



Valuations Policy

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1. Introduction

It is acknowledged by the Trustee that valuations are a critical input into the calculation of investment performance which ultimately enables the equitable distribution of investment earnings to members.

This policy covers the valuation of all investments held by the Pooled Superannuation Trust and the Superannuation Fund, with an emphasis on unlisted investments. Unlisted assets are different to listed assets as they do not trade through exchanges or central clearing agents. Accordingly, they may not have readily available market values. The Trustee recognises that unlisted investments have additional valuation risks compared to listed assets due to factors such as a lack of liquidity, multiple management layers, complex investment structures and a lack of transaction data. Further, obtaining frequent valuations can be costly and time consuming.

Ultimately the Trustee seeks to adopt market best practice and to value all assets on a Net Market Value (NMV) basis. According to the Australian Accounting Standards 25.10 (AAS 25.10) this comprises "*the amount which could be expected to be received from the disposal of an asset in an orderly market after deducting costs expected to be incurred in realising the proceeds of such a disposal*".

2. Objective

The objective of this policy is to ensure that investments are fairly valued and fairly reported, to ensure equity among members. Accurate valuations also enable the Trustee to confidently produce financial statements that represent a true and fair view of the NMV of the assets, and hence to fulfil the Trustee's regulatory requirements.

This policy provides the framework for the Trustee's investment valuation process, which is central to the Trustee's investment strategy and operations and is a key component to the Trustee's unit pricing process and financial statements. This policy also provides the guidelines for trigger events and circumstances warranting *ad hoc* re-valuations of unlisted assets.

3. Process Summary

A summary of the Trustee's overall process is provided below:

- Net Present Value-based, independently assessed valuations are sought;
- All valuations are currently performed external to both the Trustee and to Management;
- Valuations are sought at the frequencies considered most appropriate, and which represent best practice, for the particular characteristics of the assets. For listed assets this is daily, whilst for unlisted assets this could be weekly, monthly, quarterly or at most, annually.
- Valuations are outsourced to the entities best-placed and best-qualified to ensure the appropriateness and accuracy of valuations, being the Custodian (listed assets) and the investment managers/Responsible Entities (pooled/unlisted assets);
- Every entity has an individual valuation policy that is applied to valuation of these assets, with these policies being inclusive of factors such as the frequency of application, the valuation methodologies applied and the need for independent assessment.
- These valuation policies are continually reviewed by Management and the Asset Consultant to ensure consistency with the Trustee's valuation policy, and the requirements for their ongoing application by these entities are embedded in their service level agreements;
- Independent annual audits are performed on the application of these entities' valuation policies throughout the year, with the results of these audits monitored by Management;

- The Trustee receives annual assurance of the valuations of **all** assets as at 30 June every year via the Net Asset Clearance process (see section 13), which is performed by the Trustee's external Financial Auditor. This process reconciles the Trustee's financial statements against the valuations sourced directly from the Custodian, from the investment managers/Responsible Entities and from all directly valued investments;
- The vast majority of valuations performed at the asset level are performed independent of the Trustee, and also of the Custodian and Investment Managers/Responsible Entities.

4. Asset Categories

In valuing the Fund's investments and financial exposures, there are four broad categories of assets which in turn shape the Trustee's approach to determining NMV for an investment. A table showing this broad classification process is detailed below:

Categories	Listed, well traded assets	Unlisted, thinly traded assets
Discrete/Direct	1	3
Pools	2	4

4.1. Category 1: Directly held listed and well-traded assets

These assets are traded on regulated exchanges or recognised listed exchanges such as the Australian Stock Exchange (ASX). They include listed equities, corporate bonds, short-term money market securities, deposits and foreign exchange contracts. Category 1 investments will be valued at the last available closing listed price (if the trading of any securities is suspended the Custodian will price such securities using the last transacted price available, unless otherwise notified by Management). On a daily basis, listed securities that have an unchanged price greater than 1+ days will be sent directly to a pricing vendor for verification if a second source is not available.

4.2. Category 2: Indirectly held listed and well-traded assets

These assets include unlisted trusts (pools) and other partnerships that hold Category 1 assets. For these assets, the managers/Responsible Entities generally quote a redemption value which is based on the NMV of the underlying traded assets. A redemption price is inclusive of a sell spread which ensures that other investors do not pay the transaction costs associated with a particular investor redeeming.

4.3. Category 3: Directly held unlisted assets

This includes direct investments in alternatives, credit, property, infrastructure and private equity. These investments also include thinly traded corporate debt securities that are not traded through regulated exchanges or recognised brokerage markets (and, therefore, do not fall into the Category 1 definition). Since there is no quoted trading or redemption value for most these assets, independent valuations are regularly undertaken. Independent valuers are engaged on an asset by asset basis by either the Directors of the investee company, by the Investment Manager/Joint Venture partner or by the Trustee.

4.1. Category 4: Indirectly held unlisted assets

These assets include unlisted trusts (pools) and other partnerships that hold Category 3 assets. In respect of these investments, NMV should be established by using a recognised valuation methodology, such as a discounted cash flow model. The valuation standards should follow industry guidelines (such as the rules set out in the *International Private Equity and Venture Capital (IPEV) Guidelines*) and/or accounting standards. The valuation of these pools or directly held securities is to be undertaken on this basis by the investment manager/Responsible Entity and advised as a unit or security price to the Custodian. The valuations provided by the investment managers should also be in accordance with their valuation policy, which itself should be consistent with this policy.

5. The Role of Management

Management is responsible for the setting and the oversight of the valuation process generally. The roles of the Trustee, Investment Operations team and Investment Strategy team are outlined below.

