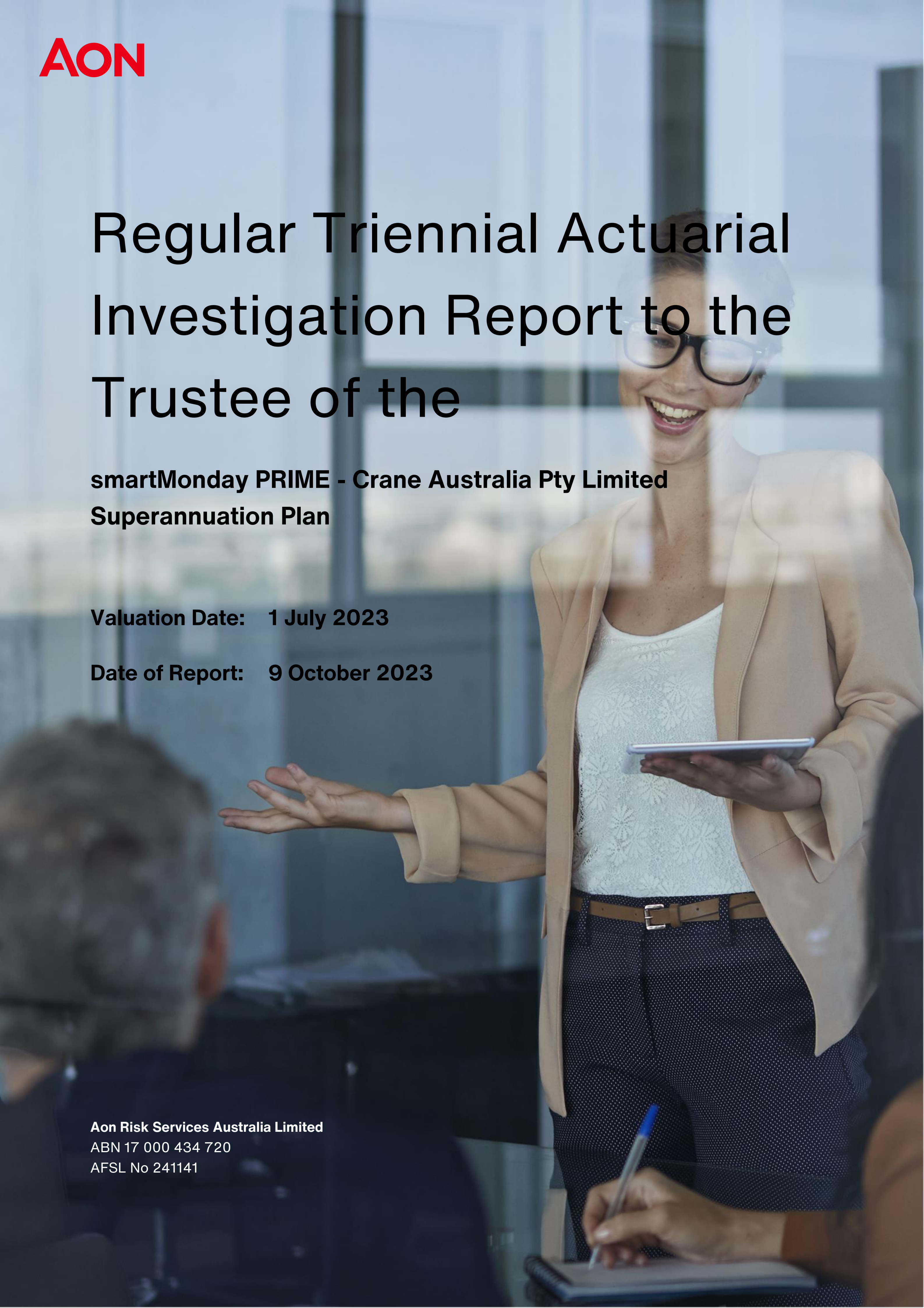

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Regular Triennial Actuarial Investigation Report to the Trustee of the

smartMonday PRIME - Crane Australia Pty Limited Superannuation Plan

Valuation Date: **1 July 2023**

Date of Report: **9 October 2023**

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 - Crane Australia Pty Limited 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 Crane Australia Pty Limited (the Employer) and the Trustee is Equity Trustees Superannuation Limited (the Trustee).

Effective from 1 February 2022, the Future Super Group acquired smartMonday from Aon. 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.

Financial Condition

A snapshot of the financial condition of the Plan as at 1 July 2023 is set out below.

