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Regular Triennial Actuarial Investigation Report to the Trustee of the

smartMonday PRIME - Sydney Turf Club Superannuation Plan

Valuation Date: **1 July 2022**

Date of Report: **8 November 2022**

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

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Executive Summary

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

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

Effective from 1 February 2022, the Future Super Group acquired the smartMonday superannuation business from Aon. Consequently, the smartMonday name and brand remains but the registered trading name of Aon Solutions Australia Limited is now smartMonday Solutions Limited, the Aon Master Trust is now Smart Future Trust and the Trustee remains Equity Trustees Superannuation Limited.

Financial Condition

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

	Defined Benefits only	**Total Plan**	**Comments**
Vested Benefits Index	117.7%	113.2%	The Plan remains in a satisfactory financial position. The Plan's Vested Benefit Index for Defined Benefits is above the Shortfall Limit of 99.0%.
Actuarial Value of Accrued Benefits Index	119.5%	114.5%	The Plan remains in an adequate financial position. The Plan had a surplus on this basis of $818,844.
Minimum Requisite Benefits Index	126.5%	119.4%	The Plan was solvent in relation to its Minimum Requisite Benefits.

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

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Significant Changes Since the Prior Regular Triennial Actuarial Investigation

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

Significant Events

The overall return on Plan assets was lower than expected for the period 1 July 2019 to 30 June 2022 due to poor investment returns particularly in the past 12 months prior to the valuation date. This had a negative impact on the value of Plan Assets and therefore, in isolation, the financial position of the Plan. Despite this the Plan remains in a strong financial position.

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

Significant Changes to the Plan Benefits

There were no significant changes to the Plan benefit structure.

Employer Contribution Recommendations

I recommend that the Employer continue to use the excess of assets over the Actuarial Value of Accrued Benefits to meet all standard Employer contributions as summarised in the table below:

Category	**Employer Rate**
	(% p.a. of salaries)[1]
	1/7/2022 onwards
A	Nil
B	Nil
Late Retiree	Nil

[1]The Plan reserve will be used to fund Superannuation Guarantee (SG) contributions allocated to the members' accounts where details will be provided by the Employer and are based on the SG rate on Ordinary Time Earnings excluding bonus.

In addition, the following contributions are also payable:

- Defined Benefit member contributions of 5 percent p.a. (or 5.88 percent p.a. if salary sacrifice) of Superannuation Salary for Category A; and
- The Superannuation Guarantee contribution rate on bonus, if applicable.

These rates are the same as those currently being paid.

The Employer Superannuation Guarantee contributions must be loaded to members' accounts by the 28th day of the month following the month to which they relate.

For illustration, the long-term Employer Defined Benefit contribution rates without considering the Plan's current financial position (i.e. deficit/surplus) or amounts allocated to additional accumulation accounts are:

Category	Employer Rate for Defined Benefit Members
	(% p.a. of salaries[1])[2]
A	16.9%
B	17.0%

[1]The Superannuation Guarantee contribution rate is based on Ordinary Time Earnings and the balance of the contribution rate is paid on the Superannuation Salary.

[2] Defined Benefit member 5 percent p.a. contributions (or 5.88 percent p.a. if salary sacrifice) of Superannuation Salary for Category A members are paid in addition.

Please refer to Section 4 for details.

Shortfall Limit Recommendations

I have reviewed the Shortfall Limit of 99.0 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 confirm that, in my view, it remains appropriate and the current insurance arrangement should be maintained.

Please refer to Section 6 for details.

Investment Recommendations

In my opinion, the retention of the current investment strategy is appropriate to meet the long-term liabilities of the Plan including the projected lump sum benefits of Defined Benefit members on termination of employment or on reaching their Normal Retirement Date and converting to the Plan's Late Retiree (Accumulation) category. Given the strong financial position of the Plan, the Employer may prefer to have the Defined Benefit assets to be invested in a less growth-orientated investment option in order to reduce the fluctuations of assets in volatile investment markets. This would assist in preserving the surplus and reduce potential fluctuations in the contribution rate, however, it would increase the long-term rate. We can assist the Trustee and Employer to consider the financial impact of a change in investment strategy.

For more information refer to Appendix C.

Crediting Rate Recommendations

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

Monitoring Recommendations

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

Actuarial Assumptions

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

Material Risks

I have reviewed the material risks of the Plan and confirm that, in my view, there are no unusual significant risks that the Trustee needs to be aware of. Please refer to Section 8 for details.