5.1. Trustee Board

The Trustee is responsible for approving the Valuations Policy and has ultimate responsibility for all valuations, including veto rights over valuations where it deems them unacceptable. The Trustee reviews the investment performance of all investments monthly, with ongoing oversight of performance at each Board meeting throughout the year. The Trustee also conducts an annual review of the performance of all assets within each asset class. The Trustee also reviews the Year End Process outcome on an annual basis (see section 13 for more details on the Year End Process).

5.2. Investment Operations team

On an annual basis, the Investment Operations team collects the Custodian's valuation policy, each Investment Manager's valuation policy and the audited financial reports of each investment held by the Fund. If material amendments have been made to these policies, the Investment Operations team and the Asset Consultant, will review the amendments to confirm that they remain consistent with this policy.

The Investment Operations team is also responsible for setting the tolerance levels for the daily unit price performance movements that are tracked by the Custodian. These tolerance levels are set by the Investment Operations Team, are reviewed on an annual basis, and documented within the Daily Unit Pricing Policy.

Post 30 June, the Investment Operations team will conduct the Year End Process and assist the Financial Auditor with the Net Asset Clearance project (see section 13 for more details).

5.3. Investment Strategy team

On an ongoing basis, the Investment Strategy team reviews and assesses all investment performance results, and also determines whether an interim valuation review is required following a trigger event (see section 15 for more details on trigger events).

6. The Role of Investment Managers/Responsible Entities

6.1. Category 1

All listed and equity-like (i.e. well traded) securities held in the Fund's name by the Custodian, such as via discrete mandates, are priced independently as per the Custodian's Valuation Policy. On a monthly basis Investment Managers are obligated to undertake a full reconciliation between their accounting records and the records of our Custodian to identify any variances.

6.2. Category 2

The investment manager/Responsible Entity must conduct and report unit prices to the Custodian and must adhere to an approved valuation policy. Typically, these investments will employ a custodian who will employ similar processes as our Custodian performs for Category 1 assets.

6.3. Category 3

In most instances the Trustee is reliant on the Directors of the investee company to engage independent valuers for these assets and failing that by the Investment Manager/Joint Venture partner or failing that by the Trustee via its Management.

Some Category 3 investments allow for an optional discount for a minority shareholding. It is at the Trustees' discretion as to whether it deems it appropriate to apply these, though the Trustee's current default position is to not apply a discount.

6.4. Category 4

The investment manager/Responsible Entity must conduct and report asset valuations at the aggregate (i.e. pool or trust) level to the Custodian and the Management.

7. The Role of the Custodian

The Custodian plays a primary role in the valuation process as it is both primarily responsible for the valuations of all listed assets, but it is also responsible for the collection, collation and aggregation of the valuations arising from all investment managers/Responsible Entities and direct investments.

As part of its custodial service, the Custodian reports the value of listed and well-traded investments which it holds on behalf of the Pooled Superannuation Trust. The valuation policies and practices of the Custodian are set out in its Valuation and Pricing Policy and by this reference are incorporated into the Trustee's policies and practices. Therefore, it is critical that the Custodian applies and adheres to its Valuation and Pricing Policy. This Policy is therefore reviewed by both Management and the Asset Consultant and monitored for changes which might trigger further review.

The Trustee applies high importance on the Custodian's role in the valuations process and by extension, high reliance on its Valuation and Pricing Policy. The Custodian's Valuation and Pricing Policy details the methodology it applies for conducting valuations. Further, the policy also outlines the treatment of asset valuations when valuations are received from Investment Managers/Responsible Entities and from the Trustee.

For those assets where the Custodian does not occupy the primary valuations role, the Custodian collects all asset valuations. Using these valuations as a basis the Custodian calculates the performance of all investments and provides these valuations and performance reports to the Trustee, Management and the Asset Consultant. The Custodian also monitors these performance and valuation movements against pre-determined tolerance levels and report any breaches to the Investment Operations team.

8. The Role of the Asset Consultant

The Asset Consultant collects and review Investment Managers' valuation policies and assesses these policies against acceptable market standards and against the Trustee's Valuations Policy. The Asset Consultant reviews such items as the source of valuations, reliability, transparency, independence, timeliness, frequency of valuations and the robustness and limitations of the valuation methodology. The Asset Consultant will assess and discuss investment performance with the Investment Strategy and Investment Operations teams as required. The Asset Consultant is also required to provide reports on the relevant performance of all of the Fund's assets to the Trustee on a quarterly basis.

The Asset Consultant will collect and review the Custodian's valuation policy and assess it against its expectations and against the Trustee's Valuation Policy. The Asset Consultant will also review any changes that are made to the Custodian's policy throughout its term as Custodian, once notified of such changes by the Custodian or the Trustee.

9. The Role of the Financial Auditor

The financial auditor reconciles the Trustee's accounting/financial records held with the Custodian against the unitholding statements provided by the investment managers/Responsible Entities on an annual basis, being the Net Asset Clearance process.

The role of the Financial Auditor is to provide an opinion on the fairness and reasonableness of the Fund's financial statements as at 30 June each year that is independent of the Trustee.

The Financial Auditor reviews the Fund's investment approach and the valuation issues that this entails. As such, a significant part of the annual financial audit is typically devoted to review of the valuation process and the Fund's investment valuations, particularly for the Category 3 and 4 assets.

