

**ANNEXURE 4**  
**IFM RESPONSE TO QUESTIONS 1 AND 3**

	Description of conduct, practice, behaviour or activity	Subject of another inquiry or investigation, or a criminal or civil proceeding?	Attributable to particular culture or governance practices of the entity?	Attributable to some broader cultural or governance practices in the industry or sector of the industry in which the entity operates?	Resulting from other practices (including risk management, recruitment or remuneration practices)?	What steps has the entity taken to (i) remedy the consequences for consumers or other Businesses, and (ii) prevent recurrence of conduct, practice, behaviour or activity?
1	<p>Date Registrable Superannuation Entity ("RSE") licensee became aware of matter: 5 August 2008</p> <p>Due to an administrative error by a vendor, a unit transfer document for the acquisition of an asset by IFM Infrastructure Funds showed the legal transferee as IFMN as trustee, rather than JP Morgan as custodian.</p> <p>The <i>Superannuation Industry (Supervision) Act 1993</i> (Cth) ("SIS Act") and condition C.5 of IFMN's RSE license requires this asset to be custodially held.</p>	Yes, matter reported to APRA	No	No	No	<p>This matter was reported to APRA on 11 August 2008 and APRA issued no-action letter on 23 September 2008.</p> <p>Transfer documents were executed to consolidate transfer of the asset from the trustee to the custodian.</p> <p>Staff education provided.</p> <p>Internal process enhanced.</p> <p>No investor suffered any loss.</p>
2	<p>Date RSE licensee became aware of breach: 28 April 2009</p> <p>Pursuant to a restructure of responsibilities by Members' Equity Bank, an individual was appointed as a Company Secretary on 3 December 2008, with the intention that he</p>	Yes, matter reported to APRA	No	No	No	<p>Date of APRA no-action letter: 22 September 2009</p> <p>Internal process enhanced.</p> <p>No investor suffered any loss.</p>

	<p>would replace another individual as secretary for all ISH and its subsidiaries (including IFMN).</p> <p>The handover of responsibilities from one individual to the other did not occur until February 2009. The notification in the change of composition was submitted to APRA at this point.</p> <p>APRA notified IFM on 28 April 2009 that they considered this to be a breach of the SIS Act and condition A.2 of IFMN's RSE License.</p>					
3	<p>Date RSE licensee became aware of breach: 13 August 2009</p> <p>Under the terms of its licence, IFMN is required to have a minimum of 4 directors (3 of whom are Australian-based) at all times. Should IFMN fall below this threshold, there is a 90-day deadline to appoint a fourth director.</p> <p>A director resigned from the IFMN Board effective 14 May 2009, meaning that a new director needed to be appointed before 14 August 2009. The new director was not appointed until the end of 2009.</p>	Yes, matter reported to APRA	No	No	No	<p>The matter was reported to APRA on 24 August 2009 and APRA issued a no-action letter on 22 September 2009</p> <p>A breach report was submitted to APRA. APRA issued a 'no-action letter' on the basis that they are comfortable "that IFM's process for sourcing additional directors is well advanced and IFMN intends to have the vacancy filled by the end of the year".</p> <p>On 29 September the 'no-action letter' was received from APRA, dated 22 September 2009. The replacement fourth director was appointed on 12 November 2009.</p> <p>No investor suffered any loss.</p>
4	<p>Date RSE licensee became aware of breach: 30 March 2011</p> <p>Under the SIS Act, trustee Risk Management Statement ("RMS") and Risk Management Plans ("RMPs") are required to be reviewed/updated annually. IFMN as trustee for IFM Infrastructure Funds and IFM Enhanced Indexed Australian Equities</p>	Yes, matter reported to APRA	No	No	No	<p>The matter was reported to APRA on 21 April 2011 and APRA issued a no-action letter on 31 August 2011</p> <p>IFMN reviewed the RMS on 12 April 2011 and the RMPs on 14 June 2011, and these reviews were signed off by IFMN Board and submitted to APRA.</p>

