

Regular Triennial Actuarial Investigation Report to the Trustee of the

**smartMonday PRIME - GEA Process Engineering Australia
Superannuation Plan**

Valuation Date: 1 July 2024

Date of Report: 6 November 2024

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Executive Summary

Superannuation regulations and the Trust Deed of the smartMonday PRIME - GEA Process Engineering Australia 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 GEA Process Engineering Australia Pty Limited (the Employer) and the Trustee is Equity Trustees Superannuation Limited (the Trustee).

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

Financial Condition

A snapshot of the financial condition of the Plan as at 1 July 2024 is set out below.

	Defined Benefits only	Total Plan	Comments
Vested Benefits Index	131.4%	109.3%	The Plan remains in a satisfactory financial position. The Plan's Vested Benefit Index for Defined Benefits is above the Shortfall Limit of 96.5%.
Actuarial Value of Accrued Benefits Index	135.2%	110.2%	The Plan remains in an adequate financial position. The Plan had a surplus on this basis of \$436,215.
Minimum Requisite Benefits Index	153.9%	114.2%	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

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

Employer Contribution Recommendations

I recommend that the Employer should continue a Defined Benefit (DB) related Employer contribution holiday¹ (including 3 percent Award contributions). As the two remaining DB members will reach their normal retirement age in two years' time and the Plan is expected to remain in reasonable surplus over the period, I recommend that the contribution holiday is extended to apply to the following contributions from 1 October 2024 to 30 September 2026:

- Member salary sacrifice contributions of 5 percent of Superannuation Salary;
- The Superannuation Guarantee contribution rate on bonus, if applicable; and
- Employer Superannuation Guarantee contributions in respect of Accumulation members in the Plan.

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.

Employer superannuation Guarantee contributions in respect of Accumulation members in the Plan will need to resume no later than 1 October 2026, but may need to resume earlier if the surplus is exhausted.

In addition, due to the small number of Defined Benefit members left in the Plan, I recommend that if the last Defined Benefit member leaves the Plan and there are insufficient assets available to pay their benefit, the benefit is not to be paid until an appropriate contribution to meet the difference is made by the Employer.

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

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 would be 15.5 percent p.a. of Defined Benefit members' Superannuation salaries. This includes deemed member contributions of 5 percent p.a. of Superannuation salaries and also Award contributions of 3 percent of Ordinary Time Earnings (OTE).

On the retirement of the final DB member, should there are some surplus monies remaining in the Plan, I recommend that, subject to Trustee approval and legal review, that the Trustee provides a Conversion Notice to the Commissioner of Taxation so that the Plan is deemed to be a defined benefit fund and the Employer continues to take a contribution holiday in respect of the Accumulation members in the Plan – i.e. the surplus monies are used to meet the Employer contributions of at least the Superannuation Guarantee rate of Ordinary Times Earnings (OTE).

Please refer to Section 4 for details.

Shortfall Limit Recommendations

I have reviewed the Shortfall Limit of 96.5 percent and confirm that, in my view, it remains appropriate. Please refer to Section 5 for details.

Insurance Recommendations

I have reviewed these 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

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

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

However, as the Defined Benefit members approach retirement, the Trustee should consider the amount of growth assets in the investment profile and may wish to switch to an investment option with a higher proportion of conservative assets to remove the risk of poor investment returns occurring with only a small period of time left to restore the funding position. This would assist in preserving the surplus. 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 and the small Plan membership.

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 remaining DB members will have reached their normal retirement ages before the next regular triennial actuarial investigation of the Plan effective 1 July 2027 and as such I do not expect the investigation would need to be carried out, unless the surplus monies are used for the Employer to take a contribution holiday in respect of the Accumulation members as discussed above. In this event an annual actuarial investigation will be required as at each 1 July to track the progress of the use of surplus to pay for the two DB members' retirement benefits as well as the contributions for Accumulation members. 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 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).

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
6 November 2024

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 2024 (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 6.1 of the Successor Fund Deed dated 30 April 2004;
- 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 2024 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 2021. The results are shown in the report dated 15 October 2021.