10. The Role of the Independent Valuer

Category 3 and 4 assets are typically valued by an independent professionally designated, certified, or licenced valuer/appraiser. Independent valuers use a variety of methodologies to arrive at a valuation for an asset. Independent valuers will typically follow international and local best practice valuation methodologies for the asset class in which they are practicing, including those issued by accounting standard boards and respected professional bodies such as the International Private Equity and Venture Capital Valuation Guidelines (IPEVCVG) and AASB1056. These methods may include considerations such as earnings multiples of comparable publicly traded companies, discounted cash flows (DCF), recent third-party transactions, and other factors that influence the value of an investment.

11. Hierarchy of valuation responsibilities

The Trustee applies a hierarchy of valuation responsibilities in order of preferred source of valuations:

Option 1 – Custodian valuations

Option 2 – Investment Manager/Responsible Entity valuations

Option 3 – Corporate/Trustee valuations

If the first option is not appropriate for the investment the second option will apply, if the second option is inappropriate then the third option will apply.

11.1. Option 1 - Custodian valuations

The Custodian values Category 1 assets based on prices procured from an independent external provider that provides real time market data, such as Bloomberg or equivalent. Market data is publicly available and likely consistently applied across other asset owners. Market data is repriced at a high frequency, avoiding lengthy lags in valuations. Market data can also be subject to higher volatility as the market may overreact in the short term.

By utilising an external provider (being the Custodian), the duty for valuing assets is separated from the Investment Manager; therefore, the valuation is truly independent of the Investment Manager, avoiding any potential conflicts of interest or opportunities for the valuation to be influenced by the Investment Manager. In addition, monthly reconciliations are undertaken between Custodian and investment manager to ensure that there are no unacceptable variances.

11.2. Option 2 – Manager/Responsible Entity valuations

The Investment Manager applies its own valuation policy to conduct valuations, and the valuations are then supplied to the Custodian. For Category 2 assets the Investment Manager will typically utilise an independent external provider that provides real time market data, such as Bloomberg or equivalent.

For Category 3 & 4 assets however, as unlisted assets are not priced by the market, in most instances the Investment Manager will instruct an independent valuer, who will provide a valuation range, as opposed to a specific figure, and in this case the Investment Manager is then responsible for selecting the final figure (noting that the Investment Manager will likely select the mid-point). The use of an independent valuer is the Trustee's preferred approach for this scenario, as it minimises conflicts of interest.

Some Venture Capital and even Private Equity valuations may provide exceptions however, for reasons of complexity, scale and cost. The accepted standard here is to value these investments either at the entry price (i.e. to keep them at "book") or at the last transaction price (even when not participating).

The frequency of conducting valuations is determined by each Investment Manager, having regard to increased costs for an increased frequency of pricing, but balanced against the need to avoid sudden price spikes/troughs. Unlisted assets are therefore valued quarterly, bi-annually or annually, depending on the characteristics of the asset. The valuation cycle of individual assets within a fund is typically staggered to ensure a degree of ongoing currency across the portfolio, which can also serve to reduce the severity of valuation spikes at the fund level.

The Trustee is reliant of the Investment Manager adhering to their valuation policy and acting in the best interest of the Trustee. Accordingly as a check and balance, on an annual basis the Investment Operations Team polls all investment managers to ensure that they have adhered to their valuation policy throughout the year, to confirm that this adherence has been audited and to ensure that there have been no material changes to their valuation policy.

11.3. **Option 3 – Corporate/Trustee valuations**

This typically occurs for Category 3 assets where the Trustee owns a direct share or invests via a Joint Venture in an unlisted company, and where no investment manager is involved. In such instances the Trustee has a preference for the Directors of the underlying company to initiate an independent valuation of that company on at least an annual basis, though if not possible the Trustee will instruct an independent valuer to do so.

The Trustee has full control (and flexibility) over the selection of the valuer, the frequency, and the timing of valuations. Management will obtain the independent valuation and present the output to the Trustee before the valuation is finalised. If the Trustee or Management have concerns over the appropriateness of the draft valuation, or the inputs used to achieve the valuation, the Trustee has the option to query the valuer's assumptions, prior to finalisation.

The Trustee has the greatest control over the asset valuations process with this approach as it is only subject to its own policy.

12. The Trustee's minimum standards for conducting valuations

As set out below, the Trustee requires minimum standards for any party conducting valuations. These minimum standards must be evident in both the Custodian's and the Investment Managers' valuation policies. Where valuations are conducted by the Trustee, these standards also apply. All the below factors must be considered whilst taking into consideration the specific nature and characteristics of the investment.

12.1. **Frequency of conducting valuations**

Assets must be valued at least annually, however valuations on an annual basis should be rare and should only occur as a last recourse (i.e. for assets where the cost is prohibitive to value more frequently).

Assets will typically be valued more frequently than annually with the factors that will influence the frequency being:

- The permitted frequency of member transactions;
- The frequency of unit pricing updates;
- The type of asset and its investment horizon;
- Access to, and sources of, valuation information;
- The frequency of comparable transactions and availability of transaction data;
- Anticipated volatility;
- The cost of obtaining a valuation; and
- The prevailing market and economic environment (for example, greater market volatility may result in the need for more frequent valuations).

Under this framework listed equities would be valued daily, whilst valuations for even property and infrastructure assets would be conducted more frequently than annually (i.e. typically quarterly or semi-annually).

12.2. **Timing of valuations**

The valuation program for assets within collective investments such as pools may be spread over the year to reduce the likelihood of material spikes in the fund's unit prices that could otherwise result from a concentration of annual valuations. This valuation dispersion is a technique utilised to smooth valuation movements, and in turn, smooth unit prices to ensure that members are treated equitably, in that members that are incoming or outgoing aren't adversely impacted by sharp spikes or falls in unit prices.

