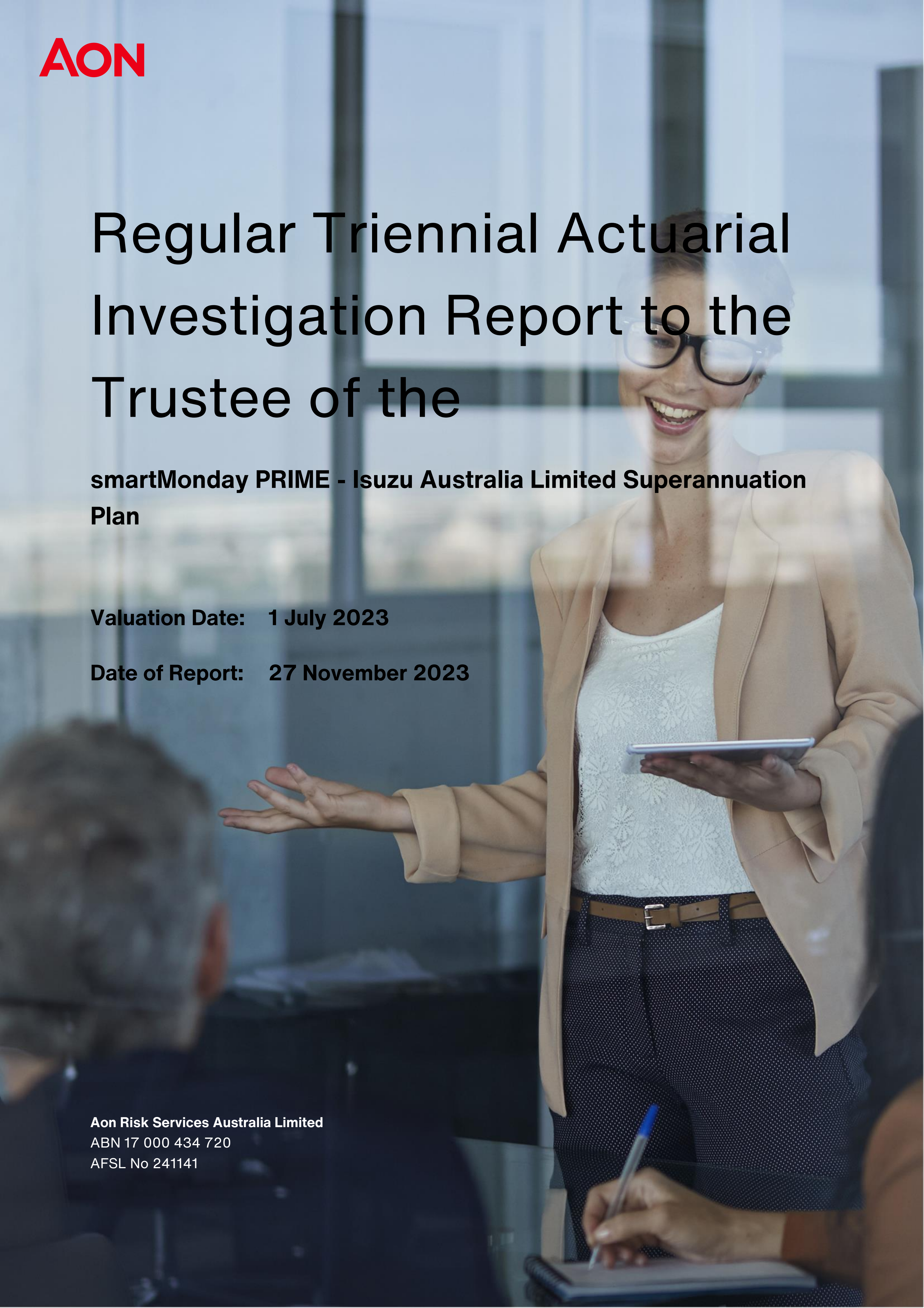

Regular Triennial Actuarial Investigation Report to the Trustee of the

smartMonday PRIME - Isuzu Australia Limited Superannuation Plan

Valuation Date: **1 July 2023**

Date of Report: **27 November 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 - Isuzu Australia 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 Isuzu Australia 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	102.7%	101.2%	The Plan is in a satisfactory financial position. The Plan's Vested Benefit Index for Defined Benefits is above the Shortfall Limit of 97.0%.
Actuarial Value of Accrued Benefits Index	104.4%	102.0%	The Plan remains in an adequate financial position. The Plan had a surplus on this basis of $421,066.
Minimum Requisite Benefits Index	163.6%	118.9%	The Plan was solvent in relation to its Minimum Requisite Benefits.

There is also a high degree of probability that the two pensions currently in payment will be able to be paid as required under the Plan's governing rules. This statement has been made considering the Plan's earnings from the date of the regular triennial actuarial investigation to 15 November 2023 and recommended future contributions. This statement is made in accordance with Superannuation Prudential Standard (SPS) 160, SIS Regulation 9.31(1) and Professional Standard 410 issued by the Institute of Actuaries of Australia.

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

Significant Changes Since the Prior Regular Triennial Actuarial Investigation

Significant Events

Change in Superannuation Fund Owner

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.

Investment Return Higher Than Expected

The return on Plan assets was higher than expected on average over the last three years due to strong performance of investment markets in the past 12 months and for the period 1 July 2020 to 30 June 2021. This has had a significant impact on the value of the Plan assets and therefore, in isolation, on the funding position.

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

Asset Rebalancing in Relation to Pension Benefits

Every year since the last triennial actuarial investigation, there has been a need for asset rebalancing in relation to pension assets to ensure that the assets in the pension reserve is sufficient, and not excessive, to cover the pension liabilities at each valuation date. With regular asset rebalancing, the Plan can benefit from the non-taxed investment earnings in the pension asset reserve. I recommended that:

- $95,000 be transferred from the active defined benefit (DB) reserve assets to the pension reserve assets since the pension asset was insufficient to cover the pension liability in the last triennial actuarial investigation as at 1 July 2020. The transfer was completed 5 February 2021.
- $50,000 be transferred from the pension reserve to the active DB reserve assets since the pension assets were more than sufficient to meet the pension liability in the annual actuarial investigation as at 1 July 2021. The transfer was completed on 26 December 2021.
- $95,000 be transferred from the active defined benefit (DB) reserve assets to the pension reserve assets since the pension asset was insufficient to cover the pension liability in the last annual actuarial investigation as at 1 July 2022. The transfer was completed on 10 November 2022.

The approximate value of the new pensioner's pension was transferred from the active DB assets to the pension reserve on 27 June 2022.

Benefit Program Enhancement

We have included the $50 pension benefit per year of continuous contributory service for the member's resignation benefit where a member is over age 40 and has at least 10 years of service in accordance with the Plan's provisions which had previously not been included as it was not calculated by the administrator and seen as immaterial, however, with an ageing membership we felt it more prudent to incorporate this additional amount to relevant members' benefits. This is also used as a floor benefit for the retirement benefit entitlement as per the provisions of the Plan. This change was implemented as at 1 July 2023. The impact of this change overall is not material.

Significant Changes to the Plan Benefits

There were Plan amendments effective 1 November 2021. The impact of the Plan amendment has been reflected in the regular annual actuarial investigation as at 1 July 2021 as well as the regular annual actuarial investigation as at 1 July 2022. Refer to the regular annual actuarial investigation report as at 1 July 2021 for details.

There were no other significant changes to the Plan benefit structure.

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])	
	1/7/2023 to 31/3/2024	1/4/2024 onwards
A (including Non-Award)	18.4%[2]	23.5%[2]
Deferred	0.0%	0.0%

[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.

[2] Includes the Award contributions for eligible Defined Benefit members.

In addition, the following contributions are also payable:

- Defined Benefit member compulsory contributions of 5 percent p.a. (or 5.88 percent p.a. if salary sacrifice) of Superannuation Salary. The Employer pays part of the member contributions depending on whether the member is a director, executive or standard Category A member. Deferred, Pensioner and Accumulation members are not required to contribute;
- The Superannuation Guarantee contribution rate on bonus for Defined Benefit members, if applicable; 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 members.

