

Regular Triennial Actuarial Investigation Report to the Trustee of the

smartMonday PRIME TESF - ASC Superannuation Plan

Valuation Date: 1 July 2024

Date of Report: 16 October 2024

Table of Contents

Executive Summary	3
Section 1 – Introduction	8
Section 2 – The Plan’s Experience	10
Section 3 – Assumptions	12
Section 4 – Actuarial Value of Accrued Benefits	15
Section 5 – Immediate Solvency and Funding Indices	18
Section 6 – Adequacy of Insurance Arrangements	21
Section 7 – Sensitivity Analysis and Projections	23
Section 8 – Material Risks	25
Section 9 – Recommendations and Actuary’s Summary Statement for the Purposes of SPS 160	27
Appendix A – Summary of Plan Rules	31
Appendix B – Membership	36
Appendix C – Accounts and Summary of Assets	39
Appendix D – Funding Method	42

Executive Summary

Superannuation regulations and the Trust Deed of the smartMonday PRIME TEF - ASC 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 ASC 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 2024 is set out below.

	Defined Benefits only	Total Plan	Comments
Vested Benefits Index	121.4%	100.8%	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	121.9%	100.8%	The Plan remains in an adequate financial position. The Plan had a surplus on this basis of \$455,892.
Minimum Requisite Benefits Index	138.6%	101.3%	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 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)	
	1/07/2024 - 30/06/2029	1/07/2029 - onwards
C ¹	0.00%	0.00%
FRP2 ²	0.00%	12.00%
PT2 ²	0.00%	12.00%

¹ 13.3 percent of Superannuation Salary is credited from the Plan reserve to the Company Account as the Plan is on a contribution holiday.

² The Superannuation Guarantee (SG) contribution rate is to be paid (or credited from the Plan's reserve where on a contribution holiday) based on Ordinary Time Earnings (excluding bonus).

In addition, the following contributions are also payable:

- The following compulsory Defined Benefit Member contributions of Superannuation Salary:

Category	Member Contribution rate
C	5% p.a. (or 5.88% p.a. pre-tax)
FRP2	Nil
PT2	4.0% p.a. pre-tax

- The SG contribution rate on Bonus for Defined Benefit Members, if applicable (only required where the OTE salary (excluding bonus) is under the maximum contributions base); and
- Employer contributions of at least the Superannuation Guarantee rate of Ordinary Time Earnings in respect of Accumulation members and compulsory member contributions of 4 percent p.a. of Superannuation Salary on a pre-tax basis for accumulation categories CAS and PT1 are also payable.

These rates are the same as those currently being paid.

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

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 formulae and confirm that, in my view, they remain appropriate and the current insurance arrangement should be maintained.

Please refer to Section 6 for details.

Investment Recommendations

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

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

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 contribution rate. We note that the Plan's growth assets are over allocated at this time as the actual asset allocation to the more aggressive Balanced Growth investment option is around 60 percent compared to the strategic allocation of 50 percent.

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 3 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 2027. The Trustee may request that an interim actuarial investigation be carried out before this date. A funding position review will be performed at each 1 July between investigations. The next funding position review should be carried out as at 1 July 2025.

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

- an amendment to the benefits under the Plan;
- the replacement of the Plan's Benefit Certificate dated 16 October 2024;
- total salaries of all members increase by more than 20 percent in any one year;
- a change in the Defined Benefit related investment strategy of the Plan;
- the Vested Benefits at an annual review date are found, on completion of that annual review, to exceed the market value of the assets at the review date;
- the failure to insure death and total and permanent disablement benefits at least to the extent recommended in the most recent regular triennial actuarial investigation at 1 July 2024 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 16 October 2024 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
16 October 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 1.6 of the Trust Deed;
- to review the basis for insuring death and disability benefits; and
- to comment on any aspect of the Plan that may assist with improving its objectives.

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

Name of Actuary

This regular triennial actuarial investigation was carried out as at 1 July 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 17 December 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	724,830	518,455	444,059
An excess of Assets over the Vested Benefits	660,891	467,531	423,754
Summary of the recommended Employer contribution for DB members	From 1 July 2021 to 31 January 2022: <ul style="list-style-type: none"> ● Nil for Category C; and ● SG Rate for Category FRP2 and PT2. Nil for all from 1 February 2022 to 30 June 2026.		

