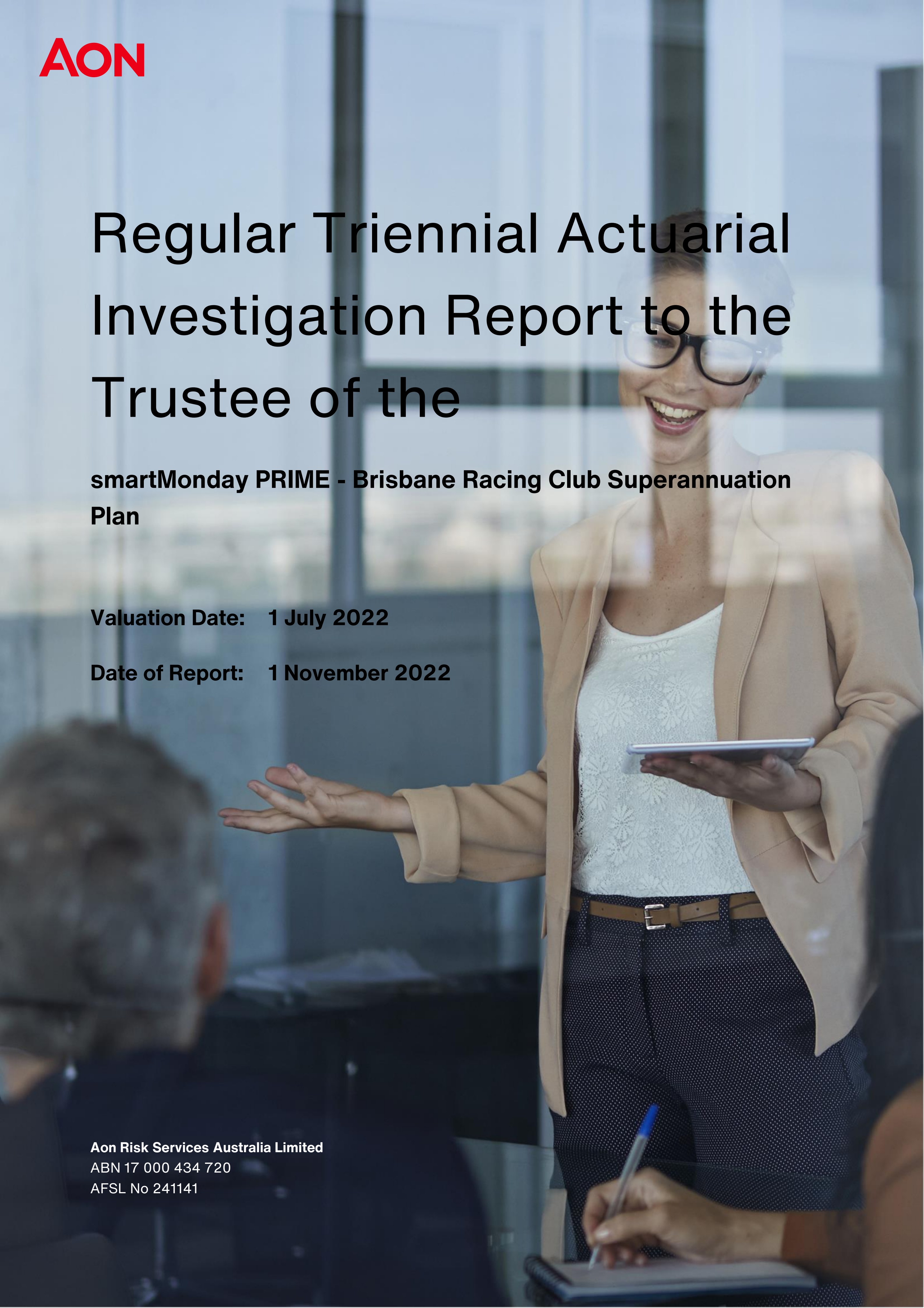

Regular Triennial Actuarial Investigation Report to the Trustee of the

smartMonday PRIME - Brisbane Racing Club Superannuation Plan

Valuation Date: **1 July 2022**

Date of Report: **1 November 2022**

Aon Risk Services Australia Limited
ABN 17 000 434 720
AFSL No 241141

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Executive Summary

Superannuation regulations and the Trust Deed of the smartMonday PRIME - Brisbane Racing Club Superannuation Plan (the Plan) require that the Plan undergo a regular triennial actuarial investigation. This report has been prepared in order to comply with these provisions.

The sponsor of the Plan is Brisbane Racing Club Limited (the Employer) and the Trustee is Equity Trustees Superannuation Limited (the Trustee).

Financial Condition

A snapshot of the financial condition of the Plan as at 1 July 2022 is set out below.

	Defined Benefits only	**Total Plan**	**Comments**
Vested Benefits Index	121.8%	105.7%	The Plan remains in a satisfactory financial position. The Plan's Vested Benefit Index for Defined Benefits is above the Shortfall Limit of 100.0%.
Actuarial Value of Accrued Benefits Index	122.0%	105.7%	The Plan remains in an adequate financial position. The Plan had a surplus on this basis of $59,566.
Minimum Requisite Benefits Index	121.8%	105.7%	The Plan was solvent in relation to its Minimum Requisite Benefits.

See Sections 4 and 5 for more information on the financial condition of the Plan.

Significant Changes Since the Prior Regular Triennial Actuarial Investigation

Below is an explanation of changes or events that have occurred since the last regular triennial actuarial investigation and that had a significant effect on this regular triennial actuarial investigation.

Significant Events

Effective from 1 February 2022, the Future Super Group acquired smartMonday. Consequently, the smartMonday name and brand remains but the registered trading name of Aon Solutions Australia Limited is now smartMonday Solutions Limited and the Aon Master Trust is changed to the Smart Future Trust.

No other changes or events have occurred since the last regular actuarial triennial investigation that would have had a significant effect on this year's valuation results apart from poor investment returns which, in isolation, have weakened the financial position of the Plan.

Significant Changes to the Plan Benefits

There were no significant changes to the Plan benefit structure.

Employer Contribution Recommendations

I recommend that the Employer continues the contribution holiday for the Defined Benefit related Employer contributions apart from Superannuation Guarantee (SG) on bonus.

In addition, the following contributions are also payable:

- Member contributions of 2.5 percent p.a. (2.94 percent p.a. if salary sacrificed) of Superannuation Salary for the remaining Defined Benefit (DB) member;
- The SG contribution rate on bonus for the DB member, if applicable; and
- Employer contributions of at least the SG rate of Ordinary Time Earnings in respect of Accumulation members plus actual expenses and standard death and total and permanent disablement (TPD) premiums (as the exact expenses and death and TPD premiums are paid by the Employer via a monthly invoice) for Accumulation members.

Due to only one DB member left in the Plan, I recommend that if this last DB member leaves the Plan (or dies or becomes disabled) and there are insufficient assets available to pay their benefit, the benefit is not to be paid until an appropriate contribution to meet the difference is made by the Employer. Should this member remain in the Plan beyond 1 July 2025, I also recommend that the Employer recommences contributions at $400 per month from 1 July 2025.

The Employer Superannuation Guarantee contributions must be loaded to Defined Benefit members' accounts by the 28th day of the month following the month end. The Employer contributions in respect of Accumulation members must be paid by the 28th day of the month following the quarter end.

For illustration, the long-term Employer Defined Benefit contribution rate without considering the Plan's current financial position (i.e. deficit/surplus) is 37.5 percent p.a. of the DB member's superannuation salary as at 1 July 2022.

Shortfall Limit Recommendations

I have reviewed the Shortfall Limit of 100.0 percent and confirm that it remains appropriate.

Please refer to Section 5 for details.

Insurance Recommendations

I have reviewed these formulae and confirm that, in my view, they remain appropriate and the current insurance arrangements should be maintained.

Please refer to Section 6 for details.

Investment Recommendations

In my opinion, the retention of the current investment strategy is appropriate to meet the long-term liabilities of the Plan including the projected lump sum benefits of Defined Benefit members on termination of employment or on reaching their Normal Retirement Date and converting to the Plan's Accumulation category.

