of greater than both 15% over or under the previous quarter and AUD15 million (for the IFM Australian Infrastructure Fund) / USD15 million (for the IFM Global Infrastructure Fund) over or under the previous quarter, is to be referred to the full IFMRC for discussion and noting prior to quarter-end.

Note: Where a change in valuation of an Infrastructure equity investment is requested to move from Low to Mid point or vice versa and by doing so might have a material impact on the remuneration of any member of the infrastructure investment teams due to greater achievement of their target KRAs (e.g. moving the Fund Performance KRA result from "Threshold" to "Met" or from "Met" to "Stretch"), the request for valuation change is to be referred by the IFMRC to the Board for approval. Given the time considerations of such a change (unit pricing, etc.), such a referral may need to be undertaken by circular resolution.

Valuations are produced "as at" a particular date (quarter end) and are therefore not current until that date. Because of this, valuations are incorporated into unit prices at or shortly after the quarter end, regardless of when the valuation was received by IFM.

Financial models used for new acquisition purposes, whether constructed internally or externally, will be audited by third party model auditors.

3.4.2 Private Equity

Valuations for directly held non-traded private equity investments/securities will be performed quarterly in accordance with Australian Venture Capital Association Limited International Private Equity and Venture Capital Valuation Guidelines November 2005 ("AVCAL/IPEV Guidelines (September 2009)"). The HPE recommends, and the Private Equity Sub-Committee of the IC approves, valuations before they are incorporated into unit prices.

Change in valuation of an asset by a material amount over or under the previous period of greater than 20% of asset value or 10% of fund or mandate value, is to be referred to the full IFMRC for discussion and noting prior to quarter end.

3.4.3 Public Equity

The method of valuation of assets is as in clause 3.1, unless IFM determines there is no market in respect of the asset, in which case the asset must be valued using a method determined by IFM, but guided by methodology used for unlisted assets in Infrastructure and Private Equity, as appropriate.

Such circumstances might include a listed security that is delisted for insolvency reasons. In such circumstances, there is no market in respect of the security and, due to the uncertainty of the value of the security for equity holders, IFM will value such securities at zero until such time as written advice on the value of each security is received from administrators.

3.4.4 Debt Investments

All debt investments held by, or managed by, or advised by, IFM Debt Investments, are to be valued using the fair market valuation principles enshrined in the International Financial Reporting Standards⁵ or the Generally Accepted Accounting Principles⁶ in the United States and their international equivalent accounting standards. For details, please refer to the Valuation Guidelines in the IFM Debt Group Operations and Compliance Manual (Section 2(e) of the Policies).

3.5 Pooled Vehicles

3.5.1 Private Equity

The last available unit/share price is used for valuation purposes. The manager of the investment vehicle is expected to have in place a consistent valuation policy that would ideally involve:

- For domestic private equity pooled vehicles, valuations performed in line with the AVCAL Guidelines and relevant accounting standards; and
- For international private equity vehicles, valuations performed in line with the relevant national venture capital governing bodies' guidelines, or in accord with a stated and agreed valuation policy (provided to IFM) and relevant accounting standards.

The due diligence process for selection of a manager or fund includes consideration of valuation practices. The manager is the only appropriate party to provide valuations for these assets, as only they know the status of each individual investment they have made. Typically, funds are audited annually and auditors review valuation policy and valuations.

Valuations are received from managers at least annually and generally quarterly. IFM ensures that the most current valuation received by IFM is incorporated into the weekly unit price for each fund. IFM will also incorporate relevant cash flows into the calculation of the unit price.

Where there is any concern over a valuation, IFM will liaise with the relevant manager to resolve these concerns. In a number of instances, IFM also participates in investor advisory committees and valuations are discussed in these forums. IFM will selectively consider write-downs of pooled funds in advance of the manager for known events which are to be approved by the Private Equity Sub-Committee of the IC (PESC).

In the case of co-investments, valuation changes could be write-ups or write-downs. In respect of co-investments, IFM will:

- Prepare quarterly indicative valuations of all co-investments for approval by the PESC;
- Apply a consistent methodology in accordance with AVCAL guidelines across all co-investments over time;
- Reference a Manager's most recently received valuation in such indicative valuations, and
- Ensure the quarter-end unit price reflects the indicative co-investment valuations signed off by the Chair of the PESC.

It is worth noting that the goal of a private equity investment is to realise growth in capital value upon exit.

⁵ International Financial Reporting Standards Section 13

⁶ Generally Accepted Accounting Principles ASC 820

4 Independent Valuers

The appointed valuer is a professional services firm with a recognised valuations practice that is:

- A firm independent of the entity being valued, the appointed investment manager and IFM and should make a full disclosure of interests prior to appointment; and
- Appointed for a maximum of three years unless approved by the IFM Boards.
- Valuers are to be engaged in accordance with the IFM Policy for the Engagement of External Advisors (Section 4(f) of the Policies). IFM does not obtain multiple valuations for the same asset from different Independent Valuers. For the avoidance of doubt, where IFM has multiple investments in the same or affiliated asset, the same Independent Valuer shall be used. IFM does not use Independent Valuers where their fee is contingent upon the investment's valuation.
- Conflicted valuers are not appointed, and should an existing valuer become conflicted, IFM will take the necessary steps to replace them with another non-conflicted valuer. The auditor of IFM's funds and the IFM corporate entities (currently Deloitte) is regarded as conflicted and is not engaged for valuations.
- The process involving valuer rotation and the appointment of new valuers is managed independently of the investment teams by the Operations Group, with input from the Infrastructure investment team as appropriate.
- The Performance & Reporting Team within the Operations Group provides an independent overview of the interaction between the Infrastructure investment team and the valuer during the quarterly valuation process. This occurs through being copied in on all email correspondence between the Infrastructure investment team and the valuer, and attending initial and final meetings with the valuer for a range of assets nominated by the Operations Group, and providing updates on the process to the IFMRC when required.