The average long-term Employer contribution rate was 1.8 percent p.a. of Defined Benefit members' superannuation salaries as at 1 July 2021.

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

Section 2 – The Plan’s Experience

This section considers the assumptions used in the previous regular triennial actuarial investigation as at 1 July 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	4.4% p.a.	3.3% p.a. Comparable to the equivalent average return of funds with a similar investment strategy which was 3.3% p.a. ²	Unfavourable effect: The Defined Benefit assets increased at a lower rate than assumed. The Plan earned comparable returns to other funds with a similar investment mix.
Salary Increases ³	3.7% p.a.	4.4% p.a.	Unfavourable effect: The Defined Benefit liabilities increased at a higher rate than assumed.
Average Employer Contribution rate ⁴	Long-term rate of 1.8% p.a.	Recommended contribution holiday – i.e. a rate of nil.	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 (for the Category C member) ⁵	1.1% p.a. of all defined benefit members’ salaries	3.6% p.a. of all defined benefit members’ salaries	Unfavourable effect: The Defined Benefit assets, on average, have paid more expenses and premiums than assumed.

¹net of investment expenses and tax

²based on the Rainmaker benchmarking report issued for the period ending June 2024

³for existing Defined Benefit members over the investigation period

⁴Percent of Defined Benefit members’ salaries

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

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

- Membership movements:
 - Exits: 8 Defined Benefit members left the Plan mostly due to retirement during the triennial actuarial investigation period, which is lower than that assumed in the previous investigation. Overall 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 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 1.8 percent p.a. as shown in the table below. Therefore the Interest/Salary Differential is less conservative than used in the previous regular triennial actuarial investigation. The overall impact of these changes in assumptions, in isolation to all others, is that both the Actuarial Value of Accrued Benefits and the long-term contribution rate have decreased.

	Net investment return (p.a.)	Salary increase rate (p.a.)	Differential (p.a.)
Assumption as at 1 July 2021	4.40%	3.70%	0.70%
Assumption as at 1 July 2024	5.30%	3.50%	1.80%

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 current strategic allocation split of 50 percent in the Balanced Growth option and 50 percent in the Moderate 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:

Age Last	1 July 2024			1 July 2021		
	Resignation	Death and Disablement	Retirement	Resignation	Death and Disablement	Retirement
30	0	6	0	0	5	0
35	0	8	0	0	7	0
45	0	21	0	0	18	0
50	0	40	0	0	35	0
55	0	82	1,000	0	72	1,000
60	0	155	1,950	0	137	1,950
65*	0	0	10,000	0	0	10,000

* exact age

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

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

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
Total expense and insurance premium (for Category C members) assumption	1.1% p.a.	3.8% 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 dollar value of the average expenses over the two 3-year periods is relatively unchanged.

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 and the smaller number of Defined Benefit members.

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

Non-accruing Defined Benefit and 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 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 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 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 account balances and additional accounts for the Defined Benefit members.

Actuarial Value of Accrued Benefits (past service)	Total (\$)
Retirement	2,015,341
Death and Disablement	66,592
Resignation	0
Total of Defined Benefit related liabilities	2,081,933
Additional accounts for Defined Benefit members*	2,538,347
Accounts for Accumulation members**	50,674,144
Actuarial Value of Accrued Benefits	55,294,424
Assets***	55,750,316
Surplus/(Deficit)	455,892

*Includes the account balances for non-accruing Defined Benefit members that relate to the period after they ceased to be accruing Defined Benefit members.