Given the strong financial position of the Plan and only one DB member remaining, the Employer may prefer to have the Defined Benefit assets to be invested in a less growth-orientated investment option in order to reduce the fluctuations of assets in volatile investment markets. This would assist in preserving the surplus and reduce potential fluctuations in the contribution rate, however, it would increase the long-term rate.

For more information refer to Appendix C.

Crediting Rate Recommendations

I have reviewed the crediting rate policy for the Plan and confirm that, in my view, it remains appropriate and should be maintained. For more information refer to Appendix C.

Monitoring Recommendations

I have reviewed the current practice of carrying out a funding position review on an annual basis between regular triennial actuarial investigations and confirm that, in my view, it remains appropriate based on the current and expected financial position over the next five years.

Actuarial Assumptions

There have been changes to the actuarial assumptions since the previous regular triennial actuarial investigation. For more information refer to Section 3.

Material Risks

I have reviewed the material risks of the Plan and confirm that, in my view, there are no unusual significant risks that the Trustee needs to be aware of.

Please refer to Section 8 for details.

Next Actuarial Investigation

The next regular triennial actuarial investigation of the Plan should be carried out with an effective date of 1 July 2025. A funding position review will be performed at each 1 July between investigations.

An interim actuarial investigation may need to be carried out at an earlier date if one or more of the following notifiable events occur prior to that date as advised by the Trustee or Employer (unless, after reviewing the details of a specific event which would otherwise be classified as a notifiable event, the actuary advises the Trustee in writing that such an event does not constitute a notifiable event):

- an amendment to the benefits under the Plan;
- the replacement of the Plan's Benefit Certificate dated 1 November 2022;
- the salary of the remaining DB member increases by more than 15 percent in any one year;
- Cumulative investment returns for the period fall below the rates shown in the following table:

Period	Cumulative actual investment return below	Annualised investment return below
1 July 2022 to 30 June 2023	-4.4%	-4.4%
1 July 2022 to 30 June 2024	1.5%	0.8%
1 July 2022 to 30 June 2025	7.8%	2.5%
1 July 2022 to 30 June 2026	14.4%	3.4%
1 July 2022 to 30 June 2027	21.3%	3.9%

- the Vested Benefits at an annual review date are found, on completion of that annual review to exceed the market value of the assets at the review date;
- the failure to insure death and total and permanent disablement benefits at least to the extent recommended in the most recent regular triennial actuarial investigation at 1 July 2022;
- the Employer makes contributions to the Plan at a rate less than that recommended by the Actuary; or
- the notification to the Trustee by me as the Actuary of the Plan of any circumstance occurring during the currency of the Funding and Solvency Certificate dated 1 November 2022 which is a Notifiable Event as described in sub-regulation 9.13 of the Superannuation Industry (Supervision) Regulations.

Disclaimer

The calculations provided in this report are based on a number of assumptions. The assumptions used are best estimates only and may not be borne out in practice. It is therefore important to review the calculations in the light of actual experience and obtain regular updates.

Su Li Sin
Fellow of the Institute of Actuaries of Australia
1 November 2022

Section 1 – Introduction

Purpose of the Regular Triennial Actuarial Investigation

The reasons for this regular triennial actuarial investigation are:

- to satisfy the requirements of Superannuation Prudential Standard (SPS) 160 which requires a regular actuarial investigation to be carried out once every three years;
- to review the Plan's financial position as at 1 July 2022 (the Effective Date);
- to examine the Plan's immediate solvency and funding indices;
- to recommend appropriate Employer contribution rates so that the Plan remains in a satisfactory financial position and in order to satisfy the Trust Deed;
- to review the basis for insuring death and disability benefits; and
- to comment on any aspect of the Plan that may assist with improving its objectives.

The main provisions of the Plan that relate to benefits and contributions are set out in Appendix A.

Name of Actuary

This regular triennial actuarial investigation was carried out as at 1 July 2022 by Su Li Sin, of Aon Risk Services Australia Limited, Fellow of the Institute of Actuaries of Australia. The previous regular triennial actuarial investigation was completed by Saffron Sweeney, Fellow of the Institute of Actuaries of Australia, as at 1 July 2019. The results are shown in the report dated 9 December 2019.

Compliance with the Standards of the Institute of Actuaries of Australia

This report satisfies the requirements of the Professional Standards (including Professional Standards 400, 402 and 404) and Practice Guideline 1 published by the Institute of Actuaries of Australia and Superannuation Prudential Standard (SPS) 160.

Reliance and Limitations in the Report

There have been no restrictions or limitations placed on me in providing the recommendations in this report.

This report is intended for the sole use of the Trustee and Employer for the purposes set out in this report. It may not be appropriate for other business purposes. Reliance on information contained in this report by anyone for other reasons than the intended purpose, puts the relying entity at risk of being misled because of confusion or failure to understand applicable assumptions, methodologies, or limitations of the report's conclusions. Accordingly, no person or entity, including the Trustee, should base any representations or warranties in any business agreement on any statements or conclusions contained in this report without the written consent of Aon Risk Services Australia Limited ABN 17 000 434 720 AFSL No 241141 (Aon).

Previous Investigation Results

The results of the previous investigations were as follows:

	Regular Triennial Actuarial Investigation as at 1 July 2019	**Funding position review as at 1 July 2020**	**Funding position review as at 1 July 2021**
A surplus of Assets over the Actuarial Value of Accrued Benefits	$159,177	$111,850	$90,441
An excess of Assets over the Vested Benefits	$158,961	$106,514	$89,855
Summary of the recommended Employer contribution for DB members	Contribution holiday for the Defined Benefit related Employer contributions		

The average long-term Employer contribution rate was 27.2 percent p.a. of Defined Benefit members' superannuation salaries as at 1 July 2019.

Contributions have been paid in accordance with the above recommendations since the last regular triennial actuarial investigation to the date of this report.

Section 2 – The Plan's Experience

This section considers the assumptions used in the previous regular triennial actuarial investigation as at 1 July 2019 and the experience of the Plan relative to these assumptions.

The main factors affecting the Plan's financial position during the period since the previous triennial actuarial investigation as at 1 July 2019 were as follows:

	Assumptions at the previous triennial investigation	**Plan Experience**	**Impact on the financial position of the Plan (when considered in isolation)**
Investment Returns[1]	5.7% p.a.	3.8% p.a.	Unfavourable effect: The Defined Benefit assets increased at a lower rate than assumed.
		Above the equivalent average return of funds with a similar investment strategy which was 3.6% p.a.[2]	The Plan earned slightly higher returns than other funds with a similar investment mix.
Salary Increases[3]	3.5% p.a.	[redacted]	Favourable effect: The Defined Benefit liabilities increased at a lower rate than assumed.
Average Employer Contribution rate[4]	Recommended rate of 0.0% p.a.	Long-term rate of 27.2% p.a.	Unfavourable effect: The Defined Benefit assets increased at a lower amount than the long-term cost of providing the defined benefits. As recommended, the Defined Benefit contribution rates were at a lower rate than the long-term cost of providing the defined benefits.
Expenses and Insurance Premiums[5]	15.8% p.a. for Expenses	20.1% p.a. for Expenses	Unfavourable effect: The Defined Benefit assets, on average, have paid more expenses and premiums than assumed.
	0.6% p.a. for Death and TPD insurance premiums	0.4% p.a. for Death and TPD insurance premiums	Note that the premiums for Death and TPD insurance and SCI were lower than expected.
	0.8% p.a. for SCI insurance premiums	0.7% p.a. for SCI insurance premiums	

[1]net of investment expenses and tax

[2]based on the 3-year median return for Rainmaker Workplace Super Performance on Balanced options for the period ending 30 June 2022

[3]for the remaining Defined Benefit member over the investigation period

[4]Percent of Defined Benefit members' salaries

[5]As the assumption was based on total Defined Benefit salaries, the impact of the one exited member means that the expenses as a percentage of total Defined Benefit salaries was higher than assumed. The dollar impact was relatively small.

