



Reporting Standard SRS 110.1 (2005)

Selected Disclosure of Investments

Objective of this reporting standard

This reporting standard is made under section 13 of the *Financial Sector (Collection of Data) Act 2001*. It applies when a superannuation entity had total assets of \$50 million or more at the end of the most recent financial year for the entity at the time for reporting.¹ The trustee of such an entity must give APRA, on a quarterly basis, certain disclosures regarding the net market value and type of particular investments.

This reporting standard outlines the overall requirements for the provision of the required information to APRA. It should be read in conjunction with:

- Versions A and B of *Form SRF 110.1 Selected Disclosure of Investments* (Form SRF 110.1) and the instructions to each version of the form; and
- the *Quarterly Reporting Requirements and General Instructions Guide*

which are attached and form part of this reporting standard.

Purpose

1. Data collected in Form SRF 110.1 is used by APRA for the purpose of prudential supervision and by the Australian Bureau of Statistics for statistical purposes, including the compilation of the Australian Financial Accounts.

Application and commencement

2. This reporting standard will apply, from the date of registration of the reporting standard on the Federal Register of Legislative Instruments, to each trustee of a relevant registered superannuation entity, as defined by paragraph 3.
3. A superannuation entity is a relevant registered superannuation entity if:

¹ Except where the entity was a small APRA fund, a self-managed superannuation fund, or a single member approved deposit fund at the end of the most recent reporting period under this reporting standard.

- (a) at the end of the most recent year of income (within the meaning of section subsection 10(1) of the SIS Act) of the superannuation entity at the time for reporting, it had total assets of at least \$50 million; and
- (b) at the end of the most recent reporting period for the entity, it was not:
 - (i) a small APRA fund;
 - (ii) a self managed superannuation fund; or
 - (iii) a single member approved deposit fund.

Note: For example, if a superannuation entity (other than one excluded by paragraph (b)) satisfied paragraph (a) at the end of its most recent year of income, but during the most recent quarterly reporting period its assets fell below \$50 million, the trustee of that entity will still have to report under this reporting standard in respect of that reporting period.

Note: Part 2B of the SIS Act makes provision for the registration of superannuation entities. However, although it is expected that most superannuation entities covered by this reporting standard will become registered under Part 2B, either during or after the licensing transition period referred to in the SIS Act, it is **not** a requirement of the definition of 'relevant registered superannuation entity' that a superannuation entity actually be registered under Part 2B. A superannuation entity will be a 'relevant registered superannuation entity' if it meets the definition in paragraph 3 of this reporting standard, even if it has not been registered under Part 2B. This note is inserted for the avoidance of doubt

Information required

- 4. The trustee of a relevant registered superannuation entity must provide APRA with the information required by Version A or B (as applicable) of Form SRF 110.1, in respect of the entity, for each reporting period.

Note: Version A of the form is to be completed in respect of a relevant registered superannuation entity that is not one of the 200 largest regulated superannuation funds by total asset size. Version B is to be completed in respect of a fund that is one of the 200 largest measured by total asset size.

- 5. For the avoidance of doubt, if the trustee is trustee of more than one relevant registered superannuation entity, the trustee must separately provide the information required by the relevant version of the form for each of those relevant registered superannuation entities.

Forms and method of submission

- 6. The information required by this reporting standard must be given to APRA by the trustee of a relevant registered superannuation entity either:
 - (a) where subparagraph (b) does not apply:
 - (i) in electronic form using the 'Direct to APRA' application, applying one of the electronic submission mechanisms under that application; or

- (ii) by manually completing Form SRF 110.1 on paper and mailing the completed form to APRA's head office at Level 26, 400 George Street, Sydney, New South Wales; or
- (b) by means of an agent to whom the trustee has outsourced the function of providing the information on the trustee's behalf, in which case the agent must provide the information:
 - (i) in electronic form using the 'Direct to APRA' application, applying one of the electronic submission mechanisms under that application:
or
 - (ii) if the agent has contacted APRA and advised that the agent cannot submit the information in electronic form under sub-subparagraph (i), by manually completing Form SRF 110.1 on paper and mailing the completed form to APRA's head office at Level 26, 400 George Street, Sydney, New South Wales.

Note: The 'Direct to APRA' software and relevant forms may be obtained from APRA.

Reporting periods and due dates

7. Subject to paragraph 8, the trustee of a relevant registered superannuation entity must provide the information required by this reporting standard in respect of each quarter based on the year of income (within the meaning of subsection 10(1) of the SIS Act) of the entity.
8. APRA may, by notice in writing change the reporting periods, or specified reporting periods, for a particular relevant registered superannuation entity to require the trustee to provide the information required by this reporting standard in respect of the entity:
 - (a) more frequently (if, having regard to the particular circumstances of the entity, APRA considers it necessary or desirable to obtain information more frequently for the purposes of the prudential supervision of the entity); or
 - (b) less frequently (if, having regard to the particular circumstances of the entity and the extent to which it requires prudential supervision, APRA considers it unnecessary to require it to provide the information on an annual basis).
9. The information required by this reporting standard must be provided to APRA within 25 business days after the end of the reporting period to which it relates.
10. APRA may grant a trustee an extension of a due date in writing, in which case the new due date for the provision of the information will be the date on the notice of extension.

Quality control

11. Information required under this reporting standard is not required to be audited or tested by the auditor of the superannuation entity.
12. The information provided by a trustee under this reporting standard must be the product of processes and controls developed by the trustee for the internal review and authorisation of that information. It is the responsibility of the trustee to ensure that an appropriate set of policies and procedures for the authorisation of data submitted to APRA is in place.

Note: The trustee of a superannuation entity is not required: (a) to digitally sign or authorise the information required by this reporting standard when provided electronically; or (b) to sign the form when submitting the information on paper.

Minor alterations to form and instructions

13. APRA may make minor variations to:
 - (a) a form that is part of this reporting standard, and the instructions to such a form, to correct technical, programming or logical errors, inconsistencies or anomalies; or
 - (b) the instructions to a form, to clarify their application to the formwithout changing any substantive requirement in the form or instructions.
14. If APRA makes such a variation it must notify trustees of relevant registered superannuation entities in writing.

Transitional

15. If the due date for providing information in respect of a reporting period of a relevant registered superannuation entity is a day after the date of registration of this reporting standard on the Federal Register of Legislative Instruments, the trustee of that entity must provide the information required by this reporting standard in respect of that reporting period (even if the reporting period itself ended before the date of registration of this reporting standard).

Interpretation

16. In this reporting standard:

APRA means the Australian Prudential Regulation Authority established under the *Australian Prudential Regulation Authority Act 1998*;

business day means an ordinary business day, exclusive of Saturdays, Sundays and public holidays;

due date means the relevant due date under paragraph 9 or, if applicable, paragraph 10;

officer in relation to a trustee of a relevant registered superannuation entity means:

- (a) if the trustee is a corporation – a director or officer of that corporation;

- (b) if the trustee is a natural person – that person; or
- (c) if two or more natural persons are trustees of the entity – one of those persons;

regulated superannuation fund has the meaning given by section 19 of the SIS Act;

relevant registered superannuation entity has the meaning given by paragraph 3 of this reporting standard;

reporting period means a period mentioned in paragraph 7 or, if applicable, paragraph 8;

self managed superannuation fund has the meaning given by section 17A of the SIS Act;

single-member approved deposit fund means an approved deposit fund (within the meaning of subsection 10(1) of the SIS Act) that has only one member;

SIS Act means the *Superannuation Industry (Supervision) Act 1993*;

small APRA fund means a regulated superannuation fund that has fewer than 5 members and is regulated by APRA under the SIS Act;

superannuation entity has the meaning given by subsection 10(1) of the SIS Act.

Note: Subsection 10(1) of the SIS Act provides that superannuation entity means a regulated superannuation fund, or an approved deposit fund, or a pooled superannuation trust (as defined in the SIS Act).

