

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

REI Super

REI63QW: Can you please advise what arrangements you have provided to **defer** the payment of rent for tenancies for **assets owned** by your fund as a result of keeping SMEs operational during the COVID-19 pandemic? And to what dollar value has that reduced revenue to your fund since 1 February 2020?

Answer: This question is not applicable to REI Super

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REI Super

REI64QW: Can you please advise what arrangements you have provided to **defer** the payment of rent for tenancies for **assets controlled** by your fund as a result of keeping SMEs operational during the COVID-19 pandemic? And to what dollar value has that reduced revenue to your fund since 1 February 2020?

Answer: This question is not applicable to REI Super

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REI67QW: On 1 January 2020 what was your percentage share and nominal value of your listed and unlisted assets?

Answer: Unlisted property – 4.3%
Listed property – 95.7%

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REI Super

REI68QW: On 1 January 2020 did your fund have liquidity issues resulting from honouring obligations to members?

Answer: No

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REI Super

REI69QW: What write down, if any, has been made to the value of unlisted assets?

Answer: 5.4%

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REI Super

REI70QW: Listed companies holding infrastructure assets have had write downs of around 40 per cent:

- a. How does this compare to your write down of unlisted assets?
- b. If there is a difference, why is there a difference?

Answer:

- a. 5.4% - unlisted property
- b. Different asset class

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REI Super

REI71QW: Have you had any liquidity issues in honouring your obligations to members as a result of the:

- a. recent decline in the share market?
- b. permission by the Federal government to allow members to remove up to \$10,000 per financial year if they lose their job?

Answer:

- a. No
- b. No

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REI Super

REI72QW: What has been the current reduction of the value of your fund, and the unlisted and listed components since 1 January 2020?

Answer: Unlisted – 5.4%
Overall Fund – 11%

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REI Super

REI73QW: How many members have **requested the early release** of their superannuation since 12 March 2020, and to what value?

Answer: 1,421 members / \$12.3 million.

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REI Super

REI74QW: How many members have **had approved the early release** of their superannuation since 12 March 2020, and to what value?

Answer: 1,421 members / \$12.3 million

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REI Super

REI75QW: If some members have required the early release of their superannuation since 12 March 2020 and not been approved, please provide details of the grounds on which they have not been approved.

Answer: N/A

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REI Super

REI76QW:

Liquidity management:

- a. What is your fund's process for complying with APRA's prudential framework which requires trustees to have a liquidity management plan? We have a liquidity management plan approved by the Board which sets out key requirements eg stress testing, liquidity constraints etc
- b. How is the plan being reported to the trustee directors? Liquidity levels reported to the Trustee on a regular basis
- c. Who is responsible for the day-to-day liquidity management for the fund? Investment Manager & Administrator with Trustee oversight.

Answer:

- a. We have a liquidity management plan approved by the Board which sets out key requirements, such as stress testing, liquidity constraints, etc.
- b. Liquidity levels are reported to the Trustee directors on a regular basis
- c. Investment Manager and Administrator with Trustee oversight.

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REI77QW: Since 12 March 2020, has your fund provided any liquidity to:

- a. REST?
- b. Hostplus?
- c. any other superannuation fund?

Answer: a-c) No

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REI Super

REI78QW: Since 12 March 2020, has your fund loaned any cash to:
a. REST?
b. Hostplus?
c. any other superannuation fund?

Answer: a-c) No

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REI Super

REI79QW: Regarding any investments you have with IFM Investors, please provide the following:

- a. The capital invested each year for the past five years.
- b. The accumulated valuation of investments for the past five years.
- c. The dividends received from those investments for the past five years.

Answer: This is N/A to REI Super

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REI Super

REI80QW: Regarding any investments you have with ME Bank, please provide the following:

- a. The capital invested each year for the past five years.
- b. The accumulated valuation of investments for the past five years.
- c. The dividends received from those investments for the past five years.

