

**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: Can the Future Fund short sell shares and how does it limit its exposure?**

**Question reference number: F9**

**Type of Question: Written**

**Number of Pages: 1**

**Senator Murray asked:**

Is the Future Fund allowed to 'short sell' shares if the Future Fund's investment managers believe the market is likely to fall? If so, how does the Future Fund limit its exposure?

**Answer:**

The mandates issued to investment managers engaged by the Future Fund Board of Guardians do not permit short selling.

Should short selling strategies be introduced into the portfolio, mandates would contain risk controls around this.