

# Superannuation Data Transformation Phase 2

## Aware Super Submission

28 March 2024

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# Executive Summary

Aware Super is pleased to have the opportunity to provide feedback on the discussion paper, “*Superannuation Data Transformation Phase 2*” (November 2023), under consultation by Australian Prudential Regulations Authority (APRA), which proposes enhancements for the collection of data on investments, registrable superannuation entity (RSE), and RSE licensee profile, and RSE licensee financials.

Aware Super is highly supportive of APRA’s Superannuation Data Transformation (SDT) objective to collect accurate and comparable superannuation data to increase transparency, and enable appropriate regulatory oversight, to improve member outcomes.

We understand that APRA was expecting that the proposed data to be captured to meet the reporting requirements of SDT Phase 2 should already be readily available to RSE licensees. However, we note that some of the data required:

- is not reflective of the operations of RSEs (in particular some data regarding liquidity and valuations),
- not readily available in the structure or format required by APRA, and
- may also be dependent on external parties such as custodians, external investment managers and directors.

Aware Super therefore appreciates this opportunity to provide feedback and recommendations to APRA as it looks to refine the draft reporting standards and proposed reporting tables.

In reviewing the draft standards under consultation, we noted the following areas requiring further refinement, guidance, and clarification. Details on each of the standards and forms are contained in **Appendices 1, 2, and 3**.

Topic	Reference	Key comments / recommendations
<b>RSE licensee profile</b>	SRF 604.0, Table 3B	Aligning ad-hoc reporting requirements for <u>all</u> forms, to: “ <i>within 28 calendar days after the end of the calendar quarter in which the change occurred for the periods ending 30 September, 31 December, and 31 March</i> ”.
	SRF 604.0, Table 3C	Remove the 50% income threshold limitation, and instead propose RSE Licensee Directors to declare “ <i>all full-time equivalent employment</i> ”.
<b>RSE profile</b>	SRF 606.0, Table 5	Clarification is requested from APRA, whether this reporting is required in circumstances where an RSE has only a single sub-fund, rather than multiple sub-funds.
<b>Investment Forms Reporting due dates</b>	SRF 551.0, SRF 552.0, SRF 553.0	Aligning reporting requirements for all investment forms, to: “40 calendar days after the end of relevant reporting period” to be consistent with SRF 550.0
<b>Investments (liquidity)</b>	SRF 551.0	Refine the proposed reporting tables to better reflect how RSE licensees manage liquidity and stress testing in the context of superannuation industry which complies with SPS 530/ SPS 530 <i>Investment Governance</i> .
		Certain terms and instructions will require further guidance and refinement from APRA, including but not limited to: <ul style="list-style-type: none"> <li>• Investment Option (Liquidity Stress Test)</li> <li>• Worst Case Scenario</li> <li>• Redeemable for Cash</li> </ul>

Topic	Reference	Key comments / recommendations
	SRF 551.0, Tables 1 and 2	Clarify that the value of the investments should be on an "incremental basis" (not cumulative), and that the sum of all amounts would equate to the RSE's total investment value.
	SRF 551.0, Tables 3 and 4	The "Asset Class Characteristics" should be based on what is captured in the RSE's Liquidity Stress test (rather than SRF 550.0, on an APRA-look through basis).
	SRF 551.1, Tables 1 and 2	<p>In the context of the superannuation industry liquidity and stress testing is not reported and managed at the same level of structure or detail as currently proposed by APRA.</p> <p>Liquidity stress testing should be at option level, classified by taxed, untaxed, and defined benefits. The proposed specified cashflow types comprise a mix of member and investment transactions, which need to be separated.</p>
	SRF 551.2, Tables 1 and 2	<p>Clarify the intent of:</p> <ul style="list-style-type: none"> <li>• "Liquidity Trigger Metric or Indicator Number Value in Policy"; and</li> <li>• "Liquidity Trigger Metric or Indicator Number Value At Reporting Date".</li> </ul>
	SRF 551.3	For RSE(s), liquidity would be viewed on an asset class basis, rather than at the individual security level as currently proposed in SRF 551.3 ad-hoc reporting. We also propose that the timing should be reconsidered.
<b>Investments (exposures &amp; valuations)</b>	SRF 553.0 and SRF 553.2, Table 1	<p>Materiality threshold should not be a fixed dollar amount as that may unfairly prejudice larger/or smaller funds, and without indexation would lead to comparatively less material data being included over time. Aware Super recommends:</p> <ul style="list-style-type: none"> <li>(a) retaining the SRF 532.0 threshold of "1% of FUM"; or</li> <li>(b) <u>higher</u> of 0.5% or \$500m of FUM"; or</li> <li>(c) "top 20 investments / exposures of the RSE" (similar to the banking industry);</li> </ul>
	SRF 553.1, Tables 1, 2, and 3	<p>Engaging with superannuation funds to develop reporting tables on valuations that is more appropriate for the superannuation industry.</p> <p>The availability of valuation information is not dependent on whether an investment is directly held or indirectly held, but rather whether an investment is internally managed or externally managed. The definitions of internally managed investments and externally managed investments should be consistent with the existing guidance on these terms within the Portfolio Holdings Disclosure. The <i>Corporations Amendment (Portfolio Holdings Disclosure) Regulations 2021 Explanatory Statement</i> contains this guidance.</p> <p>In practice, Investment Managers may use multiple valuation approaches (rather than limited to a single approach) depending on each individual asset/and or security.</p> <p>The valuation of an investment needs to be on a non "look-through" Asset Class basis as the RSE may only be entitled to a portion of the Net Assets.</p>

Topic	Reference	Key comments / recommendations
		The basis of reporting fair value hierarchy (FVH), classification approach, and frequency of reporting should align to AASB 13 <i>Fair Value Measurement</i> .
	General	Aligning the timing of all quarterly investment reporting forms to "40 calendar days after the end of relevant reporting period" to be consistent with SRF 550.0.
<b>RSE licensee financial statements</b>	SRF 340.0	Given APRA intends to capture financial data that mirrors the (existing) audited RSE licensee financials lodged to ASIC, the definition of "related party" will need to align to AASB 124 <i>Related Party Disclosures</i> , removing references to the bespoke definition in Superannuation Industry (Supervision) Act 1993.
<b>Indirect investment costs</b>	SRF 332.1	Propose the new SRF 332.1 form, to capture <u>all</u> investment and transaction fees and costs, aligning with RG97 data collection and disclosure requirements, noting there will be duplications to investment costs reported in SRF 332.0.  SRF 332.0 <i>Expenses</i> (Table 3) to capture all investment expenses for accounting purposes under AASB standards, but to remove references to "Asset Class" which will be captured in SRF 332.1.

Please find our more detailed responses to specific draft reporting standards and matters for consideration, outlined in **Appendix 1** below. We have separately identified terms that require further guidance from APRA and recommended alternative definitions for the purposes of draft reporting standard SRS 101.0 *Definitions for Superannuation Data Collection*, in **Appendix 2**.

