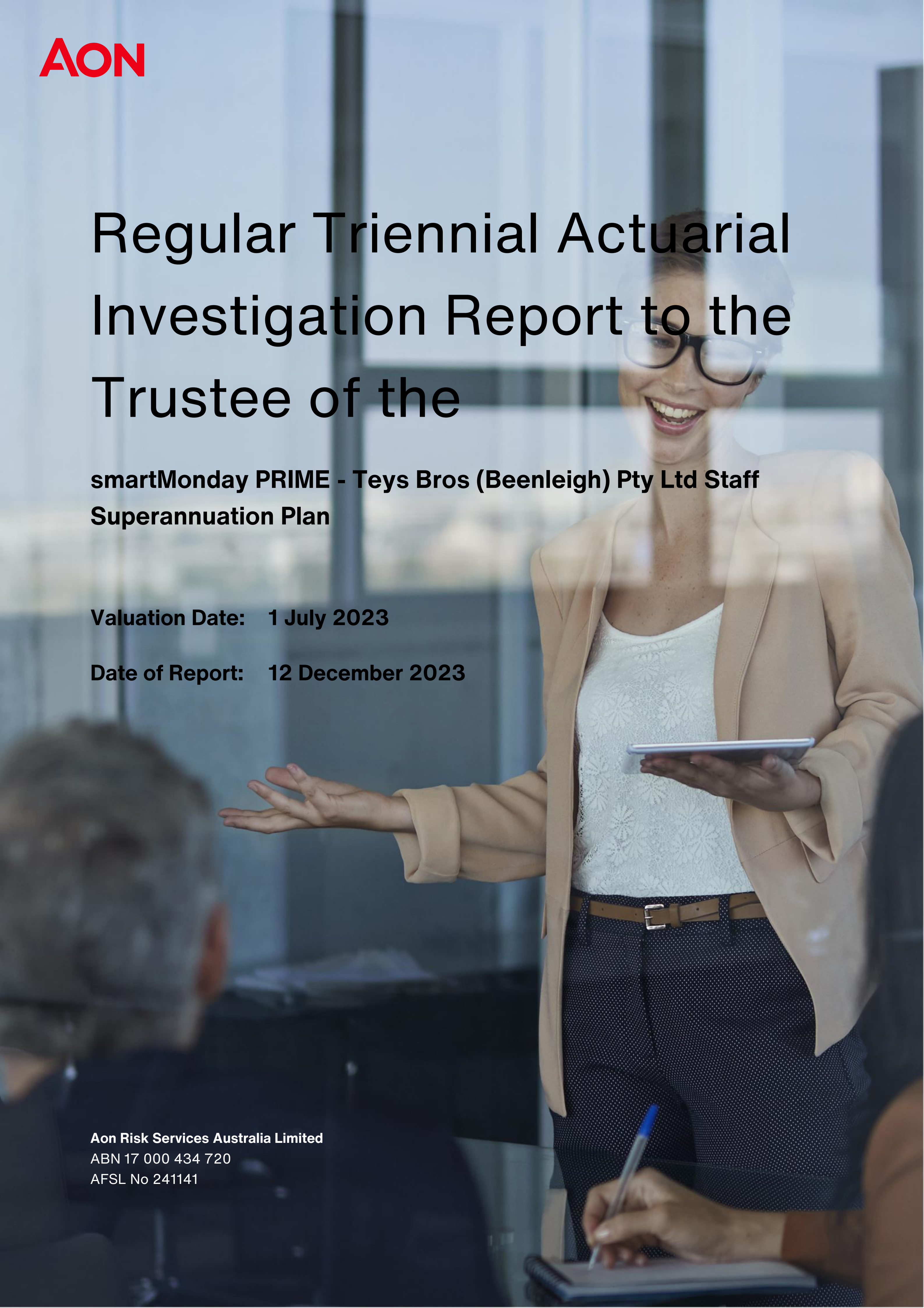

Regular Triennial Actuarial Investigation Report to the Trustee of the

smartMonday PRIME - Teys Bros (Beenleigh) Pty Ltd Staff Superannuation Plan

Valuation Date: **1 July 2023**

Date of Report: **12 December 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 - Teys Bros (Beenleigh) Pty Ltd Staff 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 Teys Australia Pty Ltd (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	108.9%	108.4%	• The Plan remains in a satisfactory financial position. • The Plan's Vested Benefit Index for Defined Benefits is above the Shortfall Limit of 98.0%.
Actuarial Value of Accrued Benefits Index	111.5%	110.8%	• The Plan remains in an adequate financial position. • The Plan had a surplus on this basis of $1,749,997.
Minimum Requisite Benefits Index	129.2%	127.0%	• The Plan was solvent in relation to its Minimum Requisite Benefits.

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

Significant Changes Since the Prior Regular Triennial Actuarial Investigation

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 positive impact on the value of the Plan assets and therefore, in isolation, on the funding position.

Employer Contributions Higher than Expected

I recommended in the last triennial actuarial investigation as at 1 July 2020 that an Employer contribution holiday can commence from 1 July 2020. However, the Employer continued making contributions and only commenced the contribution holiday from September 2021. This has reduced the Plan surplus less than expected.

Significant Changes to the Plan Benefits

There were no significant changes to the Plan benefit structure.