Reporting Form SRF 110.1

Selected Disclosure of Investments (Version A)

Instruction Guide

Completion of *SRF 110.1A Selected Disclosure of Investments (Version A)*

This form is applicable to superannuation entities, excluding Small APRA Funds (SAFs) and Single Member Approved Deposit Funds (SMADFs), that have total assets equal to or greater than \$50m at the end of the entity's last year of income but are not within the largest 200 entities in the industry by total asset size. Accordingly trustees of these entities will be required to only complete version A of this form.

Trustees of those superannuation entities, excluding Small APRA Funds (SAFs) and Single Member Approved Deposit Funds (SMADFs), that have total assets of at least \$50m and are within the largest 200 entities in the industry in terms of total assets, are not required to complete Version A of this form and are required to only complete Version B of this form. APRA will advise those entities that are within this grouping and customise the reporting package in D2A so that the correct version is applied to them.

Superannuation entities that are required to complete *SRF 110.1 Selected Disclosure of Investments* Version A or B on a quarterly basis must also complete *SRF 210.1 Selected Disclosure of Investments* on an annual basis.

Note: All forms included in the *SRF 100* series should be submitted together as a quarterly return, not individually as separate forms.

Purpose

This instruction guide is designed to assist in the completion of the *SRF 110.1 A Selected Disclosure of Investments (Version A)*. The information requested in this form is required by APRA.

Lodgement and validation of *SRF 110.1A Selected Disclosure of Investments*

Lodgement and authentication codes

This form must be completed and lodged to APRA by a corporate or natural 'person' (trustee director or administrator), and not by the superannuation entity as the entity is not a 'person'.

Once *SRF 110.1A Selected Disclosure of Investments (Version A)* has been completed and submitted to APRA, an authentication code is generated in D2A from information entered into the form. The authentication code and date submitted appear in the footer of each page of the form. Any change of information entered or resubmission of the form will result in a change to the authentication code.

A receipt indicating successful lodgement of the form will be provided via email. There may be a slight delay in a receipt being provided if the submission is made in the last week of October. **Do not** resubmit your form however, as the receipt **will** be generated.

Validation and calculation of totals

When data is entered into the form, the total balances (in the greyed out cells) will not be calculated automatically. The total items will only calculate when the form is validated. Clicking on the word 'validate' in the top left hand corner of the screen and selecting 'OK' will result in the total items being calculated and the validation rules appearing for review.

There are three types of validation rules as follows:

1. **Warnings: Confirmation rules** – this rule requires the user to provide confirmation that the data entered into an item is correct, for example that a negative number is correct and should not be positive. To provide confirmation the user should click the confirm box and provide a brief description in support of the item.

Note: Descriptions entered for warnings may not always appear if the return is validated more than once. There is no need to re-enter the description as D2A has saved this description and the comments will be lodged with the return.

2. **Error: Mandatory rules** – this indicates an error in an item, for example a description and a value must be included in a table. These errors must be corrected before the return can be lodged.
3. **Cross form validations** – this also indicates an error and must be corrected before the return can be lodged, for example Totals disclosed in *SRF 110.0 Statement of Financial Position* item 12 'Net assets available to pay benefits' must agree with the net assets reported in item 23 'Net assets available to pay benefits at the end of the reporting period disclosed on *SRF 100.0 Statement of Financial Performance* for each quarter.

General guidance for completion of *SRF 110.1A Selected Disclosure of Investments (Version A)*

This form requests information to be disclosed in the following parts:

Part A: Deposits, placements, loans and debt securities

Part B: Investments in equity securities of unlisted corporations and units in unlisted private trusts

Part C: Interest in unlisted retail/public offer trusts

Part D: Interest in ventures

SRF 110.1 Selected Disclosure of Investments (Version A) is an annexure providing further detail on the composition of the aggregated net market value reported for certain investment items in *SRF 110.0 Statement of Financial Position*. In particular the following must agree:

- Total 'Net Market Value' column of *SRF 110.1A Selected Disclosure of Investments (Version A)*, PART A, item 3 should agree with the 'Total Net Market Value' column reported in *SRF 110.0 Statement of Financial Position* item 3.1. 'Deposits, placements, loans and debt securities'.
- The sum of the total of *SRF 110.1A Selected Disclosure of Investments (Version A)*, PART B, column 6 PLUS *SRF 110.1A Selected Disclosure of Investments (Version A)*, PART D, column 5

should agree with

'Total Net Market Value' column reported in *SRF 110.0 Statement of Financial Position* for item 3.3 'Direct holdings of equity securities of unlisted corporations, units in unlisted private trusts and interests in ventures'.

- Total of *SRF 110.1A Selected Disclosure of Investments (Version A)*, PART C, item 5 'Total', column 'Net market value at the end of the reporting period' should agree with 'Total Net Market Value' column reported in *SRF 110.0 Statement of Financial Position* for item 3.7.5 'Unlisted retail/public offer unit trusts'.

Important!

Not all investments, as disclosed on *SRF 110.0 Statement of Financial Position* item 3, are required to be reported on *SRF 110.1A Selected Disclosure of Investments (Version A)*. However, in accordance with the above requirements, the net market value of investments reported in PARTs A to D of *SRF 110.1A* should agree to the relevant items in *SRF 110.0 Statement of Financial Position*.

Important!

Zeros are not required where there is no dollar value for an item. If there is no balance for an item, leave it blank. The form can be left blank as D2A recognises blanks as zeros.

Important!

Report all disclosures rounded to the nearest **thousand** dollars. Do **not** use decimal numbers i.e. when dividing the value to obtain a rounded balance to the nearest thousand dollars, ensure that the figure is whole.

Important!

If an investment balance has moved significantly since the previous quarterly return, the Trustee may be requested to explain or verify this movement to APRA.

Classification of Rating Grade of Counterparty

The counterparty grades set out in the table below are to be used in classifying the rating grades for the purposes of PART A and PART C of this form. This table discloses the corresponding counterparty ratings of a number of rating agencies and the general classification APRA will apply to these ratings. The superannuation entity should request these rating grades directly from the counterparty (i.e. the other party with whom the transaction is being made) or investment manager, and should not rely on consumer rating agencies which rate collective investments.

APRA Classification	Standard & Poor's	Moody's	AM Best	Fitch
1	AAA	Aaa	A++	AAA
2	AA+ AA AA-	Aa1 Aa2 Aa3	A+	AA+ AA AA-
3	A+ A A-	A1 A2 A3	A A-	A+ A A-
4	BBB+ BBB BBB-	Baa1 Baa2 Baa3	B++	BBB+ BBB BBB-
5	BB+ or below	Ba1 or below	B+ or below	BB+ or below
6	Unrated	Unrated	Unrated	Unrated

Where the superannuation entity has investments with multiple ratings from two or more of the rating agencies in the table above, its trustee should consistently apply the rating of a single agency wherever possible. For example, a superannuation entity may have a number of counterparties that are rated by S&P and Fitch. In this case the superannuation entity should select a single rating agency that will be consistently applied whenever the individual ratings conflict.

The ratings in the above table from the respective rating agencies are generally consistent with long term rating/debt securities. Where the superannuation entity invests in counterparties/securities that have only been issued with a short term

counterparty rating, the closest match from the above table should be used to classify the investments into the appropriate APRA grades.

Unknown rating grade

If a rating grade is unknown or not available use rating grade 6. Where investment managers cannot confirm their ratings a rating grade 6 should also be used.

Instruction guide for specific items

Part A: Deposits, placements, loans and debt securities

Scope

Include

- Includes interest-rate related cash and investments of the superannuation entity; and
- Include loans and advances in section 1.

Exclude

- Holding of units in unit trusts such as a cash management trust. While being an interest-rate related investment of the superannuation entity, holdings of unlisted retail/public offer cash management trusts are to be excluded from this PART and reported in PART C: 'Interest in Retail/Public Offer Trusts' and in aggregate in *SRF 110.0 Statement of Financial Position* item 3.7.5. 'unlisted retail/public offer unit trusts'.

If the superannuation entity holds listed notes/hybrid securities which have characteristics of a debt security & an equity security, these securities should be classified in the same manner as they appear in the entity's audited financial statements.

Part A: Explanation of line items

Total deposits, placements and loans

Report the net market value of cash and 'deposits, placements, loans and advances' made by the superannuation entity as at the end of the reporting period.