Next Actuarial Investigation

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

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

- an amendment to the benefits under the Plan;
- the replacement of the Plan's Benefit Certificate dated 8 November 2022;
- average salary increases by more than 15 percent in any one year;
- Cumulative investment returns from 1 July 2022 to the end of any review year are more than 10 percent below the cumulative actuarial assumptions for investment return (5.6 percent p.a.) over the same period as per the following table:

Period	Cumulative Actual Investment Return Below	Annualised Investment Return Below
1 July 2022 to 30 June 2023	-4.4%	-4.4%
1 July 2023 to 30 June 2024	1.5%	0.8%
1 July 2024 to 30 June 2025	7.8%	2.5%
1 July 2025 to 30 June 2026	14.4%	3.4%
1 July 2026 to 30 June 2027	21.3%	3.9%

- the Vested Benefits at an annual review date are found, on completion of that annual review to exceed the market value of the assets at the review date;
- the failure to insure death and total and permanent disablement benefits at least to the extent recommended in the most recent regular triennial actuarial investigation at 1 July 2022 or subsequent actuarial advice;
- 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 8 November 2022 which is a Notifiable Event as described in sub-regulation 9.13 of the Superannuation Industry (Supervision) Regulations.

Disclaimer

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

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

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Section 1 – Introduction

Purpose of the Regular Triennial Actuarial Investigation

The reasons for this regular triennial actuarial investigation are:

- to satisfy the requirements of Superannuation Prudential Standard (SPS) 160 which requires a regular actuarial investigation to be carried out once every three years;
- to review the Plan's financial position as at 1 July 2022 (the Effective Date);
- to examine the Plan's immediate solvency and funding indices;
- to recommend appropriate Employer contribution rates so that the Plan remains in a satisfactory financial position and in order to satisfy clause 16.1 of the original Plan Trust Deed;
- to review the basis for insuring death and disability benefits; and
- to comment on any aspect of the Plan that may assist with improving its objectives.

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

Name of Actuary

This regular triennial actuarial investigation was carried out as at 1 July 2022 by Su Li Sin, of Aon Risk Services Australia Limited, Fellow of the Institute of Actuaries of Australia. The previous regular triennial actuarial investigation was completed by Saffron Sweeney, of Aon Risk Services Australia Limited, Fellow of the Institute of Actuaries of Australia, as at 1 July 2019. The results are shown in the report dated 23 December 2019.

Compliance with the Standards of the Institute of Actuaries of Australia

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

Reliance and Limitations in the Report

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

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

Previous Investigation Results

The results of the previous investigations were as follows:

	Regular Triennial Actuarial Investigation as at 1 July 2019	**Funding Position Review as at 1 July 2020**	**Funding Position Review as at 1 July 2021**
A surplus of Assets over the Actuarial Value of Accrued Benefits	$1,345,556	$977,064	$1,113,310
An excess of Assets over the Vested Benefits	$1,307,984	$924,732	$1,104,586
Summary of the recommended Employer contribution for DB members	Nil - Employer contribution for Category A and B. In addition, the following contributions were also payable: ● Defined Benefit member 5 percent p.a. contributions (or 5.88 percent p.a. if salary sacrifice) of Superannuation Salary for Category A; and ● The Superannuation Guarantee contribution rate on bonus, if applicable.		

The average long-term Employer contribution rate was 14.9 percent p.a. of Defined Benefit members' superannuation salaries as at 1 July 2019.

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

Section 2 – The Plan's Experience

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

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

	Assumptions at the previous triennial investigation	**Plan Experience**	**Impact on the financial position of the Plan (when considered in isolation)**
Investment Returns[1]	5.7% p.a.	3.6% p.a. Same as the equivalent average return of funds with a similar investment strategy which was 3.6% p.a.[2]	Unfavourable effect: The Defined Benefit assets increased at a lower rate than assumed. The Plan earned the same returns as the other funds with a similar investment mix.
Salary Increases[3]	3.3% p.a.	2.4% p.a.	Favourable effect: The Defined Benefit liabilities increased at a lower rate than assumed.
Average Employer Contribution rate[4]	Recommended rate of 0.0% p.a.	Long-term rate of 14.9% p.a.	Unfavourable effect: The Defined Benefit assets increased at a lower amount than the long-term cost of providing the defined benefits which was expected. As recommended, the Defined Benefit contribution rates were at a lower rate than the long-term cost of providing the defined benefits.
Expenses and Insurance Premiums[5]	• 2.5% p.a. for Expenses • 1.0% p.a. for Death and TPD insurance premiums • 0.7% p.a. for SCI insurance premiums	• 3.1% p.a. for Expenses • 1.0% p.a. for Death and TPD insurance premiums • 0.8% p.a. for SCI insurance premiums	Unfavourable effect: The Defined Benefit assets, on average, have paid more expenses and premiums than assumed.

[1]net of investment expenses and tax

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

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

[4]Percent of Defined Benefit members' salaries

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

The other factors affecting the Plan's financial position during the period since the previous regular triennial actuarial investigation include membership movements. Three Defined Benefit members left the Plan due to normal retirement during the triennial actuarial investigation period. Overall benefits paid were more than the amounts reserved and therefore, in isolation, this has led to an unfavourable effect on the financial position of the Plan.