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 2021	Funding position review as at 1 July 2022	Funding position review as at 1 July 2023
A surplus of Assets over the Actuarial Value of Accrued Benefits	\$482,890	\$347,416	\$376,496
An excess of Assets over the Vested Benefits	\$392,976	\$269,991	\$331,018
Summary of the recommended Employer contribution for DB members	Contribution holiday for all DB members*		

*this incorporates the 3 percent award contributions but does not include the member 5 percent salary sacrifice contributions.

The average long-term Employer contribution rate (inclusive of the 5 percent salary sacrifice member contribution and 3 percent award contribution) was 16.3 percent p.a. of Defined Benefit members' superannuation salaries as at 1 July 2021.

Contributions have been made 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 2021 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 2021 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	5.0% p.a.	4.4% p.a. Above the equivalent average return of funds with a similar investment strategy which was 4.3% p.a. ²	Unfavourable effect: The Defined Benefit assets increased at a lower rate than assumed. However, when considered on cumulative yearly dollar basis there was a slight gain. The Plan earned slightly higher returns than other funds with a similar investment mix.
Salary Increases ³	2.5% p.a.		Unfavourable effect: The Defined Benefit liabilities increased at a higher rate than assumed.
Average Employer Contribution rate ⁴	Recommended rate of nil p.a. for Employer contributions and 5% salary sacrifice member contributions	Long-term rate of 16.3% p.a.	Unfavourable effect: The Defined Benefit assets increased at a lower amount than the long-term cost of providing the defined benefits. As recommended, the Defined Benefit contribution rates were at a lower rate than the long-term cost of providing the defined benefits.
Expenses and Insurance Premiums	11.5% p.a. for Expenses 1.2% p.a. for Death and TPD insurance premiums	10.9% p.a. for Expenses 1.2% p.a. for Death and TPD insurance premiums	Favourable effect: The Defined Benefit assets, on average, have paid slightly less expenses and premiums than assumed. However, when considered on cumulative yearly dollar basis there was a slight loss.

¹net of investment expenses and tax

²based on the 3-year median return for Rainmaker Top 50 Workplace Super – Balanced Investment options for the period ending June 2024

³for existing Defined Benefit members over the investigation period

⁴Percent of Defined Benefit members' salaries

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

- Membership movements:
 - Exits: The 2 Defined Benefit members remained in the Plan during the triennial actuarial investigation period, which is less than that assumed in the previous investigation. 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 2021. 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 2.1 percent p.a. as shown in the table below. Therefore the Interest/Salary Differential is more 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 has decreased slightly (as the higher salary increase rate will not come fully into effect in the three year Final Average Salaries but the higher investment return will apply in full until the normal retirement date of the youngest defined benefit member) and the long-term contribution rate is relatively unchanged.

	Net investment return (p.a.)	Salary increase rate (p.a.)	Differential (p.a.)
Assumption as at 1 July 2021	5.00%	2.50%	2.50%
Assumption as at 1 July 2024	5.60%	3.50%	2.10%

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 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. All other demographic assumptions remain unchanged.

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

Number of exits per 10,000 members				
1 July 2024			1 July 2021	
Age Last	Death and Disablement	Retirement	Death and Disablement	Retirement
50	40	0	35	0
55	82	1,000	72	1,000
60	155	2,400	137	2,400
62	194	1,800	171	1,800
65*	0	10,000	0	10,000

* exact age

No allowance has been made for retrenchment which is consistent with the last triennial actuarial investigation. Note that the retrenchment benefit is the same as the retirement benefit.

The impact of these changes in assumptions in isolation has decreased the Actuarial Value of Accrued Benefits and the long-term contribution rate is relatively unchanged.

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 2021	1 July 2024
Operating expenses (% p.a. of Defined Benefit members' salaries)	11.5% p.a.	11.0% p.a.
Death and TPD insurance premiums (% p.a. of Defined Benefit members' salaries)	1.2% p.a.	1.2% p.a.
Total expense and insurance premium assumption	12.7% p.a.	12.2% p.a.