The rates effective from 1 April 2024 are higher than those currently being paid.

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

Please refer to Section 4 for details.

Shortfall Limit Recommendations

I have reviewed the Shortfall Limit of 97.0 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 are more than sufficient to fund the total death and total and permanent disability benefits should all the DB members die at the Valuation Date. However, in accordance with the Trustee's request to have a common formula for insurance across all defined benefit plans, I recommend a change to the insured formula as follows:

Death/Total and Permanent Disability (TPD) Sum Insured = Death/TPD Benefit - Vested Benefit

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

I also recommend the Trustee continue to review the arrangement for the members with restricted insurance cover on death/TPD remains appropriate.

Please refer to Section 6 for details.

Investment Recommendations

Other than the SG minimum benefit and resignation 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. Additionally, it is able to pay the ongoing income streams of its pension members.

Note that regular pension rebalancing is required to ensure that assets supporting pension liabilities are maintained at a similar level, which will be reviewed each year considering experience versus assumptions (particularly investment returns, pension increase rate and longevity or mortality of pensioners and their spouses, if applicable). As at valuation date, the pension related assets exceed the pension liabilities and I recommend that $138,000 be transferred from the pension asset reserve to the active DB reserve. Should a Defined Benefit member take up the pension option then active Defined Benefit assets will need to be transferred to the pension investment, with the amount to transfer dependent on the proportion of benefit taken as a pension as well as the present value of expected future cashflows of the pension payments.

The Employer may prefer to have the Defined Benefit assets be invested in a less growth orientated investment once the market experience improves and maintained a reasonable surplus 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, particularly in relation to the payment of benefits/pensions via contributions from the Employer and/or sale of the Plan's Assets.

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 the actuarial investigation on an annual basis and confirm that, in my view, it remains appropriate given the Australian Prudential Regulation Authority's (APRA's) requirements for plans that pay pensions.

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 new unusual significant risks that the Trustee needs to be aware of.

This Plan allows Defined Benefit members to choose a pension option upon early or normal retirement or a deferred pension provided they have met certain age and service requirements. This valuation assumes 50 percent of those eligible will take a pension. There is likely to be additional cost to the Employer if more eligible members than assumed choose a pension rather than a lump sum upon exit from the Plan.

The Plan also offers an option to select between reversionary joint life pensions or single life pensions upon retirement. The new Plan provisions effective 1 November 2021 allow members to elect an indexed pension rather than a flat income stream pension. Pension payments will be adjusted to provide the same actuarial present value regardless of the pension option selected at the members' termination date (or age 65 whichever is sooner).

If a pensioner (or spouse of the pensioner where a joint life pension is taken out) outlives their assumed life expectancy for this valuation, this may cause the assets of the Plan to become insufficient to cover pensioners' benefits. This would then require additional contributions to be made by the Employer. The fact that the Employer can contribute at a higher rate where required mitigates this risk to an extent. Where an indexed pension is selected actual increases may be different to those expected and could cause a funding strain, however this is mitigated to some extent by the indexation having a maximum of 4 percent p.a..

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 regular annual actuarial investigation will be carried out at each 1 July in between triennial valuations as the Plan pays pension benefits.

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/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 27 November 2023;
- total 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 are 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 the most recent regular actuarial investigation at 1 July 2023 or subsequent actuarial advice.
- the selection, by a member, of the option to receive part or all of their benefit as a pension;
- the default investment option for the Defined Benefit section is changed;

- 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 30 November 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.

Saffron Sweeney

Saffron Sweeney
Fellow of the Institute of Actuaries of Australia
27 November 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 triennial 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;
- 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 Saffron Sweeney, of Aon Risk Services Australia Limited, Fellow of the Institute of Actuaries of Australia. The previous regular triennial actuarial investigation as at 1 July 2020, the regular annual actuarial investigation as at 1 July 2021 and the regular annual actuarial investigation as at 1 July 2022 were also completed by Saffron Sweeney. The regular triennial actuarial investigation results as at 1 July 2020 and the regular annual actuarial investigation results as at 1 July 2021 and 1 July 2022 are shown in reports dated 29 October 2020, 10 December 2021 and 4 November 2022 respectively.

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, 404 and 410) 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	**Regular Annual Actuarial Investigation as at 1 July 2021**	**Regular Annual Actuarial Investigation as at 1 July 2022**
A surplus/(deficit) of Assets over the Actuarial Value of Accrued Benefits	$312,092	$913,693	($68,567)
An excess of Assets over the Vested Benefits	$1,388,869	$1,319,563	$314,728
Summary of the recommended Employer contribution for DB members	Category A (including Non-Award): 16.5% from 1 July 2020 to 30 June 2025 and 19.3% thereafter. Deferred: 0%		Category A (including Non-Award): 16.5% from 1 July 2022 to 31 March 2023 and 18.4% thereafter. Deferred: 0% And one-time lumpsum contribution of $450,000.

The average long-term Employer contribution rate was 19.3 percent p.a. of Defined Benefit members' superannuation salaries as at 1 July 2020, 18.2 percent p.a. of Defined Benefit members' superannuation salaries as at 1 July 2021 and 18.4 percent p.a. of Defined Benefit members' superannuation salaries as at 1 July 2022.

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. (active members)	7.2% p.a. (active members)	Favourable effect: The Defined Benefit assets increased at a higher rate than assumed.
	5.85% p.a. (pensioners)	8.1% p.a. (pensioners)	
		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]	5.0% p.a.	5.4% p.a.	Unfavourable effect: The Defined Benefit liabilities increased at a higher rate than assumed.
Average Employer Contribution rate[4]	Long -term rate (averaged based on category, period and each annual investigation results) of 18.6% p.a.	Recommended rate (averaged based on category and period) of 16.7% p.a. Plus an additional $450,000 one-time lump sum contribution.	Favourable effect: Overall, the Defined Benefit assets increased at a higher amount than the long-term cost of providing the defined benefits.
Defined Benefit member option (pension take-up)[5]	25.0%	66.7%	Unfavourable effect: The Defined Benefit members electing pensions are higher than assumed, which means liabilities increased at a higher rate than assumed.

	Assumptions at the Previous Triennial Investigation	Plan Experience	Impact on the Financial Position of the Plan (when considered in isolation)
Expenses and Insurance Premiums[6]	2.6% p.a. for Expenses 1.2% p.a. for Death and TPD insurance premiums	6.4% p.a. for Expenses 1.2% p.a. for Death and TPD insurance premiums	Unfavourable effect: The Defined Benefit assets, on average, have paid more expenses than assumed.

[1]net of investment expenses and tax for active members and net of investment expenses but gross of tax for pensioner members

[2]The 3-year median return (net of investment expenses and tax) of the Top 50 Workplace Super – Balanced Investment option from Rainmaker's Workplace Super Performance Table report as at 30 June 2023.

[3]For existing Defined Benefit members over the investigation period.

[4]Percent of Defined Benefit members' salaries.

[5]Percent of eligibe members who would take their benefit as a pension.

[6]As the assumption was based on total Defined Benefit salaries, the impact of the reduction in active Defined Benefit members is that the expenses as a percentage of total Defined Benefit salaries was higher than assumed. Also, the actual expenses includes the insurance premiums, member fees and asset administration fees in relation to accumulation members that was paid from the Plan's reserves.

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

- Membership movements:
  - Exits: 3 Active Defined Benefit members left the Employer due to early retirement during the triennial actuarial investigation period, which is slightly higher than that assumed in the previous investigation. [redacted] Overall, the benefit paid for the member who elected to receive a lump sum benefit was slightly less than the amount reserved and therefore, in isolation has led to a favourable effect on the financial position of the Plan.
  - Pensioners: The pension liability corresponding to the one pensioner was higher than the corresponding amounts reserved and therefore, in isolation, this has led to an unfavourable effect on the financial position of the Plan. The liability for the new pension member was higher than the amounts reserved and this has led to an unfavourable effect on the financial position of the Plan.
  - Deferred Pensioners: One deferred pensioner elected to take his benefit as a lumpsum. The benefit paid was slightly lower than the corresponding amount reserved which in isolation has led to a favourable effect on the financial position of the Plan. The liability for the new deferred pensioner was higher than the expected amount reserved and this has led to an unfavourable effect on the financial position of the Plan.
- Only one member who was eligible to receive a pension benefit chose to take their benefit as a lump sum rather than a pension. The deferred pensioner may still take his benefit as lump sum

in which case there will likely be an improvement in the financial position as we have valued the benefit as 100 percent pension.