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

Section 3 – Assumptions

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

Interest/Salary Differential

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

While the absolute level of assumed investment returns is relevant in any regular triennial actuarial investigation, the critical factor is the relationship that this rate has with the assumed rate of salary increase. The difference between the two figures is the Interest/Salary Differential. For this investigation I have used an Interest/Salary Differential assumption of 2.4 percent p.a. as shown in the table below. Therefore the Interest/Salary Differential is the same as used in the previous regular triennial actuarial investigation. The overall impact of these assumptions, in isolation to all others, is that the Actuarial Value of Accrued Benefits increased very slightly but the long-term contribution rate was unchanged.

	Net Investment Return (p.a.)	Salary Increase Rate (p.a.)	Differential (p.a.)
Assumption as at 1 July 2019	5.70%	3.30%	2.40%
Assumption as at 1 July 2022	5.60%	3.20%	2.40%

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

- The investment return assumption was derived using long-term assumptions for each asset class net of tax as determined by Aon's global investment team, multiplied by the strategic asset allocation of the Defined Benefit related assets (based on the Balanced Growth – Active option) and allowing for correlations of investment returns between asset classes and investment fees;
- We expect that inflation will return to the RBA target of 2 percent p.a. to 3 percent p.a. We have assumed CPI will be 2.5 percent p.a.;
- The long-term outlook for investment returns being somewhat higher than those earned in the last three years; and
- The salary increase rate assumption was determined based on the forecast increases in Average Weekly Ordinary Time Earnings (AWOTE), the Employer's expectations and past experience.

Demographic Assumptions

The Death and TPD assumptions have been updated from the last regular triennial actuarial investigation based on the overall experience of Master Trusts in the Australian market. The impact of this change in isolation is to create a small increase in the liabilities.

The assumptions for leaving service and early retirement have been updated from the last regular triennial actuarial investigation based on the overall experience of Master Trusts in the Australian market. The impact of this change in isolation is to create a small decrease in the liabilities.

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

Number of exits per 10,000 members

	1 July 2022			1 July 2019		
Age Last	**Resignation**	**Death and Disablement**	**Retirement**	**Resignation**	**Death and Disablement**	**Retirement**
40	750	17	0	1,000	14	0
45	500	30	0	667	26	0
50	500	62	0	667	53	0
55	0	130	1,000	0	113	2,000
60	0	250	2,400	0	212	3,000
65	0	0	10,000	0	0	10,000

* exact age

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

The impact of these changes in assumptions in isolation has decreased Actuarial Value of Accrued Benefits very slightly and had no impact on the long-term contribution rate.

Expenses and Insurance Premiums

The operating expenses and insurance premiums of the Plan are met from the Assets of the Plan, and as such, the regular triennial actuarial investigation requires a specific allowance to be made to meet these costs. The assumed expenses and insurance premiums for this investigation and the previous investigation are shown in the table on the next page.

	1 July 2019	1 July 2022
Operating expenses (% p.a. of Defined Benefit members' salaries)*	2.5% p.a.	3.7% p.a.
Death and TPD insurance premiums (% p.a. of Defined Benefit members' salaries)	1.0% p.a.	1.0% p.a.
Salary Continuance Insurance premium (% p.a. of Defined Benefit members' salaries)	0.7% p.a.	0.8% p.a.
Total expense and insurance premium assumption	**4.2% p.a.**	**5.5% p.a.**

^ 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.

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

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

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

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

Tax

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

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 2022), or withholding tax due to members not providing their Tax File Number to the Trustee, or excessive contributions tax levied on the member where the member has elected the Plan to pay it on their behalf, if not assessed before 1 July 2022;
- No allowance has been made for the additional 15 percent tax on contributions for high-paid individuals or any excessive contributions tax levied. It is assumed that benefits will be adjusted (via additional accumulation accounts) for affected members to meet these tax amounts assessed;
- No adjustment has been made to the non-concessional contributions, if any, of members where their total superannuation benefit exceeds $1.7 million;

- The Trustee has made a decision in relation to the tax deductibility rules for after-tax contributions from 1 July 2017 in a way that would not lead to a funding implication for Defined Benefit members; and
- That the SG Rate is paid without limitation (i.e. not limited to the SG maximum salary base) for Defined Benefit members.

Overall Effect of Changes in Assumptions

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

Section 4 – Actuarial Value of Accrued Benefits

I have adopted the actuarial method and assumptions described in Section 3 and in Appendix D of this report to determine the present value of past and future liabilities and Employer contributions in relation to 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 members' (late retiree) account balances and additional accounts for the Defined Benefit members.

Actuarial Value of Accrued Benefits (past service)	**Total ($)**
Retirement	3,715,165
Death and Disablement	347,684
Resignation	141,668
Total of active Defined Benefit related liabilities	**4,204,517**
Additional accounts for Defined Benefit members	515,293
Accounts for Accumulation members*	930,417
Actuarial Value of Accrued Benefits	**5,650,227**
Assets**	**6,469,071**
Surplus/(Deficit)	**818,844**

* These are late retirees' liabilities.
**Assets for Accumulation members have been set equal to the active Accumulation members' benefits.