The expenses and insurance premiums assumptions have decreased 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' 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 decreased 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 2024), 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 2024;
- 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 decreased the expected cost of providing Defined Benefits to the members of the Plan.

Section 4 – Actuarial Value of Accrued Benefits

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

Actuarial Value of Accrued Benefits (past service)	\$
Retirement	
Death and Disablement	
Resignation	0
Total of Defined Benefit related liabilities	
Additional accounts for Defined Benefit members	
Accounts for Accumulation members	
Actuarial Value of Accrued Benefits	
Assets*	
Surplus/(Deficit)	436,216

*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 2021. These figures give an indication of the impact of the factors that affect the final regular triennial actuarial investigation result. As there are yearly funding calculations performed, these items have been determined in each year between triennial investigations and added to provide the 3 years' worth of movements.

	\$(000's)
Previous surplus/(deficit)	483
Interest on surplus/(deficit) ¹	44
Investment gains/(losses) ²	29
Employer contributions paid at a higher/(lower) rate than long-term rate ³	(98)
Expense gains/(losses) ⁴	(22)
Salary gains/(losses) ⁵	(18)
Change in basis gains/(losses) ⁶	2
Withdrawal gains/(losses) ⁷	21
Miscellaneous	(5)
Surplus/(deficit) as at the valuation date	436

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 gain occurs where members have attained their higher benefit at age 60 but have continued to remain 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 2024 by \$436,215. This is equivalent to 35.2 percent of Defined Benefit liabilities (i.e. excluding accumulation members' benefits and Defined Benefit members' additional accounts) and 143.3 percent of total Defined Benefit salaries. Any excess can be used to suspend all Employer and member contributions for all Defined Benefit members for the remaining period that there will be Defined Benefit members (either when they leave or reach age 65, whichever comes earlier), as well as Employer contributions in respect of Accumulation members in the Plan whilst there remains a surplus.

Long-term Contribution Rate

The Defined Benefits long-term Employer contribution rate has reduced since the last regular triennial actuarial investigation due to the reduction in expected future liabilities and the decrease in expense and insurance premium assumptions.

Present Value of Future Service Liability	Total (\$)
Retirement	9,219
Death and Disablement	1,272
Resignation	0
Net Future Service Liability	10,491
Equivalent net future contribution rate	2.8%
Tax	0.5%
Expense allowance	11.0%
Death and TPD premiums	1.2%
Employer contribution rate required for Future Service Benefits* (p.a. salary)	15.5%

*including 5 percent member salary sacrifice contributions and also 3 percent Award contributions of Ordinary Time Earnings

Section 5 – Immediate Solvency and Funding Indices

Immediate Tests on the Adequacy of the Assets

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

- **Assets:** I have taken the fair value of the net assets provided by the Plan administrator, based on the Smart Future Trust general ledger, as the value of assets for Defined Benefit members and the value of Accumulation members' benefits as the value of assets for Accumulation members for the purpose of this regular triennial actuarial investigation. The financial statements which include all smartMonday plans at 30 June 2024 were audited and signed on 30 September 2024. 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 2021			1 July 2024			
	Amount	Index ¹	DB Index ²	Amount	Index ¹	DB Index ²	
	(\$)			(\$)			
Minimum Requisite Benefits	████████	119.5%	181.4%	████████	114.2%	153.9%	A
Vested Benefits	████████	110.0%	133.3%	████████	109.3%	131.4%	A
Actuarial Value of Accrued Benefits	████████	112.6%	144.2%	████████	110.2%	135.2%	A
Retrenchment Benefits	████████	110.0%	133.3%	████████	109.3%	131.4%	A
Accumulation Benefits³	████████			████████			B
Assets⁴	████████			████████			C

¹Index is C/A.

²DB Index is $(C - B)/(A - B)$, i.e. the index excluding accumulation benefits.

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

⁴Assets for active Accumulation members have been set equal to the Accumulation members' benefits.

