

## HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

#### AustralianSuper

#### AS43QW:

How will the overall fund performance be affected if:

- a. The income return of unlisted assets declines?
- b. The fund can no longer purchase unlisted assets onshore?
- c. The fund can no longer purchase unlisted assets offshore?

#### Answer:

- a. It is uncertain. AustralianSuper does not wish to speculate on the future outlook for investment markets as a range of factors could impact fund performance, of which income return is only one factor.

We note any impact on listed markets is likely to have a greater bearing on the returns to members, in comparison to unlisted assets, as unlisted assets amount to less than 25% of the Fund's investments (23% as at 30 June 2019).

- b. In circumstances where we cannot purchase domestic unlisted assets, consistent with our investment strategy, the Fund seeks to allocate capital to investments which maximise the likelihood of meeting our return objectives whilst adhering to our risk appetite.

However, AustralianSuper has publicly stated, all other things being equal, a desire to invest in projects domestically which meet our return objectives, are within our risk appetite and support the economy.

- c. As per our response to AS43QWb, in circumstances where we cannot purchase offshore unlisted assets, consistent with our investment strategy, the Fund seeks to allocate capital to investments which maximise the likelihood of meeting our return objectives whilst adhering to our risk appetite.