**Includes any late retirees' liabilities.

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

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

The following table quantifies the various impacts on the financial position of the Plan since the last regular triennial actuarial investigation as at 1 July 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)	725
Interest on surplus/(deficit) ¹	44
Investment gains/(losses) ²	(25)
Employer contributions paid at a higher/(lower) rate than long-term rate ³	(107)
Expense gains/(losses) ⁴	(18)
Salary gains/(losses) ⁵	(41)
Change in basis gains/(losses) ⁶	26
Withdrawal gains/(losses) ⁷	(156)
Miscellaneous	8
Surplus/(deficit) as at the valuation date	456

¹ Interest on surplus over the period

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

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

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

⁵ A salary 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 2024 by \$455,892. This is equivalent to 21.9 percent of Defined Benefit liabilities (i.e. excluding accumulation members' benefits and Defined Benefit members' additional accounts) and 49.8 percent of total Defined Benefit salaries. Any excess can be used to suspend all Employer contributions (from 1 July 2024) for all Defined Benefit members (including the Employer contributions for frozen Defined Benefit members) for a period of 5 years. Defined Benefit member after tax contributions should continue to be paid at the specified rates.

Long-term Contribution Rate

The Defined Benefits long-term Employer contribution rate has increased since the last regular triennial actuarial investigation due to the change in assumptions relating to expenses and premiums (resulting from the reduced membership).

Present Value of Future Service Liability	Total (\$)
Retirement	18,954
Death and Disablement	246
Resignation	0
Total Defined Benefit related liabilities	19,200
Less member contributions for category C	5,954
Net Future Service Liability	13,246
Equivalent net future contribution rate	0.6%
Tax	0.1%
Expense allowance	3.8%
Death and TPD premiums [^]	0.0%
Employer contribution rate required for Future Service Benefits (p.a. salary)*	4.5%

[^] premiums for Category C members are included in the Expense allowance.

* Note that based on the current salaries one year of contributions at this rate of Defined Benefit salaries is approximately \$42,000.

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	136,537,027	100.9%	141.1%	55,042,987	101.3%	138.6%	A
Vested Benefits	137,161,537	100.5%	117.6%	55,303,310	100.8%	121.4%	A
Actuarial Value of Accrued Benefits	137,097,598	100.5%	119.7%	55,294,424	100.8%	121.9%	A
Accumulation Benefits³	133,412,860			53,212,491			B
Assets⁴	137,822,428			55,750,316			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 Accumulation members have been set equal to the active Accumulation members' benefits.

Vested Benefits Index

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

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 2024 was 121.4 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. 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 12 August 2024 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, the Trustee must apply the assets of the Plan in this order of priority:

- (a) to every Employee who was a Member at the relevant date of termination, that portion of the remaining assets which the Trustee after obtaining the advice of the Actuary determines to be held in the Plan in respect of each such Member or ex-Member;
- (b) only after providing a fair and reasonable portion of the remaining assets for affected Members and if applicable, ex-Members under paragraph (a) including having provided for or accrued and reserved for amounts sufficient out of those assets to satisfy all affected Members and if applicable, ex-Members Accumulated Credits, the Trustee shall identify, on the advice of the Actuary, if there exists a residual amount in the Plan in respect of each affected Employer;
- (c) any residual amount determined under paragraph (b) shall, if directed by the Employer concerned but subject always to the requirements of Superannuation Law and subject if required to the approval of the Superannuation Authority, be paid by the Trustee to that Employer.

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) 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:

Category C members

Insured Amount = Death/TPD benefit – Vested Benefit

Accumulation Members and Categories FRP2 and PT2

Insured Amount = Future service to age 65 in years and complete months x Accrual Rate x Salary

The accrual rate is $16\frac{2}{3}$ percent apart from non-contributory members where it is 5 percent.

Death & 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 (Death)	1 July 2024 (TPD)
	(\$)	(\$)
Total sums insured (A)	46,595,490	45,722,259
Plan Assets (B)	55,750,316	55,750,316
Funding excess/(shortfall) set aside for funding purposes (C)*	189,313	189,313
Plan Assets available to meet Death/TPD benefits (B)-(C)=(D)	55,561,003	55,561,003

Available on Death/TPD (A)+(D)=(E)	102,156,493	101,283,262
Total Death/TPD benefits (F)	101,999,476	101,126,245
Excess/(shortfall) (E) - (F)	157,017	157,017

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

Recommendation

I have reviewed the formulae and confirm that, in my view, they remain 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 in certain circumstances of disablement. This is a fully insured benefit, however the Plan remains liable for the payment of retirement, death, total and permanent disablement and resignation benefits if a member who receives a disability income benefit terminates service. Benefits are payable for a period of two years in the Plan.