Vested Benefits Index

Vested Benefits are the benefits that members are entitled to receive upon voluntary withdrawal from the Plan. Both Defined Benefit members remaining are now above the early retirement age with more than 10 years of membership.

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

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

Shortfall Limit

In accordance with SPS 160, the Trustee has set a Shortfall Limit of 96.5 percent. This is the extent to which the Trustee considers the Plan can be underfunded (on the basis that assets are insufficient to meet all members' Vested Benefits) but retain a reasonable expectation of returning to a funded position within a year, solely due to a correction to temporary negative market fluctuations in the value of the Plan assets.

This Shortfall Limit is to be compared to the Defined Benefit Vested Benefits Index i.e. the ratio of Defined Benefit assets and Defined Benefit Vested Benefit liabilities. Accumulation 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 2024 was 131.4 percent. Therefore, the Plan has not fallen below the Shortfall Limit at the valuation date.

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

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

Minimum Requisite Benefits Index

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

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

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

Actuarial Value of Accrued Benefits Index

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

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.

Retrenchment Benefits Index

This index considers the extent to which the Plan could meet the retrenchment benefits applicable to its members if they were all retrenched and the Plan was not terminated. The retrenchment benefit is equal to the members’ early retirement benefit.

The Retrenchment 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 due to being retrenched on the valuation date.

A Retrenchment Benefit Index below 100 percent indicates that a major retrenchment programme would strain the resources of the Plan and therefore may result in higher contributions. The index was at an adequate level at the valuation date.

Termination of the Plan

In the event of the termination of the Plan, whatever assets available at that time, net of accruals and expenses, are distributed to members to the extent of their “termination liabilities” as per Clause 1.20 of the Previous Plan’s Amending Deed dated 13 February 2004 and in accordance with relevant law.

On termination, the Trustee must apply the Plan’s assets in the following order of priority:

- All costs, expenses and liabilities which have been incurred or are likely to be incurred in respect of the Plan (including the termination of the Plan);
- The balance of the Plan shall be apportioned by the Trustee to the credit of all members of the Plan in such manner as the Trustee considers equitable.

The Trustee may obtain the advice of the Actuary if it considers it prudent to do so and any benefit payable in respect of a Member shall not exceed that Member’s share of the Plan so apportioned to the Member under the Clause.

It is expected that 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. 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 2024 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 Life) to cover part of the lump sum benefits payable from the Plan in the event of the death or Total and Permanent Disablement (TPD) of members. The Sum Insured is designed to supplement the proportion of the benefit which has already been accrued in respect of the members within the Plan and to provide the balance of the relevant benefit from the insurance arrangement. Insurance replaces the otherwise volatile impact on the Plan of payments required in respect of the 'unfunded' portion of each death or disablement benefit with an annual premium, which can be taken into account in the financial planning of the Plan.

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

Defined Benefit Members

Insured Amount = Death or Total and Permanent Disablement Benefit minus Vested Benefit

Accumulation Members

A voluntary insurance cover with age-based sum insured is available to Accumulation members and is fully insured.

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 2024

	(\$)
Total sums insured (A)	6,915,281
Plan Assets (B)	4,712,078
Funding excess/(shortfall) (C)*	436,215
Amount of Surplus, if any, set aside for funding purposes (D)*	449,879
Plan Assets available to meet Death/TPD benefits (B)-(C or D)=(D or E)	4,262,199
Available on Death/TPD (A)+(D or E)=(E or F)	11,177,480
Total Death/TPD benefit (F or G)	11,226,848
Excess/(shortfall) (E or F) - (F or G)	(49,368)

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

Recommendation

The current formula for defined benefit members results in a small non-funded portion of the death and TPD benefits of the Defined Benefit members in the Plan which is reasonable on the basis of the current surplus level and the contribution holiday in respect of accumulation members can be ceased should there be insufficient surplus.

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

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.