	Defined Benefits only	Total Plan	Comments
Vested Benefits Index	103.4%	102.1%	The Plan remains in a satisfactory financial position. The Plan's Vested Benefit Index for Defined Benefits is above the Shortfall Limit of 96.5%.
Actuarial Value of Accrued Benefits Index	109.1%	105.4%	The Plan remains in an adequate financial position. The Plan had a surplus on this basis of $206,220.
Minimum Requisite Benefits Index	128.4%	115.8%	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

The return on Plan Assets was lower than expected, in particular for the 12 months to 30 June 2022 due to the poor performance of investment markets. APRA was notified of this matter on 2 August 2022 and the Plan had since returned to a satisfactory financial position.

No other changes or events have occurred since the last regular triennial investigation that would have had a significant effect on this regular triennial actuarial investigation's disclosure information.

Employer Contribution Recommendations

I recommend that the Employer pays contributions to the Plan at the rates set out in the table below:

Category	**Employer Rate for Defined Benefit Members**		
	(% p.a. of salaries[1])		
	1/07/2023 - 31/12/2023	**1/01/2024 - 30/6/2027**	**1/7/2027 - onwards**
All Defined Benefit members	21.8%	11.0%	0.0%
	The following contributions are also payable: ● Defined benefit member contributions of 5 percent p.a. (or 5.88 percent p.a. if salary sacrifice) of Superannuation Salary; ● The Superannuation Guarantee (SG) contribution rate on any bonus payable, if applicable; and ● Any member voluntary contributions.		

[1]The Superannuation Guarantee (SG) contribution rate is to be paid based on Ordinary Time Earnings (excluding bonus) and the balance of the contribution rate is paid on the Superannuation Salary.

In addition, the following contributions are also payable:

- In the event of the death of a defined benefit member, a top-up contribution equal to the grossed up (for contributions tax) gap between the death benefit less additional accounts and the insurance component;
- Due to the small number of Defined Benefit members left in the Plan, I recommend that if the last Defined Benefit member leaves the Plan 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; and
- Employer contributions of at least the required contributions to meet Superannuation Guarantee legislation in respect of the accumulation/late retiree members.

The rates from 1 January 2024 are lower than those currently being paid.

The Employer contributions in respect of Defined Benefit members must be paid by the 28th day of the month following the month to which they relate. The Employer contributions in respect of Accumulation/late retiree members must be paid by the 28th day of the month following the quarter end.

For illustration, the long-term Employer Defined Benefit contribution rates without considering the Plan's current financial position (i.e. surplus) or amounts allocated to additional accumulation accounts is 22.8 percent of Defined Benefit members' salaries.

Please refer to Section 4 for details.

Shortfall Limit Recommendations

I have reviewed the Shortfall Limit of 96.5 percent and confirm that, in my view, it remains appropriate.

Please refer to Section 5 for details.

Insurance Recommendations

I have reviewed the formula and the current insurance cover, and the level of Plan assets were insufficient to fund the total death benefits due should both the Defined Benefit members die at the Valuation Date.

I recommend a change to the insured formula as follows:

Death or Total and Permanent Disability (D/TPD) Insured Amount = D/TPD Benefit – Vested Benefit

We recommend that this change be undertaken on transfer to the new Plan administrator, expected to occur in the first quarter of 2024.

We have retained the recommendation to require the Employer to make an additional top-up contribution in the event of the death of a member equal to the grossed-up gap. [redacted]

Please refer to Section 6 for details.

Investment Recommendations

Other than the SG minimum benefit, the defined benefits are not impacted by the investment return. As a result, the financial position of the Plan and contribution requirements are particularly sensitive to the investment return achieved on the Plan's assets.

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.

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 triennial actuarial investigations and confirm that, in my view, it remains appropriate based on the current and expected financial position over the next 5 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. There are Plan specific risks (due to the small size of the Plan and insurance cover), however the risks can be minimised by regularly reviewing the financial position and the Employer understanding the investment risks and impact of raising the Defined Benefit members' salaries above the assumed salary increase rate.

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 2026. A funding position review will be performed at each 1 July between valuations. The Trustee may request that an interim actuarial investigation be carried out before this date.

An interim actuarial investigation may need to be carried out at an earlier date if one of the Defined Benefit members exits the Plan or one or more of the following notifiable events within the Funding and Solvency Certificate occur prior to that date as advised by the Trustee/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 9 October 2023;
- average salaries of all members increases more than 10 percent in any one year;
- cumulative investment returns from 1 July 2023 to the end of any review year more than 10 percent below the cumulative actuarial assumptions for investment return (6.0 percent p.a.) over the same period;
- 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 this investigation or subsequent actuarial advice;
- a change to the Defined Benefit related investment strategy;
- 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 9 October 2023 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
9 October 2023

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 2023 (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 Rule 3(2) of 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 2023 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 also completed by Su Li Sin as at 1 July 2020. The results are shown in the report dated 21 October 2020.