The other factors affecting the Plan's financial position during the period since the previous regular triennial actuarial investigation include:

- Membership movements:
  - Exits: One Defined Benefit member left the Plan due to early retirement during the triennial actuarial investigation period. Overall the benefit paid was more than the amount reserved and therefore, in isolation, this has led to a slightly unfavourable effect on the financial position of the Plan.

The overall experience of the Plan during the regular triennial actuarial investigation period has had a negative effect on its financial position.

Section 3 – Assumptions

As part of this regular triennial actuarial investigation, I have analysed the method and assumptions used in the previous regular triennial actuarial investigation as at 1 July 2019. Where appropriate I have maintained these methods and assumptions, however most have changed in light of the experience discussed in Section 2 of this report and after consideration of changes in market expectations. The actuarial method used is described in Appendix D.

Interest/Salary Differential

The most significant financial assumptions used in a regular triennial actuarial investigation are the rate of future investment returns and the rate of future salary increases. These rates must be considered together because of their economic interdependence in the medium to long-term.

While the absolute level of assumed investment returns is relevant in any regular triennial actuarial investigation, the critical factor is the relationship that this rate has with the assumed rate of salary increase. The difference between the two figures is the Interest/Salary Differential. For this investigation I have used an Interest/Salary Differential assumption of 2.2 percent p.a. as shown in the table below. Therefore the Interest/Salary Differential is the same as used in the previous regular triennial actuarial investigation. The overall impact of these assumptions, in isolation to all others, is minimal.

	Net investment return (p.a.)	Salary increase rate (p.a.)	Differential (p.a.)
Assumption as at 1 July 2019	5.70%	3.50%	2.20%
Assumption as at 1 July 2022	5.60%	3.40%	2.20%

These assumptions have taken into account the long-term outlook of economic conditions, in particular:

- The investment return assumption was derived using long-term assumptions for each asset class net of tax as determined by Aon's global investment team, multiplied by the strategic asset allocation of the Defined Benefit related assets (based on the Balanced Growth – Active option) and allowing for correlations of investment returns between asset classes and investment fees;
- We expect that inflation will return to the RBA target of 2 percent p.a. to 3 percent p.a.;
- The long-term outlook for investment returns being somewhat higher than those earned in the last three years; and
- The salary increase rate assumption was determined based on the forecast increases in Average Weekly Ordinary Time Earnings (AWOTE), the Employer's expectations and past experience.

Demographic Assumptions

The assumptions for early retirement and death and disablement have been updated from the last regular triennial actuarial investigation based on the overall experience of Master Trusts in the Australian market. The impact of this change in isolation is to create a very small increase in the liabilities. All other demographic assumptions remain unchanged.

Specimen rates of leaving through various causes which have been used in this regular triennial actuarial investigation and the previous regular triennial actuarial investigation are shown in the following table:

Number of exits per 10,000 members

	1 July 2022			1 July 2019		
Age Last	**Resignation^**	**Death and Disablement**	**Retirement**	**Resignation^**	**Death and Disablement**	**Retirement**
50	0	35	0	0	30	0
55	0	72	1,000	0	63	1,000
60	0	137	1,950	0	116	1,500
65	0	0	10,000	0	0	10,000

* exact age

^all Defined benefit members are over the early retirement age (assuming Employer consent) of 55, hence we have assumed only the Retirement and Death and Disablement decrement rates are applicable to the members.

No allowance has been made for retrenchment which is consistent with the last triennial actuarial investigation. Note that there is no specific retrenchment benefit for the Plan (i.e. members receive the same benefit as if they had resigned or retired, as applicable).

Expenses and Insurance Premiums

The operating expenses and insurance premiums of the Plan are met from the Assets of the Plan, and as such, the regular triennial actuarial investigation requires a specific allowance to be made to meet these costs.

The assumed expenses and insurance premiums for this investigation and the previous investigation are shown in the table below.

	1 July 2019	1 July 2022
Operating expenses^ (% p.a. of Defined Benefit members' salaries)	15.8% p.a.	25.0% p.a.
Death and TPD insurance premiums (% p.a. of Defined Benefit members' salaries)	0.6% p.a.	0.4% p.a.
Salary Continuance Insurance premium (% p.a. of Defined Benefit members' salaries)	0.8% p.a.	0.6% p.a.
Total expense and insurance premium assumption	**17.2% p.a.**	**26.0% p.a.**

^As the assumption is based on total Defined Benefit salaries averaged over the next three years, the impact of having only one remaining Defined Benefit member means that the expenses as a percentage of total Defined Benefit salaries increases.

The expenses assumption has increased and the premiums assumptions have reduced from the previous regular triennial actuarial investigation to reflect the expected expenses and premiums over the next three years for the remaining DB member.

Premiums for any voluntary insurance cover are deducted from Defined Benefit members' accounts and are not funded by the Plan Assets therefore no assumption is required for this cover.

Accumulation members' expenses and insurance premiums for Death or TPD and SCI insurance are deducted from members' accounts or paid by the Employer and therefore the assumptions above do not incorporate the cost associated with Accumulation members' expenses and insurance premiums.

The impact of this change in total expense and insurance premiums assumption in isolation has increased the long-term contribution rate.

Tax

There have been no changes to our assumptions regarding tax since the last regular triennial actuarial investigation. These assumptions are set out below.

For the purpose of meeting funding requirements, we have made the following assumptions:

- No allowance has been made in the projections for the impact of the surcharge (up to 30 June 2005 but not assessed before 1 July 2022), or withholding tax due to members not providing their Tax File Number to the Trustee, or excessive contributions tax levied on the member where the member has elected the Plan to pay it on their behalf, if not assessed before 1 July 2022;
- No allowance has been made for the additional 15 percent tax on contributions for high-paid individuals or any excessive contributions tax levied. It is assumed that benefits will be adjusted (via additional accumulation accounts) for affected members to meet these tax amounts assessed;

- No adjustment has been made to the non-concessional contributions, if any, of members where their total superannuation benefit exceeds $1.7 million;
- The Trustee has made a decision in relation to the tax deductibility rules for after-tax contributions from 1 July 2017 in a way that would not lead to a funding implication for Defined Benefit members; and
- That the SG Rate is paid without limitation (i.e. not limited to the SG maximum salary base) for Defined Benefit members.

Overall Effect of Changes in Assumptions

Overall the changes have increased the expected cost of providing Defined Benefits to the members of the Plan.

Section 4 –Actuarial Value of Accrued Benefits

I have adopted the actuarial method and assumptions described in Section 3 and in Appendix D of this report to determine the present value of past and future liabilities and Employer contributions in relation to the remaining Defined Benefit member. The results of the regular triennial actuarial investigation are detailed in the following table and both the assets and liabilities include the Accumulation member account balances and additional accounts for the Defined Benefit member.

Actuarial Value of Accrued Benefits (past service)	**Total ($)**
Retirement	[redacted]
Death and Disablement	[redacted]
Resignation	0
Total of active Defined Benefit related liabilities	[redacted]
Additional accounts for Defined Benefit members	[redacted]
Accounts for Accumulation members	[redacted]
Actuarial Value of Accrued Benefits	[redacted]
Assets*	[redacted]
Surplus/(Deficit)	**59,566**

*Assets for Accumulation members have been set equal to the active Accumulation members' benefits.

Analysis of Changes in Financial Position Since the Last Regular Triennial Actuarial Investigation

The following table quantifies the various impacts on the financial position of the Plan since the last regular triennial actuarial investigation as at 1 July 2019. These figures give an indication of the impact of the factors that affect the final regular triennial actuarial investigation result. As there are yearly funding calculations performed, these items have been determined in each year between triennial investigations and added to provide the three years' worth of movements.

	$(000's)
Previous surplus/(deficit)	**159.2**
Interest on surplus/(deficit)[1]	13.8
Investment gains/(losses)[2]	3.2
Employer contributions paid at a higher/(lower) rate than long-term rate[3]	(86.0)
Expense gains/(losses)[4]	(24.8)
Salary gains/(losses)[5]	(0.9)
Change in basis gains/(losses)[6]	(0.3)
Withdrawal gains/(losses)[7]	(5.6)
Miscellaneous	1.0
Surplus/(deficit) as at the valuation date	**59.6**

[1]Interest on surplus over the period.