12.3. **Independent valuations**

All assets should be subject to independent valuation. Where this does not occur, the Trustee and Management reserve the right to challenge the valuations and engage an independent valuer if it believes this is justified.

12.4. **Selection of external valuer**

The level of influence that the Trustee can exert over the selection of a valuer for an investment varies depending on the ownership structure of the asset. Where the services of an external valuer are engaged that valuer should be reputable, where that determination is based upon the valuer's methodology, resourcing, qualifications, areas of specialisation and experience.

12.5. **Rotation of external valuer**

Where feasible, valuers will be rotated so that the same party is not used to value a particular asset over a period greater than three years in most circumstances.

12.6. **Methodology**

The methodology applied to the valuation will be largely determined by the characteristics of the asset. Common methodologies for listed assets include:

- "Fair value" - quoted market price being the current closing bid price accessed from a reputable source such as Bloomberg.

Common methodologies for unlisted assets include:

- Discounted cash flow (DCF) method;
- Precedent transaction analysis; and
- Comparable transaction analysis.

Where possible, the Trustees preference is for valuers of unlisted assets to confirm a draft valuation utilising a second valuation method prior to finalising the valuation. For example; utilising the DCF method and subsequently running the comparable sales approach to confirm the appropriateness of the figure.

12.7. **Conflicts of interest**

Any conflicts of interest must be identified, and appropriate steps taken to assess and address the conflict(s) prior to conducting valuations. As mentioned previously, the use of an independent third-party source of valuations or independent valuer are the Trustee's preferences, as it separates both the Trustee and the Investment Manager from the valuation.

The Trustee always reserves the right to conduct its own valuation, via the appointment of an external valuer, in such instances.

13. Assessing valuations including Year End and Net Asset Clearance processes

The Trustee approaches assessment of valuations and validation techniques through many different lenses throughout the year, to ensure the reliability of the valuation adopted. The different methods include:

- Ongoing monitoring of performance (and hence valuations) is conducted by Investment Operations, Investment Strategy, the Asset Consultant and the Custodian, utilising performance data distributed by the Custodian;
- Performance data can be assessed against previous data, knowledge of the current market, and known changes in the asset that would impact valuation;
- The Custodian applies tolerance levels to identify any significant spikes (up or down) in valuations. If these are detected, they are notified to Investment Operations for review;
- Quarterly performance reports are prepared by the Asset Consultant utilising the Custodian's and the Manager's performance data as appropriate and is presented to the Trustee for review;

13.1. **Year End Process**

The Trustee conducts a Year End Process annually, based on 30 June valuations and carried out by Investment Operations, involving:

- Collation of all valuation results across all assets of the PST;
- Confirmation from Investment Managers of adherence (or otherwise) to their valuations policy;
- Confirmation from Investment Managers of any changes (if any) to their valuation policies;
- Confirmation from Investment Managers of external audit having been conducted on their financial reports.

13.2. Net Asset Clearance Process

The Financial Auditor is also instructed annually, based upon 30 June valuations, to independently reconcile **all** valuations records held by the Custodian, which includes **all** of the assets of the Fund, against the Investment Managers' financial statements. This is the Net Asset Clearance process.

This process provides strong comfort and assurance to the Trustee that its financial accounts are fair and reasonable and consistent with the valuations arising from each of the underlying assets of the Fund.

14. Rejecting and requesting a reassessment of a valuation

If an unexpected and unexplainable movement in valuations is identified (greater than 5% in a month for Category 3 and 4 investments) and is deemed to be material and worthy of further investigation:

- Where applicable, Investment Operations will request the Custodian to confirm the figure and will request an explanation for the movement;
- Where applicable, Investment Operations or Investment Strategy will request the Investment Manager to confirm the figure and will request an explanation for the movement and details of the inputs utilised to achieve the valuation;
- Investment Strategy, Investment Operations and the Asset Consultant will discuss and review the movement, and the explanations provided;
- If it is deemed that the valuation is not an accurate representation of the asset value, the Trustee may request another valuation to be performed by a different valuer to provide a second opinion;
- The Trustee may choose to accept the valuation it deems most representative of the asset.

15. Trigger Events, Ad-hoc Revaluations and Disposals

The Trustee will apply the following triggers to determine whether an interim review of valuations is necessary. If a trigger is set off, Investment Strategy and the Asset Consultant will discuss and determine whether an interim review/valuation is required. If so, this will be escalated to the Trustee. The triggers are as follows:

- If a Complete Review of the Investment Strategy has been triggered (as per the Investment Strategy Policy);
- Following significant changes to the underlying asset or the asset's environment, that could be expected to materially impact both that asset's valuation (and also to materially impact the Fund's performance) this is particularly important for unlisted assets and for managing the risk and impact of large potential movements in their value;
- At any point the Trustee deems it necessary.

16. Regular reporting to the Board

- Individual investment performance is reported regularly to the Board by the Custodian via monthly reports, and by the Asset Consultant via the Quarterly Report and Asset Class Reviews.

17. Compliance

17.1. Initial due diligence on the Investment Manager

Prior to the appointment of any new Investment Manager, the Asset Consultant, Investment Strategy team and Investment Operations team collect the Investment Manager's valuation policy and review whether the policy meets the Trustee's minimum standards as outlined in section 12.

17.2. Ongoing monitoring of Investment Manager's valuation policies

The Trustee applies the below monitoring controls over all unlisted asset class managers in relation to valuations, regardless of the source of valuations, to minimise the risk of approved valuation policies and procedures not being adhered to.