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 Guidelines 1, 499.08 and 499.09 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 2020	Funding Position Review as at 1 July 2021	Funding Position Review as at 1 July 2022
A surplus of Assets over the Actuarial Value of Accrued Benefits	55,901	203,908	68,984
An excess/(deficiency) of Assets over the Vested Benefits	46,257	184,404	(15,880)
Summary of the recommended Employer contribution for DB members	• Employer contribution of 21.8 percent p.a. of defined benefit members' salaries*; • Defined benefit member contributions of 5 percent p.a. (or 5.88 percent p.a. if salary sacrifice) of Superannuation Salary; • The Superannuation Guarantee (SG) contribution rate on any bonus payable, if applicable; and • Any member voluntary contributions.		

*The Superannuation Guarantee contribution rate is based on Ordinary Time Earnings (excluding bonus) and the balance of the contribution rate is paid on the Superannuation Salary.

The average long-term Employer contribution rate was 21.8 percent p.a. of Defined Benefit members' superannuation salaries as at 1 July 2020.

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 2020 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 2020 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]	5.4% p.a.	7.2% p.a.	Favourable effect: The Defined Benefit assets increased at a higher rate than assumed.
		Above the equivalent average return of funds with a similar investment strategy which was 6.7% p.a.[2]	The Plan earned higher returns than other funds with a similar investment mix.
Salary Increases[3]	4.5% p.a.	[redacted]	Favourable effect: The Defined Benefit liabilities increased at a lower rate than assumed.
Average Employer Contribution rate[4]	Recommended rate (averaged based on category and period) of 18.1% p.a.	Long-term rate of 21.8% 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 (on the average) than the long-term cost of providing the defined benefits.
Expenses and Insurance Premiums[4]	• 7.0% p.a. for Expenses • 0.5% p.a. for Death and TPD insurance premiums	• 8.7% p.a. for Expenses • 0.5% p.a. for Death and TPD insurance premiums	Unfavourable effect: The Defined Benefit assets, on average, have paid more expenses and premiums than assumed.

[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 2023

[3]for existing Defined Benefit members over the investigation period

[4]Percent of Defined Benefit members' salaries

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

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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 2020. Where appropriate I have maintained these methods and assumptions, however some 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 1.5 percent p.a. as shown in the table below. Therefore, the Interest/Salary Differential is less conservative than used in the previous regular triennial actuarial investigation. The overall impact of these assumptions, in isolation to all others, is that both the Actuarial Value of Accrued Benefits and the long-term contribution rate have decreased.

	Net investment return (p.a.)	Salary increase rate (p.a.)	Differential (p.a.)
Assumption as at 1 July 2020	5.40%	4.50%	0.90%
Assumption as at 1 July 2023	6.00%	4.50%	1.50%

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 100 percent in 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. We have assumed CPI will be 2.5 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 Death and TPD assumptions 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 a small increase in the liabilities.

Resignation assumptions are no longer required as both members are now above the early retirement age and the assumptions for early retirement 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 2023			1 July 2020		
Age Last	**Resignation**	**Death and Disablement**	**Retirement**	**Resignation**	**Death and Disablement**	**Retirement**
45	0	21	0	500	18	0
50	0	40	0	500	35	0
55	0	82	1,000	0	72	1,000
60	0	155	1,950	0	137	1,950
65*	0	0	10,000	0	0	10,000

* exact age

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).

The impact of these changes in assumptions in isolation has slightly increased Actuarial Value of Accrued Benefits and the long-term contribution rate.

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 2020	1 July 2023
Operating expenses (% p.a. of Defined Benefit members' salaries)	7.0% p.a.	8.8% p.a.
Death and TPD insurance premiums (% p.a. of Defined Benefit members' salaries)	0.5% p.a.	0.5% p.a.
Total expense and insurance premium assumption	**7.5% p.a.**	**9.3% p.a.**

The expenses assumptions have increased and insurance premiums assumptions have remained the same from the previous regular triennial actuarial investigation to reflect the expected expenses over the next three years.

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 member's expenses and insurance premiums (if any) for Death or TPD and SCI insurance are deducted from member's accounts, or paid by the Employer and therefore the assumptions above do not incorporate the cost associated with Accumulation member's 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.

Contribution rates for future service benefits include an allowance for the current 15 percent tax on Employer contributions, net of deductible expenses.

