

## Section 22

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**From:** Section 22  
**Sent:** Thursday, 21 April 2016 12:07 PM  
**To:** Section 22  
**Subject:** RE: Roundtable to discuss the portfolio holdings disclosure regulations [SEC=UNCLASSIFIED]

Hi S22 – my recollection from Tuesday's Roundtable is that we agreed to circulate an email to participants on either Wednesday or at the latest Thursday. Please let me know if you have any suggestions for the following email. I'm happy to send in S22 absence but equally happy to hold off if you would prefer.

Good afternoon

Thank you for your contributions at Tuesday's Roundtable on the portfolio holdings disclosure (PHD) regulations.

Firstly, we agreed to clarify the issues raised about the intended scope of the PHD regime.

- The legislation introduced into Parliament in March contains a five per cent disclosure exemption for assets that are commercially sensitive and where disclosure would be detrimental to the interests of the members of the fund. The types of investments that are likely to fall within this exemption are asset classes such as private equity and venture capital investments.
- The regulations have the power to enact a materiality threshold. Small holdings under this threshold would not require disclosure.
- The regulations also have the power to prescribe that only the total value of a particular kind of investment needs to be disclosed (instead of a separate value for each individual investment). This means the regulations can for instance address investments in directly held property where disclosure of detailed valuations could be commercially sensitive.

As we settle the regulations for the second round of public consultation, we will consider the following key points from Tuesday's discussion.

### *Application*

- Support for the regulations providing minimum standards which industry can extend beyond.

### *Presentation*

- Support for the example disclosure models we provided, in particular the first model.
- Support for the security identifier to help identify the type of investment being reported.
- Mixed views about whether units should be included. It may not be necessary for some asset classes, but for other classes it can help demonstrate events over time.
- Support for presentation on a highest to lowest value basis, within any negative values at the bottom.

### *Asset allocation*

- Support for a more flexible asset allocation than APRA Reporting Standards.

### *Scope*

- Mixed views about whether a materiality threshold is required, and if so, the threshold's magnitude and whether it should apply to each asset class or to overall investments. If the threshold is one basis point it may be easier for funds to simply disclose everything, but this may detract from consumer readability.
- Support for reporting only the total value of each unlisted category given the commercial sensitivities of disclosing the value of each individual investment.

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**From:** Superannuation Transparency  
**Sent:** Monday, 18 April 2016 3:23 PM  
**To:** Superannuation Transparency

**Cc:** [Section 22](#)

**Subject:** Roundtable to discuss the portfolio holdings disclosure regulations [SEC=UNCLASSIFIED]

Good afternoon

Thank you for your responses so far. I have attached an agenda and some examples of potential templates and information on potential asset allocations for tomorrow's Roundtable.

Please see ASIC reception on level 5, 100 Market Street when you arrive.

For those attending via teleconference:

[S22](#)

Thanks

[S22](#)

Kind regards

[Section 22](#)

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