Indemnity Insurance

The Trust Deed provides an indemnity to the Trustee against claims which may be made against it. This is secured against the Assets of the Fund including this Plan.

The Trustee has taken out trustee indemnity insurance to help protect the Trustee, its Directors and the Fund against certain liabilities, that is consistent with the size and nature of its business and industry standards. As with any insurance, the indemnity is subject to the terms and conditions of the relevant insurance policy.

Material Issues Arising From Insurance

There are no material issues arising from insurance, although the Trustee should periodically review that all insurance cover remains sufficient.

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 2024	Overall long-term Employer contribution rate as at 1 July 2024**
	(\$)	(p.a.)
This valuation (3.5% p.a./5.3% p.a.)	55,294,424	4.52%
Last valuation (3.7% p.a./4.4% p.a.)	55,320,854	4.50%
Last valuation with this valuation decrements (3.7% p.a./4.4% p.a.)*	55,321,055	4.51%
Salary inflation rate plus 1% p.a. (4.5% p.a./5.3% p.a.)	55,305,702	4.51%
Salary inflation rate minus 1% p.a. (2.5% p.a./5.3% p.a.)	55,290,475	4.54%
Investment return plus 1% p.a. (3.5% p.a./6.3% p.a.)	55,258,537	4.54%
Investment return minus 1% p.a. (3.5% p.a./4.3% p.a.)	55,332,773	4.51%

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

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

Based on the above results, the financial position of the Plan and the required Employer contribution will vary slightly depending on the actual experience of the Plan and particularly in relation to long-term investment returns.

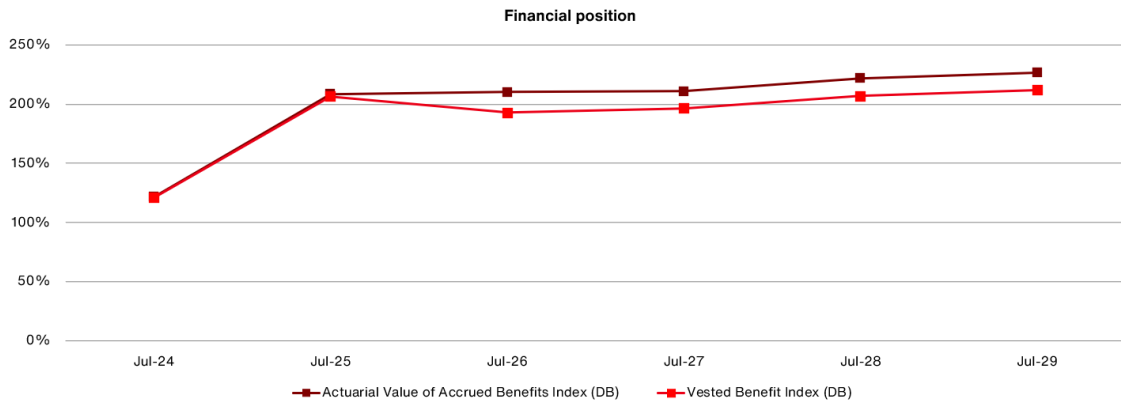
Post Valuation Events

The Plan has earned an average investment return of 4.0 percent from the date of the valuation to 8 October 2024. This is 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 121.4 percent at the valuation date to approximately 123.1 percent as at 8 October 2024. This has been taken into account in the recommended Employer contributions.

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

Projection of Future Liabilities

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



Assuming the Employer contributions are not less than the rates which I have recommended, I expect that on the assumptions, methods and asset values adopted in the valuation, that the Assets will become and remain sufficient to cover the value of these liabilities during the period up to 1 July 2029.

Note that the significant improvement in financial position expected over the next year to 1 July 2025 is due to the normal retirement of a number of members.