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	Actuarial Value of Accrued Benefits as at 1 July 2024	Overall long-term Employer contribution rate as at 1 July 2024**
	(\$)	(p.a.)
This valuation (3.5% p.a./5.6% p.a.)	4,275,863	10.53%
Last valuation (2.5% p.a./5.0% p.a.)	4,277,949	10.49%
Last valuation with this valuation decrements (2.5% p.a./5.0% p.a.)*	4,277,711	10.53%
Salary inflation rate plus 1% p.a. (4.5% p.a./5.6% p.a.)	4,282,746	10.53%
Salary inflation rate minus 1% p.a. (2.5% p.a./5.6% p.a.)	4,269,013	10.53%
Investment return plus 1% p.a. (3.5% p.a./6.6% p.a.)	4,261,539	10.53%
Investment return minus 1% p.a. (3.5% p.a./4.6% p.a.)	4,290,531	10.53%

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

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

Based on the above results, it is clear that the financial position of the Plan and the required Employer contribution will vary only very slightly depending on the actual experience of the Plan and particularly in relation to salary increases and long-term investment returns, as the future service period of the remaining members shortens.

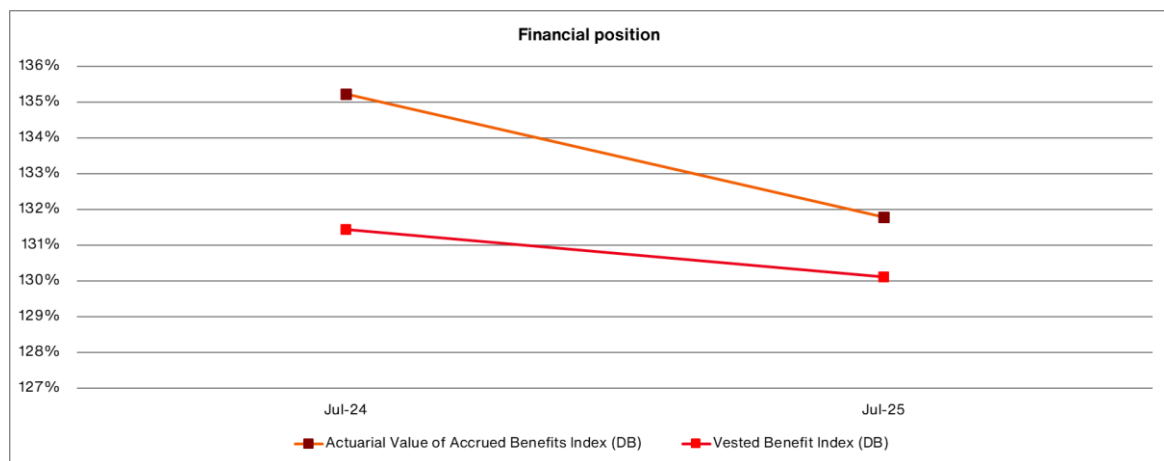
Post Valuation Events

The Plan has earned an average investment return of 4.7 percent from the date of the valuation to 15 October 2024. This is significantly higher than the rate assumed for the valuation and has further strengthened the financial position of the Plan. I estimate that coverage of Vested Benefits (exclusive of Accumulation members' benefits and Defined Benefit members' additional accounts) has increased from 131.4 percent at the valuation date to approximately 134.2 percent as at 15 October 2024. 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 two years. These projections have been based on defined benefit liabilities and assume that the Employer contributions are made 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. Note: both members would reach age 65 by 1 July 2026 and as such, there are no Defined Benefit liabilities expected at that date.



Assuming the Employer contributions made are not less than I have recommended, I expect that on the assumptions, methods and asset values adopted in the valuation, that the Assets will remain sufficient to cover the value of these liabilities during the period up to 1 July 2026 (i.e. by which time both members would have reached their normal retirement age of 65).

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. Notwithstanding this, as also noted in Section 7, the long-term Employer contribution rate is becoming less sensitive to variations in financial assumptions as the future service period of the remaining members shortens.

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.