Employer Contribution Recommendations

I recommend that the Employer makes 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 30/06/2026	1/7/2026 onwards
AA	0.0%	13.6%
B	0.0%	13.6%

[1]The Superannuation Guarantee (SG) contribution rate is to be paid based on Ordinary Time Earnings (excluding bonus and allowances). During the period of contribution holiday, the SG contributions will paid from the Plan's reserve.

In addition, the following contributions are also payable:

- Defined Benefit member 5.00 percent p.a. contributions (or 5.88 percent p.a. if salary sacrifice) of Superannuation Salary for Category AA members;

- Defined Benefit member 4.25 percent p.a. contributions (or 5.00 percent p.a. if salary sacrifice) of Superannuation Salary for Category B members;
- The Superannuation Guarantee contribution rate on bonus and allowance 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 (late retirees), if there are any.

These contribution rates that are effective from 1 July 2026 are higher than the rates currently being paid.

The Employer contributions in respect of Defined Benefit members must be loaded or 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.

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 (% p.a. of Salaries[1])**
AA	12.8%[2]
B	14.9%[3]

[1]The Superannuation Guarantee contribution rate is based on Ordinary Time Earnings (excluding bonus and allowance) 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 are paid in addition.

[3] Defined Benefit member 4.25 percent p.a. contributions (or 5.00 percent p.a. if salary sacrifice) of Superannuation Salary are paid in addition.

Please refer to Section 4 for details.

Shortfall Limit Recommendations

I have reviewed the Shortfall Limit of 98.0 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.

There were three members of the Plan whose death and TPD insurance covers were restricted by the Insurer's Automatic Acceptance Limit, with their death and TPD benefits restricted accordingly to their vested benefit plus their restricted cover. In order to receive the full death and TPD benefit as prescribed under the Trust Deed, they would have to undergo a medical underwriting process to obtain the full standard death and TPD insurance cover and benefits (based on the Trust Deed).

We recommend that the Trustee communicate with each member with restricted insurance cover, if they have not done so, to ensure they understand that as their cover is restricted, their benefit will be restricted but they can apply for the higher required cover and given the benefits under the Plan Rules if the insurer accepts the amount required after the underwriting process.

Please refer to Section 6 for details.

Investment Recommendations

In my opinion, the retention of the current investment strategy is appropriate to meet the long-term liabilities of the Plan including the projected lump sum benefits of Defined Benefit members on termination of employment or on reaching their Normal Retirement Date and converting to the Plan's Accumulation (late retiree) 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 recently performed an investment strategy review for the Employer where we presented alternative investment options that are in line with this objective.

For more information in relation to the Plan assets 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 regular actuarial investigation on a triennial basis and confirm that, in my view, it remains appropriate based on the current and expected financial position over the next five years.

Actuarial Assumptions

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

Material Risks

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

Please refer to Section 8 for details.

Next Actuarial Investigation

The next regular triennial actuarial investigation of the Plan should be carried out with an effective date of 1 July 2026. A funding position review will be performed at each 1 July between triennial actuarial 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 (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 12 December 2023;
- total salaries of all members increase by more than 15 percent in any one year;
- cumulative investment returns from 1 July 2023 to the end of any review year are more than 15 percent below the cumulative actuarial assumptions for investment return (6.0 percent p.a.) over the same period;
- the Vested Benefits at an annual review date are found, on completion of that annual review, to exceed the market value of the assets at the review date;
- the failure to insure death and total and permanent disablement benefits at least to the extent recommended in this report 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 12 December 2023 which is a Notifiable Event as described in sub-regulation 9.13 of the Superannuation Industry (Supervision) Regulations.

Disclaimer

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

Su Li Sin
Fellow of the Institute of Actuaries of Australia
12 December 2023

Section 1 – Introduction

Purpose of the Regular Triennial Actuarial Investigation

The reasons for this regular triennial actuarial investigation are:

- to satisfy the requirements of Superannuation Prudential Standard (SPS) 160 which requires a regular actuarial investigation to be carried out once every three years;
- to review the Plan's financial position as at 1 July 2023 (the Effective Date);
- to examine the Plan's immediate solvency and funding indices;
- to recommend appropriate Employer contribution rates so that the Plan remains in a satisfactory financial position and in order to satisfy the Trust Deed;
- to review the basis for insuring death and disability benefits; and
- to comment on any aspect of the Plan that may assist with improving its objectives.

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

Name of Actuary

This regular triennial actuarial investigation was carried out as at 1 July 2023 by Su Li Sin, of Aon Risk Services Australia Limited, Fellow of the Institute of Actuaries of Australia. The previous regular triennial actuarial investigation was also completed by Su Li Sin, as at 1 July 2020. The results are shown in the report dated 20 November 2020.

Compliance with the Standards of the Institute of Actuaries of Australia

This report satisfies the requirements of the Professional Standards (including Professional Standards 400, 402 and 404) and Practice Guidelines 1, 499.08 and 499.09 published by the Institute of Actuaries of Australia and Superannuation Prudential Standard (SPS) 160.