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

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

	$(000's)
Previous surplus/(deficit)	**1,346**
Interest on surplus/(deficit)[1]	107
Investment gains/(losses)[2]	(40)
Employer contributions paid at a higher/(lower) rate than long-term rate[3]	(518)
Expense gains/(losses)[4]	(30)
Salary gains/(losses)[5]	17
Change in basis gains/(losses)[6]	1
Withdrawal gains/(losses)[7]	(50)
Miscellaneous	(13)
Surplus/(deficit) as at the valuation date	**819**

Note: that the figures above do not sum up due to rounding.

[1] Interest on surplus over the period.

[2] An investment loss occurs when investment earnings are lower than assumed.

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

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

[5] A salary gain arises when salaries increase at a lower rate than was assumed.

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

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

Use of Excess Reserves

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

Total assets exceeded the Actuarial Value of Accrued Benefits as at 1 July 2022 by $818,844. This is equivalent to 19.5 percent of Defined Benefit liabilities (i.e. excluding accumulation members' benefits and Defined Benefit members' additional accounts) and 76.6 percent of total Defined Benefit salaries. Any excess can be used to continue to withhold all Employer contributions for all Defined Benefit and late retiree members and the remaining amount can be maintained within the Plan as a buffer against future adverse experience.

Long-term Contribution Rate

The Defined Benefits long-term Employer contribution rate has increased since the last regular triennial actuarial investigation due to an increase in the expense and salary continuance premium assumptions.

Present Value of Future Service Liability	**Total ($)**
Retirement	390,562
Death and Disablement	38,403
Resignation	24,176
Total of active Defined Benefit related liabilities	**453,141**
Less member contributions	75,698
Net Future Service Liability	**377,443**
Equivalent net future contribution rate	9.7%
Tax	1.7%
Expense allowance	3.7%
Death and TPD premiums	1.0%
Salary Continuance premiums	0.8%
Employer contribution rate required for Future Service Benefits (p.a. salary)	**16.9%**

The long-term employer contribution rates for Categories A and B are 16.9 percent and 17.0 percent respectively.

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 as the value of assets for Accumulation members for the purpose of this regular triennial actuarial investigation. The Smart Future Trust financial statements at 30 June 2022 were audited and signed on 28 September 2022. 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 2019			1 July 2022			
	Amount ($)	**Index[1]**	**DB Index[2]**	**Amount ($)**	**Index[1]**	**DB Index[2]**	
Minimum Requisite Benefits	7,293,437	123.2%	133.6%	5,416,283	119.4%	126.5%	A
Vested Benefits	7,677,974	117.0%	124.1%	5,713,335	113.2%	117.7%	A
Leaving Service Benefits[3]	7,709,618	116.6%	123.4%	5,760,421	112.3%	116.4%	A
Actuarial Value of Accrued Benefits	7,640,403	117.6%	125.0%	5,650,227	114.5%	119.5%	A
Accumulation Benefits[4]	2,256,547			1,445,710			B
Assets[5]	8,985,958			6,469,071			C

[1]Index is C/A.

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

[3]The benefit design allows the Employer to grant early retirement consent for Defined Benefit members between ages 55 and 60.

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

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

Vested Benefits Index

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

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

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

Leaving Service Benefits Index

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

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

Where the Employer regularly gives consent for early retirement, it is desirable to have the Leaving Service Benefits Index above 100 percent. The Employer usually consents to the early retirement benefit for members.

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

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

The Defined Benefit Vested Benefit Index at 1 July 2022 was 117.7 percent. Therefore, the Plan has not fallen below the Shortfall Limit at the valuation date.

I have reviewed the Shortfall Limit of 99.0 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. The Plan is 'solvent' if the net realisable value of the Assets of the Plan exceeds the MRBs 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 different to the liabilities calculated for AASB1056 purposes due to the use of estimated salary increases from 1 August 2022 since the actual salary amounts were not available at the time of reporting. Note that these liabilities were calculated in accordance with the Institute of Actuaries of Australia Practice Guideline 499.06. This amount constitutes the "value of the liabilities in respect of accrued benefits" as defined in Division 9.5 of the Superannuation Industry (Supervision) (SIS) Regulations and has been calculated in accordance with Professional Standard 402 issued by the Institute of Actuaries of Australia.

*Also note that the Actuarial Report for AASB 1056 Purposes dated 11 August 2022 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.

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

Termination of the Plan

In the event of the termination of the Plan, all assets available at that time, net of accruals and expenses, would be distributed to members to the extent of their "termination liabilities" as per the Trust Deed and in accordance with relevant law. Each member would be credited with an amount (as resources permit) equal to the greater of the member's vested benefit and, for Defined Benefit members, his or her accrued benefit, discounted from age 55 similar to the calculation of retirement benefits between ages 50 and 55. These are known as "termination liabilities".