Total deposits, placements and loans and advances which are with the following

1.1. Unlisted corporations

Report deposits, placements and loans and advances to unlisted corporations.

1.2. Unlisted private trusts

Report deposits, placements and loans and advances to unlisted private trusts.

1.3. Individuals

Report deposits, placements, loans and advances that are to individuals.

Important!

Holdings of deposits, placements, loans and advances that are not with any of the parties identified in items 1.1 to 1.3 should be included in the total at item 1; however they should **not** be included at items 1.1 to 1.3. This means that the sum of items 1.1 to 1.3 may not equal the total at item 1.

Total debt securities

Report the net market value of the superannuation entity's holdings of debt securities as at the end of the reporting period.

Total debt securities which are:

2.1. Securitised instruments

This will include securities issued by financial vehicles that issue securities (called asset-backed securities) using specifically selected assets (e.g. mortgages, receivables). They provide backing (collateral) for the securities and generate the payment streams necessary to fulfil interest and principal requirements for investors. Include holdings of the following:

- Mortgage backed securities; and
- Other asset backed securities (other than mortgage backed).

2.2. Debt securities issued by unlisted corporations

This includes all debt securities where the issuer of the security is an unlisted corporation.

Important!

Holdings of debt securities that are not with any of the parties identified in items 2.1 or 2.2 should be included in the total at item 2; however they should **not** be included at items 2.1 or 2.2. This means that the sum of items 2.1 and 2.2 may not equal the total at item 2.

Total value of deposits, placements, loans and advances and securities

Represents the sum of items 1 and 2.

This will agree to *SRF 110.0 Statement of Financial Position*, 'Total net market value' column of item 3.1 'deposits, placements, loans and debt securities'

Important!

Total 'Net Market Value' column of item 3 of PART A should agree with the 'Total Net Market Value' column reported in *SRF 110.0 Statement of Financial Position* item 3.1. 'Deposits, placements, loans and debt securities'.

Part A: Explanation of column headings

Total Net Market Value of Portfolio Classified into the following Counterparty Rating Grades

Rating Grade 1

Of the total reported at item 3 in the 'Net market value' column, report in this column the aggregate value of exposures that have an APRA rating grade of 1. Refer to table above for classification of APRA rating grades and how these align with rating agencies' ratings.

Rating Grade 2

Of the total reported at item 3 in the 'Net market value' column, report in this column the aggregate value of exposures that have an APRA rating grade of 2. Refer to table above for classification of APRA rating grades and how these align with rating agencies' ratings.

Rating Grade 3

Of the total reported at item 3 in the 'Net market value' column, report in this column the aggregate value of exposures that have an APRA rating grade of 3. Refer to table above for classification of APRA rating grades and how these align with rating agencies' ratings.

Rating Grade 4

Of the total reported at item 4 in the 'Net market value' column, report in this column the aggregate value of exposures that have an APRA rating grade of 4. Refer to table above for classification of APRA rating grades and how these align with rating agencies' ratings.

Rating Grade 5

Of the total reported at item 3 in the 'Net market value' column, report in this column the aggregate value of exposures that have an APRA rating grade of 5. Refer to table above for classification of APRA rating grades and how these align with rating agencies' ratings.

Rating Grade 6

Of the total reported at item 3 in the 'Net market value' column, report in this column the aggregate value of exposures that are unrated.

Part B: Investments in equity securities of unlisted corporations and units in unlisted private trusts

Scope

Include

Direct holdings of investments acquired as part of the internal investment management function of the superannuation entity. This includes investments held by a custodian where these are held in Trust for the entity.

Assets that are NOT to be reported in this part:

1. Do **not** include the underlying assets supporting the investments in external individually managed mandates/portfolios. Investments in external individually managed mandates/portfolios are to be treated as investments in managed funds and reported in aggregate on *SRF 110.0 Statement of Financial Position* in item 3.7.1 'Individually managed mandates/portfolios'.
2. Do **not** include investments in equity securities of listed corporations and units in listed trusts in this PART. These are to be reported in aggregate in *SRF 110.0 Statement of Financial Position* in item 3.2. 'Equity securities of listed corporations and units in listed unit trusts'.
3. Do **not** include investments in Pooled Super Trusts. These are to be reported in aggregate on *SRF 110.0 Statement of Financial Position* in item 3.7.2 'Pooled Super Trusts'.
4. Do **not** include investments in Wholesale trusts. These are to be reported in aggregate on *SRF 110.0 Statement of Financial Position* in item 3.7.3 'Wholesale trusts'.
5. Do **not** include investments in unlisted retail/public offer unit trusts. These are to be reported in PART C: 'Interests in Unlisted Retail/Public Offer Unit Trusts' and in aggregate in *SRF 110.0 Statement of Financial Position* in item 3.7.5 'Unlisted retail/public offer unit trusts'.

Part B: Explanation of column headings

(1) Name of unlisted corporation/unlisted private unit trust

Report the full name of the entity.

(2) ABN

Report the Australian Business Number of the entity, or if no ABN, leave blank.

Completion of the ABN fields is not mandatory to lodge returns. If the ABN is not recorded in the superannuation entities' system, or is not known, leave the ABN blank. A **Warning** confirmation validation rule in D2A will request confirmation that the investment entity has not applied for an ABN. Tick the box as confirmation and enter the comment that ABN is not known.

(3) Business

In the space provided, detail a brief description of the main business conducted by the entity.

(4) Ownership/interest %

Disclose the percentage (to the nearest whole number) of the superannuation entity's ownership of the equity securities or units issued by the investment entity. i.e. no. of securities/units owned by the superannuation entity divided by total securities/units on issue, multiplied by 100.

(5) Initial cost

Disclose the initial cost of the investment in the entity. Where this involves multiple acquisitions, sum the cost of each acquisition.

(6) Value

Disclose the net market value of the investment in the entity as at the end of the reporting period. Net market value is defined in accordance with the **current** Australian Accounting Standards.

Important!

The sum of the 'total value' columns in *SRF 110.1A Selected Disclosure of Investments (Version A)*, PART B, Column 6, PLUS *SRF 110.1A Selected Disclosure of Investments (Version A)*, PART D, column 5 should agree to *SRF 110.0 Statement of Financial Position* in item 3.3 ('Total net market value' column).

Part C: Interest in unlisted retail/public offer trusts

Scope

Include

Holdings of investments acquired as part of an internal investment management function of the superannuation entity. This includes investments held by a custodian where these are held in Trust for the entity.

Exclude

- Underlying investment securities and other investment assets that form part of an external individually managed mandate or portfolio; and
- Wholesale trusts and Pooled Superannuation Trusts (these are disclosed separately in item 3.7 in *SRF 110.0 Statement of Financial Position*).

Part C: Explanation of line items

Investments in unlisted retail/public offer trusts are requested to be classified under the following headings:

- 1. Unlisted property trusts**
- 2. Unlisted equities trusts**
- 3. Unlisted cash management trusts**
- 4. Other unlisted unit trusts**
- 5. Total**

Represents the sum of PART C items 1-4 above.

Important!

Total of *SRF 110.1A Selected Disclosure of Investments (Version A)*, PART C, item 5 'Total', column 'Net market value at the end of the reporting period' should agree with 'Total Net Market Value' column reported in *SRF 110.0 Statement of Financial Position* for item 3.7.5 'Unlisted retail/public offer unit trusts'.

Part C: Explanation of column headings

Total net market value classified into the following counterparty rating grades

Classify the total 'net market value at the end of the reporting period reported' column at item 5 of PART C into the appropriate APRA counterparty rating grades. The counterparty rating grades are the same as those outlined at the start of this instruction guide and used in PART A of this form.

If a rating grade is unknown or not available use rating grade 6. Where investment managers cannot confirm their ratings a rating grade 6 should also be used.

Part D: Interest in Ventures

Scope

Include

Direct holdings of investments acquired as part of the internal investment management function of the superannuation entity.

Exclude

Underlying investment securities and other investment assets that form part of an external individually managed mandate or portfolio.