Answer: This question is N/A to REI Supe

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REI Super

REI81QW: If you are an investor in ME Bank, have you individually (or in collaboration with other funds), ever commissioned reports into its valuation in the past decade?

- a. And if so, how many reports and in what year?
- b. Were any commissioned to be completed by the UK-based group, LEK?
- c. And please provide copies.

Answer: This is N/A to REI Super

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REI Super

REI82QW: According to reports in the *Australian Financial Review* superannuation fund, Hostplus, redefined the definition of 'illiquid assets' ('Hostplus warned of liquidity "perfect storm"', *Australian Financial Review*, 18 May 2020). Therefore, can you please advise:

- a. How you define 'illiquid assets' within your fund, including details of holdings and timeframes?
- b. How you define 'liquid assets' within your fund, including details of holdings and timeframes?
- c. How long each of these definitions have been used?
- d. What prompted any switch to these definitions?
- e. What the prior definitions were before any switch?

Answer: The definition used by REI Super are those prescribed by APRA.

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REI Super

REI83QW: Have you completed a skills audit in the past five years of the following:

- a. Your board of directors?
- b. Your investment committee?
- c. And if not, why not?
- d. And if so, presently what gaps are identified?

Answer:

a & b = yes

C = n/a

D Consistent with the SIS Act and SPS 510 Governance the fund continually ensures that its' board members, including members of relevant committees have the necessary skills and relevant capabilities to undertake their roles and responsibilities. The fund ensures that board members receive ongoing training and appropriate resources.

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REI Super

REI84QW: Prior to appointment, have employees fulfilling fiduciary roles had their investment performance track record assessed before fees?

- a. And if not, why not?
- b. And if not prior to appointment, have they following appointment?
- c. And if so, on what timeframe?

Answer: This is N/A to REI Super

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REI Super

REI85QW: Can you please provide data to complete this table for your unlisted asset holdings based on their geographic spread:

Country/Region	Share of fund asset value		Share of fund income	
	\$m	%	\$	%
North America (inc USA)				
- United States specifically				
South America				
Asia (inc China)				
- China specifically				
Africa				
Europe (not inc UK)				
Europe (inc UK)				
- United Kingdom specifically				
Australasia (inc Aus)				
- Australia specifically	70.7	4.3%		

Answer: Please see answer above

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REI Super

REI86QW: Please provide a copy of your Constitution.

Answer: The REI Super Constitution is available on the REI Super website at;
https://www.reisuper.com.au/docs/default-source/governance/rei_superannuation_fund_pty_limited_constitution.pdf?sfvrsn=c3c5e13c_12

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REI87QW: Please provide details, including the event name, organising entity, ticket price and attendee(s) for the past decade of the tickets purchased for events and/or fundraisers for political parties or related entities, individual MPs and individual candidates for political office or the associated fundraising entities of political parties, individual MPs and individual candidates for political office.

Answer: REI Super does not make political donations. Attendance at relevant events, if any, have been disclosed to the Australian Electoral Commission.

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REI Super

REI88QW:

Do you currently have an art collection?

- a. If so, can you advise its current valuation?
- b. If so, can you advise where it is stored and/or exhibited?

Answer:

No

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REI Super

REI89QW:

Do you engage proxy advisers?

- a. What are the terms of engagement for proxy advisers?
- b. To what extent are they empowered to act on behalf of the entity?
- c. Does their advice get provided to the board?
- d. How often is advice submitted to the board?
- e. Is their advice formally adopted by the board?
- f. Are their positions publicly stated?
- g. How does the board assess these positions concurrent with their duties as trustees and the sole purpose test?

Answer:

No

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REI Super

REI90QW: Are you currently, or have you previously been, a member or subscriber of the ACTU Members Connect Program?

- a. If so, what is the timeframe of your membership?
- b. What has been the annual fee year-on-year?
- c. How have you assessed its value to your members?

Answer: No