Reliance and Limitations in the Report

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

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

Previous Investigation Results

The results of the previous investigations were as follows:

	Regular Triennial Actuarial Investigation as at 1 July 2020	Funding Position Review as at 1 July 2021	Funding Position Review as at 1 July 2022
A surplus of Assets over the Actuarial Value of Accrued Benefits	2,178,642	3,268,727	1,620,206
An excess of Assets over the Vested Benefits	1,524,079	3,037,067	1,543,537
Summary of the recommended Employer contribution for DB members	● Nil Employer contribution for all Defined Benefit Members from 1/7/2020 to 30/6/2026 except for bonus and allowance; ● Defined Benefit member 5.00% p.a. contributions (or 5.88% p.a. if salary sacrifice) of Superannuation Salary for Category AA members; ● Defined Benefit member 4.25% p.a. contributions (or 5.00% p.a. if salary sacrifice) of Superannuation Salary for Category B members; and ● The Superannuation Guarantee contribution rate on bonus and allowance for Defined Benefit members.		

The average long-term Employer contribution rate was 12.2 percent p.a. of Defined Benefit members' superannuation salaries as at 1 July 2020.

Contributions have been paid at least in accordance with the above recommendations since the last regular triennial actuarial investigation to the date of this report. We note that the Employer continued to make contributions until August 2021 and elected to take the contribution holiday only from September 2021.

Section 2 – The Plan's Experience

This section considers the assumptions used in the previous regular triennial actuarial investigation as at 1 July 2020 and the experience of the Plan relative to these assumptions.

The main factors affecting the Plan's financial position during the period since the previous triennial actuarial investigation as at 1 July 2020 were as follows:

	Assumptions at the Previous Triennial Investigation	**Plan Experience**	**Impact on the Financial Position of the Plan (when considered in isolation)**
Investment Returns[1]	5.4% p.a.	7.2% p.a.	Favourable effect: The Defined Benefit assets increased at a higher rate than assumed.
		Above the equivalent average return of funds with a similar investment strategy which was 6.7% p.a.[2]	The Plan earned higher returns than other funds with a similar investment mix.
Salary Increases[3]	3.5% p.a.	5.1% p.a.	Unfavourable effect: The Defined Benefit liabilities increased at a higher rate than assumed.
Average Employer Contribution rate[4]	Long-term rate of 12.2% p.a.	Contribution holiday recommended from 1 July 2020. However, the Employer continued to make contributions at the SG rate until August 2021.	Unfavourable effect: The Defined Benefit assets increased at a lower rate than the long-term cost of providing the defined benefits.
Expenses and Insurance Premiums	1.2% p.a. for Expenses 0.7% p.a. for Death and TPD insurance premiums 0.3% p.a. for SCI insurance premiums[5]	1.9% p.a. for Expenses 0.7% p.a. for Death and TPD insurance premiums 0.3% p.a. for SCI insurance premiums[5]	Unfavourable effect: The Defined Benefit assets, on average, have paid more expenses than assumed.

[1]net of investment expenses and tax

[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]Percentage of Defined Benefit members' Superannuation salaries

[5]for ex-Cargill members only

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

- Membership movements:
  - Exits: 8 Defined Benefit members left the Plan due to early retirement/resignation/normal retirement during the triennial actuarial investigation period, which is higher than that assumed in the previous investigation. Overall, the benefits paid were greater 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 2020. Where appropriate I have maintained these methods and assumptions, however most have changed in light of the experience discussed in Section 2 of this report and after consideration of changes in market expectations. The actuarial method used is described in Appendix D.

Interest/Salary Differential

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

While the absolute level of assumed investment returns is relevant in any regular triennial actuarial investigation, the critical factor is the relationship that this rate has with the assumed rate of salary increase. The difference between the two figures is the Interest/Salary Differential. For this investigation I have used an Interest/Salary Differential assumption of 2.0 percent p.a. as shown in the table below. Therefore the Interest/Salary Differential is slightly less conservative than used in the previous regular triennial actuarial investigation. The overall impact of these changes in 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%	3.50%	1.90%
Assumption as at 1 July 2023	6.00%	4.00%	2.00%

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 remain under control and return to the RBA target of 2 percent p.a. to 3 percent p.a. We have assumed that the long-term 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; and
- The salary increase rate assumption was determined based on 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. All other demographic assumptions remain unchanged.

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**
40	750	12	0	750	10	0
45	500	21	0	500	18	0
50	500	40	0	500	35	0
55	0	82	1,000	0	72	1,000
60	0	155	1,950	0	137	1,950
65*	0	0	10,000	0	0	10,000

* exact age

No allowance has been made for retrenchment which is consistent with the last triennial actuarial investigation.

Expenses and Insurance Premiums

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

	1 July 2020	**1 July 2023**
Operating expenses (% p.a. of Defined Benefit members' salaries)	1.2% p.a.	2.1% p.a.^
Death and TPD insurance premiums (% p.a. of Defined Benefit members' salaries)	0.7% p.a.	0.8% p.a.
Salary Continuance Insurance premium (Category B only) (% p.a. of Defined Benefit members' salaries)	0.3% p.a.	0.3% p.a.
Total expense and insurance premium assumption		
• Category AA	1.9% p.a.	2.9% p.a.
• Category B	2.2% p.a.	3.2% 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 (late retiree) members' expenses and insurance premiums for Death or TPD and SCI insurance are deducted from members' accounts, or paid by the Employer and therefore the assumptions above do not incorporate the cost associated with Accumulation members' expenses and insurance premiums.

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

Tax

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

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.

Overall Effect of Changes in Assumptions

Overall, the changes have slightly decreased the expected cost of providing Defined Benefits to the members of the Plan.