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 2023), 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 2023;
- 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 decreased 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 Defined Benefit members. 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 members.

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 member*	[redacted]
Actuarial Value of Accrued Benefits	[redacted]
Assets**	[redacted]
Surplus/(Deficit)	**206,220**

* Includes the late retiree's liability.
**Assets for Accumulation member (late retiree) have been set equal to the active Accumulation member's benefits.

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 2023 by $206,220. This is equivalent to 9.1 percent of Defined Benefit liabilities (i.e. excluding accumulation members' benefits and Defined Benefit members' additional accounts) and 42.1 percent of total Defined Benefit salaries. This amount will largely be maintained within the Plan as a small buffer against future adverse experience and allow the Employer to continue to contribute at the current rate to 31 December 2023, then at a lower rate from 1 January 2024, rather than the higher average long-term employer contribution rate.

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 2020. 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 3 years' worth of movements.

	$(000's)
Previous surplus/(deficit)	**56**
Interest on surplus/(deficit)[1]	7
Investment gains/(losses)[2]	141
Employer contributions paid at a higher/(lower) rate than long-term rate[3]	(55)
Expense gains/(losses)[4]	(19)
Salary gains/(losses)[5]	12
Change in basis gains/(losses)[6]	37
Withdrawal gains/(losses)[7]	7
Miscellaneous	20
Surplus/(deficit) as at the valuation date	**206**

[1] Interest on surplus over the period.

[2] An investment gain occurs when investment earnings are higher than assumed.

[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 arises when salaries increase at a lower rate than was assumed.

[6] A gain from a change of basis occurs when the overall set of assumptions becomes less conservative.

[7] A withdrawal gain occurs when the benefit is lower than reserved for in the Plan based on the expected terminations versus the actual exits.

Long-term Contribution Rate

The Defined Benefits long-term Employer contribution rate has increased since the last regular triennial actuarial investigation mainly due to the expected increase in expenses.

Present Value of Future Service Liability	Total ($)
Retirement	285,664
Death and Disablement	15,995
Resignation	0
Total of active Defined Benefit related liabilities	**301,659**
Less member contributions	91,472
Net Future Service Liability	**210,187**
Equivalent net future contribution rate	11.5%
Tax	2.0%
Expense allowance	8.8%
Death and TPD premiums	0.5%
Employer contribution rate required for Future Service Benefits (p.a. salary)	**22.8%**

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 smartMonday PRIME general ledger as the value of assets for Defined Benefit members and the value of Accumulation member's benefits for Accumulation member for the purpose of this regular triennial actuarial investigation. The financial statements which includes all smartMonday plans at 30 June 2023 were audited and signed on 29 September 2023. The assets are net of any amount held to meet the Operational Risk Financial Requirement (ORFR). 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 previous regular triennial actuarial investigation.

	1 July 2020			1 July 2023			
	Amount	Index[1]	DB Index[2]	Amount	Index[1]	DB Index[2]	
	($)			($)			
Minimum Requisite Benefits	[redacted]	118.0%	133.2%	[redacted]	115.8%	128.4%	A
Vested Benefits	[redacted]	101.6%	102.6%	[redacted]	102.1%	103.4%	A
Actuarial Value of Accrued Benefits	[redacted]	101.9%	103.1%	[redacted]	105.4%	109.1%	A
Accumulation Benefits[3]	[redacted]			[redacted]			B
Assets[4]	[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 accumulation benefits are inclusive of additional accounts for Defined Benefit members (including surcharge accounts) and active Accumulation/Late Retiree members' benefits.

[4]Assets for active Accumulation/Late Retiree member have been set equal to the Accumulation/Late Retiree member's 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.

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.

Shortfall Limit

In accordance with SPS 160, the Trustee has set a Shortfall Limit of 96.5 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 member's benefits and additional accounts for Defined Benefit members are excluded from the assets and liabilities.

The Defined Benefit Vested Benefit Index at 1 July 2023 was 103.4 percent. Therefore, the Plan has not fallen below the Shortfall Limit at the valuation date.

I have reviewed the Shortfall Limit of 96.5 percent and confirm that, in my view, it remains appropriate.

As the Shortfall Limit is determined with reference to the proportion of growth-oriented assets (as well as salary related benefits) the Shortfall Limit will need to be recalculated if the Trustee changes the investment strategy of Defined Benefit related assets.

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.

Also note that the Actuarial Report for AASB 1056 Purposes dated 28 July 2023 excluded Defined Benefit members' additional accounts and Accumulation member's benefits as these liabilities are equal in value to the assets held and therefore recognised as "Defined Contribution member benefits" in the AASB 1056 financial statements.

