

## **RESPONSES TO THE HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS**

Review of the four major banks & other financial institutions superannuation

**LEG39QW:**

Valuation methodologies:

- a. Have you compared your valuation methodologies and assumptions for unlisted assets with other superannuation funds, and if so, what are the differences?
- b. Are you confident that your valuation methodologies and assumptions for unlisted assets reflect their value to the fund, and how often are they reviewed?
- c. How do you compare your valuations to listed investments, including, but not limited to, whether there is a cross check to stock prices for similar assets?
- d. Have you ever calculated whether there would be a difference between valuations if unlisted assets were listed?

**Answer:**

All of legalsuper's investments are valued using independent expert valuers appointed by the investment manager appointed by legalsuper whether that be via a pooled investment vehicle or a discrete investment management mandate.

- a. Valuation methodologies for unlisted assets are initially considered when a new investment manager is appointed. Our external auditor audits and reports in respect of the valuation of all investments.
- b. We are satisfied valuation methodologies and assumptions for unlisted assets reflect their value to the fund. Valuation methodologies and assumptions are considered when new managers are appointed.
- c. As the nature of unlisted investments is quite different to listed investments, comparison is not meaningful.
- d. We have not calculated where there would be a difference in valuations in unlisted assets were listed.