

Section 22

---

**From:** Section 22  
**Sent:** Tuesday, 26 April 2016 8:49 AM  
**To:** Section 22  
**Subject:** RE: Roundtable to discuss the portfolio holdings disclosure regulations [SEC=UNCLASSIFIED]

Thanks<sup>S22</sup>, the discussion was very useful,  
Kind regards,  
S22

Section 22                      Section 22



Phone    Section 22  
Email    Section 22  
Web      Section 22

Cbus' Trustee: United Super Pty Ltd ABN 46 006 261 623 AFSL 233792 Cbus ABN 75 493 363 262

PLEASE CONSIDER THE ENVIRONMENT BEFORE PRINTING THIS EMAIL.

This e-mail (including any attachments) contains information which is confidential and may be subject to legal privilege. If you are not the intended recipient you must not use, distribute or copy this e-mail. If you have received this e-mail in error please notify the sender immediately and delete this email. Any views expressed in this e-mail are not necessarily the views of Cbus.

**From:** Section 22  
**Sent:** Friday, 22 April 2016 3:50 PM  
**To:** Section 22  
**Cc:** Section 22  
**Subject:** Roundtable to discuss the portfolio holdings disclosure regulations [SEC=UNCLASSIFIED]

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 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 kinds of assets need to be disclosed (instead of a separate value for each individual asset of that type). 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 second model (with the movement of some of the columns).
- Support for the security identifier to help identify the type of investment being reported.
- 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 (potentially the asset classes that RSEs use in their PDSs).

#### *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 (potentially limiting PHD disclosure to publicly available information).

Thanks

Section 22

Kind regards

Section 22

Retirement Income Policy Division | Fiscal Group

The Treasury

Phone: Section 22

Email:Section 22

---

Please Note: The information contained in this e-mail message and any attached files may be confidential information and may also be the subject of legal professional privilege. If you are not the intended recipient, any use, disclosure or copying of this e-mail is unauthorised. If you have received this e-mail by error please notify the sender immediately by reply e-mail and delete all copies of this transmission together with any attachments.

---