Section 4 – Actuarial Value of Accrued Benefits

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

Actuarial Value of Accrued Benefits (past service)	**Total ($)**
Retirement	12,922,066
Death and Disablement	1,217,698
Resignation	1,067,557
Total of active Defined Benefit related liabilities	**15,207,321**
Additional accounts for Defined Benefit members	620,315
Accounts for Accumulation members*	449,190
Actuarial Value of Accrued Benefits	**16,276,826**
Assets	**18,026,823**
Surplus/(Deficit)	**1,749,997**

*Late retirees' liabilities.

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.

	Total ($ 000's)
Previous surplus/(deficit)	2,179
Interest on surplus/(deficit)[1]	389
Investment gains/(losses)[2]	586
Employer contributions paid at a higher/(lower) rate than long-term rate[3]	(978)
Expense gains/(losses)[4]	(156)
Salary gains/(losses)[5]	(349)
Change in basis gains/(losses)[6]	96
Withdrawal gains/(losses)[7]	(134)
Miscellaneous	117
Surplus/(deficit) as at the valuation date	1,750

[1] Interest on surplus over the period

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

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

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

[5]A salary 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.

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

Use of Excess Reserves

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

Total assets exceeded the Actuarial Value of Accrued Benefits as at 1 July 2023 by $1,749,997. This is equivalent to 11.5 percent of Defined Benefit liabilities (i.e. excluding accumulation members' benefits and Defined Benefit members' additional accounts) and 43.3 percent of total Defined Benefit members' salaries. Any excess can be used to suspend all Employer contributions (from 1 July 2023) for all Defined Benefit members until 30 June 2026. Defined Benefit member after tax contributions should continue to be paid at the calculated rate.

Long-term Contribution Rate

The Defined Benefits long-term Employer contribution rate has increased since the last regular triennial actuarial investigation due mainly to the change in expenses and current membership profile.

Present Value of Future Service Liability	**Category AA**	**Category B**	**Total ($)**
Retirement	1,812,876	1,127,500	2,940,376
Death and Disablement	126,751	104,404	231,155
Resignation	33,890	50,883	84,773
Total of active Defined Benefit related liabilities	**1,973,517**	**1,282,787**	**3,256,304**
Less member contributions	733,412	384,622	1,118,034
Net Future Service Liability	**1,240,105**	**898,165**	**2,138,270**
Equivalent net future contribution rate	8.4%	9.9%	9.0%
Tax	1.5%	1.8%	1.6%
Expense allowance	2.1%	2.1%	2.1%
Death and TPD premiums	0.8%	0.8%	0.8%
Salary Continuance premiums	0.0%	0.3%	0.1%
Employer contribution rate required for Future Service Benefits (p.a. salary)	**12.8%**	**14.9%**	**13.6%**

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 (late retiree) members' benefits as the value of assets for Accumulation (late retiree) 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	16,144,084	129.0%	131.8%	14,190,309	127.0%	129.2%	A
Vested Benefits	19,296,181	107.9%	108.5%	16,636,442	108.4%	108.9%	A
Actuarial Value of Accrued Benefits	18,641,618	111.7%	112.7%	16,276,826	110.8%	111.5%	A
Accumulation Benefits[3]	1,427,422			1,069,505			B
Assets	20,820,260			18,026,823			C

[1]Index is C/A.

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

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

Vested Benefits Index

Vested Benefits are the benefits that members are entitled to receive upon voluntary withdrawal from the Plan. It is either the resignation benefit or early retirement benefit, if eligible.

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

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

Shortfall Limit

In accordance with SPS 160, the Trustee has set a Shortfall Limit of 98.0 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 108.9 percent. Therefore, the Plan has not fallen below the Shortfall Limit at the valuation date.

I have reviewed the Shortfall Limit of 98.0 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 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 (apart from the inclusion of terminated members at the valuation date, if any, who have not had their benefit paid or rolled into another complying superannuation fund).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 3 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.

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" in accordance with the Trust Deed and with relevant law. Each member would be credited with a benefit which has accrued to the termination date as determined by the Trustee on the advice of an Actuary. 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 2023 the available assets exceeded the members' termination liabilities.

Section 6 – Adequacy of Insurance Arrangements

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

Death or Total and Permanent Disablement (D/TPD) Insurance (Lump Sum)

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

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

Defined Benefit Members

Insured Amount = D/TPD benefit - Vested Benefit

Accumulation Members

The accumulation (late retiree) member has nil sum insured.

D/TPD Funding and Insurance

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

	1 July 2023 ($)
Total sums insured (A)^	7,366,234
Plan Assets (B)	18,026,823
Amount of Surplus, if any, set aside for funding purposes (C)*	1,103,665
Plan Assets available to meet D/TPD benefits (B)-(C)=(D)	16,923,158
Available on D/TPD (A)+(D)=(E)	24,289,393
Total D/TPD benefit (F)	24,002,676
Excess/(shortfall) (E) - (F)	286,717

^There are three members whose D/TPD insurance has been restricted by the insurer's Automatic Acceptance Limit so their D/TPD benefit has been restricted to the sum of their vested benefit and restricted sum insured.

*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 D/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) to cover disability income benefits payable from the Plan for Category B 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 were three members of the Plan whose D/TPD insurance covers were restricted by the Insurer's Automatic Acceptance Limit, with their D/TPD benefits restricted accordingly to their vested benefit plus their restricted cover. In order to receive the full D/TPD benefit as prescribed under the Trust Deed, they would have to undergo a medical underwriting process to obtain the full standard D/TPD insurance cover (based on the formula above) and benefits (based on the Trust Deed).