Section 8 – Material Risks

Financial Risk

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

Other strategies to mitigate these risks are:

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

Employer Financial Viability

The future of the Plan relies on the Employer remaining a viable entity and being willing and able to pay contributions as and when needed. The Trustee should discuss the valuation report with the Employer and ensure the Employer understands the recommendations before agreeing to the contribution rates.

Plan Specific Risks

Size of the Plan

The defined benefit section of the Plan has 6 members and \$3.1m of defined benefit related assets remaining. As a result, the Plan is exposed to additional risks than when it was larger. In particular, given the number of members remaining the "law of averages" may no longer hold and actual experience of the remaining few members may be significantly different to the assumptions adopted for funding calculations. This can result in a more volatile funding position, with the experience of just one member now having a proportionately larger impact.

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

- Member data, particularly salary data, which if not accurate and up-to-date can have a larger (negative) impact on funding once updated. Allowing for potential future salary increases for key personnel and for any known defined benefit member exits can be taken into account in future funding position projections.

- Many costs are not directly linked to the number of members or asset value of the Plan. Therefore the expenses will have a greater impact on the funding position and/or the Employer contribution rates required. Similarly, any cost associated with legislative or other changes will also impact the funding position.
- As member numbers decline, so too can the remaining lifetime of the Plan. The assumptions adopted for funding purposes and in setting the investment strategy may have considered a longer time horizon and now may need to change to reflect the shorter timeframe.

Investment Policy

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

- **Liquidity Risk** – the risk that illiquid assets or large cashflows from the Plan cause the payment of benefits to be delayed or assets to be sold at reduced values to meet liability obligations.
smartMonday PRIME mitigates this risk by holding limited illiquid investments and holding a small cash float to facilitate switches and withdrawals.
- **Concentration Risk** – the risk that investments are concentrated in one particular asset class, country or manager, the poor performance of which could cause a material effect on the investment return.
smartMonday PRIME mitigates this risk by investing across a number of asset classes each within lower and upper asset class limits, and within each asset class holding a diversified portfolio of securities, and where relevant, across currencies and geographies.

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

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

Recommendations

Future Contribution Recommendations

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

Category	Employer Rate for defined benefit members	
	(% p.a. of salaries)	
	1/07/2024 - 30/06/2029	1/07/2029 - onwards
C ¹	0.00%	0.00%
FRP2 ²	0.00%	12.00%
PT2 ²	0.00%	12.00%

¹13.3 percent of Superannuation Salary is credited from the Plan reserve to the Company Account as the Plan is on a contribution holiday.

²The Superannuation Guarantee (SG) contribution rate is to be paid (or credited from the Plan’s reserve where on a contribution holiday) based on Ordinary Time Earnings (excluding bonus).

In addition, the following contributions are also payable:

- The following compulsory Defined Benefit Member contributions of Superannuation Salary:

Category	Member Contribution rate
C	5% pa (or 5.88% pa pre-tax)
FRP2	Nil
PT2	4.0% pa pre-tax

- The SG contribution rate on Bonus for Defined Benefit Members, if applicable (only required where the OTE salary (excluding bonus) is under the maximum contributions base); and
- Employer contributions of at least the Superannuation Guarantee rate of Ordinary Time Earnings in respect of Accumulation members and compulsory member contributions of 4 percent p.a. of Superannuation Salary on a pre-tax basis for accumulation categories CAS and PT1 are also payable.

These rates are the same as those currently being paid.

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

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 (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. This will need to be reviewed if the Trustee changes the investment strategy.

Insurance Recommendations

I have reviewed these formulae (see Section 6) and confirm that, in my view, they remain appropriate.

Investment Recommendations

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

In my opinion the 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. We note that the Plan's growth assets are over allocated at this time as the actual asset allocation to the more aggressive Balanced Growth investment option is around 60 percent compared to the strategic allocation of 50 percent. A change to a less growth-oriented investment option may increase the long-term costs of running the Plan but will reduce fluctuations in the contribution rates in the short-term. If required, we can consider the financial impact of such a change.

