

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS
 REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
 SUPERANNUATION SECTOR

Aon Hewitt

AON6QW

For the past five years the total value in dollars and as a percentage of the total return for the fund:

- a. Listed investments
- b. Unlisted investments
- c. Total investments

Answer

In the Australian superannuation industry, it is typical to utilise the phrase “unlisted investments” to describe investments that do not have a readily observable market set price and are not able to be sold at this price within a short time in normal market conditions. All other securities are typically referred to as “listed investments” however it’s important to be aware that such investments are not always listed on a recognised exchange. By these commonly accepted descriptions nearly 100% of the Aon Master Trust market return across the past 5 years was derived from holding “listed investments”.

We have provided more information on our portfolio utilising the generally accepted accounting principles of fair value measurement. The majority of the assets in the Aon Master Trust are held in unlisted unit trusts which in turn invest in listed securities. Therefore, the assets are officially unlisted, but the valuation is based on observable daily prices provided by the managers.

Level 1 net market value measure are those instruments valued based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 net market value measurements are those instruments valued based on input other than quoted prices included with in Level 1 that are observable for the asset for liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 net market value measurements are those instruments valued based on input for the asset or liability that are not based on observable market data (unobservable inputs).

		2015	2016	2017	2018	2019
Direct Listed	Level 1	69	3,005	5,117	5,475	569,535
Unlisted Unit Trusts	Level 2					

		2015	2016	2017	2018	2019
Direct Unlisted	Level 3	2,863,645	2,930,258	3,107,921	3,347,626	4,659,722
Total		2,863,714	2,933,263	3,113,038	3,353,101	5,229,257
		% of return	% of return	% of return	% of return	% of return
Direct Listed	Level 1	0%	0%	0%	0%	8%
Unlisted Unit Trusts	Level 2	100%	100%	100%	100%	92%
Direct Unlisted	Level 3					