The overall experience of the Plan during the regular triennial actuarial investigation period has had a positive 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 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

Active Defined Benefit Members

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 1.0 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 the Actuarial Value of Accrued Benefits decreased and the long-term contribution rate has decreased.

	Net Investment Return (p.a.)	Salary Increase Rate (p.a.)	Differential (p.a.)
Assumption as at 1 July 2020	5.40%	5.00%	0.40%
Assumption as at 1 July 2023	6.00%	5.00%	1.00%

Pension Members

The most significant financial assumptions used for Pension members are the rate of future investment returns and the rate of future pension increases. These rates must also be considered together because of their economic interdependence in the medium to long-term.

For this investigation I have used a Pension Interest/Increase Differential assumption as shown in the table below which is less conservative and the overall impact of these assumptions, in isolation to all others, is that the Actuarial Value of Accrued Benefits has decreased.

	Net investment return (p.a.)	Pension Increase rate (p.a.)	Differential (p.a.)
Assumption as at 1 July 2020	5.85%	0.00%	5.85%
Assumption as at 1 July 2023	6.60%	0.00%	6.60%

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. Note that the investment returns on assets backing pensions is higher than the rate for active members due to the investment tax not applied on pension assets.
- 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 lower than those earned in the last three years;
- The salary increase rate assumption was determined based on the forecast increases in average Wage Price Index (WPI), the Employer's expectations and past experience; and
- The pension increase rate assumption was determined based on the Plan provisions (where the standard pension benefit is not indexed and currently both pensions are receiving non-indexed pensions).

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. 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 2023			1 July 2020		
Age Last	**Resignation**	**Death and Disablement**	**Retirement**	**Resignation**	**Death and Disablement**	**Retirement**
45	800	21	0	800	18	0
50	667	40	0	667	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 this change in assumption in isolation has slightly increased Actuarial Value of Accrued Benefits and slightly increased the long-term contribution rate.

Defined Benefit Member Options

This Plan gives Defined Benefit members the option to take their benefits as a pension, the assumed pension take-up rate for this investigation and the previous investigation are shown in the table below.

Pension Take-up Rate	1 July 2020	1 July 2023
Actives	25.0%	50.0%
Deferred	100.0%	100.0%

The pension take-up rate assumption has increased from the previous regular triennial actuarial investigation to reflect the actual experience during the investigation period. The impact of this change in assumption in isolation has increased the Actuarial Value of Accrued Benefits and increased 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 triennial actuarial investigation are shown in the table below.

	1 July 2020	1 July 2023
Operating expenses [1] (% p.a. of Defined Benefit members' salaries)	2.6% p.a.	6.2% p.a.
Death and TPD insurance premiums (% p.a. of Defined Benefit members' salaries)	1.2% p.a.	0.8% p.a.[2]
Total expense and insurance premium assumption	**3.8% p.a.**	**7.0% p.a.**

[1] As the assumption is based on total Defined Benefit salaries, the impact of having fewer Defined Benefit members means that the expenses as a percentage of total Defined Benefit salaries increases.

[2]This reflects the proposed change in the standard insurance formula in this triennial actuarial investigation report.

The expenses have increased from the previous regular triennial actuarial investigation to reflect the expected expenses over the next three years. This includes the member fees, asset administration fees and insurance premiums for accumulation members which were not included in the assumption as at 1 July 2020 as these fees were assumed to be paid separately by the Employer but continue to be paid from the Plan's reserve at the request of the Employer.

The insurance premiums have decreased from the previous regular triennial actuarial investigation to reflect the proposed change in insurance formula for the DB members.

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.

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 $1.9 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.

Additional Assumptions Relating to Pensions

There are a number of additional assumptions that relate to pension liabilities and assets. All these assumptions except for the long-term CPI assumption for future indexed pensions elected post 1 November 2021 are the same as the assumptions used in the last triennial actuarial investigation as at 1 July 2020. They include:

Pension-related expenses:

The administrator charges a member fee of $72 p.a. per member and an asset administration fee of 0.36 percent p.a. of assets. However, we have allowed for the fees relating to pensioners in the expense assumption for active members noted in this section and therefore there is no specific assumption for pension related expenses.

Mortality of Pensioners:

Australian Life Tables (ALT) 2015-2017 allowing for future mortality improvements based on the 25-year improvement factors from ALT 2015- 2017 and rated down by 2 years has been used for this regular actuarial investigation to allow for general trends in increasing longevity and that those members who elect a pension are likely to have longer life expectancy than the average population.

Pension indexation:

- Existing pensioners – These benefits follow the provisions of the Plan prior to 1 November 2021 (i.e. before the amendment), therefore there is no pension indexation. The annual pension is assumed to remain constant once in course of payment.
- Deferred pensioner – The annual pension is valued using the standard pension benefit under the rules of the Plan, hence no pension indexation.
- Active members assumed to take a pension – The annual pension is valued using the standard pension benefit under the rules of the Plan, hence no pension indexation is assumed. Note that from 1 November 2021, if these members elect to have their benefit as an indexed pension, a long-term CPI (30 years) assumption of 2.4 percent p.a. will be used. This differs to the assumption noted in the Interest/Salary Differential above which referred to the 10-year assumption.

Form of Pension and Remarriage, Separation or Divorce:

- Existing pensioners – Benefit is valued based on elected options, a joint life pension with 100 percent pension payment continuing after first death and assumed that there will be no remarriage, separation or divorce. Actual spouse information is used to value the benefit.
- Active members assumed to take pension and deferred pensioners – We assume that the benefit is the standard pension benefit under the rules of the Plan, which is a single lifetime pension with five years minimum guaranteed payment.

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 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	6,316,536
Death and Disablement	629,053
Resignation	457,013
Total of active Defined Benefit related liabilities	**7,402,602**
[redacted]	[redacted]
[redacted]	[redacted]
Total of Defined Benefit related liabilities	**9,645,375**
Additional accounts for Defined Benefit members	1,415,553
Accounts for Accumulation members	9,915,636
Actuarial Value of Accrued Benefits	**20,976,564**
Assets*	**21,397,630**
Surplus/(Deficit)	**421,066**

*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 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)	**312**
Interest on surplus/(deficit)[1]	(6)
Investment gains/(losses)[2]	443
Employer contributions paid at a higher/(lower) rate than long-term rate[3]	281
Expense gains/(losses)[4]	(292)
Salary gains/(losses)[5]	(65)
Change in basis gains/(losses)[6]	270
Withdrawal gains/(losses)[7]	(317)
Tax adjustment for asset allocation for pensioners[8]	(14)
Resignation benefit program enhancement in actuarial projections to have benefits valued in accordance with Plan rules - $50 pension per year of contributory service	9
Correction of late payment earnings paid on benefits of past members[9]	(9)
Pension take-up gains/(losses)[10]	(100)
Pensioner mortality gains/(strain)[11]	(2)
Miscellaneous	(89)
Surplus/(deficit) as at the valuation date	421

[1] Interest on (deficit) over the period. Negative earnings on the surplus for the year to 30 June 2022 was slightly larger than the positive earnings on the surplus for the year to 30 June 2021 and the year to 30 June 2023.

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

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

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

[5]A salary loss arises when salaries increase at a higher rate than assumed.

[6]A gain from a change of basis occurs when the overall set of assumptions becomes less conservative. This also includes the loss due to refinement of the projection coding used to determine defined benefits and the introduction of a top-up lumpsum payment to ensure that the value of a members' pension at termination date is not less than their minimum requisite benefit (MRB) at termination date.

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

[8]This is the tax correction related to the asset transferred to pension asset after rebalancing.

[9]It was discovered that the administrator had not applied late payment earnings correctly for some past members from their date of termination to date of payment and this has been rectified.