Plan Specific Risk

Size of the Plan

The defined benefit section of the Plan has 2 members and [REDACTED] of defined benefit related assets remaining. As a result, the Plan is exposed to additional risks than when it was larger. In particular, given the number of members remaining the "law of averages" may no longer hold and actual experience of the remaining few members may be significantly different to the assumptions adopted for funding calculations. This can result in a more volatile funding position, with the experience of just one member now having a proportionately larger impact. Closer monitoring of the funding position can help mitigate these risks.

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

- Member data, particularly salary data, which if not accurate and up-to-date can have a larger (negative) impact on funding once updated. Allowing for potential future salary increases for key personnel and for any known defined benefit member exits can be taken into account in future funding position projections.
- Many costs are not directly linked to the number of members or asset value of the Plan. Therefore the expenses will have a greater impact on the funding position and/or the Employer contribution rates required. Similarly, any cost associated with legislative or other changes will also impact the funding position.
- As member numbers decline, so too can the remaining lifetime of the Plan. The assumptions adopted for funding purposes and in setting the investment strategy may have considered a longer time horizon and now may need to change to reflect the shorter timeframe.

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 should continue a Defined Benefit related Employer contribution holiday¹ (including 3 percent Award contributions). As the two remaining DB members will reach their normal retirement age in two years' time and the Plan is expected to remain in reasonable surplus over the period, I recommend that the contribution holiday is extended to apply to the following contributions from 1 October 2024 to 30 September 2026:

- Member salary sacrifice contributions of 5 percent of Superannuation Salary;
- The Superannuation Guarantee contribution rate on bonus, if applicable; and
- Employer Superannuation Guarantee contributions in respect of Accumulation members in the Plan.

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.

Employer superannuation Guarantee contributions in respect of Accumulation members in the Plan will need to resume no later than 1 October 2026, but may need to resume earlier if the surplus is exhausted.

In addition, due to the small number of Defined Benefit members left in the Plan, I recommend that if the last Defined Benefit member leaves the Plan and there are insufficient assets available to pay their benefit, the benefit is not to be paid until an appropriate contribution to meet the difference is made by the Employer.

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

On the retirement of the final DB member, should there are some surplus monies remaining in the Plan, I recommend that, subject to Trustee approval and legal review, that the Trustee provides a Conversion Notice to the Commissioner of Taxation so that the Plan is deemed to be a defined benefit fund and the Employer takes a contribution holiday in respect of the Accumulation members in the Plan – i.e. the surplus monies are used to meet the Employer contributions of at least the Superannuation Guarantee rate of Ordinary Times Earnings (OTE).

The recommended contributions will need to be reviewed prior to the next regular triennial actuarial investigation due with an effective date of 1 July 2027 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). However, there will be no defined benefit members and a triennial actuarial investigation will only be required if there remains a surplus in the Plan that is being gradually exhausted via a contribution holiday and payment of expenses.

Shortfall Limit Recommendations

I have reviewed the Shortfall Limit of 96.5 percent (see Section 5) and confirm that, in my view, it remains appropriate. This will need to be reviewed if the Trustee changes the investment strategy.

Insurance Recommendations

I have reviewed these 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 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.

However, as the Defined Benefit members approach retirement, the Trustee should consider the amount of growth assets in the investment profile and may wish to switch to an investment option with a higher proportion of conservative assets to remove the risk of poor investment returns occurring with only a small period of time left to restore the funding position. This would assist in preserving the surplus.

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 3 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 - GEA Process Engineering Australia Superannuation Plan (the Plan) as at 1 July 2024 covering the three-year period to that date.