Aware Super would like to request **Appendix 3** of the submission to remain in confidence and has marked this part of the submission as "Private and Confidential".

Please contact [redacted] Group Reporting Manager, Financial and Regulatory reporting (email: [redacted]) and/or [redacted], Chief Financial Officer (email: [redacted]) if you require further information.

## About Aware Super

Meet Aware Super - the multi-awarded super fund. We're here to help our members grow their savings, whether retirement is 2 or 20 years away. As one of Australia's largest profit-for-members funds, we always remember whose money it is and whose future we're looking after.

That means being super helpful in ways our 1.1m members want, and sometimes in ways they don't expect. From super returns of 8.40% p.a.<sup>1</sup> over ten years for our High Growth option. To expert super advice and guidance for right now. We're committed to helping our members get more from their super, so they can get more for their future.

<sup>1</sup> Index median of 7.89% p.a. for the same period. Source: SuperRatings Fund Crediting Rate Survey (FCRS) 31 December 2023 (SR50 Growth (77-90) Index (approx. 50 options). Returns are after investment fees and costs, transaction costs, tax on investment income and any implicit admin fees. Past performance is not an indicator of future performance.

## Appendix 1 – Consultation Responses

REPORTING STANDARD	FEEDBACK	RECOMMENDATIONS															
<p><b>SRS 604.0 RSE Licensee Profile</b></p>	<p>There is an inconsistency in the due dates of ad hoc forms:</p> <table border="1" data-bbox="537 483 1213 743"> <thead> <tr> <th>Form</th> <th>Description</th> <th>28 days after</th> </tr> </thead> <tbody> <tr> <td>251.3</td> <td>Insurance premiums</td> <td>Quarter end</td> </tr> <tr> <td>605.0</td> <td>RSE Structure</td> <td>Quarter end</td> </tr> <tr> <td>706.0</td> <td>Fees and Costs</td> <td>Quarter end</td> </tr> <tr> <td>604.0</td> <td>RSE Licensee Profile</td> <td>Change in Directors' appointment</td> </tr> </tbody> </table> <p>APRA requested specific feedback concerning:</p> <ol style="list-style-type: none"> <li>1. proposed information on trustee directors' profile (Table 3A <i>RSE Licensee Directors</i>) and other board directorships (Table 3B <i>RSE Licensee Directors – Other Directorships</i>) and employment (Table 3C <i>RSE Licensee Directors – other employment</i>);</li> <li>2. adhoc reporting of changes to other board directorships (Table 3B); and</li> <li>3. the list of Board or Board Committee Type operated by the RSE licensee (Table 4 <i>Board and Board Committees</i>).</li> </ol> <p>The proposed directors' profile information (Table 3A), and other board directorships (Table 3B) or employment commitments (Table 3C) are already maintained by the RSE licensee, in addition to the conflicts of interest register. However, an RSE licensee would not be able to report on whether any other employment held (Table 3C) by its directors comprise "more than 50% of that</p>	Form	Description	28 days after	251.3	Insurance premiums	Quarter end	605.0	RSE Structure	Quarter end	706.0	Fees and Costs	Quarter end	604.0	RSE Licensee Profile	Change in Directors' appointment	<p>Aware recommends that the ad hoc reporting proposed for SRF 604.0, be aligned to the ad hoc reporting of other APRA Connect Forms which only require a quarterly attestation.</p> <p>Aware recommends the following changes to apply for SRF 604.0:</p> <ul style="list-style-type: none"> <li>• Table 3C: that RSE Licensee Directors declare all full-time equivalent employment e.g. "<i>Employed in any other entity where that employment comprises more than 50% of their income or time is on a Full Time Equivalent basis.</i>"</li> <li>• Ad-hoc reporting: while the proposed collection of SRS 604.0 information is on annual basis, the ad-hoc reporting for Table 3B within "28 calendar days of the change occurring" will present challenges. Aware recommends that any ad hoc reporting should be in the form of quarterly attestations or updated information "within 28 calendar days after the end of the calendar quarter in which the change occurred for the periods ending 30 September, 31 December, and 31 March", similar to SRF 251.0, SRF 605.0 and SRF 706.0</li> </ul>
Form	Description	28 days after															
251.3	Insurance premiums	Quarter end															
605.0	RSE Structure	Quarter end															
706.0	Fees and Costs	Quarter end															
604.0	RSE Licensee Profile	Change in Directors' appointment															

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	<p>individual director's income or time on a Full Time Equivalent basis".</p> <p>Given the RSE licensee relies on directors to notify the "start or end dates" of the RSE licensee Directors' other directorships held (Table 3B) – placing the onerous burden on the RSE licensee to comply with "ad-hoc reporting within 28 days of the change occurring" would be unreasonable, as this is fully reliant on directors informing the RSE licensee on a timely basis.</p> <p>The specified committee list provided for "Board or Board Committee Type" (Table 4) is exhaustive and having the option of "Other Committees" provides coverage for other committees that are not otherwise in the predefined list.</p>	
<p><b>SRS 605.0 RSE Structure</b></p>	<p>APRA requested feedback concerning sub funds (Table 5: RSE Sub-funds), tailored fee and cost arrangements.</p> <p>Aware has one sub-fund being a defined benefit sub-fund. This has been determined with reference to Corporations Regulations 7.9.01, and can also be identified by Superannuation Product ID.</p> <p>Aware has default insurance arrangements that are available to certain employers, which are not employer-sponsor sub-funds. No tailored products / fees are available (aside from the insurance premiums relevant to their policy), i.e. assets are not separated, and there are no special governing rules.</p> <p>Aware does not have any arrangements that would meet the criteria of a promotor sub-fund.</p> <p>Aware does not have tailored fee and cost arrangements.</p>	<p>N/A</p>