5 Review

Valuations will be reviewed on an ongoing basis by all Group Heads and Executive Directors who are responsible for portfolio and asset valuations. For Infrastructure and Private Equity portfolios, this review is done in consultation with the relevant group.

Where a Group Head or Executive Director disagrees with a current valuation, valuation method or valuer arising from application of the Policy, then the matter should be referred to the full IFMRC for review and decision.

In using valuations for unit pricing, the Operations Group has an obligation to confirm the integrity of the valuation. Valuations provided to the Operations Group are verified to the independent valuation source.

The IFMRC will review this Policy on an annual basis. All Group Heads and Executive Directors who are responsible for portfolio and asset valuations are required to report any material changes, concerns or issues arising from valuations, as well as any auditor feedback, to the CE and full IFMRC.

The external auditor for IFM's funds also reviews valuations annually.

The IFM Board Investment Committee (“BIC”) will review the valuation of each material⁷ asset on a triennial cycle (and more frequently if required by the BIC based on risk factors). In the first three years commencing FY2016, the BIC will select approximately one third of the number of assets within the pooled infrastructure funds so that by the end of the triennial cycle, all material assets in the portfolios would have undergone a BIC review process.

The BIC’s remit with respect to the review of valuations will include:

- A review of the process of data collection, application of the Infrastructure team’s view on the inputs, the IFM Investment Director/Executive Director review process, and sensitivity testing by the Independent Valuer; and
- The opportunity to conduct a further in-depth review of assumptions, scenarios or valuation methodology.

Any single member of the BIC may recommend to the IFM Board the termination of the current Independent Valuer engagement and request for a new engagement commencing from the next quarterly valuation if he or she is not satisfied with the outcome of a BIC review.

6 Sale of Infrastructure Equity Assets

The considerations below apply to full and partial divestments.

Under Section 3.3.4, Infrastructure (Equity) assets will be independently valued quarterly (“as at” quarter end) by an Independent Valuer. Due to the commercial sensitivity of a divestment process, when an asset is undergoing a divestment and the required quarterly valuation falls within the final bid phase i.e. during the period from the receipt of the final bids until contracts are executed, the previous quarter’s independent valuation may be adopted after considering relevant market and sector factors and other applicable information. Approval will be sought from the IFMRC and investors will be notified in the quarterly reporting process.

Once a sale contract is in place, the valuation of the asset is to be taken as the net sale price of the asset. Where the investment team believes that conditions precedent represent material execution risk to final settlement or there is a commercial reason why IFM does not want to adopt the contract price as the valuation prior to financial settlement, the IFMRC may approve a variation to this Policy. Any such variation that may reasonably have a material impact on the remuneration (either current or future years) of any member of the infrastructure investment teams is to be referred by the IFMRC to the Board for approval.

Where final bids have been received but approval has been sought to value the asset at the previous quarter’s valuation or the contract sale price has not been reflected in the asset valuation, IFM may, subject to IFMRC approval, suspend unit pricing and establish an application and redemption blackout period. IFM will give consideration to the materiality of the asset, accuracy of the unit price being issued, any capital need that the funds may have to fund an obligation and the principle of equitability to all investors.

If the sale fails to materialise for any reason, an Independent Valuer is to review the value of the asset in light of the contract price, and determine whether fair value is represented by:

- The sale contract price; or

⁷ >AU\$500m in value and >5% of the value of the respective investment portfolio. It also includes assets which may be assessed as “assets of concern”.

- The last independent valuation; or
- A fresh valuation based on market information.

Schedule 9

NAMES AND LOCATIONS OF INFRASTRUCTURE ASSETS

Major location or head office

| Asset | City | State |
|--|----------------|--------------|
| Australia Pacific Airports Corporation | Melbourne | VIC |
| Brisbane Airport | Brisbane | QLD |
| NT Airports | Darwin (HQ) | NT |
| Adelaide Airport | Adelaide | SA |
| Port of Brisbane | Brisbane | QLD |
| NSW Ports | Sydney | NSW |
| Eastern Distributor (M1) | Sydney | NSW |
| Wyuna | Sydney | NSW |
| InfraNexus (Southern Cross, Praeco,WLG, Axiom) | Melbourne (HQ) | VIC |
| Perth Airport | Perth | WA |
| Ausgrid | Sydney | NSW |
| <i>Ex NSW Rent buy/Mercy</i> | | |
| Total | | |

Major location or head office

| Asset | City | Country |
|--------------------------------|---|-------------------|
| DCT Gdansk | Gdansk | Poland |
| Impala Terminals | GLOBAL (Trafigura HOffice is Amsterdam) | Columbia (GLOBAL) |
| GCT Global Container Terminals | Vancouver | Canada |
| FCC AQUALIA | Madrid | Spain (GLOBAL) |
| Mersin International Port | Mersin | Turkey |
| M6toll | Birmingham | England |
| VTTI | Amsterdam | Holland (GLOBAL) |
| Indiana Toll Road | Chicago | USA |
| Aleatica | Madrid | Spain (GLOBAL) |
| Vienna Airport | Vienna | Austria |
| Freeport Train 2 | Houston | USA |
| Manchester Airports Group | Manchester | England |
| Colonial Pipeline Company | Houston | USA |
| Anglian Water Group | Hungtindon | England |
| Veolia Energia Polska | Warsaw | Poland |
| Arqiva Limited | Winchester | England |
| Buckeye Partners, LP | Houston | USA (GLOBAL) |