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

According to the Trust Deed (clause 32), on the termination of the Plan the Trustee must pay all expenses incurred by the Plan including the costs and expenses of terminating the Plan and distribute all of the remaining monies and other assets of the Plan so that will extend as follows:

- First to provide benefits to which members who are former Employees and their Dependents are entitled at the Termination Date;
- Secondly to provide the benefits to which Members who are Employees would have been entitled if they had voluntarily left the service of the Employer on the Termination Date;
- Thirdly to provide the benefits to which members who are Employees would have been entitled if they had retired on the Termination Date;
- Fourthly to provide any additions to the benefits under each of the preceding provisions as the Trustees at the request of the Company decides; and
- Fifthly to pay the balance to the Employers in the proportions that the Company may decide and advise to the Trustee.

As at 1 July 2023 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) to cover part of the lump sum benefits payable from the Plan in the event of the death or Total and Permanent Disablement (D/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 formula used to determine the amount to be insured is as follows:

Defined Benefit Members

Insured Amount* = D/TPD benefit - Accrued Multiple x Salary - Additional Accounts

*We note that the insurance recommendation in the last triennial actuarial valuation as at 1 July 2020 (change to Insured Amount = D/TPD Benefit – Vested Benefit) was not adopted and the Plan administrator continued with the above formula.

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

The following table 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.

	1 July 2023		
	Death Restricted Cover^ (current formula)	**Death Restricted Cover ^ (proposed formula)**	**Death Unrestricted Cover ^ (proposed formula)**
	($)	**($)**	**($)**
Total sums insured (A)	[redacted]	[redacted]	[redacted]
Plan Assets (B)	[redacted]	[redacted]	[redacted]
Amount of Surplus, if any, set aside for funding purposes (C)*	[redacted]	[redacted]	[redacted]

	1 July 2023		
	Death Restricted Cover^ (current formula)	Death Restricted Cover ^ (proposed formula)	Death Unrestricted Cover ^ (proposed formula)
Plan Assets available to meet Death or TPD benefits (B)-(C)=(D)	[redacted]	[redacted]	[redacted]
Available on Death or TPD (A)+(D)=(E)	[redacted]	[redacted]	[redacted]
Total Death or TPD benefits (F)**	[redacted]	[redacted]	[redacted]
Excess/(shortfall) (E) - (F)	**(126,318)**	**(34,153)**	**(34,155)**

^ There is no change to the TPD insured amounts from the proposed change in formula and such has not been included here.

* 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.

** Note that the Total Death Benefit has historically been restricted due to insurance cover restrictions for one Defined Benefit member. We have assumed that this cover may be amended with the change in insurance formula. If this were not the case, then the restriction remains. The corresponding restricted total Death benefits for all members is $4,516,627.

Proposed Change/Recommendation

Based on the information as at 1 July 2023, the current formula results in a shortfall should all the DB members die or become total and permanently disabled.

We understand that the Trustee prefers that the Plan adopts an insurance formula based on the difference between the D/TPD benefit and the Vested Benefit (VB) as funding will always target 100 percent VB cover. Under this approach, there is no financial impact on the death or TPD benefit of any member as the death/TPD benefit in excess of the VB is fully insured. We note that this would result in a slight increase in sum insured and in this case would result in paying higher premiums. However, with only two members remaining, the increasing age of DB members and also the reducing sum insured as assets backing the death benefit increase, the premium cost is not material compared to the potential risk of not having enough assets to cover the D/TPD benefit and jeopardising the financial position for all members.

I have reviewed the formula and I recommend a change to the insured formula as follows:

Insured Amount = D/TPD Benefit – Vested Benefit

We recommend that this change be undertaken on transfer to the new Plan administrator, expected to occur in the first quarter of 2024.

As illustrated in the table on the previous sub-section, the above proposed formula reduces the level of under-insurance significantly but does not remove it entirely.

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 Fund including this 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

The current insurance cover and the level of Plan asset are insufficient to fund the total death benefits due should both the Defined Benefit members die as at valuation date.

[redacted]

As discussed in the previous triennial investigation report, we were unable to obtain evidence that the affected member has been advised of the restriction and therefore recommended the Trustee should communicate with the affected member (if they haven't done so) to ensure that the member understand the possibility of an underwriting process and the death cover restriction's impact on the member's total death benefit.

Consequently, as per the Trustee's preference, we have retained the recommendation to require the Employer to make an additional top-up contribution in the event of the death of a member equal to the grossed-up gap.

Also, we recommend the Trustee continues to review to ensure that the arrangement for this member remains appropriate.

