

## HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

#### Sunsuper

#### SS44QW:

- 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:

- a. Yes, and Sunsuper considers our valuation methodology is consistent with established best practice.
- b. Yes. Please refer to our Valuation and Unit Pricing Policy provided previously to this Committee (SS7QW). The Valuation and Unit Pricing policy is reviewed on at least an annual basis.
- c. Valuers typically consider listed market comparables as an input to determine value. Listed sources are used to assist valuers in determining the appropriate discount rate.

Valuations are cross-checked to the implied EV/EBITDA multiples (or other relevant multiples, depending on the sector) of comparable listed companies, or to implied multiples paid on recent market transactions.

- d. No.