[2]An investment loss occurs when investment earnings are lower than assumed. Note that overall impact was a gain as members' benefits are accumulation based, even though the investment returns were lower than expected.

[3]A contribution loss occurs when employer contributions are paid at a lower rate than the long-term rate.

[4]An expense loss occurs when expenses are more than assumed.

[5]A salary gain usually arises when salaries increase at a lower rate than assumed. Note that overall impact was a loss as members' benefits are accumulation based, even though the increases where lower than expected.

[6]A loss from a change in basis occurs when the overall set of assumptions becomes more conservative.

[7]A withdrawal loss occurs when the benefit is higher than reserved for in the Plan.

Use of Excess Reserves

The excess of assets over Actuarial Value of Accrued Benefits equates to the surplus of Assets held by the Plan. It is useful to hold a small surplus to protect the Plan from minor fluctuations in asset values and to ensure Vested Benefits are covered.

Total assets exceeded the Actuarial Value of Accrued Benefits as at 1 July 2022 by $59,566. This is equivalent to 22.0 percent of Defined Benefit liabilities (i.e. excluding accumulation members' benefits and Defined Benefit members' additional accounts) and 69.6 percent of total Defined Benefit salaries.

Long-term Contribution Rate

The Defined Benefits long-term Employer contribution rate has increased since the last regular triennial actuarial investigation mostly due to an increase in the expense assumption.

Present Value of Future Service Liability	**Total ($)**
Retirement	26,351
Death and Disablement	929
Resignation	0
Total of active Defined Benefit related liabilities	**27,280**
Less member contributions	5,985
Net Future Service Liability	**21,295**
Equivalent net future contribution rate	8.9%
Tax	1.6%
Expense allowance	25.0%
Death and TPD premiums	0.4%
Salary Continuance premiums	0.6%
Employer contribution rate required for Future Service Benefits (p.a. salary)	**36.5%**

Section 5 – Immediate Solvency and Funding Indices

Immediate Tests on the Adequacy of the Assets

An important objective of this regular triennial actuarial investigation is the measurement of the funding of expected member benefits in respect of their service up to the valuation date.

- Assets: I have taken the fair value of the net assets provided by the Plan administrator, based on the Smart Future Trust general ledger as the value of assets for Defined Benefit members and the value of Accumulation members' benefits for Accumulation members for the purpose of this regular triennial actuarial investigation. The financial statements at 30 June 2022 were audited and signed on 28 September 2022. The assets are discussed further in Appendix C.
- Liabilities: Appendix D contains a summary of the method used in the regular triennial actuarial investigation to determine the liabilities of the Plan.

The indices described here have been used to assess whether the Assets of the Plan are sufficient to ensure its ongoing solvency and to measure the changes in these indices since the last regular triennial actuarial investigation.

The table below shows the relevant indices calculated by dividing the level of assets by the total of the relevant benefit based on the results of this regular triennial actuarial investigation and the regular triennial actuarial investigation.

	1 July 2019			1 July 2022			
	Amount	**Index**[1]	**DB Index**[2]	**Amount**	**Index**[1]	**DB Index**[2]	
	($)			**($)**			
Minimum Requisite Benefits	[redacted]	110.6%	143.6%	[redacted]	105.7%	121.8%	A
Vested Benefits	[redacted]	110.6%	143.6%	[redacted]	105.7%	121.8%	A
Leaving Service Benefits[3]	[redacted]	110.6%	143.6%	[redacted]	105.7%	121.8%	A
Actuarial Value of Accrued Benefits	[redacted]	110.6%	143.7%	[redacted]	105.7%	122.0%	A
Accumulation Benefits[4]	[redacted]			[redacted]			B
Assets[5]	[redacted]			[redacted]			C

[1]Index is C/A.

[2]DB Index is (C – B)/(A – B), i.e. the index excluding accumulation benefits.

[3]The benefit design allows the Employer to grant early retirement consent for Defined Benefit members between ages 55 and 60, however the benefit is the same as for resignation for those who have more than 10 years of qualifying membership (the Defined Benefit member meets this requirement).

[4]The accumulation benefits are inclusive of additional accounts for Defined Benefit members (including surcharge accounts) and active Accumulation members' benefits.

[5]Assets for Accumulation members have been set equal to the Accumulation members' benefits.

Vested Benefits Index

Vested Benefits are the benefits that members are entitled to receive upon voluntary withdrawal from the Plan. It is either the resignation benefit or early retirement benefit, if eligible (assuming Employer consent is not granted).

The Vested Benefits Index provides a measure of the Plan's ability to meet its minimum obligations to all members if they had withdrawn from the Plan on the valuation date.

To ensure that the Plan is in a satisfactory financial position, it is essential that the Vested Benefits Index is kept above 100 percent. The Vested Benefits Index was at a satisfactory level at the valuation date.

Leaving Service Benefits Index

Leaving Service Benefits are the benefits that members are entitled to receive upon voluntary withdrawal from the Plan. It is either the resignation benefit or early retirement benefit, if eligible assuming Employer consent is granted.

The Leaving Service Benefits Index provides a measure of the Plan's ability to meet its minimum obligations to all members if they had withdrawn from the Plan on the valuation date and, if eligible for early retirement, assuming Employer consent is granted.

Where the Employer regularly gives consent for early retirement, it is desirable to have the Leaving Service Benefits Index above 100 percent. The benefit is the same with or without consent for early retirement for those who have more than 10 years of qualifying membership and the Defined Benefit member meet this requirement.

The Leaving Service Benefits Index was at an adequate level, and therefore the Defined Benefit Leaving Service Benefits Index was at an adequate level at the valuation date.

Shortfall Limit

In accordance with SPS 160, the Trustee has set a Shortfall Limit of 100.0 percent. This is the extent to which the Trustee considers the Plan can be underfunded (on the basis that assets are insufficient to meet all members' Vested Benefits) but retain a reasonable expectation of returning to a funded position within a year, solely due to a correction to temporary negative market fluctuations in the value of the Plan assets.

This Shortfall Limit is to be compared to the Defined Benefit Vested Benefits Index i.e. the ratio of Defined Benefit assets and Defined Benefit Vested Benefit liabilities. Accumulation members' benefits and additional accounts for Defined Benefit members are excluded from the assets and liabilities.

The Defined Benefit Vested Benefit Index at 1 July 2022 was 121.8 percent. Therefore, the Plan has not fallen below the Shortfall Limit at the valuation date.

I have reviewed the Shortfall Limit of 100.0 percent and confirm that, in my view, it remains appropriate.

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Minimum Requisite Benefits Index

Minimum Requisite Benefits (MRBs) are the minimum benefits that members are entitled to under the Superannuation Guarantee legislation. The Plan is 'solvent' if the net realisable value of the Assets of the Plan exceeds the MRB of all members of the Plan.

The Minimum Requisite Benefits Index provides a measure of the Plan's ability to meet its minimum Superannuation Guarantee obligations to all active members if they had withdrawn from the Plan on the valuation date.

The Minimum Requisite Benefits Index was kept above 100 percent and therefore the Plan was solvent at the valuation date.

Actuarial Value of Accrued Benefits Index

The valuation results shown in Section 4 of this report disclose the Actuarial Value of Accrued Benefits, also known as the Past Service Liability. This is the same as the figure calculated for AASB1056 purposes which was calculated in accordance with the Institute of Actuaries of Australia Practice Guideline 499.06. This amount constitutes the "value of the liabilities in respect of accrued benefits" as defined in Division 9.5 of the Superannuation Industry (Supervision) (SIS) Regulations and has been calculated in accordance with Professional Standard 402 issued by the Institute of Actuaries of Australia.

The Actuarial Value of Accrued Benefits Index provides a measure of the Plan's ability to meet its benefit obligations to all members of the Plan based on membership to the valuation date.

The minimum desirable range for this index is 100 to 105 percent which allows for possible variations in asset values. The index was at an adequate level at the valuation date.

Termination of the Plan

In the event of the termination of the Plan, all assets available at that time, net of accruals and expenses, would be distributed to members to the extent of their "termination liabilities" as per the Trust Deed and in accordance with relevant law. Each member would be credited with an amount that the Trustee (after considering the advice of the Actuary) considers fair and reasonable.

