Unit Pricing & Crediting Rates

- Errors in unit pricing can be costly;
- Give unit pricing a high profile and resources;
- Build an effective risk management culture;
- Maintain robust systems and processes;
- Manage complexity and diversity;
- You are responsible for outsourced functions

- Extracts from opening pages of RG 94 Unit pricing: Guide to good practice ASIC & APRA

Attributing value to investors is a fundamental process in superannuation and wealth management. It can be accomplished using either unit prices or crediting rates. The key objective is to equitably and consistently distribute investment earnings to investors. The process is all-encompassing.

HOW WE CAN HELP

Policy and Governance

- Apply core set of principles
- Provide strategic assistance
- Develop policy and overall specific elements
- Assist risk management
- Assess and protect equity for all investors

Methodology and Good Practice

- Independent reviews of policies, methodologies, and their implementation
- Benchmark processes against regulatory and industry standards – in particular RG 94
- Review and check crediting rate and unit price calculations and applications
- Validate performance reporting

Transitions and Systems

- Advise / manage / review:

a) Transitions from crediting rates to unitisation
b) Migrations between systems and systems enhancements
c) Legacy products and systems rationalisation

Management and Process

- Assess administrative processes identifying inefficiencies, risks and areas of concern
- Develop and review process documentation, including accountabilities and escalation procedures
- Assist with product design and implementation

Investigations and Corrections

- Assess and explain issues, errors or inconsistencies
- Apply established, principles-based correction methodology
- Determine remediation amounts attributable to investors
- Advise on equitable funding sources
- Assist management with process governance and communications - with members, board, management, regulators

Suite 502, 167 Queen St, Melbourne VIC 3000
www.mcging.com.au | Tel: 03 8199 9984 | service@mcging.com.au

McGING ADVISORY & ACTUARIAL