For the purposes of this form joint venture is to be interpreted as defined in **current** Australian Accounting Standards:

“Joint venture means a contractual arrangement whereby two or more parties undertake an economic activity, which is subject to joint control.” A joint venture can take the form of the following:

- Joint venture entity; or
- Joint venture operation.

Joint venture entity means a joint venture that is in the form of an entity and does not include:

- (a) an entity that is acquired and held exclusively with a view to its disposal in the near future
- (b) an entity that operates under severe long-term restrictions which impair significantly its ability to make distributions to the venturer.

Joint venture operation means a joint venture that is not a joint venture entity and does not include an entity that:

- (a) is acquired and held exclusively with a view to its disposal in the near future
- (b) operates under severe long-term restrictions that impair significantly its ability to make distributions to the venturer.

Part D: Explanation of column headings

(1) Name

Report the full name of the venture.

(2) Business

In the space provided, detail a brief description of the main business conducted by the venture.

(3) Ownership/interest %

Disclose the percentage of the reporting superannuation entity’s ownership or interest in the venture.

(4) Initial cost

Disclose the initial cost of the investment of the reporting superannuation entity in the venture.

(5) Value

Disclose the net market value of the investment/interest of the reporting superannuation entity in the venture. Net market value is to be interpreted as defined in accordance with **current** Australian Accounting Standards.

Important!

The sum of the total of *SRF 110.1A Selected Disclosure of Investments (Version A)*, PART B, column 6 PLUS *SRF 110.1A Selected Disclosure of Investments (Version A)*, PART D, column 5

should agree with

‘Total Net Market Value’ column reported in *SRF 110.0 Statement of Financial Position* for item 3.3 ‘Direct holdings of equity securities of unlisted corporations, units in unlisted private trusts and interests in ventures’.

Reporting Form SRF 110.1

Selected Disclosure of Investments (Version B)

Instruction Guide

Completion of SRF 110.1B Selected Disclosure of Investments (Version B)

This form is applicable to those superannuation entities, excluding Small APRA Funds (SAFs) and Single Member Approved Deposit Funds (SMADFs), that are within the largest 200 entities in the industry by total asset size. These entities are not required to complete Version A of this form and are required only to complete Version B of this form. APRA will advise the trustees of those entities that are within this grouping and customise the reporting package in D2A so that the correct version is applied to them.

The trustees of those superannuation entities that have total assets equal to or greater than \$50m but are not within the largest 200 entities by total asset size are required only to complete version A of this form.

Trustees of superannuation entities that are required to complete *SRF 110.1 Selected Disclosure of Investments* Version A or B on a quarterly basis must also complete *SRF 210.1 Selected Disclosure of Investments* on an annual basis.

Note: All forms included in the *SRF 100* series should be submitted together as a quarterly return, not individually as separate forms.

Purpose

This instruction guide is designed to assist in the completion of the *SRF 110.1 B Selected Disclosure of Investments (Version B)*. The information requested in this form is required by APRA.

Lodgement and validation of *SRF 110.1B Selected Disclosure of Investments (Version B)*

Lodgement and authentication codes

This form must be completed and lodged to APRA by a corporate or natural 'person' (trustee director or administrator), and not by the superannuation entity as the entity is not a 'person'.

Once *SRF 110.1B Selected Disclosure of Investments (Version B)* has been completed and submitted to APRA, an authentication code is generated in D2A from information entered into the form. The authentication code and date submitted appear in the footer of each page of the form. Any change of information entered or resubmission of the form will result in a change to the authentication code.

A receipt indicating successful lodgement of the form will be provided via email. There may be a slight delay in a receipt being provided if the submission is made in the last week of October. **Do not** resubmit your form however, as the receipt **will** be generated.

Validation and calculation of totals

When data is entered into the form, the total balances (in the greyed out cells) will not be calculated automatically. The total items will only calculate when the form is validated. Clicking on the word 'validate' in the top left hand corner of the screen and selecting 'OK' will result in the total items being calculated and the validation rules appearing for review.

There are three types of validation rules as follows:

1. **Warnings: Confirmation rules** – this rule requires the user to provide confirmation that the data entered into an item is correct, for example that a negative number is correct and should not be positive. To provide confirmation the user should click the confirm box and provide a brief description in support of the item.

Note: Descriptions entered for warnings may not always appear if the return is validated more than once. There is no need to re-enter the description as D2A has saved this description and the comments will be lodged with the return.

2. **Error: Mandatory rules** – this indicates an error in an item, for example a description and a value must be included in a table. These errors must be corrected before the return can be lodged.
3. **Cross form validations** – this also indicates an error and must be corrected before the return can be lodged, for example Totals disclosed in *SRF 110.0 Statement of Financial Position* item 12 'Net assets available to pay benefits' must agree with the net assets reported in item 23 'Net assets available to pay benefits at the end of the reporting period disclosed on *SRF 100.0 Statement of Financial Performance* for each quarter.

General guidance for completion of *SRF 110.1B Selected Disclosure of Investments (Version B)*

SRF 110.1B Selected Disclosure of Investments (Version B), requests information to be disclosed in the following PARTs:

Part A: Deposits, placements, loans and debt securities

Part B: Equity Securities in Corporations and Units in Unit Trusts Listed on the Australian Stock Exchange

Part C: Interest in Unlisted Retail/Public Offer Trusts

Part D: Investments in Equity Securities of Unlisted Corporations and Units in Unlisted Private Trusts

Part E: Interest in Ventures

The requirements of each Part are explained in more detail below.

SRF 110.1 Selected Disclosure of Investments (Version B) is an annexure providing further detail on the composition of the aggregated net market value reported for certain investment items in *SRF 110.0 Statement of Financial Position*. In particular the following must agree:

- Total of *SRF 110.1B Selected Disclosure of Investments (Version B)*, PART A, item 4 'Total deposits, placements, loans and securities' should agree with 'Total net market value' reported in *SRF 110.0 Statement of Financial Position* in item 3.1. 'Deposits, placements, loans and debt securities'.
- Total of *SRF 110.1B Selected Disclosure of Investments (Version B)*, PART B, item 6 'Total direct equity investments that are listed on the ASX', column 'Net market value at the end of the reporting period' **should** agree with 'Net Market Value in Australia' column for item 3.2 'Direct holdings of equity securities of listed corporations and units in listed unit trusts' in *SRF 110.0 Statement of Financial Position*.
- Total of *SRF 110.1B Selected Disclosure of Investments (Version B)*, PART C, item 5 'Total', column 'Net market value at the end of the reporting period' should agree with item 3.7.5. 'Investments in unlisted retail/public offer unit trusts' in *SRF 110.0 Statement of Financial Position*.
- The sum of:
 1. *SRF 110.1B Selected Disclosure of Investments (Version B)*, PART D, Section 1, item 1.4 'Total', column 'Net market value at the end of the reporting period'; PLUS
 2. *SRF 110.1B Selected Disclosure of Investments (Version B)*, PART D, Section 2 (Table 3) 'Investments in equity securities of unlisted private corporations and units in unlisted private unit trusts'; Total; PLUS

3. *SRF 110.1B Selected Disclosure of Investments (Version B)*, PART E, 'Total'

should agree with

SRF 110.0 Statement of Financial Position item 3.3 'Direct holdings of equity securities of unlisted corporations, units in unlisted private trusts and interests in ventures.

Important!

Not all investments, as disclosed on *SRF 110.0 Statement of Financial Position* item 3, are required to be reported on *SRF 110.1B Selected Disclosure of Investments (Version B)*. However, in accordance with the above requirements, the net market value of investments reported in Parts A to E of *SRF 110.1B Selected Disclosure of Investments (Version B)* should agree to the relevant items in *SRF 110.0 Statement of Financial Position*.

Important!

Zeros are not required where there is no dollar value for an item. If there is no balance for an item, leave it blank. The form can be left blank as D2A recognises blanks as zeros.

Important!

Report all disclosures rounded to the nearest **thousand** dollars. Do **not** use decimal numbers i.e. when dividing the value to obtain a rounded balance to the nearest thousand dollars, ensure that the figure is whole.

Important!

If an investment balance has moved significantly since the previous quarterly return, the Trustee may be requested to explain or verify this movement to APRA.