On an annual basis, the Trustee writes to all its unlisted asset class investment managers towards the end of each financial year seeking letters of comfort stating adherence to their valuation policy. Specifically, the following information is requested:

- A concise statement of the valuation protocol adopted for the portfolio (i.e. how and when the portfolio and its underlying assets are valued);
- Confirmation of whether the valuation policy has changed since the previous year;
- The current year 30 June portfolio valuation as supplied to the Custodian;
- The actual date of communication of the current year 30 June portfolio valuation to the Custodian;
- The source of the current year 30 June portfolio valuation (i.e. independent valuer, Directors' valuation etc);
- Whether the portfolio valuation process has been audited;
- When the Investment Manager expects the audited 30 June accounts for the portfolio to be available;
- A statement to the effect that the portfolio's stated valuation protocol was adhered to during the financial year by the Investment Manager.

The Investment Manager is also instructed to provide a copy of any changes to the Investment Managers' valuation policies. The Asset Consultant, Investment Operations team and Investment Strategy team will determine whether the changes are acceptable and in line with its Valuation Policy.

The Investment Manager's application of its valuation policy is also required to be audited to ensure valuations are conducted as per the Investment Manager's valuation policy. The audit process will confirm to the Trustee the reliance on the valuations that are communicated to the Custodian.

17.3. Ongoing monitoring of the Custodian's valuation policy

On a yearly basis, the Trustee requires the Custodian to provide an attestation that it has adhered to its valuation policy. Further, the Trustee requires the Custodian to provide a copy of its valuation policy annually.

18. Treatment of exchange rates

All valuations denominated in currencies other than AUD, will be converted to AUD at the current exchange rate.

19. Appendix

The application of the Valuation Policy differs per asset type (listed versus unlisted) and per Investment Vehicle. The relevant Investment Vehicles are as follows:

- **Discrete mandates:** where the individual shares and securities (typically listed equities and highly traded bonds and foreign exchange) are directly held in the name of the Custodian on behalf of the PST;
- **Pools:** typically commingled funds across a variety of investors but can also comprise “Funds of One” where the PST comprises the sole owner of the vehicle. These intermediated structures can enable the PST to hold assets that it would otherwise not be able to hold directly due to foreign laws, and also to enable leverage, which cannot be engaged in directly.
- **Co-investments:** directly held investments, typically shares in unlisted assets, that are also held separately by the same manager in a separate vehicle (such as a pool);
- **Direct investments:** unlisted assets held directly by the PST (typically as shares, but also via joint ventures and similar structures).

The following table shows the Asset Category classifications across each type of investment and also details the controls employed to ensure the ongoing validity of the resulting valuations. Note that all assets are ultimately subject to the Net Asset Clearance process performed by the financial auditor. Further, all assets, excepting those unlisted assets held directly, are subject to the Year End process involving ensuring the appropriate application of the Custodian’s and Managers’ valuation policies and the checking of the annual audits of the applications of these policies.

Type of Asset	Listed				Unlisted			
	Discrete	Direct	Pool	Co-investment	Discrete	Direct	Pool	Co-investment
Investment Vehicle	Custodian	Custodian	Manager/RE	Manager/RE	Manager/RE	Company	Manager/RE	Manager/RE
Valuation responsibility	Custodian	Custodian	Manager/RE	Manager/RE	Manager/RE	Company	Manager/RE	Manager/RE
Asset Category	1	1	2	2	3	3	4	4
Valuations independent	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes
Daily valuations	Yes	Yes	No	No	No	No	No	No
At least annual valuations	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Monthly Manager/Custodian reconciliation	Yes	No	No	No	No	No	No	No
Annual Audit of Valuation Policy	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
Check of Annual Audit of Valuation Policy	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
Net Asset Clearance every 30 June	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

The following also shows the application of the valuation policy and classifications to each underlying asset as at 30 June 2019:

Manager/Asset	Asset Class	Underlying Investments	Asset Category	Investment Structure	Valuation Managed by	External Valuation	30 June 2019 Valuation (\$M)
IFM Passive	Australian Equities	Listed Equities	1	Discrete	Custodian	External	2,203
BEM	Australian Equities	Listed Equities	1	Discrete	Custodian	External	812
Pendal Group	Australian Equities	Listed Equities	1	Discrete	Custodian	External	884
Vinva Australian Equity Alpha Extension	Australian Equities	Listed Equities	2	Pooled	Manager	External	480
Allan Gray (Orbis)	Australian Equities	Listed Equities	1	Discrete	Custodian	External	627
Airrie Active	Australian Equities	Listed Equities	1	Discrete	Custodian	External	601
Greencape	Australian Equities	Listed Equities	1	Discrete	Custodian	External	990
L1 Capital	Australian Equities	Listed Equities	1	Discrete	Custodian	External	406
Firetrail	Australian Equities	Listed Equities	1	Discrete	Custodian	External	531
Paradise Large Cap	Australian Equities	Listed Equities	1	Discrete	Custodian	External	971
Yarra Capital Australian Equity	Australian Equities	Listed Equities	1	Discrete	Custodian	External	485
IFM Australian Equity Small Cap	Australian Equities	Listed Equities	1	Discrete	Custodian	External	240
Paradise Mid Cap	Australian Equities	Listed Equities	1	Discrete	Custodian	External	504
Paradise Small Cap	Australian Equities	Listed Equities	1	Discrete	Custodian	External	373
Yarra Capital Emerging Leaders	Australian Equities	Listed Equities	1	Discrete	Custodian	External	290
Airrie Industrial	Australian Equities	Listed Equities	1	Discrete	Custodian	External	126
IFM Global Passive	International Equities - DM	Listed Equities	1	Discrete	Custodian	External	3,046
Baillie Gifford	International Equities - DM	Listed Equities	1	Discrete	Custodian	External	1,121
Dundas	International Equities - DM	Listed Equities	2	Pooled	Manager	External	823
Hosking	International Equities - DM	Listed Equities	1	Discrete	Custodian	External	1,118
Independent Franchise Partners	International Equities - DM	Listed Equities	1	Discrete	Custodian	External	1,207
Orbis	International Equities - DM	Listed Equities	2	Pooled	Manager	External	1,187
RWC	International Equities - DM	Listed Equities	1	Discrete	Custodian	External	683
T. Rowe Price	International Equities - DM	Listed Equities	1	Discrete	Custodian	External	203
Wellington Global Contrarian Equity	International Equities - DM	Listed Equities	1	Discrete	Custodian	External	897
Paradise Global Small Caps	International Equities - DM	Listed Equities	1	Discrete	Custodian	External	553
Vaughan Nelson	International Equities - DM	Listed Equities	1	Discrete	Custodian	External	8
Maverick Long Enhanced Ltd	International Equities - DM	Listed Equities	2	Pooled	Manager	External	147
Citi (Transition)	International Equities - DM	Listed Equities	1	Discrete	Custodian	External	172
Mesirow Overlay	Foreign Exchange	FX Contracts	1	Discrete	Custodian	External	8
Investec	International Equities - EM	Listed Equities	1	Discrete	Custodian	External	745
Martin Currie	International Equities - EM	Listed Equities	1	Discrete	Custodian	External	720
Northcape	International Equities - EM	Listed Equities	1	Discrete	Custodian	External	758
Neuberger Berman	International Equities - EM	Listed Equities	1	Discrete	Custodian	External	537
Wellington Asia ex-Japan Contrarian	International Equities - EM	Listed Equities	1	Discrete	Custodian	External	413
AMP RIL Balanced Fund	Alternatives	Listed & Unlisted	4	Pooled	Manager	External	55
Autonomy Capital Global Macro Fund L.P.	Alternatives	Diversified	2	Pooled	Manager	External	206
Bridgewater Pure Alpha	Alternatives	Diversified	2	Pooled	Manager	External	524
GMO Systematic Global Macro Fund	Alternatives	Diversified	2	Pooled	Manager	External	395
GSA Capital Partners Trend Fund	Alternatives	Diversified	2	Pooled	Manager	External	312
IAM - Fitzroy Horizons Fund	Alternatives	Diversified	4	Pooled	Manager	External	200
IPM Systematic Macro Fund	Alternatives	Diversified	2	Pooled	Manager	External	436
QIC Liquid Alternatives Fund (H)	Alternatives	Diversified	2	Pooled	Manager	External	232
Tangency Capital - Select Market Access Fund	Alternatives	Diversified	4	Pooled	Manager	External	143
Citigroup	Cash	Cash	1	Discrete	Manager	External	257
IFM Cash	Cash	Cash	1	Discrete	Manager	External	1,304
ME Bank	Cash	Cash	1	Discrete	Manager	External	182
Artesian Hostplus VC Fund 1	Private Equity	Unlisted Assets	4	Pooled	Manager	External	23
Artesian Venture Capital Fund of Funds	Private Equity	Unlisted Assets	4	Pooled	Manager	External	9
Australian Private Equity Fund No.1 (Continuity Capital)	Private Equity	Unlisted Assets	4	Pooled	Manager	External	0
Australian Private Equity Fund No.2 (Continuity Capital)	Private Equity	Unlisted Assets	4	Pooled	Manager	External	3
Blackbird Hostplus Trust	Private Equity	Unlisted Assets	4	Pooled	Manager	External	72
Blackbird Ventures 2015, LP	Private Equity	Unlisted Assets	4	Pooled	Manager	External	11
Blackbird Ventures Follow-On Fund Trust	Private Equity	Unlisted Assets	4	Pooled	Manager	External	41
Blackbird Ventures 2018 Follow-On Fund	Private Equity	Unlisted Assets	4	Pooled	Manager	External	91
Blackbird Ventures 2018, LP	Private Equity	Unlisted Assets	4	Pooled	Manager	External	4