[10]A pension take-up loss occurs when more eligible members who have exited take up the pension option than assumed.

[11]A pensioner mortality strain occurs when pensioners live longer than assumed.

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 $421,066. This is equivalent to 4.4 percent of Defined Benefit liabilities (i.e. excluding accumulation members' benefits and Defined Benefit members' additional accounts) and 21.4 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 a rate close to the long-term employer contribution rate.

Long-term Contribution Rate

The Defined Benefits long-term Employer contribution rate has increased since the last regular triennial actuarial investigation due to the increase in expense allowance. Note that the long-term Employer contribution rate below incorporates Award contributions for eligible Defined Benefit members.

Present Value of Future Service Liability	**Total ($)**
Retirement	1,746,303
Death and Disablement	134,890
Resignation	46,921
Total of Defined Benefit related liabilities	**1,928,114**
Less member contributions	567,171
Net Future Service Liability	**1,360,943**
Equivalent net future contribution rate	12.0%
Tax	2.1%
Expense allowance	6.2%
Death and TPD premiums	0.8%
Employer contribution rate required for Future Service Benefits (p.a. salary)	**21.1%**

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 members' benefits for Accumulation members for the purpose of this regular triennial actuarial investigation. The Smart Future Trust financial statements which include 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[3]	13,059,525	121.2%	164.3%	16,112,992	118.9%	163.6%	A
Vested Benefits[4]	15,257,157	109.1%	121.4%	21,136,347	101.2%	102.7%	A
Leaving Service Benefits[5]	15,803,936	105.3%	112.0%	21,136,347	101.2%	102.7%	A
Actuarial Value of Accrued Benefits	16,333,934	101.9%	104.1%	20,976,564	102.0%	104.4%	A
Accumulation Benefits[6]	8,757,751			11,331,189			B
Assets[7]	16,646,026			21,397,630			C

[1]Index is C/A . For the Minimum Requisite Benefits Index, this is equal to (C – Pensioners' liabilities – Deferred members' liabilities)/A. See note 3.

[2]DB Index is (C – B)/(A – B), i.e. the index excluding accumulation benefits. For the Minimum Requisite Benefits DB Index, this is equal to (C – B – Pensioners' liabilities – Deferred members' liabilities)/(A – B). See note 3.

[3]The Minimum Requisite Benefits exclude pensioner and deferred members liabilities. As at 1 July 2023 the pensioner liabilities and deferred member liabilities were $1,350,590 and $892,183 respectively. As at 1 July 2020 the pensioner liabilities and deferred member liabilities were $592,228 and $226,994 respectively.

[4]Value of the exit benefits payable immediately assuming that the members who resigned between age 40 to 55 having completed 10 years of service receive the benefits allowing for the pension option (25 percent at 1 July 2020 and 50 percent at 1 July 2023) and lump sum cash (75 percent at 1 July 2020 and 50 percent at 1 July 2023) and assuming early reirement consent is not granted – i.e the Plan benefits before the Plan amendments effective 1 November 2021. Vested benefit as at 1 July 2023 reflect the new Plan provisions effective 1 November 2021.

[5]Value of the exit benefits payable immediately assuming that the members who resigned between age 40 to 55 having completed 10 years of service receive the benefits allowing for the pension option (25 percent at 1 July 2020 and 50 percent at 1 July 2023) and lump sum cash (75 percent at 1 July 2020 and 50 percent at 1 July 2023) and assuming early retirement consent is granted by the Employer.

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

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

Financial Indices for Pension Members

The following table summarises the Vested Benefits, Actuarial Value of Accrued Benefit and assets of the pensioners in isolation. Note that the assets and liabilities below were also included in the results shown on the previous page and the remainder of the report.

	1 July 2020		1 July 2023	
	Amount ($)	**Index[1]**	**Amount ($)**	**Index[1]**
Vested Benefits	[redacted]	84.2%	[redacted]	110.3%
Actuarial Value of Accrued Benefits	[redacted]	84.2%	[redacted]	110.3%
Asset amount in Pension Balanced Growth – Active option	[redacted]		[redacted]	
Assets (assuming the pension was funded)[2]	[redacted]		[redacted]	

[1]Actual asset amount over the Vested Benefit or the Actuarial Value of Accrued Benefits. Note that as pensioner liabilities have priority over active member liabilities, apart from their Minimum Requisite Benefits, the assets of the Plan including recommended future contributions are sufficient to cover the pensioner liabilities.

[2]In practice, the assets are not segregated from the rest of the assets of the Plan, however these are invested in an investment option that provided an investment return which has no investment earnings tax payable.

Note that regular pension rebalancing is required to ensure that assets supporting pension liabilities are maintained at a similar level, which will be reviewed each year considering experience versus assumptions (particularly investment returns, pension increase rate, if applicable, and longevity or mortality of pensioners and their spouses, if applicable). I recommend that $138,000 be transferred from the pension reserve assets to the active defined benefit reserve assets.

Should an eligible member take up the pension option then active Defined Benefit assets will need to be transferred to the pension investment, with the amount to transfer dependent on the proportion of benefit taken as a pension as well as the present value of expected future cashflows of the pension payments.

Vested Benefits Index

Vested Benefits are the benefits that members are entitled to receive upon voluntary withdrawal from the Plan or where the members have already terminated employment and are receiving Defined Benefit pensions or are entitled to deferred benefits, the value of those pensions (i.e. the present value of projected pension benefits) or deferred benefits are also included. It is either the resignation benefit or early retirement benefit, if eligible (and effective 1 November 2021, Employer consent for early retirement is automatically granted in accordance with the Plan amendment). Defined Benefit members may take their benefit as a pension, a pension take-up rate of 50 percent has been assumed to be consistent with the funding assumptions.

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 or where the members have already terminated employment and are receiving Defined Benefit pensions or are entitled to deferred benefits, the value of those pensions (i.e. the present value of projected pension benefits) or deferred benefits are also included. It is either the resignation benefit or early retirement benefit, if eligible assuming Employer consent is granted. Note that with the change to the benefits from 1 November 2021 for automatic Employer consent the Vested Benefits are now the same as Leaving Service Benefits. Defined Benefit members may take their benefit as a pension, a pension take-up rate of 50 percent has been assumed to be consistent with the funding assumptions.

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 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 97.0 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 2023 was 102.7 percent. Therefore, the Plan has not fallen below the Shortfall Limit at the valuation date. I have reviewed the Shortfall Limit of 97.0 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. Where the member has already terminated employment and is receiving Defined Benefit pensions or is entitled to deferred benefit, the value of the pension or deferred benefit is not included as the MRB test on the benefit had been checked at termination. 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 AASB1056 Purposes dated 14 August 2023 excluded Defined Benefit members' additional accounts and Accumulation members' 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. Where the members have already terminated employment and are receiving Defined Benefit pensions or are entitled to deferred benefits, the value of those pensions (i.e. the present value of projected pension benefits) or deferred benefits are included in the calculations.

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

Retrenchment Benefits Index

There are no longer any members who are eligible for a specific retrenchment benefit. All members will receive either the Vested Benefit or Leaving Service Benefit if consent for early retirement is granted by the Employer on retrenchment. Effective 1 November 2021, the Vested Benefit is the same as the Leaving Service Benefit for early retirement due to the Plan amendment. Therefore, a separate calculation is not required.

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 Clause 14 of the Trust Deed and in accordance with relevant law.

Clause 14 of the Trust Deed, including the amendment to Plan based on the Trustee approval effective from 1 November 2021, states that the priority for distribution of assets is as follows:

1. pension for life for the current pensioners under the Plan;
2. pension for life for the members who have reached their Normal Pension Age; or Total and Permanent Disablement lump sum benefit for members who have been approved for that benefit;
3. Sum of the members' contributions accumulated with interest;
4. Pension for life (from age 65) for members who are eligible for early retirement or a lump sum value equivalent at the Company option basis;
5. Pension for life (from age 65) for those members over 40 with 10 year's continuous service or a lump sum value equivalent to the actuarial reduced value of the pension up to 10 years earlier at the Member's option;
6. Pension for life (from age 65) for those members who had either less than 10 years of continuous service or who had not attained age 40 or a lump sum value equivalent to the actuarial reduced value of the pension up to 10 years earlier at the Member's option;
7. Lastly to allocate any remaining amount to members as the Trustee shall determine.