We recommend that the Trustee communicate with each member with restricted insurance cover, if they have not done so, to ensure they understand that as their cover is restricted, their benefit will be restricted but they can apply for the higher required cover and given the benefits under the Plan Rules if the insurer accepts the amount required after the underwriting process.

Section 7 – Sensitivity Analysis and Projections

Assumption Variation

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

Assumptions (Salary Increase Rate/Long-term Investment Return)	Actuarial Value of Accrued Benefits as at 1 July 2023	Overall long-term Employer contribution rate as at 1 July 2023
	($)	(p.a.)
This valuation (4.0% p.a./6.0% p.a.)	16,276,826	13.6%
Last valuation (3.5% p.a./5.4% p.a.)	16,373,092	13.7%
Last valuation with this valuation decrements (3.5% p.a./5.4% p.a.)*	16,381,907	13.7%
Salary inflation rate plus 1% p.a. (5.0% p.a./6.0% p.a.)	16,590,838	13.8%
Salary inflation rate minus 1% p.a. (3.0% p.a./6.0% p.a.)	15,993,799	13.4%
Investment return plus 1% p.a. (4.0% p.a./7.0% p.a.)	15,881,326	13.4%
Investment return minus 1% p.a. (4.0% p.a./5.0% p.a.)	16,729,440	13.9%

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

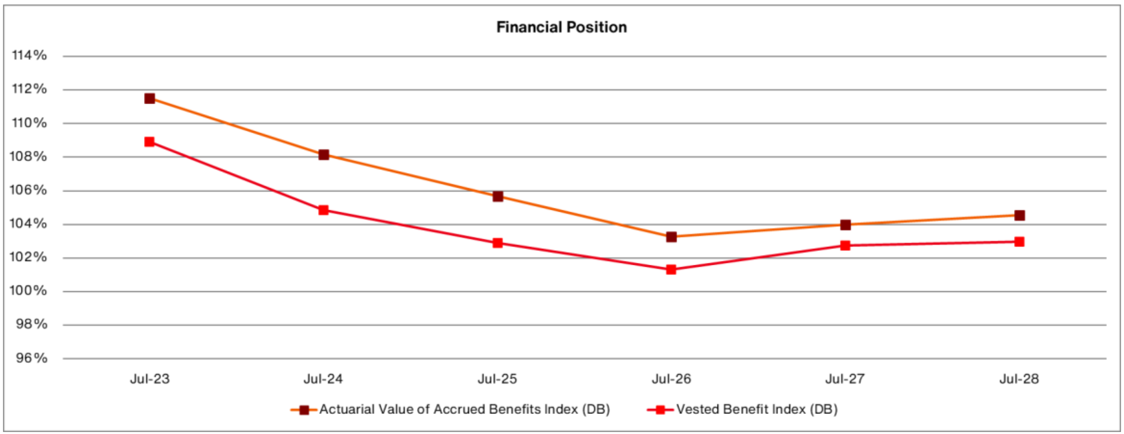
Post Valuation Events

The Plan has earned an average investment return of 1.0 percent from the date of the valuation to 7 December 2023. This is lower than the rate assumed for the valuation and has resulted in a slight deterioration in the financial position of the Plan. I estimate that coverage of Vested Benefits (excluding Accumulation members' benefits and Defined Benefit members' additional accounts) has decreased from 108.9 percent at the valuation date to approximately 106.5 percent as at 7 December 2023. This has been taken into account in the recommended Employer contributions.

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

Projection of Future Liabilities

The graph below shows the projected value of Defined Benefit Vested Benefits and Actuarial Value of Accrued Benefits for Defined Benefit members funding indices over the next five years. These projections have been based on defined benefit liabilities and assume that the Employer will pay contributions in accordance with the contribution recommendation (refer to Section 9 of this report) and are based on the assumptions used to calculate past service liabilities at each of the future dates. These projections also allow for the post valuation events described above.



Assuming the Employer contributions are not less than the rates which I have recommended, I expect that on the assumptions, methods and asset values adopted in the valuation, the Assets will remain sufficient to cover the value of these liabilities during the period up to 1 July 2028.

Section 8 – Material Risks

Financial Risk

As noted in the results of the Sensitivity Analysis (Section 7), the items that have the greatest impact on the financial position of the Plan are the differences between the assumed and the actual salary increase rate and the assumed and actual long-term investment return. Should salaries increase at a higher rate than assumed, the liabilities will be higher than expected and the assets may then be insufficient to cover members' benefits. This may then require the Employer to make larger contributions to the Plan. Similarly, if there are lower than assumed investment returns, the assets of the Plan would be reduced compared to the assets expected and may then be insufficient to cover members' benefits. This may then require larger contributions to be made by the Employer. If the Employer is willing and able to make these larger contributions and accept the volatility involved, a deterioration in the financial position can be managed.

Other strategies to mitigate these risks are:

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

We recently performed an investment strategy review for the Employer where we presented alternative investment options that are in line with this objective.

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

There are three members with restricted insurance cover on death and TPD benefits. We recommend that the Trustee communicate with each affected member, if they have not done so, to ensure they understand that as their cover is restricted, their benefit will be restricted but they can apply for the higher required cover and given the benefits under the Plan Rules if the insurer accepts the amount required after the underwriting process.