	Funds had not updated their RMS and RMPs in the statutory time frame.					Internal process enhanced. No investors suffered any loss.
5	<p>Date RSE licensee became aware of breach: 2 November 2009</p> <p>An annual Return for the RSE was not lodged through D2A system as required by the <i>Financial Sector (Collection of Data) Act 2001 (Cth)</i> for IFM Global Loan Opportunities Fund on time. The RSE was not listed on any material received from APRA in the lead-up to the reporting period, and the assumption was made that no return was required. The fund has no investors or assets, or financial accounts of any kind.</p>	Yes, matter reported to APRA	No	No	No	<p>The matter was reported to APRA on 12 November 2009 and APRA issued a no-action letter on 6 January 2010</p> <p>A return was prepared once the omission was discovered and submitted to APRA on 4 November 2009. The trustee has now wound up the fund and lodged the required reports with APRA, and the fund has been deregistered.</p> <p>Internal process enhanced.</p> <p>No investor suffered any loss.</p>
6	<p>Date of occurrence: 31 October 2014</p> <p>Date entity became aware of conduct, practice, behaviour or activity: 2 November 2014</p> <p>Automated email was received from APRA advising that "Superannuation Annual Return (RSE Licensee)" had not been submitted as at the due date of 31 October 2014 in breach of the <i>Financial Sector (Collection of Data) Act 2001 (Cth)</i>.</p> <p>Both the Risk and Compliance and the FinOps teams understood that return to mean the financial reporting which had been submitted prior to the due date. On receipt of the email, however, further investigation identified that other non-financial reporting was outstanding.</p>	Yes, matter reported to APRA	No	No	No	<p>Date of resolution: 2 November 2014</p> <p>Outstanding reports were completed on 2 November 2014, and APRA supervisory team was advised.</p> <p>Internal process enhanced.</p> <p>No investor suffered any loss.</p>

7	<p>Date RSE licensee became aware of breach: 12 February 2009</p> <p>A distribution of A\$23.9m to IFM International Infrastructure (IFMII), a unit class of IFM Infrastructure Funds, was declared and booked as receivable in IFMII accounts in breach of the SIS Act. The distribution was received on 9 January 2009 and credited as income, instead of being booked against the receivable. This double counting caused an overstatement of the IFMII unit price by 0.67%.</p>	Yes, matter reported to APRA	No	No	No	<p>This matter was reported to APRA on 24 February 2009 and APRA issued no-action letter on 8 April 2009</p> <p>The error was discovered on 12 February 2009 and rectified in accounts on the same day. Unit holder statements with the incorrect price shown were distributed 4 February 2009, and corrected unit holder statements were distributed on 13 February 2009.</p> <p>There were no issues or redemptions of IFMII during the period when the unit price was incorrect, so no investor in IFMII suffered any loss.</p> <p>Internal process enhanced.</p>
8	<p>Date of occurrence: 30 June 2005</p> <p>Date entity became aware of conduct, practice, behaviour or activity: 16 February 2009</p> <p>Under the <i>Corporations Act 2001</i> (Cth), a Large Proprietary Company (as defined under s45A) must prepare, have audited and lodged with ASIC annual financial and other reports.</p> <p>IFM Renewable Energy Pty Ltd, a holding company within IFM Infrastructure Funds (which is managed by IFM) has qualified as a Large Proprietary Company since its incorporation in 2005. Audited financial accounts were not lodged for this entity in for the 2005-2009 years.</p>	Yes, matter reported to ASIC	No	No	No	<p>Date of resolution: 1 December 2009</p> <p>The 2006-2009 accounts for the company have now been lodged with ASIC and only the statutory late fees charged (A\$270 per report, total charged A\$1080).</p> <p>Internal process enhanced.</p> <p>No investor suffered any loss.</p>