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 2023 the available assets exceeded the members' termination liabilities.

Transferring Pensioner Liability to a Third Party

We have not provided the value of pension benefits in the above tables on an equivalent market value basis (that is, the amount determined as being required to be paid to a third party to take on the liability) due to the difficulty of getting annuity quotations and there being no immediate requirement by the Employer or Trustee to consider this as an option.

If a member does take up the pension option and then if the Trustee decides to transfer the pension liability to a third party it is unlikely that the assets will be sufficient due to risk, expense and profit margins of the third party and an additional contribution equal to the grossed-up value of the funding shortfall, as determined by the Actuary, would need to be paid by the Employer in order to maintain the security of other members' benefits.

The Employer needs to be aware that buying out pension liabilities in the event of winding up the Plan would be more expensive in the open market due to the limited provider options that are currently available. As an indication, an annuity for a male age 67.5 with a spouse three years younger could cost around 6 percent more than the actuarial liability value (based on annuity rates available on Challenger's website and a general summary document they have provided with impact of annuity variations on price as at 30 October 2023).

As there are still active DB members and expenses are covered by the funding for active members the annuity is expected to cost more than our value due to the expected expenses of paying those pensioners in future. In reality if the pensioners remain in the fund beyond the last active DB member, then there will be expenses that have to be funded in future for expenses related to the payment of pensions and all associated actuarial costs.

If the Trustee decides to transfer the pension liability to a third party, it is unlikely that the assets will be sufficient due to risk, expense and profit margins of the third party and an additional contribution as determined by the Actuary would need to be paid by the Employer in order to maintain the security of other members' benefits. However, note that there are limited annuity options available in the Australian market and exact matching of the pension liabilities may not be possible. If the Trustee or Employer would like to explore this option further we could attempt to obtain quotations from annuity providers.

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 (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

Death Sum Insured = Death Benefit – $V^N MS$ x 10

TPD Sum Insured = TPD Benefit – $V^N MS$ x 10 for age less than age 55 OR Nil for those age 55 or over

where

V = 1/(1+p) where p = 2 percent

N = Years and complete months of remaining service to normal retirement date (NRD)

M = Accrued Multiple

S = Salary at date of calculation

Accumulation Members

Insured Amount = minimum default cover for the member's age

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.

	Current Death – Restricted Cover ($)	Current TPD – Restricted Cover ($)
Total sums insured (A)	20,017,061	18,194,554
Plan Assets excluding the amount set aside to meet deferred and pension liabilities available to meet Death or TPD benefits (B)	19,154,857	19,154,857
Amount of Surplus set aside for funding purposes (C)*	0	0
Plan Assets Available to meet Death or TPD benefits (D) = (B – C)	19,154,857	19,154,857
Available on Death or TPD (E)=(A+D)	39,171,918	37,349,411
Total Death or TPD benefits (F)	37,539,645	36,994,126
Excess/(shortfall) (E-F)	1,632,273	355,285

* occasionally 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.

Proposed Change/Recommendation

Based on the information as at 1 July 2023, the current formulae result in a significant surplus 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 Death/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 decrease in sum insured and hence, would result in lower premiums.

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

Death/TPD Insured Amount = Death/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.

The next table shows the funded and insured portions of the benefit under the proposed formula. The proposed formula reduces the level of over-insurance.

	Proposed Formula Death – Restricted Cover ($)	Proposed Formula TPD – Restricted Cover ($)
Total sums insured (A)	18,657,972	18,112,452
Plan Assets excluding the amount set aside to meet deferred and pension liabilities available to meet Death or TPD benefits (B)	19,154,857	19,154,857
Amount of Surplus set aside for funding purposes (C)	0	0
Plan Assets Available to meet Death or TPD benefits (D) = (B – C)	19,154,857	19,154,857
Available on Death or TPD (E)=(A+D)	37,812,829	37,267,309
Total Death or TPD benefits (F)	37,539,645	36,994,126
Excess/(shortfall) (E-F)	273,184	273,183

Disability Income Insurance

The Trustee also has effected Group Insurance (with AIA) 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. Note that this is voluntary cover.

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

There are no material issues arising from insurance. However, we note that currently there are three DB members who have restricted insurance cover. Two of these three are the same members with the restricted insurance cover in the last annual actuarial investigation as at 1 July 2022. With the change to the insurance formula only two will have restricted cover. While the Plan is likely to be able to cover paying these members a higher death/TPD benefit, we recommend that 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). Note that the long-term investment return for pensioners are gross of tax but net of investment expenses). The main demographic assumption relates to proportion of benefits taken as a pension. 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 (5.0% p.a./6.0% p.a.)	20,976,564	21.1%
Last valuation (5.0% p.a./5.4% p.a.)	21,289,841	21.4%
Last valuation with this valuation decrements (5.0% p.a./5.4% p.a.)*	21,691,732	22.5%
Salary inflation rate plus 1% p.a. (6.0% p.a./6.0% p.a.)	21,272,059	21.9%
Salary inflation rate minus 1% p.a. (4.0% p.a./6.0% p.a.)	20,721,980	20.5%
Investment return plus 1% p.a. (5.0% p.a./7.0% p.a. active members)^	20,113,475	19.5%
Investment return minus 1% p.a. (5.0% p.a./5.0% p.a. active members)^	22,055,942	23.2%
25% of benefits are taken as a pension (5.0% p.a./6.0% p.a.)	20,732,176	20.4%
75% of benefits are taken as a pension (5.0% p.a./6.0% p.a.)	21,220,953	21.8%

* 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 on this valuation's expenses and premiums assumptions.

^ The pension investment return was also adjusted accordingly.

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 and a percentage of benefits taken as a pension. If the increase in salaries of Defined Benefit members is 1 percent p.a. higher than the

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assumed rate, the long-term cost to the Employer will be 0.8 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 1.6 percent p.a. If the percentage of benefits taken as pension increased from 50 percent to 75 percent, the long-term Employer contribution increases by 0.7 percent p.a.

Pensioner Sensitivities

Assumptions	Pensioner Liabilities as at 1 July 2023
	($)
This Valuation	[redacted]
Mortality rate* age rated up by 2 years	[redacted]
Mortality rate* age rated down by 2 years	[redacted]
Pensioner Investment return plus 1% p.a. (7.6% p.a.)	[redacted]
Pensioner Investment return minus 1% p.a. (5.6% p.a.)	[redacted]

*In reference to the base mortality rate assumption which is the Australian Life Tables (ALT) 2015-2017 allowing for future mortality improvements based on the 25-year improvement factors from ALT 2015- 2017 and rated down by 2 years.

The age rating sensitivities provide a rough guide to the impact of different mortality experience. In practice, given the small number of pensioners, their mortality experience could be significantly different to assumed and the Employer is exposed to the risk of pensioners living longer than assumed in this valuation.

The Pensioner investment return has a large impact on the liability (1 percent p.a. lower return has approximately 11 percent p.a. increase in liability impact) for pensioners and will need to be closely monitored if the proportion of pension liabilities to total defined benefit liabilities continues to increase.