There is no guarantee of adequacy for the termination liabilities, only a priority charge on available assets up to the level of termination liabilities. At 1 July 2022 the available assets exceeded the members' termination liabilities.

Section 6 – Adequacy of Insurance Arrangements

The Plan Trustee has taken out insurance to protect the assets against certain contingencies which may have a material adverse effect on the solvency of the Plan.

Death or Total and Permanent Disablement Insurance (Lump Sum)

The Trustee has effected Group insurance (with AIA Australia) to cover part of the lump sum benefits payable from the Plan in the event of the death or Total and Permanent Disablement (TPD) of members. The Sum Insured is designed to supplement the proportion of the benefit which has already been accrued in respect of the members within the Plan and to provide the balance of the relevant benefit from the insurance arrangement. Insurance replaces the otherwise volatile impact on the Plan of payments required in respect of the 'unfunded' portion of each death or disablement benefit with an annual premium, which can be taken into account in the financial planning of the Plan.

The Trustee has confirmed that there are no unusual terms and conditions in the insurance contract. At the present time, the formulae used to determine the amount to be insured are as follows:

Defined Benefit Members

Insured Amount = Death or TPD benefit - Accrued Retirement Benefit

Accumulation Members

Insured Amount = Age related fixed amount (see Appendix A) or minimum death or TPD level cover as provided by smartMonday

Death or Total and Permanent Disablement (TPD) Funding and Insurance

The table on the following page shows the funded and insured portions of the benefit. It identifies the shortfall or excess amount of insurance in the event that all members were to die or become totally and permanently disabled.

	Death	TPD
	1 July 2022	1 July 2022
	($)	($)
Total sums insured (A)	[redacted]	[redacted]
Plan Assets (B)	[redacted]	[redacted]
Amount of Surplus, if any, set aside for funding purposes (C)*	[redacted]	[redacted]
Plan Assets available to meet Death or TPD benefits (B)-(C)=(D)	[redacted]	[redacted]
Available on Death or TPD (A)+(D)=(E)	[redacted]	[redacted]
Total Death or TPD benefits (F)	[redacted]	[redacted]
Excess/(shortfall) (E) - (F)	(992)	(992)

* a portion of the surplus is set aside for funding purposes to make allowance for the recommended contribution rate being lower than the long-term Employer contribution rate and therefore this cannot be considered for Death or TPD purposes.

Recommendation

I have reviewed these formulae and confirm that, in my view, they remain appropriate and the current insurance arrangements should be maintained.

The current formula results in a non-funded portion of the death and TPD benefits of the remaining Defined Benefit member in the Plan. However, the amount is small and I recommend that the Employer make a top-up contribution to the Plan if there are insufficient assets available to pay their benefit.

Disability Income Insurance

The Trustee also has effected Group Insurance (with AIA Australia Ltd) to cover disability income benefits payable from the Plan in certain circumstances of disablement. This is a fully insured benefit, however the Plan remains liable for the payment of retirement, death, total and permanent disablement and resignation benefits if a member who receives a disability income benefit terminates service. Benefits are payable for a period of two years in the Plan.

Indemnity Insurance

The Trust Deed provides an indemnity to the Trustee against claims which may be made against it. This is secured against the Assets of the Plan.

The Trustee has taken out trustee indemnity insurance to help protect the Trustee, its Directors and the Fund against certain liabilities, that is consistent with the size and nature of its business and industry standards. As with any insurance, the indemnity is subject to the terms and conditions of the relevant insurance policy.

Material Issues Arising From Insurance

There are no material issues arising from insurance, although the Trustee should periodically review that all insurance cover remains sufficient.

Section 7 – Sensitivity Analysis and Projections

Assumption Variation

The values of the benefit liabilities shown in this report depend on the assumptions used to calculate them. The main assumptions relate to salary increases and the long-term investment return (net of tax and investment expenses). Examples below provide an indication of the effect on the Actuarial Value of Accrued Benefits of changing these assumptions only. The actual investment earning rate and salary increase rate may not be constantly above or below the rates assumed in carrying out the projection of benefits and the actual results may not fall within the ranges shown in the table below:

Assumptions (salary increase rate/long-term investment return)	Actuarial Value of Accrued Benefits as at 1 July 2022
	($)
This valuation (3.4% p.a./5.6% p.a.)	[redacted]
Last valuation (3.5% p.a./5.7% p.a.)	[redacted]
Last valuation with this valuation decrements (3.5% p.a./5.7% p.a.)*	[redacted]
Salary inflation rate plus 1% p.a. (4.4% p.a./5.6% p.a.)	[redacted]
Salary inflation rate minus 1% p.a. (2.4% p.a./5.6% p.a.)	[redacted]
Investment return plus 1% p.a. (3.4% p.a./6.6% p.a.)	[redacted]
Investment return minus 1% p.a. (3.4% p.a./4.6% p.a.)	[redacted]

* This is based on last valuation's financial assumptions only, i.e. the decrement assumptions are the same as those used for this valuation.

Based on the above results, the financial position of the Plan will vary slightly depending on the actual experience of the Plan and particularly in relation to the long-term investment returns.

Post Valuation Events

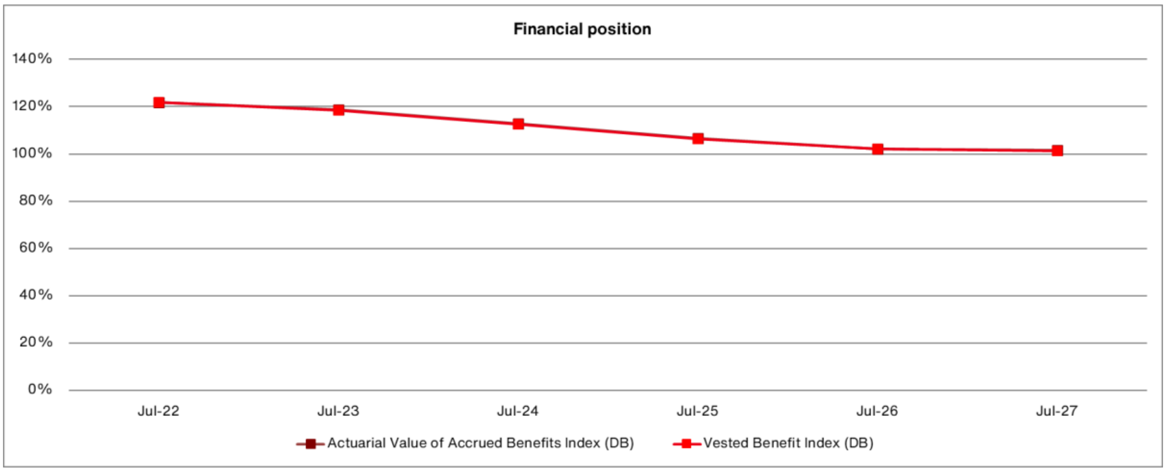
The Plan has earned an average investment return of 0.03 percent from the date of the valuation to 24 October 2022. This is lower than the rate assumed for the valuation, however, the Plan liabilities are predominantly linked to investment returns, so the Plan remains in a reasonable financial position. I estimate that coverage of Vested Benefits (exclusive of Accumulation members' benefits and the Defined Benefit member's additional accounts) has decreased from 121.8 percent at the valuation date to approximately 120.0 percent as at 24 October 2022. This has been taken into account in the Employer contribution recommendation.

As Minimum Requisite Benefits (MRBs) are accumulation in nature, they will have moved in line with this investment return. As the Vested Benefits are currently equal to the Minimum Requisite Benefit the funding position, in regards to MRBs, has also reduced since the valuation date, however is still well funded.

Projection of Future Liabilities

The graph below shows the projected value of Defined Benefit Vested Benefits and Actuarial Value of Accrued Benefits for Defined Benefit members funding indices over the next five years. Note that the Actuarial Value of Accrued Benefits Index is approximately the same as the Vested Benefits Index over the projection period and therefore only the Vested Benefits Index is showing in the below graph.

