

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

AustralianSuper

AS42QW: What percentage of the return on investment from your unlisted assets can be attributed to revaluations due to falling interest rates, and capital asset pricing model market yields used as the discount rate in discounted cash flow based valuations?

Answer: AustralianSuper's unlisted assets are valued regularly by independent valuers who determine an appropriate discount rate. Valuers use a variety of market accepted methodologies to determine the appropriate discount rate, but in general the number of variables makes it difficult to deduce the precise impact from falling interest rates.

We note that most investment markets, including both listed and unlisted assets, have been positively impacted by falling interest rates.