Investment Policy

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

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

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

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

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

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

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

Recommendations

Future Contribution Recommendations

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

Category	Employer Rate for Defined Benefit Members (% p.a. of Salaries)[1]	
	1/7/2023 to 30/06/2026	1/7/2026 onwards
AA	0.0%	13.6%
B	0.0%	13.6%

[1]The Superannuation Guarantee contribution rate is to be paid based on Ordinary Time Earnings (excluding bonus and allowance). During the period of contribution holiday, the SG contributions will paid from the Plan's reserve.

In addition, the following contributions are also payable:

- Defined Benefit member 5.00 percent p.a. contributions (or 5.88 percent p.a. if salary sacrifice) of Superannuation Salary for Category AA members;
- Defined Benefit member 4.25 percent p.a. contributions (or 5.00 percent p.a. if salary sacrifice) of Superannuation Salary for Category B members;
- The Superannuation Guarantee contribution rate on bonus and allowance 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.

On the basis of the financial position as at 1 July 2023 and subsequent investment to 7 December 2023, I expect the contribution holiday can be extended up to 30 June 2026.

The Employer contributions in respect of Defined Benefit members must be loaded during the contribution holiday or 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 98.0 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.

We recommend that the Trustee communicate with each member with restricted insurance cover, if they have not done so, to ensure they understand that as their cover is restricted, their benefit will be restricted but they can apply for the higher required cover and given the benefits under the Plan Rules if the insurer accepts the amount required after the underwriting process.

Investment Recommendations

In my opinion the investment strategy is appropriate to meet:

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

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. We recently performed an investment strategy review for the Employer where we presented alternative investment options that are in line with this objective.

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

Crediting Rate Recommendations

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

Monitoring Recommendations

I have reviewed the current practice of carrying out the regular actuarial investigation on a triennial basis 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 - Teys Bros (Beenleigh) Pty Ltd Staff Superannuation Plan (the Plan) as at 1 July 2023 covering the three-year period to that date.

In my opinion:

1) As at 1 July 2023, the fair value of the net Assets of the Plan for Defined Benefit members, based on the general ledger for the Plan plus the Accumulation member's benefits for Accumulation member assets, was $18,026,823 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 7 December 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 $16,276,826 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 $15,207,321 which was calculated in accordance with Practice Guideline 499.06 (this excludes additional accounts for Defined Benefit members and Accumulation (late retiree) member's benefit). The relevant value of Defined Benefit related assets for AASB1056 was $16,957,318.

3) The value of the Assets of the Plan was adequate to meet the value of liabilities of the Plan in respect of the Minimum Requisite Benefits as at 1 July 2023.

4) The investigation disclosed the Plan was in a satisfactory financial position as at 1 July 2023. The Plan's financial condition has not fallen below the Shortfall Limit set by the Trustee at the valuation date.

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

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

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

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

12 December 2023

Appendix A – Summary of Plan Rules

As set out in the Plan's 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.

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

Eligibility

Category AA and Category B (ex-Cargill). An employee is eligible to become a member when nominated by the Employer.

Plan Structure

The smartMonday PRIME - Teys Bros (Beenleigh) Pty Ltd Staff Superannuation Plan (the Plan) is a Defined Benefit plan and is constituted by a Trust Deed originally dated 23 October 1978 and replaced by a Supplemented Deed dated 22 June 1990. A consolidated Deed was prepared dated 27 September 1994. The Previous Fund was transferred on a successor fund basis into the Aon Master Trust on 1 July 2005. The Trust Deed of the Previous Fund was annexed to the Aon Master Trust Deed (now known as the Smart Future Trust Deed) and are the governing rules for all Teys Bros (Beenleigh) Pty Ltd employees who enter the Plan.

A participation agreement and plan outline effective 1 July 2012 are in place for the ex-Cargill section after these members transferred from the Cargill Australia Superannuation Plan.

All new entrants to the Employer join another complying superannuation fund.

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)

Age 55

Salary

The annual salary as at the review date.

Final Average Salary

Final Average Salary is the average of the Defined Benefit member's Salary for any three consecutive years 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.

Cargill Superannuation Plan

Previous defined benefit plan for the ex-Cargill members before the transfer to the smartMonday PRIME (previously Aon Master Trust) on 1 July 2012.

Greater Pacific Fund

The Fund established on 30 October 1965 underwritten by Greater Pacific Life Assurance Company Limited.

Plant Fund

Means the Teys Bros (Beenleigh) Pty Limited Superannuation Fund established 12 August 1987.

Contributions

Member

Category AA	5 percent p.a. (5.88 percent p.a. if salary sacrifice)
Category B	4.25 percent p.a. (5 percent p.a. if salary sacrifice)

Employer

The Employer contributes to the Plan the amounts as determined by the Actuary.

Benefits

Normal Retirement Benefit (NRB)

The Normal Retirement Benefit is the following:

For Category AA

i. 10 percent of Final Average Salary for each year of membership of the Greater Pacific Fund (up to 1 July 1978), plus

ii. 12.5 percent of Final Average Salary for each year of membership of the Plan.