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 and on the Employer contribution rate 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 2023	Overall long-term Employer contribution rate as at 1 July 2023**
	($)	(p.a.)
This valuation (4.5% p.a./6.0% p.a.)	[redacted]	22.8%
Last valuation (4.5% p.a./5.4% p.a.)	[redacted]	23.7%
Last valuation with this valuation decrements (4.5% p.a./5.4% p.a.)*	[redacted]	23.7%
Salary inflation rate plus 1% p.a. (5.5% p.a./6.0% p.a.)	[redacted]	23.9%
Salary inflation rate minus 1% p.a. (3.5% p.a./6.0% p.a.)	[redacted]	22.4%
Investment return plus 1% p.a. (4.5% p.a./7.0% p.a.)	[redacted]	22.3%
Investment return minus 1% p.a. (4.5% p.a./5.0% p.a.)	[redacted]	23.9%

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

**This is calculated based this valuation's expense and premiums assumption.

Based on the above results, it is clear that the financial position of the Plan and the required Employer contribution will vary depending on the actual experience of the Plan and particularly in relation to salary increases and long-term investment returns. If the increase in salaries of Defined Benefit members is 1 percent p.a. higher than the assumed rate, the long-term cost to the Employer will be 1.1 percent p.a. higher than that based on the assumptions used for this valuation. If long-term investment returns are 1 percent p.a. higher than assumed, the long-term Employer contribution rate decreases by 0.5 percent p.a.

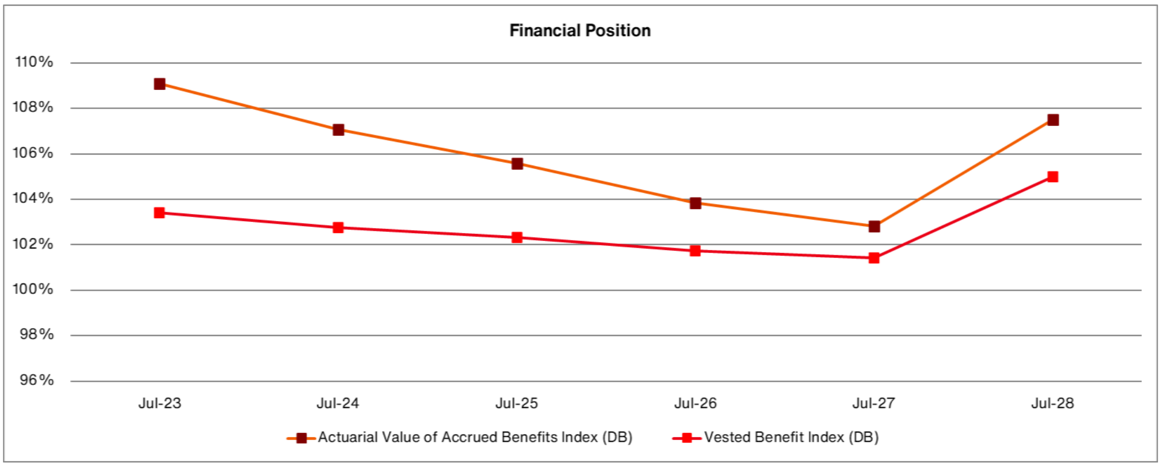
Post Valuation Events

The Plan has earned an average investment return of -0.7 percent from the date of the valuation to 4 October 2023. This is much lower than the rate assumed for the valuation and has resulted in a deterioration in the financial position of the Plan. I estimate that coverage of Vested Benefits (exclusive of Accumulation member's benefits and Defined Benefit members' additional accounts) has decreased from 103.4 percent at the valuation date to approximately 101.0 percent as at 4 October 2023. This has been taken into account in the recommended Employer contributions.

As Minimum Requisite Benefits (MRBs) are accumulation in nature, they will have moved in line with this investment return. Therefore, the funding position, in regards to MRBs, is largely unchanged since the valuation date.

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. These projections have been based on defined benefit liabilities and assume that the Employer will pay contributions 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 not less than the rates which 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 30 June 2028.

Section 8 – Material Risks

Financial Risk

As noted in the results of the Sensitivity Analysis (Section 7), the items that have the greatest impact on the financial position of the Plan are the differences between the assumed and the actual salary increase rate and the assumed and actual long-term investment return. 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, a deterioration in the financial position can be managed.

Other strategies to mitigate these risks are:

- to ensure that the Employer is aware of the effect on the financial position of salary increases being granted above assumed rates; and
- to change the asset allocation on the Defined Benefit related assets to a less risky strategy (note: that this would generally increase the long-term cost to the Employer but provide lower contribution volatility).