In my opinion:

- 1) As at 1 July 2024, 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 members' benefits for Accumulation member assets, was [REDACTED] and this is the value of assets used to determine the Employer contribution rate with an allowance for investment returns for the period from 1 July 2024 to 15 October 2024.
- 2) The value of the Assets of the Plan was adequate to meet the value of liabilities of the Plan in respect of the Actuarial Value of Accrued Benefits of [REDACTED] as at 1 July 2024. The Actuarial Value of Accrued Benefits of Defined Benefit members as at 1 July 2024 for the purposes of Australian Accounting Standard AASB1056 was [REDACTED] which was calculated in accordance with Practice Guideline 499.06 (this excludes additional accounts for Defined Benefit members and Accumulation members' benefits, but includes Defined Benefit members pending payment, which have been excluded from both liabilities and assets for the purpose of this regular triennial actuarial investigation). The relevant value of Defined Benefit related assets for AASB 1056 was [REDACTED].
- 3) The value of the Assets of the Plan was adequate to meet the value of liabilities of the Plan in respect of the Minimum Requisite Benefits as at 1 July 2024.
- 4) The investigation disclosed the Plan was in a satisfactory financial position as at 1 July 2024. 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

6 November 2024

Appendix A – Summary of Plan Rules

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

Eligibility

Category B – Closed to New Entrants.

Category D – This is an accumulation section that is open to new employees employed by GEA Process Engineering Australia Pty Limited. Membership in this category must be approved by the Employer.

Plan Structure

The Niro Australia Superannuation Fund (the Previous Plan) was a Defined Benefit plan constituted by a Trust Deed originally dated 31 May 1974 and amended from time to time. The smartMonday PRIME - GEA Process Engineering Australia Superannuation Plan (the Plan) is now governed by the Successor Fund Deed dated 30 April 2004 following the successor fund transfer of the Previous Plan to the Aon Master Trust (now Smart Future Trust).

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

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

Annual Review Date

1 July

Definitions

Normal Retirement Date (NRD)

65th Birthday

Early Retirement Date (ERD)

After age 55 with at least 5 years of service.

Salary

The ordinary annual rate of salary or wages at each subsequent Review Date 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 maximum of the average of Salaries during the 3 years immediately prior to exit and the Salary at first Annual Review Date in the last 3 years. Full-time equivalent salary is used for part-time members.

Service

Eligible Service/Membership

This is a member's period of actual continuous employment whilst a member of the Plan and the Previous Plan, measured in complete years and months to the nearest month. For a Category B member who retires on or after 1 July 1992 from the service of the Employer during the five years immediately preceding the NRD after having completed 10 years of continuous service in any category of membership, membership is the period of time calculated in completed years and months from the commencement of continuous service to the NRD.

Fraction

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

Contributions

Member

Category B	5 percent p.a of Salary paid as salary sacrifice contributions
Category D	Nil

Employer

Category B	3 percent of Ordinary Time Earnings (apart from Bonus) as Award contributions plus the balance of costs
Category D	Superannuation Guarantee Rate

Benefits

Normal Retirement Benefit (NRB)

Category B

The normal retirement benefit payable is a lump sum equal to the sum of:

- 15 percent x FAS x Continuous Service as a Category A member;
- 15 percent x FAS x Eligible Service as a Category B member; and
- 12.5 percent x FAS x Plan Membership as a Category C member

Category D

Sum of accounts

Early Retirement Benefit (ERB)

Category B

The early retirement benefit payable is as for normal retirement, but based on Eligible Service and FAS at the date of retirement, except for members over age 60 and with 10 years of membership where potential membership to the NRD is used.

Category D

Sum of accounts

Late Retirement Benefit (LRB)

NRB with investment earnings plus any contributions net of tax, expenses and premiums paid to/from the Plan post NRD.

Death Benefit

Category B

The death benefit payable is the prospective benefit which would have been paid at NRD if the member had continued on the same Salary.

Category D

Sum of accounts plus the insured benefit.

Total and Permanent Disablement (TPD) Benefit

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

Resignation Benefit

Category B

The resignation benefit payable is the sum of:

(i) Member Account;

(ii) Deemed Member Account; and

(iii) 10 percent of (i) and (ii) for each year of complete Plan Membership in excess of 5 years subject to a maximum of 100 percent.

Category D

Sum of accounts.

Retrenchment Benefit

The resignation benefit or early retirement benefit, if applicable.