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

Crediting Rate Recommendations

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

Monitoring Recommendations

I have reviewed the current practice of carrying out a funding position review on an annual basis between triennial actuarial investigations and confirm that, in my view, it remains appropriate based on the current and expected financial position over the next 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 TESH - ASC 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 value of the Accumulation members' benefits as the value for Accumulation member assets, was \$55,750,316 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 8 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 \$55,294,424 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 \$2,669,395 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 \$3,125,287.
- 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

16 October 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 C – Defined Benefit Members

Category FRP2 and PT2 – Non-accruing Defined Benefit Members

Plan Structure

The smartMonday PRIME TESH - ASC Superannuation Plan (the Plan) is a Defined Benefit plan and is constituted by a Trust Deed originally dated 25 June 1990. Since the initial actuarial investigation of the Prior Fund, the Deed was amended in November 2018. This amendment transferred the previous fund into the Aon Master Trust (now Smart Future Trust) on a successor fund basis. Since the last regular triennial actuarial investigation the Deed has not been amended.

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.

Salary

The ordinary annual rate of salary or wages excluding commissions, bonuses, overtime payments and any other additional payments. Contributions are paid on part-time salary (i.e. Salary x Fraction).

Final Average Salary

Final Average Salary (FAS) is the highest three-year consecutive average of the Defined Benefit member's Salaries earned within the five years immediately preceding the earlier of the date of leaving service and the Normal Retirement Date. Full-time equivalent salary is used for part-time members.

Projected Final Average Salary is the FAS calculated at the NRD assuming Salary remained unaltered until the member reached NRD.

Service

Membership

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

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 C	5 percent p.a. after-tax or 5.88 percent p.a. pre-tax (net contributions accumulate with Investment earnings in the Member Account)
Category FRP2	Nil
Category PT2	4.0 percent p.a. of salary pre-tax

Employer

Balance of Costs

Note that 13.3 percent p.a. of Salary is accumulated with investment earnings in the Company Account for the Category C member.

Benefits

Normal Retirement Benefit (NRB)

Category C

The greater of:

- 16.67 percent times Final Average Salary times Membership; and
- Member Account plus Company Account.

Category FRP2 and PT2 (i.e. non-accruing Defined Benefit members)

The sum of:

- The greater of:
 - 16.67 percent times Final Average Salary times Membership in years and complete months whilst an accruing Defined Benefit member; and
 - Basic Account (which is the Crystallised Defined Benefit entitlement account).

And

- Accumulation Accounts

Accumulation

The sum of account balances.

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

Category C

The Death Benefit before age 65 is a lump sum equal to the Normal Retirement Benefit but based on Projected FAS.

Plus any voluntary insurance cover the member has elected and been approved for.

Category FRP2 and PT2 (i.e. non-accruing Defined Benefit members)

The Death Benefit before age 65 is a lump sum equal to the Normal Retirement Benefit but based on Projected FAS plus an insured amount based on:

Insured Amount = Future service to age 65 in years and complete months $\times 16\frac{2}{3}$ percent \times Salary

Where: the Accrual rate is $16\frac{2}{3}$ percent except for non-contributory members where it is 5 percent

Total and Permanent Disablement (TPD) Benefit

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

Total and Temporary Disablement Benefit

75 percent of salary payable in monthly instalments. This income is payable after a 30 day waiting period and for a maximum period of 24 months.

Resignation Benefit

Category C

The sum of:

- Member Account; and
- Company Account

Category FRP2 and PT2 (i.e. non-accruing Defined Benefit members)

The Basic Account

Accumulation

The sum of account balances.

Retrenchment Benefit

No specific retrenchment benefit is payable, however the member can receive their Leaving Service Benefit or Early Retirement Benefit (if eligible).

Plan Termination Benefits

In the event of the termination of the Plan, the Trustee must apply the assets of the Plan in this order of priority:

- (a) to every Employee who was a Member at the relevant date of termination, that portion of the remaining assets which the Trustee after obtaining the advice of the Actuary determines to be held in the Plan in respect of each such Member or ex-Member;
- (b) only after providing a fair and reasonable portion of the remaining assets for affected Members and, if applicable, ex-Members under paragraph (a), including having provided for or accrued and reserved for amounts sufficient out of those assets to satisfy all affected Members' and, if applicable, ex-Members' Accumulated Credits, the Trustee shall identify, on the advice of the Actuary, if there exists a residual amount in the Plan in respect of each affected Employer;
- (c) any residual amount determined under paragraph (b) shall, if directed by the Employer concerned but subject always to the requirements of Superannuation Law and subject if required to the approval of the Superannuation Authority, be paid by the Trustee to that Employer.