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 2 defined benefit members and $2.5m of defined benefit related assets remaining. 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 few members 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. Closer monitoring of the funding position can help mitigate these risks.

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.
- As member numbers decline, so too can the remaining lifetime of the Plan. The assumptions adopted for funding purposes and in setting the investment strategy may have considered a longer time horizon and now may need to change to reflect the shorter timeframe.

Insurance Risk

The current insurance cover and the level of Plan asset were insufficient to fund the total death benefits due should both the Defined Benefit members die as at the valuation date.

[redacted]

We have recommended a change in the insurance formula to reduce the shortfall and also allowed for an Employer top-up contribution to be made (if there is a shortfall) in the event of a D/TPD event in our contribution recommendations.

[redacted]

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 pays contributions to the Plan at the rates set out in the table below:

Category	Employer Rate for Defined Benefit Members (% p.a. of salaries[1])		
	1/07/2023 - 31/12/2023	1/01/2024 - 30/06/2027	1/07/2027 - onwards
All Defined Benefit members	21.8%	11%	nil
	These are also payable: ● Defined benefit member contributions of 5 percent p.a. (or 5.88 percent p.a. if salary sacrifice) of Superannuation Salary; ● The Superannuation Guarantee (SG) contribution rate on any bonus payable, if applicable; and ● Any member voluntary contributions.		

[1]The Superannuation Guarantee contribution rate is to be paid based on Ordinary Time Earnings (excluding bonus) and the balance of the contribution rate is paid on the Superannuation Salary.

In addition, the following contributions are also payable:

- In the event of the death of a defined benefit member, a top-up contribution equal to the grossed up (for contributions tax) gap between the death benefit less additional accounts and the insurance component;
- Due to the small number of Defined Benefit members left in the Plan, I recommend that if the last Defined Benefit member leaves the Plan 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; and
- Employer contributions of at least the required contributions to meet Superannuation Guarantee legislation as per the Plan's Benefit Certificate in respect of Accumulation member.

The rates from 1 January 2024 are lower than those currently being paid.

The Employer contributions in respect of Defined Benefit members must be paid by the 28th day of the month following the month to which they relate. The Employer contributions in respect of Accumulation/late retiree members must be paid by the 28th day of the 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 2026 if:

- one of the Defined Benefit members exits the Plan; or
- one or more of the notifiable events within the Funding and Solvency Certificate dated 9 October 2023 occur prior to that date as advised by the Trustee/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 96.5 percent (see Section 5) and confirm that, in my view, it remains appropriate.

Insurance Recommendations

I have reviewed the formula and the current insurance cover, and the level of Plan assets were insufficient to fund the total death benefits due should both the Defined Benefit members die at the Valuation Date.

I recommend a change to the insured formula as follows:

Death or Total and Permanent Disability (D/TPD) Insured Amount = D/TPD Benefit – Vested Benefit

We recommend that this change be undertaken on transfer to the new Plan administrator, expected to occur in the first quarter of 2024.

We have retained the recommendation to require the Employer to make an additional top-up contribution in the event of the death of a member equal to the grossed-up gap. [redacted]

Please refer to Section 6 for details.

Investment Recommendations

Other than the SG minimum benefit, the defined benefits are not impacted by the investment return. As a result, the financial position of the Plan and contribution requirements are particularly sensitive to the investment return achieved on the Plan's assets.

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.

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. If required, we can consider the financial impact of such a change.

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

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 triennial actuarial investigations and confirm that, in my view, it remains appropriate based on the current and expected financial position over the next 5 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 - Crane Australia Pty Limited Superannuation Plan (the Plan) as at 1 July 2023 covering the three-year period to that date.

In my opinion:

1) As at 1 July 2023, the fair value of the net Assets of the Plan for Defined Benefit members, based on the general ledger for the Plan plus the Accumulation member's benefits for Accumulation member assets, 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 2023 to 4 October 2023.

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 2023. The Actuarial Value of Accrued Benefits of Defined Benefit members as at 1 July 2023 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 member's 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 2023.

4) The investigation disclosed the Plan was in a satisfactory financial position as at 1 July 2023. 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

9 October 2023

Appendix A – Summary of Plan Rules

As set out in Section 11 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

The Defined Benefit categories are closed to new members.

Plan Structure

The smartMonday PRIME - Crane Australia Pty Limited Superannuation Plan (the Plan) is a Defined Benefit plan and is constituted by a Trust Deed originally dated 5 November 1968 and replaced on 27 September 1994 (as amended). Since the last regular triennial actuarial investigation the Deed has not been amended.