Definitions used throughout *SRF 110.1B Selected Disclosure of Investments (Version B)*

Private (or propriety) corporations

Entities included in that part of the economy owned by private individuals, companies or organisations. Opposite of public sector. Refer definition at Section 45A in the *Corporations Act 2001*.

Public corporations

Entities included in that part of the economy with public (Government) ownership. As distinct from private sector. Refer definition at Section 9 in the *Corporations Act 2001*.

Listed corporations

Entities which publicly trade shares or other securities on an exchange. Listed shares are traded on the Australian Stock Exchange; futures contracts can be publicly traded on the Sydney Futures Exchange.

Reporting period

In relation to the:

- ‘Net market value at the beginning of the reporting period’ – this equals the beginning of the financial year (e.g. 1 July); and
- ‘Net market value at the end of the reporting period’ – this equals the last date of the current quarter (e.g. 31 December or 31 March) and reflects a year to date value.

Classification of rating grade of counterparty

The counterparty grades set out in the table below are to be used in classifying the rating grades for the purposes of Part A and Part C of this form. This table discloses the corresponding counterparty ratings of a number of rating agencies and the general classification APRA will apply to these ratings. The superannuation entity should request these rating grades directly from the counterparty (i.e. the other party with whom the transaction is being made) or investment manager, and should not rely on consumer rating agencies which rate collective investments.

APRA Classification	Standard & Poor's	Moody's	AM Best	Fitch
1	AAA	Aaa	A++	AAA
2	AA+ AA AA-	Aa1 Aa2 Aa3	A+	AA+ AA AA-
3	A+ A A-	A1 A2 A3	A A-	A+ A A-
4	BBB+ BBB BBB-	Baa1 Baa2 Baa3	B++	BBB+ BBB BBB-
5	BB+ or below	Ba1 or below	B+ or below	BB+ or below
6	Unrated	Unrated	Unrated	Unrated

Where the superannuation entity has investments with multiple rating from two or more of the rating agencies in the table above, the superannuation entity should consistently apply the rating of a single agency wherever possible. For example, a superannuation entity may have a number of counterparties that are rated by S&P and Fitch. In this case the superannuation entity should use a single agency that will be consistently applied whenever the individual ratings conflict.

The ratings in the above table from the respective rating agencies are generally consistent with long term rating/debt securities. Where superannuation entities invest in counterparties/securities that have only been issued with a short term counterparty

rating, the closest match from the above table should be used to classify the investments into the appropriate APRA grades.

Unknown rating grade

If a rating grade is unknown or not available use rating grade 6. Where investment managers cannot confirm their ratings a rating grade 6 should also be used

Instruction guide for specific items

Part A: Deposits, placements, loans and debt securities

Scope

Include

- Includes interest-rate related cash and investments of the superannuation entity; and
- Include deposits, placements, loans and advances in item 1.

Exclude

- Holding of units in unit trusts such as a cash management trust. While being an interest-rate related investment of the superannuation entity, these are to be excluded from this PART and reported in item 3 of Part B and/or item 3 of Part C.

If the superannuation entity holds listed notes/hybrid securities which have characteristics of a debt security & an equity security, these securities should be classified in the same manner as they appear in the entity's audited financial statements.

Term to maturity

'Short term securities' and 'long term securities' are required to be based on the **original** term to maturity at the date of issue of the securities, **not** the residual maturity of the securities at the superannuation entity's reporting date.

Short term

For the purposes of this form, short term refers to securities with an original term to maturity of less than or equal to 12 months.

Long term

For the purposes of this form, long term refers to securities with an original term to maturity that is greater than 12 months.

Part A: Explanation of column headings

Net market value

Report in this column the total net market value for each investment classification listed in the form. Where required choose the most appropriate classification from the available line items on the form.

- **Net market value at the beginning of the reporting period**

This represents the net market value of the superannuation entity's investment at the beginning of the reporting period.

Important!

The value included in the 'Net market value at the beginning of the reporting period' column, for each of the items 3.1 to 3.4 listed below under PART A item 3, should equal the net market value at the beginning of the current financial year.

- **Net transactions**

Report the net purchases and disposals during the reporting period.

Where this results in a:

- net increase in the net market value of the investment, report a positive figure in this column; and/or
- net decrease in the net market value of the investment, report a negative figure in this column. Where a negative number is input, a warning will appear on validation of the form – tick the "Confirm" box to verify that this is correct.

- **Other changes**

Report other changes in net market value from the beginning of the reporting period other than 'net transactions', such as revaluation increments and decrements in net market value or income accrued on discount securities.

As above, where this results in a:

- net increase in the net market value of the investment, report a positive figure in this column; and/or
- net decrease in the net market value of the investment, report a negative figure in this column. Where a negative number is input, a warning will appear on validation of the form – tick the "Confirm" box to verify that this is correct.

- **Net market value at the end of the reporting period**

This represents the net market value of the superannuation entity's investment at the end of the reporting period and should reconcile to the Net market value at the beginning of the reporting period adjusted for the value reported for 'Net Transactions' and 'Other Changes'.

Part A: Explanation of line items

1. Deposits, placements and loans and advances with the following:

1.1. Banks

Banks refers to ADIs (Authorised Deposit-taking Institutions), in relation to which an authority under subsection 9(3) of the *Banking Act 1959* is in force and which holds a consent under section 66 of the Act to use the word *bank*.

Include

- Development banks; and
- Foreign banks licensed to operate in Australia under the *Banking Act 1959*.

Exclude

- Merchant (or 'Investment') banks (show at item 1.2).

1.2. Other deposit taking institutions

This refers to ADIs, which have an in-force authority under subsection 9(3) of the *Banking Act 1959*, but which do not hold a consent under section 66 of the Act to use the word *bank*.

Include

- Building societies, credit unions; and
- Merchant banks (or 'investment' banks)

1.3. Commonwealth public sector trading enterprises

Trading enterprises owned by the Commonwealth are those businesses which are owned and controlled by the Australian Commonwealth Government.

Include

All residential trading enterprises owned 50% or more by the Commonwealth Government or controlled by the Commonwealth Government through legislation, decree, or regulation (e.g. Telstra, Australia Post).

Exclude

- Deposits and placements with the Commonwealth government itself (show at item 1.5);
- Commonwealth Government owned financial institutions (show at item 1.2 if applicable, otherwise at item 1.10); and
- Commonwealth borrowing authorities (show at item 1.10).

1.4. State and local public sector trading enterprises

State, territory, and local government trading enterprises are those businesses which are owned and controlled by a state, territory, or local government.

Include

All trading enterprises 50% or more owned by a state, territory or local government or controlled by a state, territory, or local government through legislation, decree, or regulation (e.g. state rail and water authorities, gas and fuel authorities, housing commissions, port authorities, non-privatised power authorities).

Exclude

- State government owned financial institutions (show at item 1.2 if applicable, otherwise at item 1.10); and
- State and territory central borrowing authorities (show at item 1.6).

1.5. Australian Commonwealth Government

Include any deposits and placements with the Commonwealth government.

Exclude Commonwealth public sector trading enterprises (show at item 1.3)

1.6. State central borrowing authorities

Placements with and/or deposits with state, territory, and local departments and agencies.

Include

- New South Wales Treasury Corporation (NSW TCorp);
- Treasury Corporation of Victoria (TCV);
- Queensland Treasury Corporation (QTC);
- South Australian Government Financing Authority (SAFA);
- Western Australian Treasury Corporation (WATC);
- Tasmanian Public Finance Corporation (Tas Corp);
- Northern Territory Treasury Corporation (NT TCorp); and
- ACT Treasury.

1.7. Private trading corporations

Private trading corporations are those owned and controlled by the private sector.

Include

- All resident private corporate trading enterprises;
- Intra group financiers and retailers registered under the *Financial Sector (Collection of Data) Act 2001* and parent companies with significant holdings of shares in private trading companies;
- Privately owned schools and hospitals;
- Any unincorporated unit that is a branch in Australia of a non-resident company and which is not included in the financial sector; and
- Unincorporated business in the nature of branches of non-resident companies and joint ventures or partnerships owned/operated by trading corporations.