REPORTING STANDARD	FEEDBACK	RECOMMENDATIONS
<p><b>SRS 606.0 RSE Profile</b></p>	<p>The instructions for SRF 606.0 (Table 5: <i>RSE Sub-funds and Products</i>) states:</p> <p><i>“For each sub-fund operated by the RSE during the reporting period, report the associated superannuation product identifier. Where the RSE does not operate multiple sub-funds, Table 5 does not need to be completed”.</i></p> <p>Clarification is required from APRA, if its intended that where an RSE only has a single (1x) sub-fund, then no reporting is required for SRF 606.0 Table 5.</p>	<p>N/A</p>
<p><b>SRS 607.0 RSE Business Model</b></p>	<p>APRA requested feedback concerning Lifecycle product design types, the lifecycle investment strategy approach, and the accompanying definitions, in particular Table 4: <i>MySuper and Choice Lifecycle Stage Factors</i> and Table 5: <i>MySuper and Choice Lifecycle Product Design Mix</i>).</p> <p>Table 4 requires reporting of each lifecycle option offered by the RSE and the defining attributes of the lifecycle option. In relation to the valid description of “Lifecycle Product Design Type”, the prescribed drop-down list of choices for this form:</p> <ul style="list-style-type: none"> <li>a) contains unclear definitions for “Lifecycle Cohort Design” and “Lifecycle Portfolio Mix Design – Representative Stage”; and</li> <li>b) a description of “Don’t Offer Lifecycle option”, which would not apply for this table which reports only lifecycle options.</li> </ul> <p>If Table 4 is intended to report all “MySuper products”, then (b) above may be valid as MySuper product offered may either be a lifecycle product, or a single diversified investment product.</p>	<p>In relation to Table 4, “Lifecycle Product Design Type”, the accompanying definitions in SRS 101.0 may be improved as follow:</p> <p>“Lifecycle Cohort Design” definition:</p> <p>From-</p> <p><i>“Means a lifecycle design where a member is invested in a series of investment options that are determined by the lifecycle factors.”</i></p> <p>To-</p> <p><i>“Means a lifecycle design where the fund will switch a member out of one lifecycle option into another as the member meets the lifecycle stage factors of each successive option.”</i></p> <p>“Lifecycle Portfolio Mix Design- Representative Stage” definition:</p> <p>From-</p>



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	<p>Aware Super offers MySuper Lifecycle product and does not have Choice lifecycle products or Portfolio Mix Designs.</p>	<p><i>“Means a lifecycle design where then member is invested in a single investment option that varies over time based on the relevant lifecycle factors for the member.”</i></p> <p>To-</p> <p><i>“Means a lifecycle design where the member is invested in a single lifecycle option, and the underlying investments of that option changes over time.”</i></p>															
<p><b>Investment Forms Reporting due dates</b></p>	<p>There is an inconsistency in the due dates of quarterly investment forms:</p> <table border="1" data-bbox="537 623 1213 940"> <thead> <tr> <th>Form</th> <th>Description</th> <th>Calendar Days</th> </tr> </thead> <tbody> <tr> <td>550.0</td> <td>Asset Allocation</td> <td>40</td> </tr> <tr> <td>551.0</td> <td>Liquidity</td> <td>28</td> </tr> <tr> <td>552.0</td> <td>Securities Subject to Repurchase and Resale and Stock Lending and Borrowing</td> <td>28</td> </tr> <tr> <td>553.0</td> <td>Investment Exposure Concentrations and Valuations</td> <td>28</td> </tr> </tbody> </table>	Form	Description	Calendar Days	550.0	Asset Allocation	40	551.0	Liquidity	28	552.0	Securities Subject to Repurchase and Resale and Stock Lending and Borrowing	28	553.0	Investment Exposure Concentrations and Valuations	28	<p>Aware Super recommends that the due date for all quarterly investment reporting be standardised to “40 calendar days after the end of the relevant reporting period” to be consistent with SRF 550.0.</p> <p>This approach is favoured as given the increased volume and detail of the data required, some investment data may not be readily available to the RSE Licensee after 28 calendar days.</p> <p>Specifically, SRF 551.0 and SRF 553.0 are relying on the availability of the same look-through data used in SRF 550.0, with additional steps including:</p> <ul style="list-style-type: none"> <li>• Assigning redeemable cash by look-through asset class by option as captured in SRF 550.0.</li> <li>• Assigning valuation information to the same securities captured in SRF 550.1.</li> <li>• Splitting securities into more granular categories, by option and by product</li> </ul>
Form	Description	Calendar Days															
550.0	Asset Allocation	40															
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<p><b>SRF 551.0 Liquidity</b></p>	<p>Aware’s feedback concerning SRF 551.0 contains fund specific information deemed by Aware to be private and confidential and will be disclosed in <b>Appendix 3</b>. Where this is the case, a reference to Appendix 3 has been made.</p>																

REPORTING STANDARD	FEEDBACK	RECOMMENDATIONS
<p><b>SRS 551.0 Liquidity Supply</b></p>	<p>APRA requested specific feedback concerning:</p> <ul style="list-style-type: none"> <li>(a) the availability of the proposed data (on quarterly basis) in the RSE licensee’s “worst case” liquidity stress test results (Table 1 <i>RSE Liquidity Profile</i>, and Table 2 <i>Investment Option Liquidity Profile</i>);</li> <li>(b) the proposed redemption time period brackets to redeem assets at the RSE level and for specified investment options of the RSE (Table 1 and Table 2);</li> <li>(c) details of assets that can be liquidated within 3 days, including Negotiable Certificates of Deposits (NCDs), on a “look-through basis” at the RSE level and for specified investment options of the RSE (Table 3 <i>RSE Available Liquid Assets within 3 Days</i>, and Table 4 <i>Investment Option Available Liquid Assets within 3 Days</i>).</li> </ul> <p>Proposed data collection of liquidity profile and redemption time periods should be aligned with the RSE licensee’s liquidity management approach and reporting as required by SPS 530/SPG 530 <i>Investment Governance</i>.</p> <p>To comply with SPS 530, Aware’s Liquidity Management Plan covers each “Investment Option” as defined in section 1017BB(6) of the Corporations Act, which does not include lifecycle stages for lifecycle products (different to the “Investment Option” definition in SRS 101.0, which requires lifecycle products to be reported by lifecycle stages) . On this basis, stressed amounts have been aggregated by the Investment Options underlying the MySuper Lifecycle product, and not by each lifecycle stage cohorts (e.g. Aware Super has 11 lifecycle stages invested in 3 Investment Options).</p>	<p>Aware recommends the following terms and definitions to be included into SRS 101.0 for clarity:</p> <p>“Investment Option (Liquidity Stress Test)” definition-</p> <p><i>“The Investment Option used for liquidity stress testing, either as defined in section 1017BB(6) of the Corporations Act or APRA SRS 101.0.”</i></p> <p>Aware recommends the addition of a new column to identify which definition has been adopted for the liquidity stress test. And another column to identify which options underlie a MySuper Product</p> <p>“Worst Case Scenario” definition</p> <p><i>“The scenario that is severe but plausible, and would be the “most severe” stress test run during that quarter, unless it is deemed not plausible.”</i></p> <p>“Redeemable for Cash”-</p> <p><i>“Means the period of time required to redeem an investment to cash <u>at or near its carrying value.</u>”</i></p> <p>Aware recommends adding in the instructions to SRF 551.0 Tables 1 and 2, “Report the value of the investments on an incremental basis, not a</p>