All new employees join other complying superannuation funds.

The Plan provides Minimum Requisite Benefits to satisfy Employer obligations under Superannuation Guarantee arrangements.

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 subject to having 5 years membership to the Plan, 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 Salary for any three consecutive years within the ten 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.

Vesting Date

The Vesting Date is the date on which both 40 years of age and 10 years of service have been attained.

Service

Membership

The most recent period of continuous service measured in years and complete months plus any period of Credited Membership, where applicable. Membership is altered by Fraction for the purposes of calculating multiples but not vesting.

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 A	5 percent p.a. (5.88 percent p.a. if salary sacrifice)
Category B	3.5 percent p.a. (there are no active members in this category at the Valuation Date)

Employer

Category A and B	Balance of costs

Benefits

Normal Retirement Benefit (NRB)

Equal to Retirement Benefit Multiple times Final Average Salary. The Retirement Benefit Multiple is the sum of the following:

- 10 percent x Membership, and
- An additional 8 percent of Membership as a Category A Member

Early Retirement Benefit (ERB)

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

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

Lump sum benefit equal to greater of:

- The prospective benefit which would have been paid at the Normal Retirement Date if the member has continued on the same Salary; and
- The Member's current salary.

Total and Permanent Disablement (TPD) Benefit

60 percent of the Death Benefit (as described above).

Resignation Benefit

The member receives the following benefit:

Benefit = ERB x (0.5 + b)

where;

b = 0.05 x membership since vesting date; and

b is subject to a maximum of 0.5

Retrenchment Benefit

Same as the resignation benefit or retirement benefit.

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).

Member Account

Member Contribution Account and Deemed Member Contribution Account.

Additional Accounts

Additional Voluntary Contribution Accounts and Rollover Accounts are in addition to all of the above benefits.

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.

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.

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.

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 2020 – 1 July 2023

There was no change to the Defined Benefit membership numbers in the 3-year period to 1 July 2023.

In addition, there is one Accumulation/late retiree member at the valuation date.

Membership Characteristics as at 1 July 2023

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 2020) 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 Defined Benefit asset information was reconciled to the last funding position review valuation data.

Accumulation member's cash flow information was not available from the Administrator and therefore a full reconciliation on accumulation member's assets was not carried out.

We have relied on the asset information provided by the Plan administrator as at 1 July 2023 as audited financial statements for the Plan at that date are not available, however we understand that the financial statements for the Smart Future Trust as at 30 June 2023 (which includes the asset of the Plan) have been audited and signed on 29 September 2023.

Aon have relied on data and information provided by the Plan administrator. Aon did not audit the employee data and financial information used in this valuation. However, on the basis of our review of this data, we believe that the information is sufficiently complete and reliable, and that it is appropriate for the purpose intended.

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 cash flows provided by the Plan administrator for the regular triennial actuarial investigation period 1 July 2020 to 1 July 2023. The final accounts of the Smart Future Trust for 30 June 2023 have received audit clearance.

	1 July 2020 to 30 June 2021 ($)	1 July 2021 to 30 June 2022 ($)	1 July 2022 to 30 June 2023 ($)	1 July 2020 to 30 June 2023 ($)
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	0	0	0	0
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]	0	0	[redacted]
Transfers out to other funds	0	0	0	0
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]

*Assets for the Accumulation member have been set equal to the Accumulation member's benefit.

Summary of Assets

Accumulation member 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 2020**	**1 July 2023**
(based on benchmark asset allocation)	**(%)**	**(%)**
Australian Shares	28.5	27.0
International Shares	28.5	27.8
Property	5.0	6.0
Alternatives Asset - growth	7.0	8.3
Alternatives Asset - defensive	5.0	11.9
Australian Fixed Interest	10.0	7.5
International Fixed Interest	10.0	7.5
Cash	6.0	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. We have relied on the asset information provided by the Plan administrator as at 1 July 2023 as audited financial statements at that date are not available, however we understand that the financial statements of the Smart Future Trust (which includes the assets of the Plan) as at 30 June 2023 were audited and signed off on 29 September 2023.

Crediting Rate Policy

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

Option	**Year to**	**Year to**	**Year to**	**3 Years to**
	30 June 2021	**30 June 2022**	**30 June 2023**	**30 June 2023**
	(p.a.)	**(p.a.)**	**(p.a.)**	**(p.a.)**
Balance Growth – Active[1]	18.4%	-4.3%	8.7%	7.2%

[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 2023 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.

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, and add if applicable multiplied by any vesting factor that applies.

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 member's 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

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