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

Section 6 – Adequacy of Insurance Arrangements

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

Death or Total and Permanent Disablement Insurance (Lump Sum)

The Trustee has effected Group insurance (with AIA Australia Ltd) 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 formula used to determine the amount to be insured is as follows:

Defined Benefit Members

Insured Amount = Death or TPD benefit – Vested Benefit

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

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

1 July 2022	Death	TPD
	($)	($)
Total sums insured (A)	861,952	879,555
Plan Assets (B)	6,469,071	6,469,071
Amount of Surplus, if any, set aside for funding purposes (C)*	363,490	363,490
Plan Assets available to meet Death or TPD benefits (B)-(C)=(D)	6,105,581	6,105,581
Available on Death or TPD (A)+(D)=(E)	6,967,533	6,985,136
Total Death or TPD benefits (F)	6,575,286	6,592,890
Excess/(shortfall) (E) - (F)	392,247	392,246

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

Recommendation

I have reviewed the formula and confirm that, in my view, it remains appropriate and the current insurance arrangement should be maintained.

Disability Income Insurance

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

Indemnity Insurance

The Trust Deed provides an indemnity to the Trustee against claims which may be made against it. This is secured against the Assets of the 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, although the Trustee should periodically review that all insurance cover remains sufficient.

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Section 7 – Sensitivity Analysis and Projections

Assumption Variation

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

Assumptions (salary increase rate/long-term investment return)	Actuarial Value of Accrued Benefits as at 1 July 2022	Overall long-term Employer contribution rate as at 1 July 2022
	($)	(p.a.)
This valuation (3.2% p.a./5.6% p.a.)	5,650,227	16.9%
Last valuation (3.3% p.a./5.7% p.a.)	5,650,756	16.9%
Last valuation with this valuation decrements (3.3% p.a./5.7% p.a.)*	5,649,040	16.9%
Salary inflation rate plus 1% p.a. (4.2% p.a./5.6% p.a.)	5,669,260	17.0%
Salary inflation rate minus 1% p.a. (2.2% p.a./5.6% p.a.)	5,632,608	16.9%
Investment return plus 1% p.a. (3.2% p.a./6.6% p.a.)	5,621,264	16.8%
Investment return minus 1% p.a. (3.2% p.a./4.6% p.a.)	5,682,783	17.1%

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

Based on the above results, it is clear that the financial position of the Plan and the required Employer contribution will vary depending on the actual experience of the Plan and particularly in relation to salary increases and long-term investment returns. If the increase in salaries of Defined Benefit members is 1 percent p.a. higher than the assumed rate, the long-term cost to the Employer will be 0.1 percent p.a. higher than that based on the assumptions used for this valuation. If long-term investment returns are 1 percent p.a. higher than assumed, the long-term Employer contribution rate decreases by 0.1 percent p.a.

