



# Understanding Unit Pricing

## What is unit pricing?

Unit pricing is the process by which a pool of assets is divided into portions, referred to as 'units', which is conceptually similar to the way interests in a company are divided into 'shares' in that company. The unit price represents the value of assets per unit and is used to process applications to buy and sell units.

Unit pricing is generally considered to be 'best practice' in the financial services industry, as it provides enhanced transparency, clarity and fairness when calculating your account balance.

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1300 362 415

## How does it work?

When you invest in any MTAA Super investment option, your money is placed in a pool of assets, along with every other member that has chosen that investment option.

Each investment option is divided into units and every unit you own in that investment pool represents your share of that investment option. The value of your investment in a particular option is the number of units you hold in that option multiplied by the unit price of the option.

Each time you invest in an investment option (e.g. by making contributions), you **buy units** and each time you reduce your investment in an option (e.g. by making a withdrawal) you **sell units**.

## Buy-sell spread

A **buy-sell** spread represents the estimated transaction costs incurred when buying or selling underlying assets in relation to investment options. The spread is applied to

ensure that all transaction costs incurred in buying or selling assets are fairly allocated to those members who transact in an investment option. The buy-sell spread is retained in the fund and is not a fee paid to the Trustee.

## How is the unit price determined?

The unit price for each investment option is calculated by dividing the value of the assets in the option (after allowing for fees, costs (including fees paid to investment managers) and taxes) by the number of units on issue. As the value of these assets and liabilities can go up or down, the unit prices for the different investment options can go up or down.

The buy-sell spread is applied to the unit price to obtain the buy price and the sell price. The difference between the investment option buy price and sell prices is the total buy-sell spread for that option.

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A new buy and sell unit price will be set, typically, each business day\* for each investment option, reflecting the changing value of the underlying assets in the investment option(s) and transactional and operational costs.

The unit price will be available at [mtaasuper.com.au/unit-pricing](https://mtaasuper.com.au/unit-pricing) each day.

If a unit price is unable to be determined for a business day due to an unforeseeable event, such as a trading suspension in relevant markets, MTAA Super will take all reasonable steps to recommence unit pricing as soon as possible.

\*A **business day** is generally considered to be Monday through Friday and excludes weekends and NSW public holidays.

## Application of unit prices

The number of units you receive depends on the investment options or mix of investment options you have chosen. The number of units you will receive for a contribution is the dollar value of the contribution divided by the relevant buy price.

Example:

*David's employer made a Superannuation Guarantee contribution of \$1,100 into his account. David is 100% invested in the My AutoSuper (Balanced) option. The My AutoSuper buy price is \$1.20 and sell price is \$1.19.*

*Number of units allocated to David's account:  $\$1,100/\$1.20 = 916.66$  units*

The table below shows the type of unit price associated with common transactions.

### Buy price

Money going **into** your account:

Contribution, rollover, transfer into an investment option (switch)

### Sell price

Money going **out of** your account:

Withdrawal, pension payments, fees, transfer from an investment option (switch)

Your account balance can be calculated by multiplying the number of units you hold by the relevant unit price. Login to Member SuperSite (or ePension) at any time to check the value of your investment. Please note, unit prices change regularly so for an accurate account balance, please ensure your recent transactions have been received and processed.

Alternatively, you can call the Customer Service Centre on **1300 362 415** and we can help.

## Different unit prices for super and pension accounts

Unit prices will vary between the same investment options for accumulation and pension accounts. This is because the earnings on assets within super are subject to tax and other expenses, whereas they are tax free within pension.

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For more information, please visit our website at [mtaasuper.com.au](https://mtaasuper.com.au). You can also call us on **1300 362 415**. We're here to help.