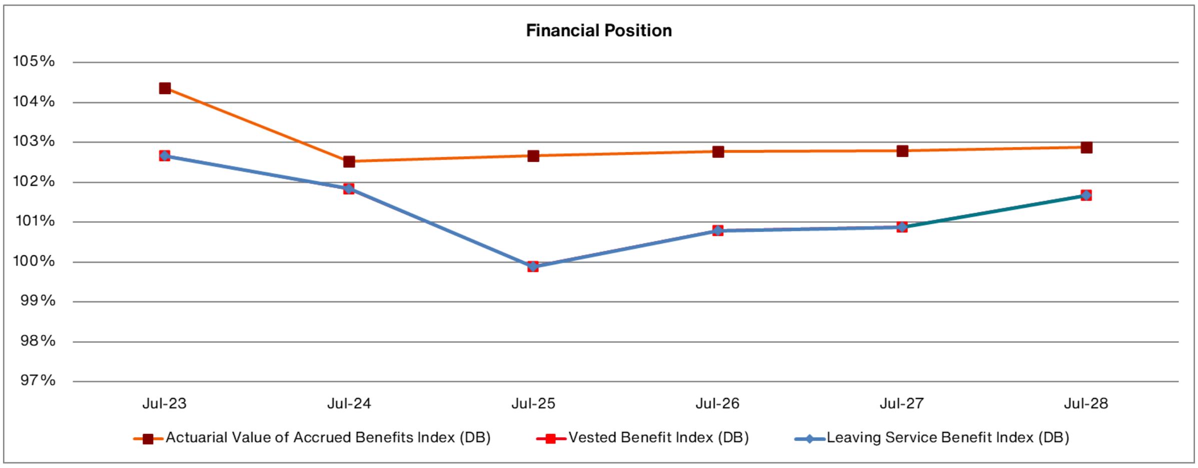
Post Valuation Events

The Plan has earned an average investment return of 0.6 percent from the date of the valuation to 15 November 2023. This is 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 members' benefits and Defined Benefit members' additional accounts) has decreased from 102.7 percent at the valuation date to approximately 101.0 percentage as at 15 November 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, Defined Benefit Leaving Service 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 (including pensioners and deferred members) 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.

There is also a high degree of probability that the two pensions currently in payment will be able to be paid as required under the Plan's governing rules during the period up to future date 30 June 2028. This statement has been made considering the Plan's earnings from the date of the regular triennial actuarial investigation to 15 November 2023 and recommended future contributions. This statement is made in accordance with Superannuation Prudential Standard (SPS) 160, SIS Regulation 9.31(1) and Professional Standard 410 issued by the Institute of Actuaries of Australia.

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

Pensioners

This Plan allows Defined Benefit members to choose a pension option upon early or normal retirement or a deferred pension if they left the Plan prior to age 55 and eligible for a deferred pension. Currently there are 10 Defined Benefit members, two deferred pensioner members and two pensioners (with living spouses) with average age as at 1 July 2023 of 55.0, 52.2 and 67.0 years respectively. There is likely to be additional cost to the Employer if more of the active DB members than assumed choose a pension rather than a lump sum upon exit from the Plan.

If a pensioner outlives the assumed life expectancy, this may cause the assets of the Plan to be insufficient to cover pensioners' benefits. This would then require additional contributions to be made by the Employer. The current level of surplus mitigates this risk to an extent.

Although commutation factors are used to determine lump sum benefits (these are stated in the Trust Deed) they are less than the value of the pension due to changes in the discount rate assumption and improvement in assumed life expectancy since the Trust Deed commutation factors were set. The take-up rate assumed in this valuation reflects the recent experience and therefore is less conservative than the prior assumption. Future valuation assumptions regarding the take-up of the pension may be increased in the next triennial actuarial investigation as at 1 July 2026 if members continue to take this option. The Funding and Solvency Certificate has a notifiable event where a member takes up the pension option so that the funding position can be assessed by the Actuary at that time.

The new Plan provisions, from 1 November 2021, allow members to elect an indexed pension rather than a flat income stream pension. Pension payments will be adjusted to provide the same actuarial present value regardless of the pension option selected. Where an indexed pension is selected actual increases may be different to those expected and could cause a funding strain, however this is mitigated to some extent by the indexation having a maximum of 4 percent p.a..

The Employer also needs to be aware that buying out these pension liabilities in the event of winding up the Plan would be more expensive in the open market due to the limited provider options that are currently available and the risk, expense and profit margins a provider will require. As an indication, an annuity for a male age 67.5 with a spouse three years younger could cost around 6 percent more than the current actuarial liability value (based on annuity rates available on Challenger's website and a general summary document they have provided with impact of annuity variations on price as at 30 October 2023).

As there are still active DB members and expenses are covered by the funding for active members, the annuity is expected to cost more than our value due to the expected expenses of paying those pensioners in future. In reality, if the pensioners remain in the fund beyond the last active DB member, then there will be expenses that have to be funded in future for expenses related to the payment of pensions and all associated actuarial costs.

Early Retirement Benefits for Defined Benefit Members

Effective 1 November 2021, all Defined Benefit members who retire early can receive the early retirement benefit without the actuarial reduction factor since all are based on the Company Option basis and can take their benefit as pensions. It is therefore important to ensure that the Plan assets can cover at least the Vested Benefits (which is now equal to the Leaving Service Benefits). The Employer should be prepared to make additional contributions, if necessary, to cover the benefit due to members retiring early.

Size of the Plan

The defined benefit section of the Plan has 14 members and $10.1m 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.

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.

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')	
	1/7/2023 to 31/3/2024	1/4/2024 onwards
A (including Non-Award)	18.4%[2]	23.5%[2]
Deferred	0.0%	0.0%

[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.

[2] Incorporates Award contributions for eligible Defined Benefit members

In addition, the following contributions are also payable:

- Defined Benefit member compulsory contributions of 5 percent p.a. (or 5.88 percent p.a. if salary sacrifice) of Superannuation Salary. The Employer pays part of the member contributions depending on whether the member is a director, executive or standard Category A member. Deferred, Pensioner and Accumulation members are not required to contribute;
- The Superannuation Guarantee contribution rate on bonus for Defined Benefit members, if applicable; 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 members.

The rates effective 1 April 2024 are higher 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 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 or more of the 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).

Shortfall Limit Recommendations

I have reviewed the Shortfall Limit of 97.0 percent (see Section 5) and confirm that, in my view, it remains appropriate.

Insurance Recommendations

I have reviewed this formula (see Section 6) and recommend a change to the formula as follows:

Death/TPD Insured Amount = Death/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 to reduce the over-insurance and to apply the Trustee's preferred insurance formula.

Investment Recommendations

Other than the SG minimum benefit and resignation benefit before age 40 with less than 10 years of service, 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.

Note that regular pension rebalancing is required to ensure that assets supporting pension liabilities are maintained at a similar level, which will be reviewed each year considering experience versus assumptions (particularly investment returns, pension increase rate and longevity or mortality of pensioners and their spouses, if applicable). As at the valuation date, the pension related assets exceed the pension liabilities and I recommend that $138,000 be transferred from the pension reserve assets to active defined benefit reserve assets.

Should an eligible Defined Benefit member take up the pension option then active Defined Benefit assets will need to be transferred to the pension investment, with the amount to transfer dependent on the proportion of benefit taken as a pension as well as the present value of expected future cashflows of the pension payments.

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.

Additionally, it is able to pay the ongoing income streams of the Plan's pension members.

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, particularly in relation to the payment of benefits/pensions via contributions from the Employer and/or sale of the Plan's Assets.

AON

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 the actuarial investigation on an annual basis and confirm that, in my view, it remains appropriate given the Australian Prudential Regulation Authority's (APRA's) requirements for plans that pay pensions.

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 - Isuzu Australia 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 the general ledger for the Plan plus the Accumulation members' benefits for Accumulation member assets, was $21,397,630 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 15 November 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 $20,976,564 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 $9,645,375 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 $10,066,441.

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 a liability in respect of current pensioners. The present value of their future payments has been included in all benefit calculations. The assets including future contributions are sufficient to provide for the risk of longevity. Should the Plan be in an unsatisfactory

financial position, the benefits of pension members will continue to be paid and the Employer will be required to increase contributions in order that the security of member's benefits will not be jeopardised. Any other member who has postponed retirement or deferred receipt of a benefit remains a member under the Rules and any relevant DB liability is included. Note that the assets supporting the pension liabilities are not segregated from the rest of the Plan Assets, however holdings are in a separate investment option for tax purposes, and as pensioners are either past employees or their dependants, their benefits have a priority (after Minimum Requisite Benefits) in the event of termination of the Plan.