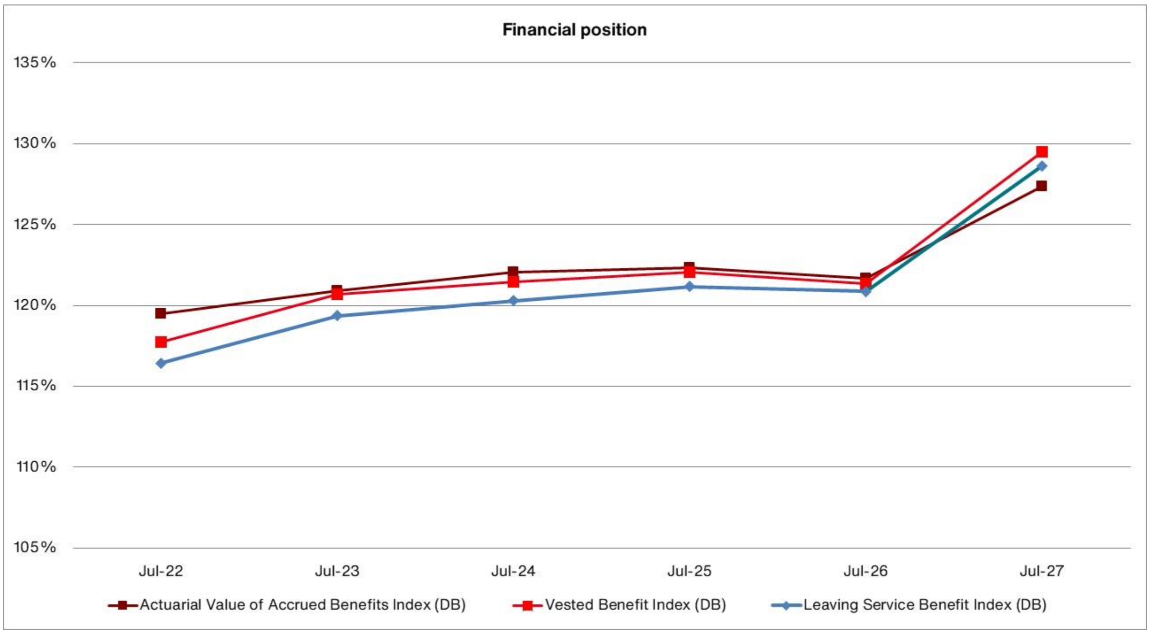
Post Valuation Events

The Plan has earned an average investment return of 1.1 percent from the date of the valuation to 29 October 2022. This is lower than the rate assumed for the valuation and has contributed to the deterioration of the financial position of the Plan. I estimate that coverage of Vested Benefits without Employer's consent (exclusive of Accumulation members' benefits and Defined Benefit members' additional accounts) has decreased from 117.7 percent at the valuation date to approximately 116.0 percent as at 29 October 2022. 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 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.



Based on the above I expect that on the assumptions, methods and asset values adopted in the valuation, that the Assets will remain sufficient to cover the value of these liabilities during the period up to 1 July 2027.

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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.

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
	(% p.a. of salaries[1])
	1/07/2022 onwards
A	Nil
B	Nil
Late Retiree	Nil

[1]The Plan reserve will be used to fund SG contributions allocated to the members' accounts where details will be provided by the Employer and are based on the SG rate on Ordinary Time Earnings excluding bonus.

In addition, the following contributions are also payable:

- Defined Benefit member 5 percent p.a. contributions (or 5.88 percent p.a. if salary sacrifice) of Superannuation Salary for Category A; and
- The Superannuation Guarantee contribution rate on bonus, if applicable.

This is a continuation of the previous recommendation.

The Employer Superannuation Guarantee contributions must be loaded to members' accounts by the 28th day of the month following the month to which they relate.

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

Shortfall Limit Recommendations

I have reviewed the Shortfall Limit of 99.0 percent (see Section 5) and confirm that, in my view, it remains appropriate.

Insurance Recommendations

I have reviewed this formula (see Section 6) and confirm that, in my view, it remains appropriate.

Investment Recommendations

In my opinion the investment strategy is appropriate to meet:

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

The Employer may prefer to have the Defined Benefit assets to be invested in a less growth orientated investment in order to minimise the fluctuations of assets in volatile investment markets. This may increase the long-term costs of running the Plan but will reduce fluctuations in the contribution rates in the short-term. If required, we can consider the financial impact of such a change.

The levels of liquidity available to the Plan are adequate to meet any of its short-term liquidity requirements, particularly in relation to the payment of benefits via sale of the Plan's Assets.

Crediting Rate Recommendations

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

Monitoring Recommendations

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

Disclaimer

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

Actuary's Statement for the Purposes of SPS 160

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

In my opinion:

1) As at 1 July 2022, the fair value of the net Assets of the Plan, based on the general ledger plus the Accumulation members' benefits for Accumulation member assets, was $6,469,071 and this is the value of assets used to determine the Employer contribution rate with an allowance for investment returns for the period from 1 July 2022 to 29 October 2022.

2) The value of the Assets of the Plan was adequate to meet the value of liabilities of the Plan in respect of the Actuarial Value of Accrued Benefits of $5,650,227 as at 1 July 2022. This amount was not used for the purposes of the Australian Accounting Standard AASB1056 reporting for financial year-end 30 June 2022 as the members' salaries effective from 1 August 2022 were estimated (since actual salaries were not yet available) for the purposes of AASB1056 liability calculation to ensure timely disclosure in the Smart Future Trust financial statements. The liability for purposes of AASB1056 was $4,216,266 which excludes additional accounts for Defined Benefit members and Accumulation members' benefits as these liabilities are equal in value to the assets held and are therefore recognised as "Defined Contribution member benefits" in the AASB1056 financial statements. The relevant value of Defined Benefit related assets for AASB1056 was $5,023,361.

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

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

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

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

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

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

8 November 2022

Appendix A – Summary of Plan Rules

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

Eligibility

Category A and B:	An employee who has been nominated by the Australian Turf Club (the Employer) is eligible to become a member.
Accumulation Category:	Late Retirees.

Plan Structure

The smartMonday PRIME - Sydney Turf Club Superannuation Plan (the Plan) is a Defined Benefit plan and is constituted by a Trust Deed originally dated 6 May 1974 and restructured on 22 August 1994.

All new employees of the Employer join another complying superannuation fund.

The Plan provides Minimum Requisite Benefits to satisfy Employer obligations under Superannuation Guarantee arrangements, and this 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)

A member may retire at any time due to ill health proven to the satisfaction of the Employer and the Trustee.

A member may retire at any time after the attainment of age 60, or for a female who was a member at 19 November 1990, after attainment of age 55.

Any member may retire after attainment of age 55 with the consent of the Employer, or after age 50 for a female who was a member at 19 November 1990.