These projections have been based on defined benefit liabilities and assume that contributions will be paid in accordance with the contribution recommendation (refer to Section 9 of this report) and are based on the assumptions used to calculate past service liabilities at each of the future dates. These projections also allow for the post valuation events described above.



Assuming the Employer contributions are as I have recommended, I expect that on the assumptions, methods and asset values adopted in the valuation, that the Assets will remain sufficient to cover the value of these liabilities during the period up to 1 July 2027.

Section 8 – Material Risks

Financial Risk

The differences between the assumed and the actual salary increase rate and the assumed and actual long-term investment return has no material impact on the financial position of the Plan, given the Plan has a large proportion of investment related benefits. However, if the salary related portion of the benefit increases or investment related portion declines, the situation could change and the differences could have a material impact on the financial position of the Plan.

Should salaries increase at a higher rate than assumed, the liabilities will be higher than expected and the assets may then be insufficient to cover members' benefits. This may then require the Employer to make larger contributions to the Plan. Similarly, if there are lower than assumed investment returns, the assets of the Plan would be reduced compared to the assets expected and may then be insufficient to cover members' benefits. This may then require larger contributions to be made by the Employer. If the Employer is willing and able to make these larger contributions and accept the volatility involved deterioration in the financial position can be managed. The Employer should be made aware of the effect on the financial position of salary increases being granted above assumed rates.

Employer Financial Viability

The future of the Plan relies on the Employer remaining a viable entity and being willing and able to pay contributions as and when needed. The Trustee should discuss the valuation report with the Employer and ensure the Employer understands the recommendations before agreeing to the contribution rates.

Plan Specific Risks

Size of the Plan

The defined benefit section of the Plan has one member and $330,847 of defined benefit related assets remaining (i.e. excluding defined benefit member additional account and Accumulation members' benefit). As a result, the Plan is exposed to additional risks than when it was larger. In particular, given the number of members remaining the "law of averages" may no longer hold and actual experience of the remaining member may be significantly different to the assumptions adopted for funding calculations. This can result in a more volatile funding position, with the experience of just one member now having a proportionately larger impact.

Other risks that the Plan is exposed to as a result of its smaller size include:

- Member data, particularly salary data, which if not accurate and up-to-date can have a larger (negative) impact on funding once updated. Allowing for potential future salary increases for key personnel and for any known defined benefit member exits can be taken into account in future funding position projections.

- Many costs are not directly linked to the number of members or asset value of the Plan. Therefore the expenses will have a greater impact on the funding position and/or the Employer contribution rates required. Similarly, any cost associated with legislative or other changes will also impact the funding position.

Investment Policy

As mentioned above, market risk is a key driver in the financial position of the Plan. However, there are other investment risks to consider. These include:

- **Liquidity Risk** – the risk that illiquid assets or large cashflows from the Plan cause the payment of benefits to be delayed or assets to be sold at reduced values to meet liability obligations.

  smartMonday PRIME mitigates this risk by holding limited illiquid investments and holding a small cash float to facilitate switches and withdrawals.

- **Concentration Risk** – the risk that investments are concentrated in one particular asset class, country or manager, the poor performance of which could cause a material effect on the investment return.

  smartMonday PRIME mitigates this risk by investing across a number of asset classes each within lower and upper asset class limits, and within each asset class holding a diversified portfolio of securities, and where relevant, across currencies and geographies.

The Trustee should periodically monitor the risks summarised in this section and seek advice or take action as may be deemed necessary.

Section 9 – Recommendations and Actuary's Summary Statement for the Purposes of SPS 160

Recommendations

Future Contribution Recommendations

I recommend that the Employer continues the contribution holiday for Defined Benefit related Employer contributions, apart from Superannuation Guarantee on bonus.

In addition, the following contributions are also payable:

- Member contributions of 2.5 percent p.a. (2.94 percent p.a. if salary sacrificed) of Superannuation Salary for the remaining Defined Benefit (DB) member;
- The SG contribution rate on bonus for the Defined Benefit member, if applicable;
- Employer contributions of at least the Superannuation Guarantee rate of Ordinary Time Earnings in respect of Accumulation members plus actual expenses and standard death and total and permanent disablement (TPD) premiums (as the exact expenses and death and TPD premiums are paid by the Employer via a monthly invoice) for Accumulation members; and

Due to only one DB member left in the Plan, I recommend that if this last DB member leaves the Plan (or dies or becomes disabled) and there are insufficient assets available to pay their benefit, the benefit is not to be paid until an appropriate contribution to meet the difference is made by the Employer. Should this member remain in the Plan beyond 1 July 2025, I also recommend that the Employer recommences contributions at $400 per month from 1 July 2025.

The Employer Superannuation Guarantee contributions must be loaded to Defined Benefit members' accounts by the 28th day of the month following the month end. The Employer contributions in respect of Accumulation members must be paid by the 28th day of the second month following the quarter end.

The recommended contributions will need to be reviewed prior to the next regular triennial actuarial investigation due with an effective date of 1 July 2025 if one or more of the notifiable events within the Funding and Solvency Certificate occur prior to that date as advised by the Trustee or Employer (unless, after reviewing the details of a specific event which would otherwise be classified as a notifiable event, the Actuary advises the Trustee in writing that such an event does not constitute a notifiable event).

Shortfall Limit Recommendations

I have reviewed the Shortfall Limit of 100.0 percent (see Section 5) and confirm that, in my view, it remains appropriate.

Insurance Recommendations

I have reviewed these formulae (see Section 6) and confirm that, in my view, they remain appropriate.

Investment Recommendations

In my opinion the investment strategy is appropriate to meet:

- the long-term liabilities of the Plan;
- the expected lump sum benefits of Defined Benefit members on termination of employment; and
- a conversion to the Plan's Accumulation category on reaching their Normal Retirement Date.

Given the strong financial position of the Plan and only one DB member remaining, the Employer may prefer to have the Defined Benefit assets to be invested in a less growth orientated investment in order to minimise the fluctuations of assets in volatile investment markets. This may increase the long-term costs of running the Plan but will reduce fluctuations in the contribution rates in the short-term.

The levels of liquidity available to the Plan are adequate to meet any of its short-term liquidity requirements.

See Appendix C for more information.

Crediting Rate Recommendations

I have reviewed the crediting rate policy for the Plan and confirm that, in my view, it remains appropriate and should be maintained. For more information refer to Appendix C.

Monitoring Recommendations

I have reviewed the current practice of carrying out a funding position review on an annual basis between regular triennial actuarial investigations and confirm that, in my view, it remains appropriate based on the current and expected financial position over the next three years.

Disclaimer

The calculations provided in this report are based on a number of assumptions. The assumptions used are best estimates only and may not be borne out in practice. It is therefore important to review the calculations in the light of actual experience and obtain regular updates.

Actuary's Statement for the Purposes of SPS 160

I have conducted a regular triennial actuarial investigation of the smartMonday PRIME - Brisbane Racing Club Superannuation Plan (the Plan) as at 1 July 2022 covering the three-year period to that date.

In my opinion:

1) As at 1 July 2022, the fair value of the net Assets of the Plan, based on the general ledger for the Plan, was [redacted] and this is the value of assets used to determine the Employer contribution rate with an allowance for investment returns for the period from 1 July 2022 to 24 October 2022.

2) The value of the Assets of the Plan was adequate to meet the value of liabilities of the Plan in respect of the Actuarial Value of Accrued Benefits of [redacted] as at 1 July 2022.

   The Actuarial Value of Accrued Benefits of Defined Benefit members as at 1 July 2022 for the purposes of Australian Accounting Standard AASB1056 was [redacted] which was calculated in accordance with Practice Guideline 499.06 (this excludes additional accounts for Defined Benefit members and Accumulation members' benefits). The relevant value of Defined Benefit related assets for AASB 1056 was [redacted]

3) The value of the Assets of the Plan was adequate to meet the value of liabilities of the Plan in respect of the Minimum Requisite Benefits as at 1 July 2022.

4) The investigation disclosed the Plan was in a satisfactory financial position as at 1 July 2022. The Plan's financial condition has not fallen below the Shortfall Limit set by the Trustee at the valuation date.