Exclude

- Unincorporated businesses, except for branches of non-resident companies and joint ventures or partnerships owned/operated by corporations. Show these at item 1.10 'Other'.

1.8. Unlisted private trusts

Report deposits, placements and loans and advances to unlisted private trusts.

1.9. Individuals

Report loans and advances to individuals.

1.10. Other

Include any other deposits, placements, loans and advances not included above.

1.11. Total deposits, placements and loans and advances

Represents the sum of all items reported under items 1.1 to 1.10.

2. Short term debt securities

2.1. Bills of exchange

A bill of exchange is a written order requiring one party to pay a specified sum of money to another party at a future maturity date. It is a negotiable instrument which is usually sold at a discount and traded on the money market. Bills of exchange can be bank-accepted or bank-endorsed, or can rank as commercial bills.

2.2. Bank certificates of deposit

Include negotiable and non-negotiable certificates issued by Australian Banks.

2.3. Commonwealth Treasury Notes

These are short-term debt securities that are issued by the Australian Commonwealth Government.

2.4. Short term commercial paper/promissory notes issued by:

The following provides guidelines to facilitate disclosure of the counterparty/issuer of short term interest rate related securities held by the superannuation entity. The following specific disclosures are required.

2.4.1. Commonwealth public sector trading enterprises

Trading enterprises are those businesses which are owned and controlled by the Australian Commonwealth Government.

Include

All resident trading enterprises owned 50% or more by the Commonwealth Government or controlled by the Commonwealth Government through legislation, decree or regulation (e.g. Telstra, Australia Post).

Exclude

- Commonwealth Treasury Notes (show at item 2.3); and
- Commonwealth Government owned financial institutions or Commonwealth borrowing authorities (show these at item 2.4.5 if applicable, otherwise at 2.4.6).

2.4.2. Australian state and local public sector trading enterprises

State, territory, and local government trading enterprises are those businesses which are owned and controlled by a state, territory, or local government.

Include

All trading enterprises 50% or more owned by a state, territory or local government or controlled by a state, territory, or local government through legislation, decree, or regulation (e.g. state rail and water authorities, gas and fuel authorities, housing commissions, port authorities, non-privatised power authorities).

Exclude

- State government owned financial institutions (show at item 2.4.5 if applicable, otherwise at 2.4.6); and

- State and territory central borrowing authorities (show at item 2.4.4).

2.4.3. Private trading corporations

Private trading corporations are those owned and controlled by the private sector.

Include

- Intra group financiers and retailers registered under the *Financial Sector (Collection of Data) Act 2001* and parent companies with significant holdings of shares in private trading companies;
- All resident private corporate trading enterprises;
- Privately owned schools and hospitals;
- Any unincorporated unit that is a branch in Australia of a non-resident company and which is not included in the financial sector; and
- Unincorporated business in the nature of branches of non-resident companies and joint ventures or partnerships owned/operated by trading corporations.

Exclude

- Unincorporated businesses, except for branches of non-resident companies and joint ventures or partnerships owned/operated by corporations. Show these at item 2.4.6 'Other short term security instruments'.

2.4.4. State central borrowing authorities

These are corporations established by state and territory governments to provide finance for government authorities and to manage their surplus funds.

Include

- New South Wales Treasury Corporation (NSW TCorp);
- Treasury Corporation of Victoria (TCV);
- Queensland Treasury Corporation (QTC);
- South Australian Government Financing Authority (SAFA);
- Western Australian Treasury Corporation (WATC);
- Tasmanian Public Finance Corporation (Tas Corp);
- Northern Territory Treasury Corporation (NT TCorp); and

- ACT Treasury.

2.4.5. Other deposit-taking institutions

Non bank authorised deposit taking institutions refers to Authorised Deposit Taking Institutions (ADIs), which have an authority under subsection 9(3) in force, but which do not hold a consent under section 66 under the *Banking Act 1959* to use the word bank. These include Building Societies and Credit Unions.

2.4.6. Other short term security instruments

Include the net market value of all other short-term debt securities issued by any entities not already included above in items 2.1 to 2.4.6.

2.5. Total Short Term Debt Securities

Represents the sum of the values reported in items 2.1 to 2.3 and 2.4.1 to 2.4.6.

3. Long Term Debt Securities

The following provides guidelines to facilitate disclosure of the counterparty/issuer of long term interest rate related securities held by the superannuation entity.

The following specific disclosures are required.

3.1. Commonwealth Treasury Bonds

These are long term debt securities that are issued by the Australian Commonwealth Government.

3.2. Long Term Securitised Instruments

This will include securities issued by financial vehicles that issue short and/or long-term securities (called asset-backed securities) using specifically selected assets (e.g. mortgages, receivables). They provide backing (collateral) for the securities and generate the payment streams necessary to fulfil interest and principal requirements for investors.

Include holdings of the following:

- Mortgage backed securities (this does not include mortgage loans to individuals which are to be reported in item 1.9); and
- Other asset backed securities (other than mortgage backed).

3.3. Other Long Term Debt Securities Issued by

3.3.1. State Central Borrowing Authorities

These are corporations established by state and territory governments to provide finance for government authorities and to manage their surplus funds.

Include

- New South Wales Treasury Corporation (NSW TCorp);
- Treasury Corporation of Victoria (TCV);
- Queensland Treasury Corporation (QTC);
- South Australian Government Financing Authority (SAFA);
- Western Australian Treasury Corporation (WATC);
- Tasmanian Public Finance Corporation (Tas Corp);
- Northern Territory Treasury Corporation (NT TCorp); and
- ACT Treasury.

3.3.2. Commonwealth public sector trading enterprises

Trading enterprises are those businesses which are owned and controlled by the Australian Commonwealth Government.

Include

All resident trading enterprises owned 50% or more by the Commonwealth Government or controlled by the Commonwealth Government through legislation, decree or regulation (e.g. Telstra, Australia Post and Australian Government Solicitor).

Exclude

- Commonwealth Treasury bonds (show at item 3.1);
- Commonwealth Government owned financial institutions (show at item 3.3.6 if applicable, otherwise at item 3.3.7); and
- Commonwealth borrowing authorities (show at item 3.3.7).

3.3.3. State and local public sector trading enterprises

State, territory, and local government trading enterprises are those businesses which are owned and controlled by a state, territory, or local government.

Include

All trading enterprises 50% or more owned by a state, territory or local government or controlled by a state, territory, or local government through legislation, decree, or regulation (e.g. state rail and water authorities, gas and fuel authorities, housing commissions, port authorities, non-privatised power authorities).

Exclude

- State government owned financial institutions (show at item 3.3.6 if applicable, otherwise at item 3.3.7); and
- State and territory central borrowing authorities (show at item 3.3.1).

3.3.4. Private trading corporations

Private trading corporations are those owned and controlled by the private sector.

Include

- Intra group financiers and retailers registered under the *Financial Sector (Collection of Data) Act 2001* and parent companies with significant holdings of shares in private trading companies;
- All resident private corporate trading enterprises;
- Privately owned schools and hospitals;
- Any unincorporated unit that is a branch in Australia of a non-resident company and which is not included in the financial sector;
- Unincorporated business in the nature of branches of non-resident companies and joint ventures or partnerships owned/operated by trading corporations; and
- Infrastructure development bonds.

Exclude

- Unincorporated businesses, except for branches of non-resident companies and joint ventures or partnerships owned/operated by corporations. Show these at item 2.4.6.

3.3.5. Banks

Banks refers to Authorised Deposit Taking Institutions (ADIs), in relation to which an authority under subsection 9(3) is in force and which holds a consent under section 66 of the *Banking Act 1959* to use the word bank. Do not include merchant (investment) banks – report at item 3.3.6.

Include

- Development banks; and
- Foreign banks licensed to operate in Australia under the *Banking Act 1959*.

3.3.6. Other deposit taking institutions

Non bank authorised deposit taking institutions refers to Authorised Deposit Taking Institutions (ADIs), which have an authority under subsection 9(3) in force, but which do not hold a consent under section 66 of the *Banking Act 1959* to use the word bank. These include Building Societies and Credit Unions. Also include merchant (investment) banks at this item.