Manager/Asset	Asset Class	Underlying Investments	Asset Category	Investment Structure	Valuation Managed by	External Valuation	30 June 2019 Valuation (\$M)
Brandon Capital - MRCF III Trust No.1	Private Equity	Unlisted Assets	4	Pooled	Manager	External	16
Brandon Capital - MRCF5	Private Equity	Unlisted Assets	3	Discrete	Manager	External	2
Brandon Capital - MRCF BTF	Private Equity	Unlisted Assets	3	Discrete	Manager	External	2
Carnegie Healthcare Fund, LP	Private Equity	Unlisted Assets	4	Pooled	Manager	External	3
Carnegie Innovation Funds 1 and 2	Private Equity	Unlisted Assets	4	Pooled	Manager	External	17
Carnegie Private Opportunities Fund 1 & 2	Private Equity	Unlisted Assets	4	Pooled	Manager	External	55
Carthona Capital Venture Fund 1 (Part A)	Private Equity	Unlisted Assets	4	Pooled	Manager	External	24
Carthona Capital Venture Fund 1 (Part B)	Private Equity	Unlisted Assets	4	Pooled	Manager	External	12
Carthona Capital Venture Fund 1 (Part C)	Private Equity	Unlisted Assets	4	Pooled	Manager	External	7
Main Sequence Ventures (CSIRO) Innovation Fund 1, LP	Private Equity	Unlisted Assets	4	Pooled	Manager	External	8
IFM Australian Private Equity Fund 3	Private Equity	Unlisted Assets	4	Pooled	Manager	External	2
IFM Australian Private Equity Fund 4	Private Equity	Unlisted Assets	4	Pooled	Manager	External	6
Industry Super Holdings (ISH)	Private Equity	Shares	3	Direct	Company (ISH)	External	114
ME Bank (Ordinary Shares)	Private Equity	Shares	3	Direct	Company (ME Bank)	External	191
MHC Hostplus Co-investment Trust	Private Equity	Unlisted Assets	4	Pooled	Manager	External	15
Artesian Hostplus China Venture Capital Fund 1	Private Equity	Unlisted Assets	4	Pooled	Manager	External	17
Blackbird After The Car Trust	Private Equity	Unlisted Assets	4	Pooled	Manager	External	3
Flexstone HP US EM CI LP	Private Equity	Unlisted Assets	4	Pooled	Manager	External	4
Flexstone HP US EMP, LLC - Series 1	Private Equity	Unlisted Assets	4	Pooled	Manager	External	20
Flexstone HP US EMP, LLC - Series 2	Private Equity	Unlisted Assets	4	Pooled	Manager	External	9
Flexstone Private Equity II	Private Equity	Unlisted Assets	4	Pooled	Manager	External	85
Flexstone Private Equity III	Private Equity	Unlisted Assets	4	Pooled	Manager	External	90
Hermes GPE PEC III LP	Private Equity	Unlisted Assets	4	Pooled	Manager	External	81
Hermes GPE PEC IV LP	Private Equity	Unlisted Assets	4	Pooled	Manager	External	39
LGT - HP Special Investment Fund S.C.Sp	Private Equity	Unlisted Assets	4	Pooled	Manager	External	6
IFM International Private Equity Fund 1	Private Equity	Unlisted Assets	4	Pooled	Manager	External	2
IFM International Private Equity Fund 2	Private Equity	Unlisted Assets	4	Pooled	Manager	External	11
IFM International Private Equity Fund 3	Private Equity	Unlisted Assets	4	Pooled	Manager	External	33
IPG Hostplus 2018 Trust (Class A)	Private Equity	Unlisted Assets	4	Pooled	Manager	External	43
IPG Hostplus 2018 Trust (Class H)	Private Equity	Unlisted Assets	4	Pooled	Manager	External	25
Kelso Investment Associates X, L.P.	Private Equity	Unlisted Assets	4	Pooled	Manager	External	12
Lexington Co-Investment Partners III	Private Equity	Unlisted Assets	4	Pooled	Manager	External	118
Lexington Co-Investment Partners IV	Private Equity	Unlisted Assets	4	Pooled	Manager	External	98
Lexington Capital Partners VIII	Private Equity	Unlisted Assets	4	Pooled	Manager	External	107
LGT Crown Co-Investment Opportunities PLC II	Private Equity	Unlisted Assets	4	Pooled	Manager	External	47
LGT Crown EU Buyout II	Private Equity	Unlisted Assets	4	Pooled	Manager	External	13
LGT Crown EU Middle Market II	Private Equity	Unlisted Assets	4	Pooled	Manager	External	30
Partners Group 2008	Private Equity	Unlisted Assets	4	Pooled	Manager	External	13
Partners Group 2011	Private Equity	Unlisted Assets	4	Pooled	Manager	External	53
Partners Group Direct Investments 2012	Private Equity	Unlisted Assets	4	Pooled	Manager	External	179
Partners Group Direct Equity 2016	Private Equity	Unlisted Assets	4	Pooled	Manager	External	186
Partners Group Client Access 19 L.P. Inc.	Private Equity	Unlisted Assets	4	Pooled	Manager	External	0
Partners Group Client Access 19A L.P. Inc.	Private Equity	Unlisted Assets	4	Pooled	Manager	External	0
Partners Group Client Access 25 L.P. Inc.	Private Equity	Unlisted Assets	4	Pooled	Manager	External	10
ROC Asia Pacific Co Investment Fund III	Private Equity	Unlisted Assets	4	Pooled	Manager	External	43
ROC Private Equity Trust	Private Equity	Unlisted Assets	4	Pooled	Manager	External	37
Safar Partners Fund, L.P.	Private Equity	Unlisted Assets	4	Pooled	Manager	External	30
Siguler Guff China Opportunities Fund	Private Equity	Unlisted Assets	4	Pooled	Manager	External	173
Siguler Guff HP Opportunities Fund II LP	Private Equity	Unlisted Assets	4	Pooled	Manager	External	238
Siguler Guff Small Buyout Opportunities	Private Equity	Unlisted Assets	4	Pooled	Manager	External	106
Square Peg 2015 LP	Private Equity	Unlisted Assets	4	Pooled	Manager	External	72
Square Peg CI Trust	Private Equity	Unlisted Assets	4	Pooled	Manager	External	25
Square Peg 2018, LP	Private Equity	Unlisted Assets	4	Pooled	Manager	External	0
Square Peg Global 2018 Trust	Private Equity	Unlisted Assets	4	Pooled	Manager	External	25
Wilshire Private Markets Funds	Private Equity	Unlisted Assets	4	Pooled	Manager	External	52
Wilshire Private Mkts Asia No. 1	Private Equity	Unlisted Assets	4	Pooled	Manager	External	5
Wilshire Private Mkts Asia No. 2	Private Equity	Unlisted Assets	4	Pooled	Manager	External	8
AMP Select Property 2	Property	Unlisted Assets	4	Pooled	Manager	External	0
AMP Select Property 3	Property	Unlisted Assets	4	Pooled	Manager	External	22