There is also a high degree of probability that the two pensions currently in payment will be able to be paid as required under the Plan's governing rules. This statement has been made considering the Plan's earnings from the date of the regular triennial actuarial investigation to 15 November 2023 and recommended future contributions. This statement is made in accordance with Superannuation Prudential Standard (SPS) 160, SIS Regulation 9.31(1) and Professional Standard 410 issued by the Institute of Actuaries of Australia.

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.

Saffron Sweeney

Saffron Sweeney
Fellow of the Institute of Actuaries of Australia
Aon Risk Services Australia Limited

27 November 2023

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.

There were changes to the benefit design since the last regular triennial actuarial investigation as at 1 July 2020. The changes were approved by the Trustee with an effective date of 1 November 2021.

The following is a summary of the Plan rules used for the valuation. This summary should not be used to calculate benefits or be relied upon in place of the formal Plan rules.

Eligibility

Category A – Closed to new members.

Category G (also known as the Accumulation category) – This is the default category. Employees are required to join immediately from their date of appointment or they can choose another complying superannuation fund. From 1 November 2021 new employees would only be automatically defaulted to this Plan if they do not have a currently stapled fund or make a choice of fund. They may choose the Plan under Choice of Fund.

Deferred – Members with Preserved benefits remaining in the Plan (also known as Deferred Members).

Pensioner – Eligible Category A members who elected to receive their benefit as a pension in full or in part when they retired/resigned or become eligible.

Plan Structure

The smartMonday PRIME - Isuzu Australia Limited Superannuation Plan (the Plan) is a Defined Benefit plan and is constituted by a Trust Deed amended on 8 September 2003 and Trustee resolution on 1 November 2021.

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)

Effective 1 November 2021, age 55 and over so that the Company Option Basis applies to all.

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.

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. (Some members are non-contributory but are deemed to contribute 5 percent of Salaries, after tax)
Category G	Nil

Deferred and Pensioners Nil

Employer

Category A	Balance of costs
Category G	Superannuation Guarantee Rate
Deferred and Pensioner	Balance of costs

Benefits – Category A

Normal Retirement Benefit (NRB)

The benefit on retirement at the normal pension age is an annual pension equal to a multiple of the member's final average salary.

Final average salary is defined as the average of the base salaries paid during the 3 years immediately preceding retirement.

The multiple is:

- 1/65th for each year of Recognised Contributory Services plus
- for some members, 2/3rds of 1/65th for an additional period of service during which the member did not contribute.

In addition, the Plan provides an annual pension for periods of Recognised Non-Contributory Service. The pension is calculated as $50 for each year of such service.

Members of the previous plan are guaranteed minimum benefits in respect of their membership of that plan.

Early Retirement Benefit (ERB)

Effective 1 November 2021, the early retirement benefit of all members leaving the Company on or after attaining age 55 will be determined based on the Company Option Basis.

Company Option Basis

If the member leaves at the option of the Company after age 55 or under mutually satisfactory conditions after age 60, an immediate pension is payable, calculated in the same manner as the Normal Retirement Benefit but based on competed service and final average salary at the date of retirement.

Late Retirement Benefit (LRB)

On retirement after the normal pension age, the benefit payable is the pension that would have been payable from the member's normal pension age if the member had retired at that date. The pension is not increased because of deferment of retirement. However, if the member elects to take the lump sum, their benefit will increase with investment earnings plus any net contributions accumulated with investment earnings.

Form of Pension Payment

The Normal Retirement Pension determined above is payable monthly in advance for the life of the pensioner, with a minimum term of five years.

A member may elect to receive a reduced retirement pension in return for a dependant's pension payable after the death of the member.

A member may also elect to commute all or any part of the retirement pension. The amount of cash for each dollar of pension commuted depends on the member's age at retirement.

From 1 November 2021, members eligible to take pensions have an option for a pension that is indexed every 1 July, which will be based on the lesser of the Consumer Price Index (CPI) for the year to 31 March and 4 percent p.a. Similar to the alternative pension options currently available, the starting pension amount will be different to the standard or default pension benefit but all these options have the same actuarial present value (calculated by the actuary and based on relevant assumptions at the time of calculation) as at pension commencement date.

The following table shows the commutation factors per $1 pension p.a. and the actuarial reduction factors currently in use.

Age	Commutation Factors	Actuarial Reduction Factors
65	10.0	1.00
64	10.3	0.95
63	10.6	0.90
62	10.9	0.85
61	11.2	0.81
60	11.5	0.77
59	11.8	0.73
58	12.1	0.69
57	12.4	0.66
56	12.7	0.63
55	13.0	0.60

Death Benefit

On the death of a member prior to normal retirement, the amount payable is a lump sum equal to 10 times the member's annual normal retirement pension that would have been granted had the member remained in service with unaltered salary until normal retirement. A minimum benefit of one year's base salary applies.

Total and Permanent Disablement (TPD) Benefit

On Total and Permanent Disablement prior to age 55, a member is entitled to a lump sum amount equal to the death benefit. After age 55, a lump sum equal to the commuted early retirement benefit is payable calculated in the same manner as the early retirement benefit on the Company option basis (i.e., without an actuarial reduction factor).

Disability Income insurance

Disability income insurance of 75 percent of Salary with a two-year benefit period and 90 day waiting period. This is a voluntary cover.

Resignation Benefit

Members who leave service before age 40 or before completing 10 years of service:

Lump sum benefit equal to:

- the member's own contributions with compound interest; plus
- for members who have completed 5 or more years of contributory service, an additional percentage of equal to 5 percent for each year of Recognised Contributory service (subject to a maximum of 100 percent after 20 years)

Members who leave the Company between ages 40 and 55, having completed at least 10 years of continuous service:

- A deferred accrued retirement pension payable from normal pension age. This pension is calculated in a similar manner to the normal retirement pension but it is based on completed service and final average salary at the date of resignation. A member may elect to receive an actuarially reduced pension payable before the normal pension age (but not before age 55).
- In lieu of the deferred pension benefit, a member may elect to receive a deferred pension and cash benefit. The pension is calculated as $50 x Contributory Service x Actuarial Reduction Factor and is payable from normal pension age. The member may elect to receive an actuarially reduced pension payable before the normal pension age (but not before age 55). The cash benefit is calculated as the benefit for members who leave service before age 40 and before completing 10 years of service.

  Also, this benefit is the floor benefit for retirement benefit.

Retrenchment Benefit

Members who are retrenched may be eligible to receive an additional benefit on retrenchment. This is in addition to any resignation benefit otherwise payable. However, to be eligible for the additional retrenchment benefit, a member must have been in service prior to 1 December 1984 and be less than age 55 at the date of retrenchment. There are no longer any defined benefit members who meet these criteria.

Minimum Benefits

All benefits are subject to a minimum defined benefit for Superannuation Guarantee purposes as set out in the Benefit Certificate. This is also called the Minimum Requisite Benefit or MRB.

From 1 November 2021, if a defined benefit member elected pension at termination date and the actuarial present value of the member's pension is less than the MRB, the member is entitled to an additional top-up lump sum payment equal to the difference of the MRB and the actuarial present value of pension benefit calculated by the actuary in relation to the elected pension proportion.

Additional Accounts

Additional Voluntary Contribution Accounts, Productivity Accounts (Award) 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.

Benefits – Category G

Death or Total & Permanent Disablement Benefit

The benefit on death or total and permanent disablement is:

- The sum of accounts; plus
- Minimum default cover for the member's age.

Leaving Service Benefit

For all other types of leaving service the benefit is the sum of accounts.

Disability Income insurance

Disability income insurance of 75 percent of Salary with a two-year benefit period and 90 day waiting period.

Appendix B – Membership

Changes in Membership 1 July 2020 – 1 July 2023

	Actives	Deferred	Pensioner	Total
Active DB Membership at 1 July 2020	**13**	**2**	**1**	**16**
Plus				
New	0	0	0	0
Transfers from other funds	0	0	0	0
Transfers from other categories	0	1	1	2
Less				
Transfer to other funds	0	0	0	0
Transfers to other categories	-2	0	0	-2
Deaths	0	0	0	0
Total & Permanent Disablement	0	0	0	0
Early retirements	-1	-1	0	-2
Normal retirements	0	0	0	0
Resignations	0	0	0	0
Retrenchments	0	0	0	0
Late retirements	0	0	0	0
Active DB Membership at 1 July 2023	**10**	**2**	**2**	**14**

During the valuation period:

[redacted]

[redacted]

[redacted]

[redacted]

In addition, there were 48 Accumulation members at the valuation date with total salaries of $6,422,814.