Include

- Merchant banks (or ‘investment’ banks).

3.3.7. Other

Include the net market value of other long-term debt securities issued by any entities not already included above.

3.4. Total long term debt securities

Represents the sum of the values reported in items 3.1, 3.2 and 3.3.1 to 3.3.7.

4. Total value of deposits, placements, loans and securities

Represents the total of net market values at the end of the reporting period, recorded for item 1.11, item 2.5 and item 3.4.

Important!

For **every** quarterly return, the ‘Net market value at the end of the reporting period’ of *SRF 110.1B Selected Disclosure of Investments (Version B)*, PART A, item 4 should agree with the value disclosed in the ‘Total Net Market Value’ column under *SRF 110.0 Statement of Financial Position*, item 3.1. ‘Deposits, placements, loans and debt securities’ for the corresponding quarter.

Table 1: Explanation of column headings**Total net market value of portfolio classified into the following counterparty rating grades**

APRA requests that superannuation entities classify item 4 'Total deposits, placements, loans and securities' into the following rating grades:

Rating Grade 1

Of the total value reported at item 4 in the 'Net market value' column, report in this column the aggregate value of exposures that have an APRA rating grade of 1. Refer to table above for classification of APRA rating grades and how these align with rating agencies' ratings.

Rating Grade 2

Of the total value reported at item 4 in the 'Net market value' column, report in this column for all applicable line items, the aggregate value of exposures that have an APRA rating grade of 2. Refer to table above for classification of APRA rating grades and how these align with rating agencies' ratings.

Rating Grade 3

Of the total value reported at item 4 in the 'Net market value' column, report in this column for all applicable line items, the aggregate value of exposures that have an APRA rating grade of 3. Refer to table above for classification of APRA rating grades and how these align with rating agencies' ratings.

Rating Grade 4

Of the total value reported at item 4 in the 'Net market value' column, report in this column for all applicable line items, the aggregate value of exposures that have an APRA rating grade of 4. Refer to table above for classification of APRA rating grades and how these align with rating agencies' ratings.

Rating Grade 5

Of the total value reported at item 4 in the 'Net market value' column, report in this column for all applicable line items, the aggregate value of exposures that have an APRA rating grade of 5. Refer to table above for classification of APRA rating grades and how these align with rating agencies' ratings.

Rating Grade 6

Of the total value reported at item 4 in the 'Net market value' column, report in this column for all applicable line items, the aggregate value of exposures that are unrated.

If a rating grade is unknown or not available use rating grade 6. Where investment managers cannot confirm their ratings a rating grade 6 should also be used.

Part B: Equity securities in corporations and units in unit trusts listed on the Australian Stock Exchange

Scope

Listed investments. These may be in corporations and/or unit trusts.

Include

- Equity securities lent or sold by the superannuation entity under repurchase agreements, where the transaction does not result in the transfer of the rights of ownership of the securities away from the superannuation entity to another party; and
- For the purpose of Part B, only include investments acquired as part of the internal investment management function of the superannuation entity.

Exclude

- Equity securities in companies listed on **overseas** stock exchanges or exchanges other than the Australian Stock Exchange (ASX). These should be included in the 'total net market value' at item 3.2 of *SRF 110.0 Statement of Financial Position*, but are **not** required to be disclosed on this form;
- Underlying investments held in the form of an external individually managed mandate/portfolio (or discretely managed portfolio). These should be included under items 3.6 or 3.7 at *SRF 110.0 Statement of Financial Position*;
- Holdings of securities in unlisted corporations and units in unlisted private unit trusts. These should be reported in Part D;
- Holdings of units in unlisted retail/public offer unit trusts. These should be reported in Part C;
- Holdings of options and warrants over equity securities. These should be reported on *SRF 110.2 Derivative Financial Instruments*; and
- Equity securities borrowed or purchased by the superannuation entity under resale agreements, where the transaction does not effectively result in the transfer of the rights of ownership of the securities to the superannuation entity.

Part B: Explanation of column headings

- **Net market value at the beginning of the reporting period**

This represents the net market value of the superannuation entity's investment at the beginning of the reporting period. This should agree to the 'Net market value at the end of the reporting period' from the corresponding section of *SRF 110.1 Selected Disclosure of Investments (Version B)* for the **previous financial year**.

Important!

The value included in the 'Net market value at the beginning of the reporting period' column, for each of the items 1 to 5 listed below (included under Part B), **must** equal the net market value at the beginning of the current financial year.

- **Net Transactions**

Report the net purchases and disposals during the reporting period.

Where this results in a:

- net increase in the net market value of the investment, report a positive figure in this column; and/or
- net decrease in the net market value of the investment, report a negative figure in this column. Where a negative number is input, a warning will appear on validation of the form – tick the “Confirm” box to verify that this is correct.

- **Other changes**

Report other changes in net market value since the beginning of the reporting period other than 'net transactions', such as revaluation increments and decrements in net market value or distributions paid/reinvested.

As above, where this results in a:

- net increase in the net market value of the investment, report a positive figure in this column; and/or
- net decrease in the net market value of the investment, report a negative figure in this column. Where a negative number is input, a warning will appear on validation of the form – tick the “Confirm” box to verify that this is correct.

- **Net market value at the end of the reporting period**

This represents the net market value of the superannuation entity's investment at the end of the reporting period and should reconcile to the Net market value at the beginning of the reporting period adjusted for the values reported for 'Net Transactions' and 'Other Changes'.

Part B: Explanation of line items

This information is to be reported by superannuation entities for the following investment classifications in the form:

1. Trading corporations (excluding banks)

Trading corporations are those owned and controlled by the private sector and whose equity securities are listed on the Australian Stock Exchange (ASX).

2. Banks

Banks refers to Authorised Deposit-taking Institutions, in relation to which an authority under subsection 9(3) of the *Banking Act 1959* is in force and which holds a consent under section 66 of Act to use the word **bank**.

3. Cash management trusts

Refers to listed vehicles only.

Exclude:

Investments in unlisted cash management trusts. These are reported in Part C under item 3.

4. Investments in listed retail/public offer unit trusts

Classify investments in *listed* retail/public offer unit trusts into the following:

4.1. Property & trading trusts;

4.2. Equity trusts; and

4.3. Other unit trusts.

Exclude:

Investments in unlisted retail/public offer trusts. These are reported in Part C.

5. Other equity securities listed on the ASX

Report the value of equity securities in entities listed on the ASX that are not reported in items 1 to 4.

6. Total direct equity investments that are listed

Represents the sum of items 1 to 3, 4.1 to 4.3 and 5 as reported above.

Total should agree with 'Net Market Value in Australia' column for item 3.2 'Direct holdings of equity securities of listed corporations and units in listed unit trusts' in *SRF 110.0 Statement of Financial Position*.

Part C: Interest in unlisted retail/public offer trusts

Scope

Include

Holdings of investments acquired as part of an internal investment management function of the superannuation entity. This includes investments held by a custodian where these are held in Trust for the entity.

Exclude

- Underlying investment securities and other investment assets that form part of an external individually managed mandate or portfolio.
- Wholesale trusts and Pooled Superannuation Trusts (these should be disclosed separately under item 3.7 in *SRF 110.0 Statement of Financial Position*).

PART C: Explanation of Line Items

Investments in unlisted retail/public offer trusts are requested to be classified under the following headings:

- 1. Unlisted property trusts;**
- 2. Unlisted equities trusts;**
- 3. Unlisted cash management trusts;**
- 4. Other unlisted unit trusts; and**
- 5. Total.**

Represents the sum of PART C items 1 to 4 above.

The 'net market value at the end of the reporting period' at item 5 of Part C should agree to *SRF 110.0 Statement of Financial Position* in item 3.7.5. 'Unlisted retail/public offer unit trusts'.

Part C: Explanation of column headings

The aggregate exposures to the above classifications are to be reported in terms of the following columns:

- **Net market value at the beginning of the reporting period**

Report the net market value of the investment at the beginning of the reporting period. This should agree to the 'Net market value at the end of the reporting period' from the corresponding section of *SRF 110.1 (Version B)* for the *previous* reporting period.