Manager/Asset	Asset Class	Underlying Investments	Asset Category	Investment Structure	Valuation Managed by	External Valuation	30 June 2019 Valuation (\$M)
Charter Hall Prime Industrial Fund	Property	Unlisted Assets	4	Pooled	Manager	External	329
Charter Hall Prime Office Fund	Property	Unlisted Assets	4	Pooled	Manager	External	334
ISPT Residential Property Trust	Property	Unlisted Assets	4	Pooled	Manager	External	92
ISPT Core Fund	Property	Unlisted Assets	4	Pooled	Manager	External	1,641
ISPT Dev and Opp Fund No 1	Property	Unlisted Assets	4	Pooled	Manager	External	0
ISPT Dev and Opp Fund No 2	Property	Unlisted Assets	4	Pooled	Manager	External	4
ISPT Retail Australia Property Trust	Property	Unlisted Assets	4	Pooled	Manager	External	315
Invesco Core Real Estate USA (ICRE) Fund	Property	Unlisted Assets	4	Pooled	Manager	External	232
Kayne Anderson Core Real Estate	Property	Unlisted Assets	4	Pooled	Manager	External	18
Lendlease Asian Retail Investment Fund 1	Property	Unlisted Assets	4	Pooled	Manager	External	55
Lendlease Asian Retail Investment Fund 2	Property	Unlisted Assets	4	Pooled	Manager	External	13
Lendlease Asian Retail Investment Fund 3	Property	Unlisted Assets	4	Pooled	Manager	External	287
Lendlease Aust'n Prime Property Commercial	Property	Unlisted Assets	4	Pooled	Manager	External	724
Lendlease Aust'n Prime Property Industrial	Property	Unlisted Assets	4	Pooled	Manager	External	203
Lendlease Aust'n Prime Property Retail	Property	Unlisted Assets	4	Pooled	Manager	External	355
Lendlease Communities Fund 1	Property	Unlisted Assets	4	Pooled	Manager	External	2
Lendlease Sub Regional Retail Fund	Property	Unlisted Assets	4	Pooled	Manager	External	138
LWIP Trust	Property	Unlisted Assets	4	Pooled	Manager	External	241
LWIP Trust II	Property	Unlisted Assets	4	Pooled	Manager	External	104
Macquarie Real Estate Equity Fund 6	Property	Unlisted Assets	4	Pooled	Manager	External	2
Campus Living Villages Fund	Infrastructure	Unlisted Assets	3	Direct	Company (CLV)	External	217
CLV Loan	Infrastructure	Unlisted Assets	3	Direct	Company (CLV)	External	24
CFS Infrastructure Fund	Infrastructure	Unlisted Assets	4	Pooled	Manager	External	83
Darling Harbour	Infrastructure	Unlisted Assets	3	Direct	Manager	External	151
First State Investments - EDIF II	Infrastructure	Unlisted Assets	4	Pooled	Manager	External	149
Utilities Trust of Australia	Infrastructure	Unlisted Assets	4	Pooled	Manager	External	308
IFM Australian Infrastructure	Infrastructure	Unlisted Assets	4	Pooled	Manager	External	1,270
IFM Hostplus Trust	Infrastructure	Unlisted Assets	4	Pooled	Manager	External	121
IFM International Infrastructure	Infrastructure	Unlisted Assets	4	Pooled	Manager	External	1,257
Macquarie Global Infrastructure Fund III	Infrastructure	Unlisted Assets	4	Pooled	Manager	External	66
NSW Ports Consortium	Infrastructure	Unlisted Assets	4	Co-investment	Manager	External	112
QGIF Iona Aggregator Trust	Infrastructure	Unlisted Assets	4	Pooled	Manager	External	65
QIC Global Infrastructure Fund	Infrastructure	Unlisted Assets	4	Pooled	Manager	External	37
QIC REV Investment Trust No. 1	Infrastructure	Unlisted Assets	4	Pooled	Manager	External	21
IFM Specialised Credit Fund	Diversified Fixed Interest	Bonds	4	Pooled	Manager	External	239
iShares Wholesale Aust Bond Index Fund	Diversified Fixed Interest	Bonds	2	Pooled	Manager	External	577
Macquarie True Index	Diversified Fixed Interest	Bonds	2	Pooled	Manager	External	139
Super Loans Trust	Diversified Fixed Interest	Bonds	4	Pooled	Manager	External	15
iShares Wholesale Global Bond Index Fund*	Diversified Fixed Interest	Bonds	2	Pooled	Manager	External	608
Apollo	Credit	Bonds	3	Discrete	Manager	External	786
Barings	Credit	Bonds	3	Discrete	Manager	External	703
Cross Ocean Partners US SS Fund	Credit	Bonds	4	Pooled	Manager	External	128
HayFin Special Opps. Credit Fund	Credit	Bonds	4	Pooled	Manager	External	22
HayFin Special Opps. Credit Fund II	Credit	Bonds	4	Pooled	Manager	External	96
HayFin Credit Fund II - Co Investment Fund	Credit	Bonds	4	Pooled	Manager	External	25
Kayne Anderson Real Estate Debt II LP	Credit	Bonds	4	Pooled	Manager	External	128
Kayne Anderson Real Estate Debt III LP	Credit	Bonds	4	Pooled	Manager	External	63
Kayne Senior Credit III Offsh Fund L.P.	Credit	Bonds	4	Pooled	Manager	External	156
Loomis Sayles CLO II	Credit	Bonds	3	Direct	Manager	External	34
Loomis Sayles Credit Opportunities	Credit	Bonds	4	Pooled	Manager	External	316
Redding Ridge	Credit	Bonds	4	Pooled	Manager	External	131