5) The Plan has no liability in respect of current pensioners. Any member who has postponed retirement or deferred receipt of their benefit remains a member under the Rules and any relevant liability is included with that of other members.

6) I have recommended contributions to ensure that the assets will continue to be adequate to meet the liabilities of the Plan and I expect the Plan to remain in a satisfactory financial position as defined in the SIS Regulations.

7) All Funding and Solvency Certificates required to be obtained during the period of investigation were provided. I expect that an actuary will be able to certify the solvency of the Plan in any Funding and Solvency Certificate required during the three-year period following the valuation date.

Su Li Sin
Fellow of the Institute of Actuaries of Australia
Aon Risk Services Australia Limited

1 November 2022

Appendix A – Summary of Plan Rules

As set out in Section 13 of the Smart Future Trust Deed, the Trustee may review and amend contributions and/or benefits under the Trust Deed as long as the amendment does not reduce the benefits accrued to any member with respect to the period before the date of the amendment, unless the member or regulator has approved the amendment in writing.

Eligibility

Category B (Defined Benefit) – On invitation of the Employer, however this category is closed to new members.

Category C (Accumulation) – on the date service commences.

Plan Structure

The smartMonday PRIME - Brisbane Racing Club Superannuation Plan (the Plan) is a Defined Benefit plan and is constituted by a Trust Deed originally dated 18 April 1947 and no amendments were made since the last regular triennial actuarial investigation that would affect members' benefits.

All new entrants to the Plan join the Accumulation section. This, and the fact that the Plan provides Minimum Requisite Benefits to satisfy Employer obligations under Superannuation Guarantee arrangements, has ensured that an increased number of benefits are being calculated on an accumulation basis.

The Plan is a complying fund for the purposes of the Superannuation Industry (Supervision) Act 1993. This results in the Plan being taxed at the favourable rate of 15 percent on income net of allowable deductions.

Annual Review Date

1 July

Definitions

Normal Retirement Date (NRD)

65th Birthday

Early Retirement Date (ERD)

After age 55 with the consent of the Employer or at any time after the age of 60.

Salary

The ordinary annual rate of salary or wages excluding commissions, bonuses, overtime payments and any other additional payments. Contributions are paid on part-time salary (i.e. Salary x Fraction).

Final Average Salary

Final Average Salary is the average of the Defined Benefit member's annual Salary at 1 September in the three years immediately preceding the earlier of the date of leaving service and the Normal Retirement Date. Full-time equivalent salary is used for part-time members.

Service

Membership

The most recent period of continuous service measured in years and complete months plus any period of Credited Membership, where applicable.

Credited membership

Such an additional period of time as decided by the Employer.

Fraction

This is the proportion of a full-time working week worked and is varied if working hours change (for full-time employees the Fraction is 1).

Contributions

Member

Category B	2.5 percent p.a. (2.94 percent p.a. if salary sacrificed)
Category C	Nil

Employer

Category B	Balance of costs
Category C	Superannuation Guarantee Rate (the Employer also pays an invoice equal to the exact cost of expenses and standard death and TPD premiums)

Benefits

Normal Retirement Benefit (NRB)

Equal to Retirement Benefit Multiple times Final Average Salary. The Retirement Benefit Multiple for Category B members is 7.50 percent for each year of membership on or after 1 August 1980.

For a member of the Plan immediately prior to 1 August 1980, an additional multiple of Final Average Salary applies, deemed equivalent in value at 1 August 1980 to the amount held in respect of the member under the Plan at that date.

For Category C members:

- Sum of Accounts

Early Retirement Benefit (ERB)

Category B

The benefit is determined as for normal retirement, based on Membership and Final Average Salary at the date of retirement.

Category C

Sum of Accounts

Late Retirement Benefit (LRB)

NRB with investment earnings plus Superannuation Guarantee contributions less tax, expenses and premiums, if applicable, accumulated with investment earnings after the NRD.

Death Benefit

Category B

The prospective benefit which would have been paid at NRD if the member had continued at the same Annual Salary. There is also an additional amount payable, based on the member's age. This additional cover reduces with age and is shown in the table on the following page.

Age	Additional Cover ($)	Age	Additional Cover ($)
<30	50,000	47	8,500
30	47,500	48	7,500
31	45,000	49	6,500
32	42,500	50	5,500
33	40,000	51	4,500
34	35,000	52	4,000
35	32,500	53	3,500
36	30,000	54	3,000
37	27,500	55	2,500
38	25,000	56	2,300
39	22,500	57	2,100
40	20,000	58	1,900
41	17,500	59	1,700
42	15,000	60	1,500
43	12,500	61	1,300
44	11,500	62	1,100
45	10,500	63	900
46	9,500	64	700

Category C

Sum of Accounts plus insurance cover based on age according to the table above or the smartMonday minimum default level of death/TPD insurance cover, if applicable.

Total and Permanent Disablement (TPD) Benefit

The TPD Benefit is the same as for the Death Benefit except that the additional cover does not apply once the member has attained age 55.

Total and Temporary Disablement Benefit

For Category B

75 percent of salary payable in monthly instalments. This income is payable after a three-month waiting period and for a maximum period of 24 months.

For Category C

Category C members are not entitled to a Total and Temporary Disablement benefit, however they may voluntarily take up this cover, on acceptance by the Trustee and insurer, and premiums are paid out of the member's account.

Resignation Benefit

Category B

Sum of:

i. The member's Basic Benefit which is the sum of:

a) the member's contributions since 1 August 1980 accumulated with compound interest; and

b) the member's transfer value (if any) at 1 August 1980 accumulated with compound interest.

ii. For members who have completed at least 2 years of qualifying Plan membership, 10 percent of the difference between the member's Discounted Accrued Retirement Benefit and the member's Basic Benefit, for each complete year of qualifying membership (including membership prior to 1 August 1980). A maximum of 100 percent is applied after 10 complete years of qualifying membership.

The Discounted Accrued Retirement Benefit is calculated as for the Early Retirement Benefit at the date of withdrawal, but reduced by 1 percent for each year (measured in years and complete months) that the date of withdrawal precedes the member's 55th birthday (a maximum reduction of 20 percent applies).

Final Average Salary is calculated over the three years preceding the actual date of withdrawal.

Qualifying Plan membership is the full period of Plan membership but excluding any accumulation Category C membership that falls on or after 1 July 1997. The Employer has the discretion to increase the benefit payable, up to the maximum of the member's Discounted Accrued Retirement Benefit.

Category C

Sum of Accounts.

Plan Termination Benefits

Assets (up to a level equivalent to the greater of theoretical early retirement benefit and a resignation benefit) are distributable to the Members on Termination. If assets are insufficient, all are distributed to Members, but there is no further liability. Excess assets (if any) may be returned to the Employers (subject to relevant legislation).

Additional Accounts

Category B

The following amounts are payable upon exit from the Plan for any reason, in addition to the benefits described above:

i. The Occupational Superannuation Account;

ii. The Additional Member Account (if any);

iii. The Provident Fund Account (if any); and

iv. The Rollover Account (if any).

Category C

Category C members have these included in their sum of accounts.

Surcharge Account

All benefits are offset by the Surcharge Account (if any). The Account is the accumulation, with investment earnings, of all surcharge amounts assessed for each member. This account is included in the sum of accounts for Category C members.

Additional Contributions Tax Account

All benefits are offset by the Additional Contributions Tax Account (if any). The Account is the accumulation, with investment earnings, of all additional contributions tax amounts paid by the Plan on behalf of the member. This account is included in the sum of accounts for Category C members.

Family Law Account

All benefits are also offset by the Family Law Account (if any). The Account is any amount paid to a former spouse (a family law split) accumulated at the rate determined by the Government Actuary which is calculated with reference to AWOTE + 2.5 percent p.a. from the date the split occurs to the date the non-spouse member's benefit is paid and then accumulated with investment earnings thereafter. This account is included in the sum of accounts for Category C members.

Partial Withdrawals

All benefits are offset by any partial payments made from the Plan accumulated with investment earnings.