Important!

The value included in the 'Net market value at the beginning of the reporting period' column, for each of the items 1 to 4 listed above (included under PART C), should equal the net market value at the beginning of the current financial year.

- **Net transactions**

Report the net purchases and disposals during the reporting period.

Where this results in a:

- net increase in the net market value of the investment, report a positive figure in this column; and/or
- net decrease in the net market value of the investment, report a negative figure in this column. Where a negative number is input, a warning will appear on validation of the form – tick the “Confirm” box to verify that this is correct.
- **Other changes**

Report other changes in net market value during the reporting period other than ‘net transactions’, such as revaluation increments and decrements in net market value or distributions paid/reinvested.

As above, where this results in a:

- net increase in the net market value of the investment, report a positive figure in this column; and/or
- net decrease in the net market value of the investment, report a negative figure in this column. Where a negative number is input, a warning will appear on validation of the form – tick the “Confirm” box to verify that this is correct.
- **Net market value at the end of the reporting period**

This represents the net market value of the superannuation entity’s investment at the end of the reporting period and should reconcile to the Net market value at the beginning of the reporting period adjusted for the value reported for ‘Net Transactions’ and ‘Other Changes’.

The aggregate net market value recorded for all investments in item 5 should agree to the amount reported in *SRF 110.0 Statement of Financial Position* item 3.7.5. ‘Unlisted retail/public offer unit trusts’.

Table 2: Total interest in unlisted retail/public offer trusts classified into counterparty rating grades

Classify the net market value at the end of the reporting period, reported in item 5, into the appropriate APRA counterparty rating grades. The counterparty rating grades are the same as that outlined at the start of this instruction guide.

If a rating grade is unknown or not available use rating grade 6. Where investment managers cannot confirm their ratings a rating grade 6 should also be used.

Part D: Investments in equity securities of unlisted corporations and units in unlisted private trusts

This Part is split into the 2 sections:

Section 1 – Investments in Equity Securities of Unlisted Corporations. This section should include all Corporations which are not included in Section 2 i.e. **NOT PRIVATE**.

Section 2 - Investments in Equity Securities of Unlisted Corporations and Units in Unlisted Private Trusts. This section should only include Corporations which are **PRIVATE**.

Important!

SECTION 2 IS TABLE 3 ON FORM SRF 110.1B Selected Disclosure of Investments (Version B).

Important!

No investment included under Section 1, items 1.1 to 1.4 should be included in Section 2 (Table 3). Section 1 and Section 2 are mutually exclusive.

Section 1. Investments in equity securities of unlisted corporations

Assets that are NOT to be reported in this section:

- Do not include investments in equity securities of listed corporations and units in listed trusts. These are reported under Part B of this form.
- Do not include investments in unlisted public offer/retail unit trusts. These are to be reported under Part C of this form.
- Do not include investments in unlisted private unit trusts or unlisted private corporations. These are amongst the items reported in Section 2 of Part D.

Investments in equity securities of unlisted corporations are requested to be classified under the following headings:

Important!

The value included in the 'Net market value at the beginning of the reporting period' column, for each of the items 1.1 to 1.3 listed below (included under Part D Section 1), should equal the net market value at the beginning of the current financial year.

1.1. Unlisted trading corporations

Report all investments in trading corporations that are not listed on a stock exchange.

1.2. Unlisted banks

Banks refers to ADIs (Authorised Deposit-taking Institutions), in relation to which an authority under subsection 9(3) of the *Banking Act 1959* is in force and which holds a consent under section 66 of the Act to use the word **bank**. Do **not** include merchant (investment) banks – report at item 1.3.

Include

- Development banks; and
- Foreign banks licensed to operate in Australia under the *Banking Act 1959*.

Exclude

- Merchant (or 'Investment') banks (show at item 1.2)

1.3. Unlisted other

Report all other investments in equity securities of unlisted corporations (including merchant or investment banks) that have not been included in items 1.1 or 1.2 above.

1.4. Total

Represents the total of items 1.1 to 1.3 above.

Section 2. Investments in equity securities of unlisted private corporations and units in unlisted private trusts (Table 3)

Assets that are NOT to be reported in this section:

- Do **not** include investments in equity securities of listed corporations and units in listed trusts. These should be reported in Part B of this form.
- Do **not** include investments in Pooled Super Trusts. These should be reported in *SRF 110.0 Statement of Financial Position* item 3.7.2 'Pooled Super Trusts'.
- Do **not** include investments in Wholesale trusts. These should be reported in *SRF 110.0 Statement of Financial Position* in item 3.7.3 'Wholesale trusts'.
- Do **not** include investments in unlisted public offer/retail trusts (including cash management trusts). These should be reported under Part C of this form.

Reporting requirements of Section 2 are explained in more detail below.

Part D: Explanation of column headings

(1) Name of unlisted private trust/unlisted corporation

Report the full name of the entity.

(2) ABN

Report the Australian Business Number of the entity or if none leave blank.

Completion of the ABN fields is not mandatory to lodge returns. If the ABN is not recorded in the superannuation entities' system, or is not known, leave the ABN blank. A **Warning** confirmation validation rule in D2A will request confirmation that

the investment entity has not applied for an ABN. Tick the box as confirmation and enter the comment that ABN is not known.

(3) Description/nature of main business

In the space provided, detail a brief description of the main business conducted by the entity.

(4) Ownership percentage/Interest in entity %

Disclose the percentage (to the nearest whole number) of the reporting superannuation entity's ownership of the equity securities or units issued by the investment entity i.e. number of securities/units owned by the superannuation entity divided by total securities/units on issue, multiplied by 100.

(5) Initial cost of investment

Disclose the initial cost of the investment in the entity. Where this involves multiple acquisitions, sum the cost of each acquisition.

(6) Net market value of investment

Disclose the net market value of the investment in the entity. Net market value is to be interpreted as defined in accordance with **current** Australian Accounting Standards.

Important!

The sum of Part D, Section 1, item 1.4 PLUS Part D, Section 2 (Table 3) 'Total' PLUS Part E 'Total'

should agree to

SRF 110.0 Statement of Financial Position item 3.3 'Direct holdings of equity securities of unlisted corporations, units in unlisted private trusts and interests in ventures.

Part E: Interest in ventures

Scope

Include

Direct holdings of investments acquired as part of an internal investment management function of the superannuation entity.

Exclude

Underlying investment securities and other investment assets that form part of an external individually managed mandate or portfolio.

For the purposes of this form joint venture is to be interpreted as defined in **current** Australian Accounting Standards:

“Joint venture means a contractual arrangement whereby two or more parties undertake an economic activity, which is subject to joint control. A joint venture can take the form of the following:

- Joint venture entity; or
- Joint venture operation.

Joint venture entity means a joint venture that is in the form of an entity and does not include:

- (a) an entity that is acquired and held exclusively with a view to its disposal in the near future;
- (b) an entity that operates under severe long-term restrictions which impair significantly its ability to make distributions to the venturer.

Joint venture operation means a joint venture that is not a joint venture entity and does not include an entity that:

- (a) is acquired and held exclusively with a view to its disposal in the near future;
- (b) operates under severe long-term restrictions that impair significantly its ability to make distributions to the venturer.

Part E: Explanation of column headings

(1) Name of venture

Report the full name of the venture.

(2) Description/nature of main business of venture

In the space provided, detail a brief description of the main business conducted by the venture.

(3) Ownership percentage or interest in venture %

Disclose the percentage of the reporting superannuation entity’s ownership or interest in the venture.

(4) Initial cost of venture

Disclose the initial cost of the investment of the reporting superannuation entity in the venture.

(5) Net market value of investment/interest in venture

Disclose the net market value of the investment/interest of the reporting superannuation entity in the venture. Net market value is to be interpreted as defined in accordance with **current** Australian Accounting Standards

Important!

The sum of Part D, Section 1, item 1.4 PLUS Part D, Section 2 (Table 3) 'Total' PLUS Part E 'Total'

should agree to

SRF 110.0 Statement of Financial Position item 3.3 'Direct holdings of equity securities of unlisted corporations, units in unlisted private trusts and interests in ventures.