REPORTING STANDARD	FEEDBACK	RECOMMENDATIONS
	<p>For “Investment Value Amount (Stressed)”, APRA has requested reporting on the “worst-case scenario” of the RSE licensee’s liquidity stress testing. A definition of “worst-case scenario” is required in SRS 101.0 for clarity.</p> <p>More clarity needs to be provided concerning “Redeemable for Cash” and the basis of how assets are to be computed (i.e. cumulative or incremental) for each grouping. For Tables 1 and 2, it is unclear whether the line items reported under the “Investment Value Amount” and “Investment Value Amount (Stressed)” columns should be calculated on an incremental or cumulative basis. We assume APRA means the former.</p> <p>For Tables 1 and 2, it is also somewhat unclear how the line items reported under the “Investment Value Amount (Stressed)” column should be calculated. There seems to be two main ways this could be calculated: (a) after stressed returns, based on stressed liquidity assumptions, but before cashflows, or (b) after stressed returns, based on stressed liquidity assumptions, and after cashflows. We assume APRA means the former because the tables fall under liquidity supply, but it is not otherwise clear.</p> <p>Under RSE Liquidity Management Policies, the liquidity of investments is generally not performed at the same detail as SRF 550.0 on an APRA- look-through, especially “Investment Asset Class Characteristics” of 1 Type, 2 Type and 3 Type, where many of these details will be reported as “Not Available”.</p>	<p>cumulative basis. The assets reported under each time periods are to be mutually exclusive such that the sum of all reported amounts would be equivalent to the RSE’s total investment value.”</p> <p>Aware recommends clarifying the basis on which “Investment Value Amount (Stressed)” is to be calculated e.g. after stressed returns, based on stressed liquidity assumptions, but before cashflows.</p> <p>Aware recommends that APRA includes in the instructions for Tables 3 and 4, that the “Asset Class Characteristics” are based on what is captured in the RSE’s Liquidity Stress test and not what is captured for SRF 550.0 on an APRA-look through basis.</p>

REPORTING STANDARD	FEEDBACK	RECOMMENDATIONS
<p><b>SRF 551.1 Liquidity Demand</b></p>	<p>APRA has proposed that “Cash Flow Type” be reported by product and by option at the RSE level (Table 1 <i>RSE Cash Flows</i>) and for specified investment options (Table 2 <i>Investment Option Cash Flows</i>), with the proposed specified cashflow types comprising a mix of member and investment transactions. This presents reporting challenges and will require investment transactions to be separated from member transactions.</p> <p>APRA is proposing to capture in Table 1 and Table 2, the “Cash Flow Type” which are of interest to liquidity demand, both actual net cashflows and estimated under stressed scenario. However, in the context of RSE(s), liquidity stress testing is not reported at the same level of detail laid out in the proposed Tables 1-2, the differences and reasons are as follows:</p> <ul style="list-style-type: none"> <li>• Stress testing is reported at the option level, without distinguishing between Accumulation and Transition to Retirement.</li> <li>• Refer to <b>Appendix 3</b></li> <li>• Options are divided between taxed, untaxed, and defined benefits, but not divided between Accumulation and Transition to Retirement as these two phases are treated the same for tax purposes.</li> </ul> <p>Aware has derisked Defined Benefit Retirement members by taking up a matching annuity product, whereby our annuity provider has agreed to take on the risk of this membership. As Aware no longer considers this membership a liquidity risk of the fund, liquidity stress testing is not performed for this Product Phase.</p>	<p>Aware recommends that for Tables 1 and 2:</p> <ul style="list-style-type: none"> <li>• “Superannuation Product Phase Type” be amended to remove: <ul style="list-style-type: none"> <li>○ “Accumulation”,</li> <li>○ “Transition to Retirement”,</li> <li>○ “Retirement”,</li> <li>○ “Defined Benefit Accumulation and Retirement” and</li> </ul> </li> <li>• Add: <ul style="list-style-type: none"> <li>○ “Taxed”,</li> <li>○ “Untaxed”,</li> <li>○ “Defined Benefit Accumulation”, and</li> <li>○ “Defined Benefit Retirement”</li> </ul> </li> <li>• Refer to <b>Appendix 3</b></li> <li>• Add to the instructions the text in bold: <p><i>“For each RSE, <b>where a liquidity stress test has been conducted during the reporting period</b> report the dollar value of actual net cash inflows and outflows within the reporting period in column 4, <b>for the relevant combination of Product Phase and Cashflow Type</b>”</i></p> </li> </ul>

REPORTING STANDARD	FEEDBACK	RECOMMENDATIONS
<p><b>SRF 551.2 Liquidity Event Trigger Metrics Or Indicators</b></p> <p>Table 1: <i>Liquidity Event Trigger Metrics or Indicators</i></p> <p>Table 2: <i>Investment Options Exceeding Liquidity Trigger Metrics Or Indicators Under a Worst-Case Liquidity Stress Scenario</i></p>	<p>Aware supports APRA's proposal to align data items with RSE licensee's liquidity management approach and internal reporting as required per SPS 530/SPG 530 <i>Investment Governance</i>.</p> <p>Clarity is needed for the term "Liquidity Trigger Metric Or Indicator Number Value In Policy". For example, does APRA expect RSEs to only populate "Liquidity Trigger Metric Or Indicator Number Value In Policy" if "Other Integer Value" is selected for the "Liquidity Trigger Metric Or Indicator Measurement" ?</p>	<p>Aware recommends that APRA defines "Liquidity Coverage Ratio" – we are aware that this is defined in APS 210 in the context of authorised deposit-taking institutions, but it is not defined in a superannuation fund context so therefore open to interpretation.</p> <p>Aware recommends APRA clarifies the intent of:</p> <ul style="list-style-type: none"> <li>• Table 1, <i>column 6</i>, "Liquidity Trigger Metric or Indicator Number Value in Policy"; and</li> </ul> <p>Table 2, <i>column 7</i>, "Liquidity Trigger Metric OR Indicator Number Value At Reporting Date".</p>
<p><b>SRF 551.3 Estimated Order of Asset Liquidation Under Liquidity Stress Condition</b></p>	<p>Refer to <b>Appendix 3</b></p>	<p>Refer to <b>Appendix 3</b></p>
<p><b>SRF 551.0 Liquidity</b> Other Matters</p>	<p>SRF 550.0 excludes out certain options when option level reporting is required, this exclusion has not been adopted for SRF 551.0</p>	<p>Aware recommends adopting the same exclusions, namely to exclude options which:</p> <ul style="list-style-type: none"> <li>• Are permitted to be aggregated</li> <li>• Solely underlie Defined Benefits</li> <li>• Are Investment Option Category Annuity Superannuation Product Category Type "Insurance Only" or "Whole of Life or Endowment".</li> </ul>