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.

Partial Withdrawals

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

Appendix B – Membership

Changes in Membership 1 July 2021 – 1 July 2024

	1 July 2021
Active DB Membership at 1 July 2021	14
Plus	
New Entrants	0
Transfers from other funds	0
Transfers from other categories	0
Less	
Transfer to other funds	0
Transfers to other categories	0
Deaths	0
Total and Permanent Disablement	0
Early retirements	3
Normal retirements	4
Resignations	1
Retrenchments	0
Late retirements	0
Active DB Membership at 1 July 2024	6*

* This includes 1 Category C member who continues to accrue a defined benefit for future service.

In addition:

- There were 307 Accumulation members at the valuation date with total salaries of \$30,247,756.
- Two Defined Benefit members had pending benefit payments of \$993,375 which has not been included in the assets or liabilities for the purposes of this report.

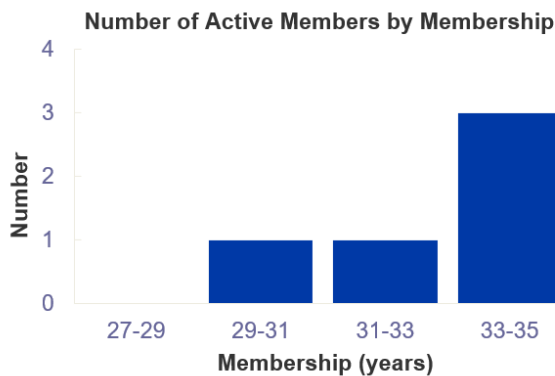
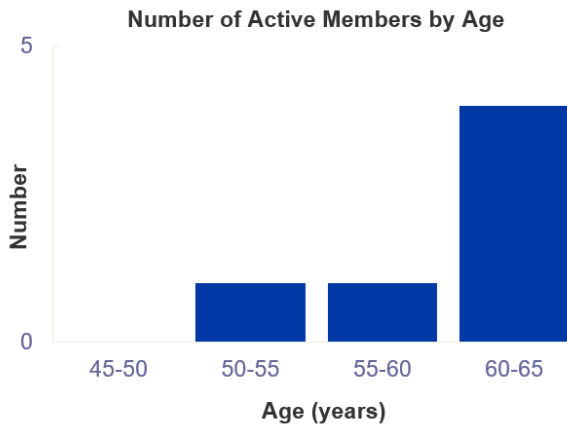
Membership Characteristics as at 1 July 2024

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 for comparison:

Defined Benefit active members	1 July 2021	1 July 2024
Number of members	14	6
Average age (years)	59.8	61.5
Average membership (years)	30.7	33.0
Total annual salary (\$)	2,641,438	916,351
Average annual salary (\$)	188,674	152,725

By age and Membership

The following graphs outline the distribution by age and membership of the 6 active Defined Benefit members:



Quality of Data

Member data was received electronically and was in good order for the purposes of preparing this Report. Defined benefit individual membership data as well as Defined Benefit asset information was reconciled to the last regular triennial actuarial investigation data.

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 & 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 1 July 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)	137,822,428	98,894,475	61,895,138	137,822,428
Accumulation accounts at start of period (B)	126,531,457	90,740,969	56,311,017	126,531,457
Defined Benefit related Plan Assets at start of period (C) = (A) - (B)	11,290,971	8,153,506	5,584,121	11,290,971
Plus				
Member contributions	82,866	9,393	38,957	131,216
Employer contributions	107,932	40,668	61,372	209,972
Rollovers/transfers in	10,587	0	0	10,587
Investment income (including capital appreciation/depreciation)	(366,749)	625,656	455,489	714,396
Sundry income	0	0	0	0
Less				
Group Life premiums (net of rebates)	15,531	9,813	18,180	43,523
Benefits (net of insurance recoveries)	2,900,880	3,197,608	993,375	7,091,863
Transfers out to other funds	0	0	0	0
Administration and other charges	31,319	36,501	37,784	105,604
Income tax	24,372	1,181	14,427	39,980

