

**Standing Committee on Finance and Public Administration**

**ANSWER TO QUESTION ON NOTICE**

**Budget Estimates Hearing – May 2008**

**Future Fund Management Agency**

**Finance and Deregulation Portfolio**



**Outcome 1 Output 1.1**

**Topic: Lending shares without permission**

**Question reference number: F5**

**Type of Question: Written**

**Number of Pages: 1**

**Senator Murray asked:**

Is the Future Fund concerned at the practice of lending shares when held in trust, either directly or indirectly, without the permission of the ultimate beneficial owners of the shares, particularly when share lending can produce market falls in share value?

**Answer:**

The Future Fund is permitted to participate in securities lending under section 27 of the *Future Fund Act 2006* but does not currently do so. Investment managers appointed by the Board are prohibited from lending the securities of the Future Fund.

Should this position change and securities lending be allowed, the Board will ensure that no securities are lent without its permission.