REPORTING STANDARD	FEEDBACK	RECOMMENDATIONS
<p><b>SRS 553.0 Investment Exposure Concentrations and Valuations</b>  <u>Materiality thresholds and estimated volumes</u>            SRF 553.0 Material Exposures</p> <p>SRF 553.2 Product, Investment Vehicle &amp; Country Exposures            Table 1: <i>Product Investment Exposures</i></p>	<p>APRA requested feedback about likely volumes of different thresholds. As these pertain to fund specific information, these are deemed by Aware to be private and confidential and will be disclosed in <b>Appendix 3</b>.</p>	<p>Aware supports a threshold at RSE level, as a threshold at Option level introduces the following challenges:</p> <ul style="list-style-type: none"> <li>(a) Assets that are material to an option may be immaterial to the fund (and vice versa)</li> <li>(b) An option threshold introduces complexity into SRF 553.0 which is reported for the whole of RSE.</li> </ul> <p>Aware would recommend (in order of preference):</p> <ul style="list-style-type: none"> <li>(c) retaining the SRF 532.0 threshold of “1% of FUM”; or</li> <li>(d) “higher of 0.5% or \$500m of FUM”; or</li> <li>(e) “top 20 investments / exposures of the RSE” (similar to the banking industry)</li> </ul>
<p><b>SRS 553.0 Investment Exposure Concentrations and Valuations</b>  <u>Estimated volumes of all unlisted assets</u>            SRF 553.1 Unlisted Exposures            Table 1: <i>Directly Held</i>            Table 2: <i>Indirectly Held</i></p> <p>SRF 553.2 Product, Investment Vehicle &amp; Country Exposures            Table 1: <i>Product Investment Exposures</i></p>	<p>APRA requested feedback about the likely volumes of reporting all unlisted assets in SRF 553.1 and SRF 553.2. As these pertain to fund specific information, these are deemed by Aware to be private and confidential and will be disclosed in <b>Appendix 3</b>.</p>	<p>The reasons for this are as follows:</p> <ul style="list-style-type: none"> <li>(f) Dollar thresholds are not recommended as it would prejudice larger funds.</li> <li>(g) Adopting a single threshold across SRF 553.0 (Table 1 and 2), SRF 553.1 (Table 1 and Table 2), and SRF 553.2 (Table 2) simplifies reporting.</li> <li>(h) Disclosure of all unlisted assets would be onerous, where Aware would be reporting a large volume of assets that are immaterial to both the fund and the options.</li> </ul> <p>Aware recommend that SRF 553.2 be reported by option only:</p>

REPORTING STANDARD	FEEDBACK	RECOMMENDATIONS
		<ul style="list-style-type: none"> <li>(i) Investment Options are uniform across all products.</li> <li>(j) Product splits can only be determined by APRA with reference to SRF 606.0 Table 4.</li> <li>(k) Reporting by Investment Option halves the volume of data (i.e. reduces burden) without diminishing the data quality.</li> </ul>
<p><b>SRS 553.0 Investment Exposure Concentrations and Valuations</b>  <u>Valuation information</u>            SRF 553.1 Unlisted Exposures            Table 1: <i>Directly Held</i>            Table 2: <i>Indirectly Held</i>            Table 3: <i>Indirectly Held (valuation)</i></p>	<p>APRA requested feedback about availability of valuation information. Availability of valuation information is not dependent on whether the investment is directly held or indirectly held, but whether an investment is internally managed or externally managed.</p> <p>When an investment is externally managed, irrespective of whether the asset is directly held or indirectly held, valuation information will not always be readily available for quarterly reporting but can be requested on an as needs basis. Furthermore, Investment Managers (especially of investment vehicles) may use multiple valuation approaches depending on each individual asset and/or security.</p> <p>For “Indirectly Held-Unlisted Investments”, valuation information is being captured in Table 3, where Investment Vehicles are listed by <u>look-through</u> Asset Classes, however, RSEs will only apply valuations on a <u>non-look-through</u> basis. The valuation of <u>look-through</u> assets only forms part of the calculation of investment vehicles, for example, if RSEs are only entitled to a portion of the Net Assets, or an impairment has been applied on a <u>non-look-through</u> basis. As a result, the valuation of an investment vehicle needs to be seen as a whole and cannot be broken up by <u>look-through</u> Asset Classes.</p>	<p>Aware proposes the addition of a column to identify whether the investment is an “Internally Managed Investment” or an “Externally Managed Investment”.</p> <p>For SRF 553.1 (Table 1-3), where an investment is “Externally Managed Investment”, provide funds with the option to report “Not readily available” and/or “Multiple Approach” to the following fields:</p> <ul style="list-style-type: none"> <li>• Date Of Latest External Audit Assessment</li> <li>• Exceptions Noted In The Audit Assessment</li> <li>• Proportion of Assets Revalued This Quarter</li> <li>• Revaluation Type</li> <li>• Independent Valuation Frequency</li> <li>• Valuation Approach</li> <li>• Change In Valuation Approach Or Methodology</li> </ul> <p>If APRA is interested in a particular asset where valuation information is “Not Readily Available” or “Multiple Approach” is reported, APRA can request specific data on an ad hoc basis.</p>

REPORTING STANDARD	FEEDBACK	RECOMMENDATIONS
	<p>Clarification is required from APRA on the “Redemption Frequency”, SRF 553.0 Table 2 and SRF 553.1 Table 2, where the investment vehicle reported is a controlled entity, being a long-term investment not intended for sale, please advise if such type should be reported as “Less Frequent Than Annual”.</p> <p>Clarification is required from APRA on the “Restricted Redemptions”. SRF 553.0 Table 2 and SRF 553.1 Table 2, is not reported by Option, however, the definition for Restricted Redemptions in SRS 101.0 “Means whether the <b>investment option</b> has any restrictions on redemptions.” Can APRA clarify if this was meant to be reported by portfolio/security (instead of option), and if so, how would direct illiquid assets be classified, how does this provide any more information than the “Redemption Frequency”.</p>	<p>Aware recommends that valuation information be captured in SRF 553.1 Table 2 instead of Table 3, where Table 2 is a listing of “Indirectly Held-Unlisted Investments” on a <u>non-look-through</u> basis.</p> <p>Aware recommends making the following changes to SRF 553.0 Table 2 and SRF 553.1 Table 2:</p> <ul style="list-style-type: none"> <li>• “Not Applicable” be added as an option for “Redemption Frequency”.</li> <li>• Delete the column “Restricted Redemptions” as these two tables are not reported by Investment Option, would not provide any more information than what would be captured by Redemption Frequency.</li> </ul>
<p><b>SRS 553.0 Investment Exposure Concentrations and Valuations</b> Other requested feedback</p>	<p>APRA requested feedback about the definition of “Unlisted Asset”. Aware supports APRA’s proposed list, except the inclusion of “<i>investments classified as Level 3 assets under the Australian Accounting Standards (AASB) fair value hierarchy (FVH)</i>”. The reporting of Level 3 assets under FVH is completed annually as part of the RSE(s)’ Annual Financial Report disclosures, however, this SRF 553.1 <u>quarterly</u> form will increase the burden for RSEs, to perform this assessment on a quarterly basis, to enable the reporting of SRF 553.1 under current proposals.</p> <p>APRA requested feedback about standard “Investment Identifiers”, and whether the proposed list is sufficient. However, assets that are not traded (i.e. unlisted assets and investment vehicles) typically would not have a standard “Investment Identifier”.</p>	<p>Aware Super recommends the following:</p> <ol style="list-style-type: none"> <li>1. exclude Level 3 FVH assets from the list of “Unlisted Assets” based on materiality. Where most Level 3 assets would already be captured by the existing list;</li> <li>2. adding a “Not applicable” option for “Investment Identifier”, where the security is only identified internally and not traded publicly;</li> <li>3. remove from SRF 553.3,             <ol style="list-style-type: none"> <li>a. Table 3, <i>column 3</i>, “Proportion Of Investments With Less Frequent Transaction Than Investment Option Member Transaction; and</li> </ol> </li> </ol>