For Category B

i. 17.5 percent of Final Average Salary for each year of membership in the Teys Bros (Beenleigh) Pty Limited Staff Superannuation Plan (past service in the Cargill Superannuation Plan was credited into this Plan), discounted by a factor from the table below:

Age	Factor	Age	Factor
60 and above	1.000	46	0.790
59	0.985	45	0.775
58	0.970	44	0.760
57	0.955	43	0.745
56	0.940	42	0.730
55	0.925	41	0.715
54	0.910	40	0.700
53	0.895	39	0.685
52	0.880	38	0.670
51	0.865	37	0.655
50	0.850	36	0.640
49	0.835	35	0.625
48	0.820	34	0.610
47	0.805	33 and below	0.600

Early Retirement Benefit (ERB)

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

Late Retirement Benefit (LRB)

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

Death Benefit

Lump sum benefit equal to the benefit the member would have received at their normal retirement age, assuming salary remained unaltered.

Category B members are entitled to an additional age dependent insured benefit payable according to the following scale:

Member's age at Death	Additional Benefit
Under 40	1.5 times Salary
40 to 44	1.0 times Salary
45 to 49	0.5 times Salary
50 and over	Nil

Total and Permanent Disablement (TPD) Benefit

The TPD Benefit is the same as for the Death Benefit.

Resignation Benefit

Category AA

In the event of a member leaving service and not being entitled to any other benefit, the member is entitled to the following benefit:

i. 5 percent of the members' salary for each year of membership (including membership of the Greater Pacific Fund) plus rollover amount from the Plant Fund with investment earnings plus,

ii.

$$\frac{n}{10} \times \left[\frac{(a - 0.125b)FAS}{1.02^{b-10}} - d \right]$$

where,

n the period of the membership (including membership of the Greater Pacific Fund and the Plant Fund) to a maximum of ten (10) years

a the multiple of Final Average Salary that would be payable on normal retirement

b the period from the date of leaving service to the member's normal retirement age

d the benefit in paragraph (i)

Category B

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

Superannuation Guarantee

The Plan provides superannuation guarantee benefits for members of this Plan so that the Employer is not subject to the Superannuation Guarantee Charge.

All benefits are subject to a minimum benefit set out in the Benefit Certificate.

Disability Income Benefit

This benefit is provided to Category B members only, and is 75 percent of Salary payable in monthly instalments. This income is payable after a 90-day waiting period and for a maximum of 24 months or until the member resumes work, reaches age 65, becomes totally and permanently disabled or dies, whichever is earlier.

Transfers In

Members of the other Teys funds may transfer into the Plan and be granted a past service accrual in respect of their transfer value. On resignation, the member's share of any transfer value plus investment earnings is added to item (i) of the 'Resignation Benefit'.

Additional Accounts

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

Surcharge Account

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

Additional Contributions Tax Account

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

Family Law Account

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

Partial Withdrawals

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

Appendix B – Membership

Changes in Membership 1 July 2020 – 1 July 2023

	Category AA	Category B	Total
Active DB Membership at 1 July 2020	**14**	**9**	**23**
Plus			
New Entrants	0	0	0
Transfers from other funds	0	0	0
Transfers from other categories	0	0	0
Less			
Transfer to other funds	0	0	0
Transfers to other categories	0	0	0
Deaths	0	0	0
Total and Permanent Disablement	0	0	0
Early retirements	0	-2	-2
Normal retirements	-2	-2	-4
Resignations	-1	-1	-2
Retrenchments	0	0	0
Late retirements	0	0	0
Active DB Membership at 1 July 2023	**11**	**4**	**15**

In addition, there was 1 Accumulation (late retiree) member at the valuation date.

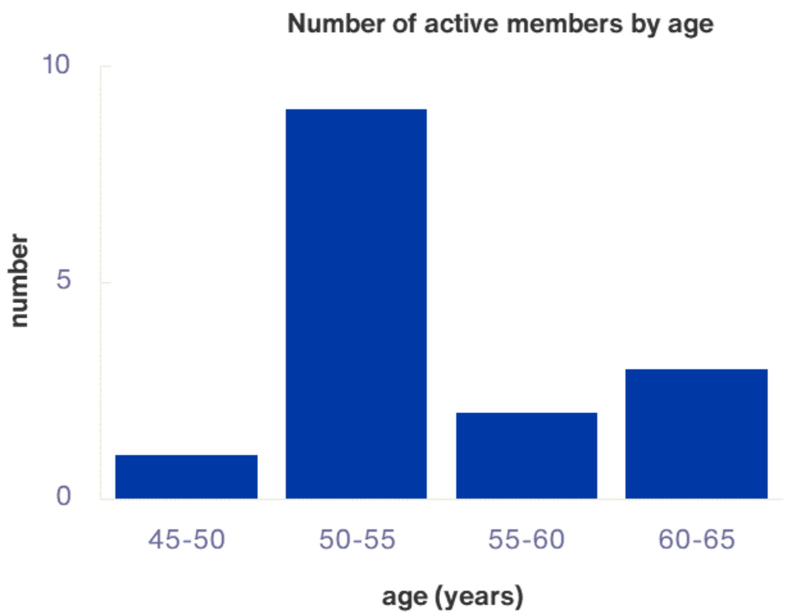
Membership Characteristics as at 1 July 2023