Note: At this investigation there are no female members who were a member of the Plan at 19 November 1990 remaining in the Plan.

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.
Category B	Nil
Late Retiree	Nil

The Employer may make contributions for a member (grossed up by contributions tax), and where this occurs, the member is deemed to have made the contributions.

Employer

Category A and B	Balance of costs
Late Retiree	Superannuation Guarantee Rate and expense rate

Benefits for Categories A and B

Normal Retirement Benefit (NRB)

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

- 15 percent x Category A Membership prior to 20 February 1984, plus
- 16.5 percent x Category A Membership from 20 February 1984, plus
- 7.5 percent x Category B Membership prior to 20 February 1984, plus
- 8.25 percent x Category B Membership from 20 February 1984.

For a member who was a Category A member at the Commencement Date (1 June 1974) there is a benefit, in addition to the above, of 15 percent of Final Average Salary for each year of Previous Fund membership. (Sydney Turf Club Employees Retiring Fund – Deed dated 3 June 1946).

Members of Category B at the Commencement Date have a transfer value which is accumulated with earnings.

Early Retirement Benefit (ERB)

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

Late Retirement Benefit (LRB)

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

Death Benefit

The prospective benefit which would have been paid at the Normal Retirement Date if the member had continued on the same Salary, plus any additional voluntary insurance taken out by the member and accepted by the insurer.

Total and Permanent Disablement (TPD) Benefit

The TPD Benefit is the same as for the Death Benefit, however we note that additional insurance can be different and based on the amount elected by the member and accepted by the insurer.

Total and Temporary Disablement Benefit

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

Resignation Benefit

In the event of a member leaving the service of the Employer and not being entitled to any other benefit, the benefit is calculated as follows:

$$\left[\frac{(a-bt)FAS}{1.02^{t-5}}\right]+d$$

Where:

FAS = Final Average Salary.

a = Normal retirement benefit multiple.

b = Member's accrual rate according to his/her category.

t = Period in years and complete months by which the date of leaving precedes the member's NRD.

d = Any transfer value increased with interest to the date of leaving.

Plan Termination Benefits

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

Additional Accounts

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

Surcharge Account

All benefits are offset by the Surcharge Account (if any). The Account is the accumulation, with investment earnings, of all surcharge amounts assessed for each member.

Additional Contributions Tax Account

All benefits are offset by the Additional Contributions Tax Account (if any). The Account is the accumulation, with investment earnings, of all additional contributions tax amounts paid by the Plan on behalf of the member.

Family Law Account

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

Partial Withdrawals

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

Benefits for Late Retiree Members

All benefits are the sum of account balances held in the member's name plus voluntary insurance, if applicable, for Death or TPD.

Appendix B – Membership

Changes in membership 1 July 2019 – 1 July 2022

	Total
Active DB Membership at 1 July 2019	**15**
Plus	
New Entrants	0
Transfers from other funds	0
Transfers from other categories	0
Less	
Transfer to other funds	0
Transfers to other categories	0
Deaths	0
Total and Permanent Disablement	0
Early retirements	1
Normal retirements	2
Resignations	0
Retrenchments	0
Late retirements	0
Active DB Membership at 1 July 2022	**12**

In addition, there were three Accumulation (Late Retiree) members at the valuation date with total salaries of $232,687.

Membership Characteristics as at 1 July 2022

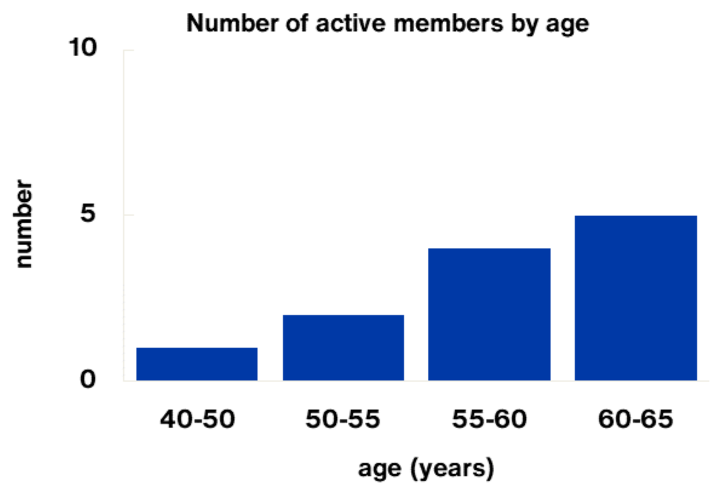
The main characteristics of the Plan's Defined Benefit membership at the valuation date are summarised in the following table. For comparison, active figures for the previous valuation date (1 July 2019) are shown also:

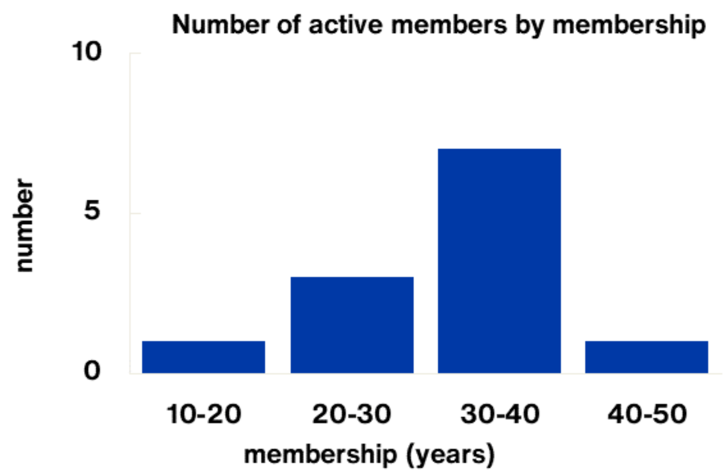
Defined Benefit active members	1 July 2019	1 July 2022
Number of members	15	12
Average age (years)	56.3	57.4
Average membership (years)	29.2	29.6
Total annual salary ($)	1,304,498	1,052,811*
Average annual salary ($)	86,967	87,734

* The total annual salaries provided by the Employer as at 1 August 2022 was $1,068,627.

By Age and Membership

The following graphs outline the distribution by age and membership of the 12 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 Defined Benefit asset information was reconciled to the last regular triennial actuarial investigation data. The salaries effective 1 August 2022 were taken from the September 2022 contribution file provided by the Employer and were taken into account in this valuation.

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 2022 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 (including smartMonday PRIME plans) as at 30 June 2022 have been audited and signed on 28 September 2022.

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

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

Administration

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

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

Appendix C – Accounts and Summary of Assets

Accounts

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

	1 July 2019 to 30 June 2020 ($)	1 July 2020 to 30 June 2021 ($)	1 July 2021 to 30 June 2022 ($)	1 July 2019 to 30 June 2022 ($)
Plan Assets at start of period (A)	**8,985,958**	**7,504,168**	**6,854,149**	**8,985,958**
Accumulation accounts at start of period* (B)	1,629,595	1,982,564	357,258	1,629,595
Defined Benefit related Plan Assets at start of period (C) = (A) – (B)	**7,356,363**	**5,521,604**	**6,496,891**	**7,356,363**
Plus				
Member contributions	53,766	46,696	58,352	158,814
Employer contributions*	(40,562)	(29,525)	(26,914)	(97,001)
Rollovers/transfers in	1,574	0	0	1,574
Investment income (including capital appreciation/depreciation)	(38,715)	1,017,831	(224,841)	754,275
Less				
Group Life premiums	26,246	26,775	23,503	76,524
Benefits (net of insurance recoveries)	1,749,943	5,013	699,258	2,454,214
Administration and other charges	44,263	35,915	49,275	129,453
Income tax	(9,630)	(7,988)	(7,202)	(24,820)
Defined Benefit related Plan Assets at end of period (D)	**5,521,604**	**6,496,891**	**5,538,654**	**5,538,654**
Accumulation accounts at end of period (E)	1,982,564	357,258	930,417	930,417
Plan Assets at end of period (F) = (D) + (E)	**7,504,168**	**6,854,149**	**6,469,071**	**6,469,071**

*these are contributions paid into Late Retiree members' accounts as the cashflow shown only relates to the defined benefit assets.

Summary of Assets

Late Retiree members may invest their account balances in any option. Where an investment option is not chosen by members, account balances are invested in the default MySuper option.

Defined Benefit members can invest their additional account balances in any option but all other account balances (i.e. those that relate to the Defined Benefit) will be invested in the Balanced Growth – Active option. Defined Benefit assets above account balances (i.e. defined benefit reserve assets) are invested in the Balanced Growth – Active option.

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

By Asset Class	1 July 2019	1 July 2022
(based on benchmark asset allocation)	**(%)**	**(%)**
Australian Shares	30.0	27.0
International Shares	30.0	27.8
Property	6.0	6.0
Alternatives Asset - growth	4.0	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	**100.0**	**100.0**

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

Crediting Rate Policy

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

Option	Year to	Year to	Year to	3 Years to
	30 June 2020	**30 June 2021**	**30 June 2022**	**30 June 2022**
	(p.a.)	**(p.a.)**	**(p.a.)**	**(p.a.)**
Balanced Growth – Active[1]	-1.9%	18.5%	-4.3%	3.6%

[1]net of investment fees and of taxes

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

Appendix D – Funding Method

Funding Method

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

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

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

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

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

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

Summary of Method of Attributing Benefits to Past Membership

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

The past membership component for each type of benefit is:

Retirement Benefits

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

Death and Disablement Benefits

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

Resignation Benefit

Based on a member's actual accrued retirement benefit 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/Late Retiree 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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