Appendix B – Membership

Changes in membership 1 July 2019 – 1 July 2022

	Total
Active DB Membership at 1 July 2019	**2**
Less	
Early retirements	1
Active DB Membership at 1 July 2022	**1**

In addition:

- There were seven Accumulation members at the valuation date with total salaries of $445,024.
- One Accumulation member had a pending benefit payment of $376,122 which has not been included in the assets or liabilities for the purposes of this report.

Membership Characteristics as at 1 July 2022

The main characteristics of the Plan's Defined Benefit membership at the valuation date are summarised in the following table. For comparison, active figures for the previous valuation date (1 July 2019) are shown also:

[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]

Quality of Data

Member data was received electronically and was in good order for the purposes of preparing this Report. Defined benefit individual membership data as well as asset information was reconciled to the last regular triennial actuarial investigation data.

We have relied on the asset information provided by the Plan administrator as at 1 July 2022 as audited financial statements for the Plan at that date are not available, however we understand that the financial statements as at 30 June 2022 have been audited and signed on 28 September 2022.

If the data and information provided is revised for any reason and materially changes the results, then this report may need to be revised.

Administration

No significant variations were detected between the method of calculation of benefits on the administration system and our calculations. The data received was adequate and appropriate for the purposes of the regular triennial actuarial investigation. Data checking included:

- Accrued and normal retirement multiples;
- Final average salary and consistency of salaries from year to year; and
- All benefit calculations at the valuation date (resignation, retirement, death and total and permanent disablement benefits).

Appendix C – Accounts and Summary of Assets

Accounts

The following is a summary of the General Ledger for the regular triennial actuarial investigation period 1 July 2019 to 1 July 2022. The final accounts of the Smart Future Trust for 30 June 2022 have received audit clearance.

	1 July 2019 to 30 June 2020 ($)	1 July 2020 to 30 June 2021 ($)	1 July 2021 to 30 June 2022 ($)	1 July 2019 to 30 June 2022 ($)
Plan Assets at start of period (A)	[redacted]	[redacted]	[redacted]	[redacted]
Accumulation accounts at start of period* (B)	[redacted]	[redacted]	[redacted]	[redacted]
Defined Benefit related Plan Assets at start of period (C) = (A) – (B)	[redacted]	[redacted]	[redacted]	[redacted]
Plus				
Member contributions	[redacted]	[redacted]	[redacted]	[redacted]
Employer contributions	[redacted]	[redacted]	[redacted]	[redacted]
Rollovers/transfers in	[redacted]	[redacted]	[redacted]	[redacted]
Investment income (including capital appreciation/depreciation)	[redacted]	[redacted]	[redacted]	[redacted]
Less				
Group Life premiums (net of rebates)	[redacted]	[redacted]	[redacted]	[redacted]
Benefits (net of insurance recoveries)	[redacted]	[redacted]	[redacted]	[redacted]
Administration and other charges	[redacted]	[redacted]	[redacted]	[redacted]
Income tax	[redacted]	[redacted]	[redacted]	[redacted]
Defined Benefit related Plan Assets at end of period (D)	[redacted]	[redacted]	[redacted]	[redacted]
Accumulation accounts at end of period (E)	[redacted]	[redacted]	[redacted]	[redacted]
Plan Assets at end of period (F) = (D) + (E)	[redacted]	[redacted]	[redacted]	[redacted]

Summary of Assets

Accumulation members and Defined Benefit members for non-defined benefit related assets, may invest their account balances in any option. Where an investment option is not chosen by Accumulation members, account balances are invested in the default MySuper option.

Defined Benefit related account balances are invested in the Balanced Growth - Active option. Defined Benefit assets above account balances (i.e. defined benefit reserve assets) are invested in the Balanced Growth - Active option.

The benchmark asset allocation of the Balanced Growth - Active Option is as follows:

By Asset Class	**1 July 2019**	**1 July 2022**
(based on benchmark asset allocation)	**(%)**	**(%)**
Australian Shares	30.0	27.0
International Shares	30.0	27.0
Property	6.0	6.0
Alternatives Asset - growth	4.0	10.0
Alternatives Asset - defensive	5.0	11.0
Australian Fixed Interest	10.0	7.5
International Fixed Interest	10.0	7.5
Cash	5.0	4.0
Total	**100.0**	**100.0**

The asset valuation method is in accordance with Professional Standard 404 published by the Institute of Actuaries of Australia. There were no material qualifications identified in the latest audit report that impact on the value of assets.

Crediting Rate Policy

The Balanced Growth – Active option return for the period was:

	Year to	**Year to**	**Year to**	**3 Years to**
By Option (%)	**30 June 2020**	**30 June 2021**	**30 June 2022**	**30 June 2022**
	(p.a.)	**(p.a.)**	**(p.a.)**	**(p.a.)**
Balanced Growth – Active[1]	-1.9%	19.1%	-4.3%	3.8%

[1]net of investment fees and of taxes

The Plan credits the actual return after investment related expenses to members' accounts based on daily unit prices. This method of crediting interest is appropriate as members receive interest on their accounts in accordance with what the Plan has earned and there are no cross-subsidisations. Investment earnings can be positive or negative and are based on the changes in unit price of the relevant option.

Appendix D – Funding Method

Funding Method

The funding method is the manner in which the Employer's recommended contribution rate is determined. In this regular triennial actuarial investigation I have calculated the recommended Employer contribution rate using an actuarial funding method called the Attained Age Normal method (AAN).

In this method an initial contribution rate is determined for each category which will be sufficient to meet the benefits which will accrue to current members at the valuation date in respect of their future service only.

The contribution rate is constructed so that it is expected to remain constant until the last current member leaves the Plan (assuming the assumptions made are borne out and remain unchanged).

Secondly, the value of current members' Actuarial Value of Accrued Benefits is compared to the value of assets. The future service contribution rates are adjusted in the light of any surplus or deficiency.

This is the same method as was used at the last regular triennial actuarial investigation.

The reason this method is chosen is so that the Employer can be provided with the long-term future cost of providing the benefits based on the current membership which should not vary substantially as it is a smoothed rate. The usage of surplus or funding of a deficit can then be over a time horizon that is considered suitable from both the Trustee and Employer's point of view.

Summary of Method of Attributing Benefits to Past Membership

In order to determine if the Plan is in surplus or deficit it is necessary to determine what proportion of benefits payable in the future from the Plan are due to past service. The past membership components in respect of the current members are projected forward allowing for future assumed salary increases and then discounted back to 1 July 2022 at the valuation rate of interest assumption.

The past membership component for each type of benefit is:

Retirement Benefits

Based on a member's actual accrued retirement benefit multiple as at the date of valuation.

In the case of benefits based on the accumulated value of contributions made to the Plan (i.e. where the Minimum Requisite Benefit 'wins'), the past component is based on the accumulated contributions with investment earnings to the valuation date, allowing for future expected investment earnings, vesting and discounted from the projected date of resignation to the valuation date.

Death and Disablement Benefits

Based on a member's accrued retirement benefit multiple as at the date of valuation.

Resignation Benefit

In the case of benefits based on the accumulated value of contributions made to the Plan, the past component is based on the accumulated contributions with investment earnings to the valuation date, allowing for future expected investment earnings, vesting and discounted from the projected date of resignation to the valuation date.

In the case of benefits based on a multiple of Final Average Salary, the past component is based on members' actual accrued multiple as at the valuation date.

Superannuation Guarantee Minimum Benefit

In the case of Superannuation Guarantee benefits the past component is based on the accumulated contributions with investment earnings to the valuation date, allowing for future expected investment earnings and discounted from the projected date of termination to the valuation date.

Adjustments

Additional accumulation accounts for Defined Benefit members and Accumulation members' benefits (e.g. rollover, voluntary member contribution, etc.) have been added to the past membership liability at their face value and accounts such as the surcharge and/or family law liability account have been deducted.

Contact Information

Su Li Sin
Senior Consultant, Actuary
Aon Risk Services Australia Limited
Wealth Solutions
+61 2 9253 7113
su.li.sin@aon.com

Aon Risk Services Australia Limited
ABN 17 000 434 720
AFSL No 241141
Level 33
201 Kent Street
Sydney NSW 2000
Australia

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