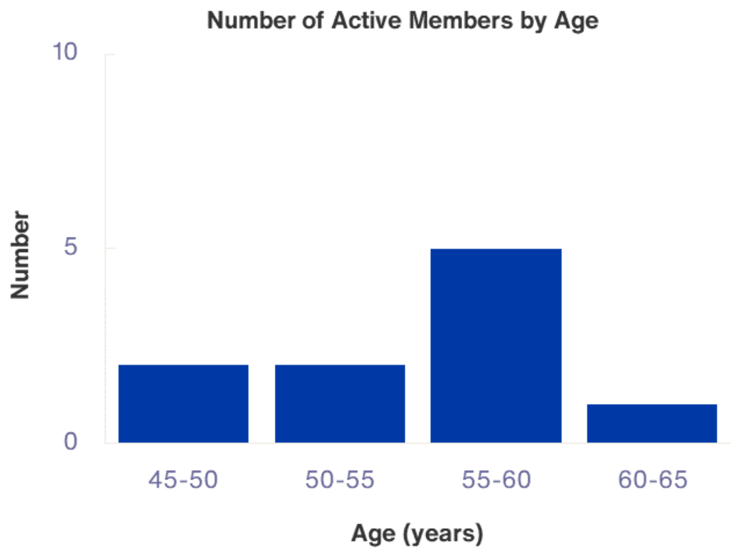
Membership Characteristics as at 1 July 2023

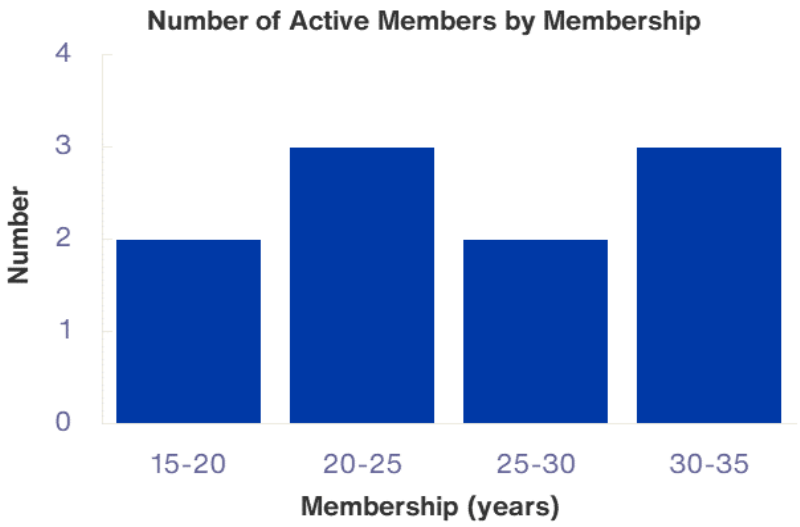
The main characteristics of the Plan's Defined Benefit membership at the valuation date are summarised in the following table. For comparison, active figures for the previous triennial actuarial investigation as at 1 July 2020 are shown also:

Defined Benefit Active Members	1 July 2020	1 July 2023
Number of members	13	10
Average age (years)	53.5	55.0
Average membership (years)	23.7	25.8
Total annual salary ($)	2,076,490	1,966,760
Average annual salary ($)	159,730	196,676
[redacted]		
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]		
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]

By Age and Membership

The following graphs outline the distribution by age and membership of the 10 active Defined Benefit members:





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 annual actuarial investigation data as at 1 July 2022.

Accumulation members' cash flow information was not available from the Administrator and therefore a full reconciliation on accumulation members' 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, where the assets of the Plan was included, as at 30 June 2023 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

We noticed that tax was incorrectly deducted on the amount transferred from the active defined benefit reserve to the pension asset reserve. We have informed the Plan administrator of this issue so they can reverse the tax deduction.

The Plan administrator's vested benefit as at 1 July 2023 for DB members is still based on Plan provisions prior to the Plan amendments effective 1 November 2021. Hence, we calculated the appropriate vested benefit based on the provisions of the Plan taking into account the 50 percent pension take-up assumption. Also, as the administrator's system cannot calculate the actuarial value, we provide the vested benefit including the member option to take a pension on an annual basis for APRA reporting purposes and have provided a formula to the administrator to estimate the amount for each quarterly reporting period in between.

There are no significant variations that were detected between the method of calculation of benefits on the administration system and our calculations apart from those mentioned above. The data received was adequate and appropriate for the purposes of the regular triennial actuarial investigation. Data checking included:

- Members' information;
- 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);
- Annual pension amount and spouse information for the pensioners.

Appendix C – Accounts and Summary of Assets

Accounts

The following is a summary of cash flows provided by the Plan administrator for the regular triennial actuarial investigation period 1 July 2020 to 30 June 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)	**16,646,026**	**21,368,168**	**19,149,017**	**16,646,026**
Accumulation accounts at start of period[1] (B)	7,426,750	10,281,893	8,452,913	7,426,750
Defined Benefit related Plan Assets at start of period (C) = (A) – (B)	**9,219,276**	**11,086,275**	**10,696,104**	**9,219,276**
Plus				
Member contributions[2]	175,993	159,384	144,830	480,207
Employer contributions	402,297	474,064	820,334	1,696,695
Rollovers/transfers in	0	77,230	2,550	79,780
Investment income (including capital appreciation/depreciation)	1,673,931	(509,041)	900,447	2,065,337
Sundry income	0	0	0	0
Less				
Group Life premiums (net of rebates)	31,132	29,896	15,701	76,729
Benefits (net of insurance recoveries)	183,250	244,898	773,122	1,201,270
Transfers out to other funds	0	0	0	0
Administration and other charges	111,766	237,832	150,329	499,927
Income tax	59,074	79,182	143,119	281,375
Defined Benefit related Plan Assets at end of period (D)	**11,086,275**	**10,696,104**	**11,481,994**	**11,481,994**
Accumulation accounts at end of period[1] (E)	10,281,893	8,452,913	9,915,636	9,915,636
Plan Assets at end of period (F) = (D) + (E)	**21,368,168**	**19,149,017**	**21,397,630**	**21,397,630**

[1]This excludes the additional accounts for Defined Benefit members which were included in the Defined Benefit related Plan assets in this summary.

[2]Note that some of the member contributions are actually 'deemed contributions' and paid by the Employer.

Note that assets backing pension liabilities are included in the above assets, however, they are in a separate investment option and therefore receive favourable tax treatment. The amount of pension assets at 1 July 2020 and at 1 July 2023 was $498,484 and $1,489,571 respectively.

In addition, the one new deferred member had their DB additional account benefit pending payment at the valuation date. The pending payment equal to $29,152 (which was transferred to a retained account) has been excluded in the reported assets and liabilities for the purposes of this report.

Aon have relied on data and information provided by the Plan administrator. Aon did not audit the 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 financial information provided is revised for any reason and materially changes the results, then this report may need to be revised.

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. Pensioner assets are separately invested in the Pensioner 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	6.0*	6.0
Alternatives Asset - growth	7.0	8.3
Alternatives Asset - defensive	5.0	11.9
Australian Fixed Interest	10.0	13.0
International Fixed Interest	10.0	2.0
Cash	5.0	4.0
Total	**100**	**100**

*There was a typo in the last triennial actuarial investigation report.

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 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(s).

The option returns for the Defined Benefit related assets were:

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.)**
Balanced Growth – Active[1]	18.5%	-4.3%	8.7%	**7.2%**
Pensioner Balanced Growth – Active[2]	20.7%	-4.7%	9.7%	**8.1%**

[1]net of investment fees and taxes

[2]net of investment fees but gross of tax

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.

For the pension liability, the value is determined as the present value of expected future cashflows.

This is the same method as was used at the last regular triennial actuarial investigation as at 1 July 2020.

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

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.

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.

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.

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