

Unlisted assets

There has been some recent discussion in the media about super funds investing in unlisted assets. The concern is that some funds may have too much exposure to these assets which, due to the economic downturn, may have lost some of their value and this could affect some funds' future investment performance. At Sunsuper we invest in unlisted assets as part of our diversified investment strategies. We maintain a close eye on these assets to ensure they remain appropriately valued and we're satisfied our valuations are appropriate in the current environment.

What are unlisted assets?

Unlisted assets include assets such as property, hedge funds, private equity and infrastructure. These are different to listed assets like shares and property trusts which are bought and sold on stock exchanges every day.

How much of my super is invested in unlisted assets?

It would depend on which option your super is invested in, but with our Balanced option which is our most popular investment option, it is around 30 per cent. The types of unlisted assets we invest in include property, infrastructure and hedge funds.

Why is my super invested in unlisted assets?

Rather than just invest in the share market, we invest in a range of investments including unlisted assets. This is all part of our diversification strategy and is expected to result in the better long-term performance of your investments through a range of market conditions. Having a broad range of investments is good news because it reduces your portfolio's reliance on the performance of just one investment or asset. In fact, it's the diversified nature of our portfolio that puts us in a good position to ride out the current volatile share markets and deliver strong, consistent returns to you over the long term.

Will Sunsuper have to write-down the value of these assets?

Part of our investment process is make periodic valuations of our unlisted assets throughout the year. All our unlisted assets are revalued at LEAST once a year, but many are revalued more frequently, some as often as monthly. We're satisfied this valuation process is appropriate in the current environment. What's more, we recently tested our valuations by selling some of our unlisted assets and found we had been realistic and, on average, a little conservative in our valuations. That is, pleasingly we sold some of these assets for more than they had been valued.

Do I have to have my super invested in unlisted assets?

No. Sunsuper has 20 different investment options you can choose from, some of which do not include any unlisted assets. If you are particularly concerned about investing in unlisted assets, there will be other investment options that suit. When working out which investment option is right for you, it's important to consider your personal circumstances and retirement goals. One of our financial planners¹ in our Member Advice Centre will be able to answer any of your questions about your super. Just call 13 11 84.

¹ Simple advice about super is provided at no additional cost. More detailed advice may incur a fee. All advice is provided by representatives of either Sunsuper Pty Ltd or Sunsuper Financial Services Pty Ltd (ABN 50 087 154 818, AFSL No. 227867), a wholly owned subsidiary of Sunsuper.