REPORTING STANDARD	FEEDBACK	RECOMMENDATIONS
	<p>APRA requested feedback concerning the proportion of assets with transaction cycles that do not match the frequency at which members can transact on the "Investment Option". This would be a misrepresentation of the liquidity of Superannuation products. Superannuation is a long-term investment vehicle, and in a growing fund, applications are generally higher than redemptions.</p> <p>Review of Investment Manager Valuation Practices are performed by Investment Manager, not by "Investment Option" and as a result, the frequency of review is not relevant at the option level.</p> <p>APRA requested feedback on the definition of "Liquidity Provider", which Aware supports the current definition proposed by APRA and views the definition as adequate.</p>	<p>b. Table 3, <i>column 8</i>, "Review Of Investment Manager Valuation Practice"</p>
<p><b>SRS 553.0 Investment Exposure Concentrations and Valuations</b> Other Matters</p> <p>SRF 553.2 Product, Investment Vehicle &amp; Country Exposures Table 2: <i>Investment Vehicle Exposures</i></p>	<p>It was noted by APRA that SRF 553.2 (Table 2 <i>Investment Vehicle Exposures</i>) is an existing reporting requirement in SRF 532.0 Table 3, <i>Indirectly held investments – exposure concentrations in underlying vehicles</i>".</p> <p>The difference between existing form SRF 532.0 and the proposed form of SRF 553.2, is the change in reporting threshold from 1% to \$50m. An example of the volume of data has been provided in Appendix 3, as this pertains to fund specific information, Aware has deemed this to be private and confidential.</p> <p>This is a manual process where information is not readily available because look-through data is ordinarily captured by asset class and not by security and the increase in volume would be onerous to RSEs.</p>	<p>Aware recommends the following for SRF 553.0:</p> <ol style="list-style-type: none"> <li>1. the threshold used in existing SRF 532.0 "1% of FUM threshold" is retained for the new SRF 553.2; OR a threshold matching the rest of this new SRF 553.0 to reduce the burden for RSE(s).</li> <li>2. amend improvements, including: <ol style="list-style-type: none"> <li>a. the inclusion of "Trust" as an asset class</li> <li>b. an optional free text column where RSE(s) identify a different material asset class.</li> <li>c. specify that this is to be reported on a non-look-through basis.</li> </ol> </li> <li>3. adopting the same exclusions which applied, namely to exclude options which:</li> </ol>

REPORTING STANDARD	FEEDBACK	RECOMMENDATIONS
	<p>Aware has identified that categories in SRF 553.3 Table 2 <i>Fair Value Hierarchy</i>, do not match the disclosure categories used in accordance with AASB accounting purposes. AASB 13 allows entities to determine the asset classes most relevant to the entity. It has not been clearly stated whether the FVH should be on a look-through or non-look-through basis.</p> <p>SRF 550.0 excludes out certain options when option level reporting is required, this exclusion has not been adopted for SRF 553.0</p> <p>SRF 553.0 Table 2 and SRF 553.1 Table 2, both quarterly forms, will require RSE(s) to report the "Service Provider Identifier" consistent with SRF 332.0 Table 1, but the latter form is only reported annually to APRA.</p>	<ol style="list-style-type: none"> <li>a. are permitted to be aggregated</li> <li>b. Solely underlie Defined Benefits</li> <li>c. are "Investment Option Category Annuity"</li> <li>d. Superannuation Product Category Type "Insurance Only" or "Whole of Life or Endowment".</li> </ol> <p>Aware recommends removing "Service Provider Identifier" from SRF 553.0 and SRF 553.1 as this identifier is currently only used for SRF 332.0 <i>Expenses</i> and the proposed new SRF 332.1 <i>Indirect Investment Costs</i>.</p>
<p><b>SRS 340.0 RSE Licensee Financial Statements</b></p>	<p>APRA requested feedback about items collected and the reference to Australian Accounting Standards released by AASB. Aware supports the proposed Tables and instructions as is, noting the intent is to capture financial data that mirrors the (existing) audited RSE licensee financials lodged to ASIC.</p> <p>With regards to Table design (i.e. fill in all fields or include derived fields). Aware agrees that option 2 (derived fields) does add a desired extra control step, but otherwise does not have a preference either way.</p>	<p>"Related Party" definition, for the purpose of Table 4: <i>Related Party Transactions</i>, requires clarification.</p> <p>Given APRA's objective of SRF 340.0 is to collect data on the financial statements of the RSE Licensee per AASB requirements, current definition of "Related Party" (which references the SIS Act) contradicts the intended outcome. <b>Note:</b> SIS Act contains a bespoke definition of "Related Party", which differs to the accounting definition under AASB 124 <i>Related Party Disclosures</i>.</p> <p>Aware recommends:</p> <ul style="list-style-type: none"> <li>• Remove the SIS Act reference from the SRS 101.0 definition, OR</li> </ul>

REPORTING STANDARD	FEEDBACK	RECOMMENDATIONS
		<ul style="list-style-type: none"> <li>• Create a separate "Related Party" definition for SRF 340.0 reporting which references only AASB 124 (different to existing definition which references both AASB 124 and/or SIS Act for SRF 332.0 reporting)</li> </ul>
<p><b>SRS 332.1 Indirect Investment Costs</b></p>	<p>This form requires reporting of "total investment-related, indirect costs" which are costs "not directly charged to the RSE or RSE members" or not already reported in SRF 332.0, Table 3 <i>Investment management expenses</i>. It is expected that the reporting RSE licensee will follow Regulatory Guide 97 Disclosing fees and costs in PDSs and periodic statements (RG 97).</p> <p><b>1. Indirect cost data not identified in RG97 data collection process</b></p> <p>Whilst the definition of indirect costs in clause 101A, schedule 10 is found in RG97 (with respect to capturing indirect costs that may have reduced the return on an investment option), in practice costs are not classified in RG97 as either direct or indirect and there is no requirement to report RG97 investment costs in this manner.</p> <p>Instead, investment fees and costs are reported as one category and the guidance on indirect costs in RG97 is used for educational purposes only.</p> <p>Furthermore, it is industry practice to send out a standardised template to investment managers to collect fee and cost information. This template does not include a field for identifying whether investments or investment costs are direct or indirect. Additionally, it is not uncommon for an investment to have its costs partially paid directly from the fund and partially from the investment (i.e. a combination of both direct and indirect costs).</p>	<p>The process for collecting data and the uses of the data for SRF 332.0 Table 3 and SRF 332.1 are completely different. SRF 332.0 Table 3 captures investment expenses for accounting purposes per accounting standards, not fee and costs data that adheres to the RG97 disclosure requirements. While there are some data overlaps, it is not a clean separation between accounting expenses and RG97 costs. We recommend that all investment and transaction fees and costs are collected in SRF 332.1 so APRA has the full picture of that process, and the accounting expense data remains in Form 332.0 Table 3.</p> <p>To capture investment and transaction costs consistent with RG97, Aware recommends that SRF 332.1:</p> <ul style="list-style-type: none"> <li>• is reported for "Interposed Vehicles" per RG97, not SRF 332.0 look-through of "Connected Entities";</li> <li>• is reported by "Asset Class Sector Type" - as assigned to the manager/asset - not on an SRF 550.0 APRA-look through basis;</li> <li>• enables a mix of accrued and paid fees and costs, rather than just paid fees and costs – again to align with the approach taken for RG97;</li> </ul>