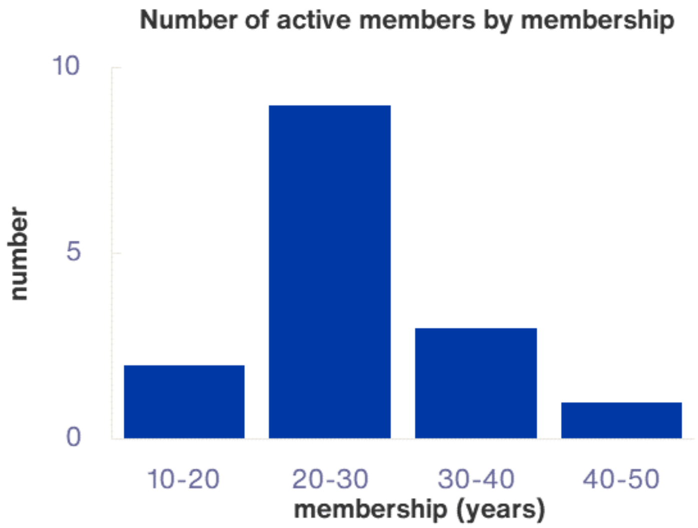
The main characteristics of the Plan's Defined Benefit membership at the valuation date are summarised in the following table. For comparison, active figures for the previous valuation date (1 July 2020) are shown also:

Defined Benefit active members	1 July 2023	1 July 2020
Number of members	15	23
Average age (years)	54.4	53.9
Average membership (years)	25.8	23.1
Total annual salary ($)	4,044,350	5,070,882
Average annual salary ($)	269,623	220,473

By Age and Membership

The following graphs outline the distribution by age and membership of the 15 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 funding position review data as at 1 July 2022.

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 Master Trust as at 1 July 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

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:

- Membership 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).

Appendix C – Accounts and Summary of Assets

Accounts

The following is a summary of the General Ledger provided by the Plan administrator for the regular triennial actuarial investigation period 1 July 2020 to 1 July 2023. The final accounts of the Smart Future Trust for 1 July 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)	20,820,260	19,998,104	18,164,809	20,820,260
Accumulation accounts at start of period* (B)	337,848	0	907,931	337,848
Defined Benefit related Plan Assets at start of period (C) = (A) – (B)	20,482,412	19,998,104	17,256,877	20,482,412
Plus				
Member contributions	226,072	235,993	240,281	702,346
Employer contributions	452,786	163,890	59,067	675,742
Rollovers/transfers in	0	148,252	0	148,252
Investment income (including capital appreciation/depreciation)	3,327,244	(831,043)	1,518,502	4,014,703
Sundry income	0	0	0	0
Less				
Group Life premiums (net of rebates)	49,240	49,188	56,591	155,020
Benefits (net of insurance recoveries)	4,283,569	2,264,292	1,320,597	7,868,457
Transfers out to other funds	0	0	0	0
Administration and other charges	76,984	113,379	101,273	291,636
Income tax	80,616	31,460	18,633	130,709
Other taxes	0	0	0	0
Others	0	0	0	0
Defined Benefit related Plan Assets at end of period (D)	19,998,104	17,256,877	17,577,634	17,577,634
Accumulation accounts at end of period (E)	0	907,931	449,190	449,190
Plan Assets at end of period (F) = (D) + (E)	19,998,104	18,164,809	18,026,823	18,026,823

Summary of Assets

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

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

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

By Asset Class	**1 July 2020**	**1 July 2023**
(based on benchmark asset allocation)	**(%)**	**(%)**
Australian Shares	28.5	27.0
International Shares	28.5	27.8
Property	5.0	6.0
Alternatives Asset - growth	7.0	8.3
Alternatives Asset - defensive	5.0	11.9
Australian Fixed Interest	10.0	13.0
International Fixed Interest	10.0	2.0
Cash	6.0	4.0
Total	**100.0**	**100.0**

The asset valuation method is in accordance with Professional Standard 404 published by the Institute of Actuaries of Australia. There were no material qualifications identified in the latest audit report that impact on the value of assets. We have relied on the asset information provided by the Plan administrator as at 1 July 2023. The financial statements of the Smart Future Master Trust as at 30 June 2023 was audited and signed on 29 September 2023.

Crediting Rate Policy

The Plan credits the actual return after investment related expenses to members' accounts via a crediting rate mechanism. 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 credited to members can be positive or negative.

The Plan return (net of fees and taxes) for the period was:

	Year to	**Year to**	**Year to**	**3 Years to**
By Option	**30 June 2021**	**30 June 2022**	**30 June 2023**	**30 June 2023**
	(p.a.)	(p.a.)	(p.a.)	(p.a.)
Balanced Growth - Active	18.5%	-4.3%	8.7%	7.2%

Appendix D – Funding Method

Funding Method

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

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

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

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

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

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

Summary of Method of Attributing Benefits to Past Membership

In order to determine if the Plan is in surplus or deficit it is necessary to determine what proportion of benefits payable in the future from the Plan are due to past service. The past membership components in respect of the current members are projected forward allowing for future assumed salary increases and then discounted back to 1 July 2023 at the valuation rate of interest assumption.

The past membership component for each type of benefit is:

Retirement Benefits

For Category AA members, based on a member's actual accrued retirement benefit multiple as at the valuation date.

For Category B members, based on a member's actual accrued multiple as at the valuation date, but discounted for each year of service prior to age 60.

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

For Category AA members, based on a member's actual accrued multiple at the valuation date but discounted for each year of service prior to age 55.

For Category B members, based on the member's actual accrued multiple at the valuation date, but discounted for each year of service prior to age 60.

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