Other taxes	0	0	0	0
Others	0	0	0	0
Defined Benefit related Plan Assets at end of period (D)	8,153,506	5,584,121	5,076,172	5,076,172
Accumulation accounts at end of period (E)	90,740,969	56,311,017	50,674,144	50,674,144
Plan Assets at end of period (F) = (D) + (E)	98,894,475	61,895,138	55,750,316	55,750,316

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 may invest their account balances in any option. Members who do not choose an investment option will have their account balances invested in the MySuper default option.

Defined Benefit members can invest their additional account balances in any option and, if no election is made, they are invested in the Balanced Growth Option but all other account balances (i.e. those that relate to the Defined Benefit) are invested in the Balanced Growth Option and Moderate Option.

A breakdown of the Defined Benefit assets (excluding additional accounts of Defined Benefit members) at 1 July 2024 is as follows:

By Option*	1 July 2021	1 July 2024
	(%)	(%)
Balanced Growth	62.0%	60.4%
Moderate	38.0%	39.6%
Total	100.0%	100.0%

*We note that the Balanced Growth - Active Option is now the Balanced Growth Option and the Moderate - Active Option is now the Moderate Option. We understand that there is no significant change to the underlying strategic asset allocation.

By Asset Class	1 July 2021	1 July 2024
(based on benchmark asset allocation)	(%)	(%)
Australian Shares	21.3	22.6
International Shares	21.3	22.0
Property	6.0	6.0
Alternatives Asset - growth	8.1	5.4
Alternatives Asset - defensive	6.8	7.4
Australian Fixed Interest	16.8	28.3
International Fixed Interest	15.3	4.0
Cash	4.4	4.4
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:

By 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	-4.3%	8.7%	9.4%	4.4%
Moderate	-5.3%	4.2%	5.9%	1.5%

The approximate Defined Benefit return (net of expenses and tax), for the 3 years to 1 July 2024 was 3.3 percent p.a.

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.

Death and Disablement Benefits

Based on the member's Death and Disablement Benefit x membership at date of valuation/potential membership to Normal Retirement Date.

Resignation Benefit

In the case of benefits based on the accumulated value of contributions made to the Plan, the past component is based on the accumulated contributions with investment earnings to the valuation date, allowing for future expected investment earnings, vesting and discounted from the projected date of resignation to the valuation date.

Superannuation Guarantee Minimum Benefit

For Category C Superannuation Guarantee benefits, the past component is based on members' actual accrued multiple as at the valuation date.

In the case of Superannuation Guarantee benefits for non-accruing DB categories FRP2 and PT2, 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.

Contact Information

Su Li Sin

Director & Actuary

Aon Risk Services Australia Limited

Wealth Solutions

+61 2 9253 7113

su.li.sin@aon.com

Aon Risk Services Australia Limited

ABN 17 000 434 720

AFSL No 241141

Level 33

201 Kent Street

Sydney NSW 2000

Australia



About Aon

[Aon plc](#) (NYSE: AON) exists to shape decisions for the better — to protect and enrich the lives of people around the world. Through actionable analytic insight, globally integrated Risk Capital and Human Capital expertise, and locally relevant solutions, our colleagues in over 120 countries provide our clients with the clarity and confidence to make better risk and people decisions that protect and grow their businesses.

Follow Aon on [LinkedIn](#), [X](#), [Facebook](#) and [Instagram](#). Stay up-to-date by visiting Aon's [newsroom](#) and sign up for news alerts [here](#).

© 2024 Aon Risk Services Australia Limited ABN 17 000 434 720 AFSL No 241141 (Aon)

Aon has taken care in the production of this document and the information contained in it has been obtained from sources that Aon believes to be reliable. Aon does not make any representation as to the accuracy of the information received from third parties and is unable to accept liability for any loss incurred by anyone who relies on it. The recipient of this document is responsible for their use of it.