REPORTING STANDARD	FEEDBACK	RECOMMENDATIONS
	<p>For the reasons set out above, given current practice it would be a complex, time consuming and costly exercise for an RSE Licensee to classify all investment costs as direct or indirect for the purposes of completing SRS 332,0, Table 2 and SRS 332.1.</p> <p><b>2. Service Provider details for indirect investments unknown</b></p> <p>In addition, we won't necessarily know who the final payee ("Service Provider") is for information provided by investment managers/ assets other than for investment management/performance fees and costs, and costs paid directly from the Fund. The other cost information, on an indirect manager's custodian, valuers, accountants etc is bundled into a transaction cost or forms part of their investment cost, and these supplier details are not collected as part of the RG97 exercise.</p> <p><b>3. Look-through definition should align to RG97 requirements</b></p> <p>In the draft reporting standards, RSEs are to report expenses on a "look-through" basis, defined for SRF 332.0 as look-through supplier information. As the purpose of SRF 332.1 is to capture RG97 expenses, the reporting will not match SRF 332.0, because RG97 does not use the "connected entity" test; rather it captures expenses included in "interposed vehicles" (refer to RG97.16). Any reporting of expenses or assets in Form 332.1 should be per RG97 requirements.</p> <p><b>4. Further guidance required – RG97 alignment preferred</b></p> <p>In addition, it would be helpful if APRA could provide additional guidance on the following:</p> <ul style="list-style-type: none"> <li>that the asset class sector type refers to the asset class assigned to each manager/asset for asset allocation</li> </ul>	<ul style="list-style-type: none"> <li>specifying that the "Service Provider Identifier" may be the Investment Manager or asset for the purpose of SRF 332.1.</li> </ul> <p>Aware also recommends removing overlapping data fields from SRF 332.0 Table 3 (given Table 3 captures investment costs incurred by the RSE per accounting standards and for another purpose). The inclusion of the below data fields (in Table 3) may perpetuate confusion for users of the information:</p> <ul style="list-style-type: none"> <li>Investment Asset Class Sector Type</li> <li>Investment Listing Type</li> <li>Investment Domicile Type</li> <li>Asset Class Description Text</li> <li>Investment Market Value Amount Proportion Of Assets Service Provided Percent (or specify should be 100% if not servicing a sub-fund)</li> <li>Proportion Of Members Service Provided Percent (or specify should be 100% if not servicing a sub-fund)</li> </ul> <p><b>Timing:</b> In order to meet the current deadline, either Form 332.1 shouldn't require an audit, or the lodgement date of this form needs to be moved to 30 October.</p>

REPORTING STANDARD	FEEDBACK	RECOMMENDATIONS
	<p>purposes, not the SRF 550.0 APRA-look through asset classes;</p> <ul style="list-style-type: none"> <li>• that a combination of accrued and paid fees is acceptable given the desire to match performance with fees payable for RG97 disclosure (eg. Q4 performance and management fees are accrued amounts and other costs are based on what transactions occurred during the period). The draft Reporting Standard says that costs “must be reported with respect to transactions that occurred during the reporting period” (page 2 of SRF 332.1 Instructions); and</li> <li>• whether implicit costs should be included e.g. estimated costs of OTC derivatives and securities lending costs (noting these won’t appear in Table 3 of Form 332.0 because they aren’t physical expenses, but the assets are directly held so wouldn’t meet the definition of indirect costs).</li> </ul> <p><b>5. Timing is very tight and warrants consideration</b></p> <p>The RG97 data collection process is finalised in early September annually. Form 332.0 and 332.1 must be lodged with APRA by 30 September and be audited. There is very little time to complete the RG97 calculation process and have the data audited by the due date.</p>	

## Appendix 2 – Consultation Responses to Proposed Definitions

DEFINED TERM	APRA PROPOSED SRS 101.0 DEFINITIONS	RECOMMENDATIONS (with proposed minor amendments in 'red' font)
<b>SRF 605.0 RSE Structure</b>		
Sub-fund	<p>Sub-fund means a division, plan, sub-plan, segment, part or membership category within a fund (however defined) with one or more of the following characteristics:</p> <p>(a) separately identifiable assets and separately identifiable beneficiaries;</p> <p>(b) the interest of each beneficiary in the division, plan, sub-plan, segment, part or membership category is determined by reference to the conditions established in the governing rules of the fund;</p> <p>(c) has a separately identifiable fee structure;</p> <p>(d) is a “relevant sub-plan” within the meaning of 1017C of the Corporations Act.</p> <p>The sub-fund types:</p> <ul style="list-style-type: none"> <li>• defined benefit sub-fund;</li> <li>• employer-sponsor sub-fund; or</li> <li>• promoter sub-fund.</li> </ul>	<p>Sub-fund has the meaning found in Corporations Regulations 7.9.01 and has the following characteristics:</p> <p>(a) the sub-fund has separately identifiable assets and separately identifiable beneficiaries;</p> <p>(b) the interest of each beneficiary of the sub-fund is determined by reference only to the conditions governing that sub-fund;</p> <p>(c) there is no transfer of assets, benefits or money between the sub-fund and another sub-fund without a transfer of a corresponding beneficial interest;</p> <p>(d) the insurance and administration costs of the sub-fund are attributable only to that sub-fund.</p> <p>The sub-fund types:</p> <ul style="list-style-type: none"> <li>• defined benefit sub-fund;</li> <li>• employer-sponsor sub-fund; or</li> <li>• promoter sub-fund.</li> </ul>