Plan Termination Benefits

Assets (up to a level equivalent to the members' equitable share) are distributable to the Members on Termination. If assets are insufficient, all are distributed to Members, but there is no further liability.

Additional Accounts

Award 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 with investment earnings from the date of the split for accumulation members; for defined benefit members the amount is 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.

Partial Withdrawals

All benefits are subject to a minimum of the Minimum Requisite Benefit as defined on the latest Benefit Certificate.

Appendix B – Membership

Changes in Membership 1 July 2021 – 1 July 2024

There was no change to the active defined benefit membership over the period.

In addition, there were 19 Accumulation members at the valuation date with total salaries of \$1,892,228.

Membership Characteristics as at 1 July 2024

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 2021) are shown also:

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.

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 2024 as audited financial statements for the Plan at that date are not available, however we understand that the financial statements for the Smart Future Trust as at 30 June 2024 have been audited and signed on 30 September 2024.

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

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

Administration

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

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

Appendix C – Accounts and Summary of Assets

Accounts

The following is a summary of the cash flows provided by the Plan administrator for the regular triennial actuarial investigation period 1 July 2021 to 30 June 2024. The final accounts of the Smart Future Trust for 30 June 2024 have received audit clearance.

	1 July 2021	1 July 2022	1 July 2023	1 July 2021
	to	to	to	to
	30 June 2022	30 June 2023	30 June 2024	30 June 2024
	(\$)	(\$)	(\$)	(\$)
Plan Assets at start of period (A)				
Accumulation accounts at start of period* (B)				
Defined Benefit related Plan Assets at start of period (C) = (A) – (B)				
Plus				
Member contributions [^]	0	0	0	0
Employer contributions				
Investment income (including capital appreciation/depreciation)				
Less				
Group Life premiums (net of rebates)				
Benefits (net of insurance recoveries) [#]				
Administration and other charges				
Income tax				
Defined Benefit related Plan Assets at end of period (D)				
Accumulation accounts at end of period* (E)				
Plan Assets at end of period (F) = (D) + (E)				

[#] Includes contributions splitting amounts.

[^]Member compulsory contributions are included in the Employer contributions

* Assets for the active Accumulation members have been set equal to the Accumulation members' benefits. Defined benefit additional account balances are included in Defined Benefit assets for this purpose.

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

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

Summary of Assets

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

Defined Benefit related account balances are invested in the Balanced Growth option. Defined Benefit assets above account balances (i.e. defined benefit reserve assets) are invested in the Balanced Growth option. We note that the Balanced Growth - Active Option is now the Balanced Growth Option from 1 June 2024 as a result of the changes implemented by smartMonday and understand that there is no significant change to the underlying strategic asset allocation.

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

By Asset Class	1 July 2021	1 July 2024
(based on benchmark asset allocation)	(%)	(%)
Australian Shares	27.0	27.0
International Shares	27.0	27.8
Property	6.0	6.0
Alternatives Asset - growth	10.0	8.3
Alternatives Asset - defensive	11.0	11.9
Australian Fixed Interest	7.5	13.0
International Fixed Interest	7.5	2.0
Cash	4.0	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 2024 as audited financial statements for the Plan at that date are not available, however we understand that the financial statements for the Smart Future Trust as at 30 June 2024 have been audited and signed on 30 September 2024.

Crediting Rate Policy

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

The option returns for the Defined Benefit related assets were:

Option	Year to 30 June 2022	Year to 30 June 2023	Year to 30 June 2024	3 Years to 30 June 2024
	(p.a.)	(p.a.)	(p.a.)	(p.a.)
Balanced Growth ¹	-4.3%	8.6%	9.4%	4.4%

¹net of investment fees and of taxes

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 2024 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 except for Category B members who are over age 60 with at least 10 years of service, the past membership component is calculated by adjusting the total benefit in proportion to completed membership at the valuation date over membership at date of normal retirement.

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

Death and Disablement Benefits

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

Resignation Benefit

This is no longer applicable as both remaining DB members are above the age of 60.

Superannuation Guarantee Minimum Benefit

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

Adjustments

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

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