

RESPONSES TO THE HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

Review of the four major banks & other financial institutions superannuation

LEG43QW:

Discount rates:

- a. For unlisted assets, do you use a consistent discount rate for income across all unlisted assets, or an asset-specific discount rate?
- b. What is the discount rate you apply to the income from unlisted assets, and has it changed over the past decade, and if so, when and why?

Answer:

- a. All unlisted assets are valued by an independent expert valuer which is appointed by the investment manager which manages the unlisted assets on behalf of legalsuper. As applicable, the independent expert valuer will use a discount rate suitable for the specific unlisted assets being valued and accordingly different discount rates will be used for different unlisted assets.
- b. As above, the valuation of unlisted assets is undertaken by an independent expert valuer who will apply the discount rate which is appropriate for the specific unlisted assets being valued.