DEFINED TERM	APRA PROPOSED SRS 101.0 DEFINITIONS	RECOMMENDATIONS (with proposed minor amendments in 'red' font)
<b>SRF 607.0 RSE Business Model</b>		
Lifecycle Cohort Design (lifecycle product)	Means a lifecycle design where a member is invested in a series of investment options that are determined by the lifecycle factors.	Means a lifecycle design where a member is progressively switched out of one investment option into another investment option as the member meets the lifecycle stage factors. Means a lifecycle design where a member is invested in a one or a number of investment options, and the mix of investment options held changes over time as determined by the lifecycle factors.
Lifecycle Portfolio Mix Design – Representative Stage (lifecycle product)	Means a lifecycle design where then member is invested in a single investment option that varies over time based on the relevant lifecycle factors for the member.	Means a lifecycle design where the member is invested in a single investment option, whose underlying investments changes over time based on the relevant lifecycle factors of the investment option’s members.
<b>SRF 551.0 Liquidity</b>		
Worst Case Scenario (Liquidity stress test)	Currently undefined	The scenario that is severe but plausible, and would be the “most severe” stress test run during that quarter, unless it is deemed not plausible.
Redeemable For Cash	Means the period of time required to redeem an investment to cash.	Means the period of time required to redeem an investment to cash <i>at or near its carrying value.</i>
Net Members' Benefits Flows (cash flow type)	Means the net of flows into and outwards of the regulated superannuation fund that result in either a net increase or decrease in the liability for benefits owing to members.	Means the net of flows into and outwards of the regulated superannuation fund that result in either a net increase or decrease in the liability for benefits owing to members, <i>including contributions, rollovers, lump sum benefit payments, pension payments and deductions for fees or premiums.</i>
Member Switching (Cash Flow Type)	Means the net of flows into and outwards of the regulated superannuation fund due to member switching that result in either a net increase or decrease in the liability for benefits owing to members.	N/A

DEFINED TERM	APRA PROPOSED SRS 101.0 DEFINITIONS	RECOMMENDATIONS (with proposed minor amendments in 'red' font)
Member Product Switching (Cash Flow Type)		Means the net cash flows into and outwards of the <i>product</i> due to member switching that result in either a net increase or decrease in the liability for benefits owing to members <i>within that product</i> .
Net Members' Movements (Cash Flow Type)		Means the net of flows into and outwards of the <i>option</i> that result in either a net increase or decrease in the liability for benefits owing to members, <i>including contributions, rollovers, lump sum benefit payments, pension payments, option switches and deductions for fees or premiums</i> .
Applications (Member Flow Type)	Means the flow into an investment option due to member contributions that results in a net increase in the liability for benefits owing to members.	Means the flow into an investment option due to <i>contributions and transfers from other funds</i> that results in a net increase in the liability for benefits owing to members.
Redemptions (Member Flow Type)	Means the flow into an investment option due to member redemptions that results in a net decrease in the liability for benefits owing to members.	Means the flow out of an investment option due to <i>benefit payments, pension payments, transfers to other funds and deductions for fees or premiums</i> that results in a net decrease in the liability for benefits owing to members.
Switches In (Member Flow Type)	Means the flow into an investment option due to member switching that results in a net increase in the liability for benefits owing to members. A switch relates to where a member has transferred part or all of the benefits in an account from one interest to another interest in the same fund.	Means the flows into the option due to member switching from another option that results in a gross increase in the liability for benefits owing to members within that option.
Switches Out (Member Flow Type)	Means the flow outwards of an investment option due to member switching that results in a net decrease in the liability for benefits owing to members. A switch relates to where a member has transferred part or all of the benefits in an account from one interest to another interest in the same fund.	Means the flows out of the option due to member switching into another option that results in a gross decrease in the liability for benefits owing to members within that option.
Liquidity Trigger Metric Or Indicator Number Value In Policy	Means the value of the liquidity event trigger or indicator in the RSE licensee's liquidity management policy.	Means the value of the liquidity event trigger or indicator in the RSE licensee's liquidity management policy, <i>where the Liquidity Trigger Metric or Indicator Measurement is measured as an integer other than a Percentage or Dollar Value</i> .



DEFINED TERM	APRA PROPOSED SRS 101.0 DEFINITIONS	RECOMMENDATIONS (with proposed minor amendments in 'red' font)
<b>SRF 553.0 Investment Exposure Concentrations and Valuations</b>		
Internally Managed (Valuation type)		Assets that are not classified as Externally Managed.
Externally Managed (Valuation type)		Assets described in the Portfolio Holding Disclosure (PHD) Explanatory Statement as investments made or managed through external fund managers which are not associated entities of the trustee.
Not Readily Available (Valuation)		<p>Means valuation information for the relevant security is not readily available. For example, because valuation is externally managed through policies that use multiple valuation methods for a cohort of assets.</p> <p>APRA may request in writing for RSEs to supply valuation information for a reasonable sample of assets after quarter end.</p>
Multiple (Valuation)		Means multiple valuation approaches have been undertaken for the underlying securities of an investment vehicle that cannot be neatly divided by asset class.
Review Of Investment Manager Valuation Practice	Means the frequency that the RSE licensee undertakes a review of the investment manager's valuation practice.	Means the frequency that the RSE licensee undertakes a review of the investment manager's valuation practice. <i>This includes the review of valuation policies and the review of Investment Managers' valuations, whichever is more frequent.</i>
<b>SRF 340.0 RSE Licensee Financial Statements</b>		
Related party	Means, in relation to an entity (the principal entity) or the RSE licensee of the principal entity, is a related party for the purposes of accounting standard AASB 124 and/or a Related party as defined in subsection 10(1) of the SIS Act .	Means, in relation to an entity (the principal entity) or the RSE licensee of the principal entity, is a related party for the purposes of accounting standard AASB 124 <del>and/or a Related party as defined in subsection 10(1) of the SIS Act .</del>

DEFINED TERM	APRA PROPOSED SRS 101.0 DEFINITIONS	RECOMMENDATIONS (with proposed minor amendments in 'red' font)
<b>SRS 332.1 Indirect Investment Costs</b>		
Indirect Investment (expense service type)	Means an investment-related cost which has reduced the return on the relevant product or investment option, and is not directly charged to the RSE or RSE members.	<p>Means an investment-related cost that is an indirect cost as defined in Corporations Regulations 2001 schedule 10 and Regulatory Guide RG 97.284-RG97.295. Namely, investment related costs that would reduce the investment return of a member and is not charged as a fee.</p> <p>For the avoidance of doubt, this includes (but is not limited to) costs charged directly to the fund that are already reported in SRF 332.0 Table 3.</p>
Service Provider Identifier (Indirect Investment Costs)		Means the Service Provider Identifier of the Investment Manager or asset relevant to the Investment Cost reporting in SRF 332.1. This is not the same as the Service Provider reported in SRF 332.0, where SRF 332.0 is concerned with payments for services.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	<p>[REDACTED]</p> <p>[REDACTED]</p>	[REDACTED]
[REDACTED]	<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>	[REDACTED]



<p>[REDACTED]</p>		<p>[REDACTED]</p>
<p>[REDACTED]</p>	<p>[REDACTED]</p>	<p>[REDACTED]</p>

	<p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p>	<p>[Redacted]</p> <p>[Redacted]</p>

- End of Aware Super submission on APRA SDT Phase 2 - Consultation -