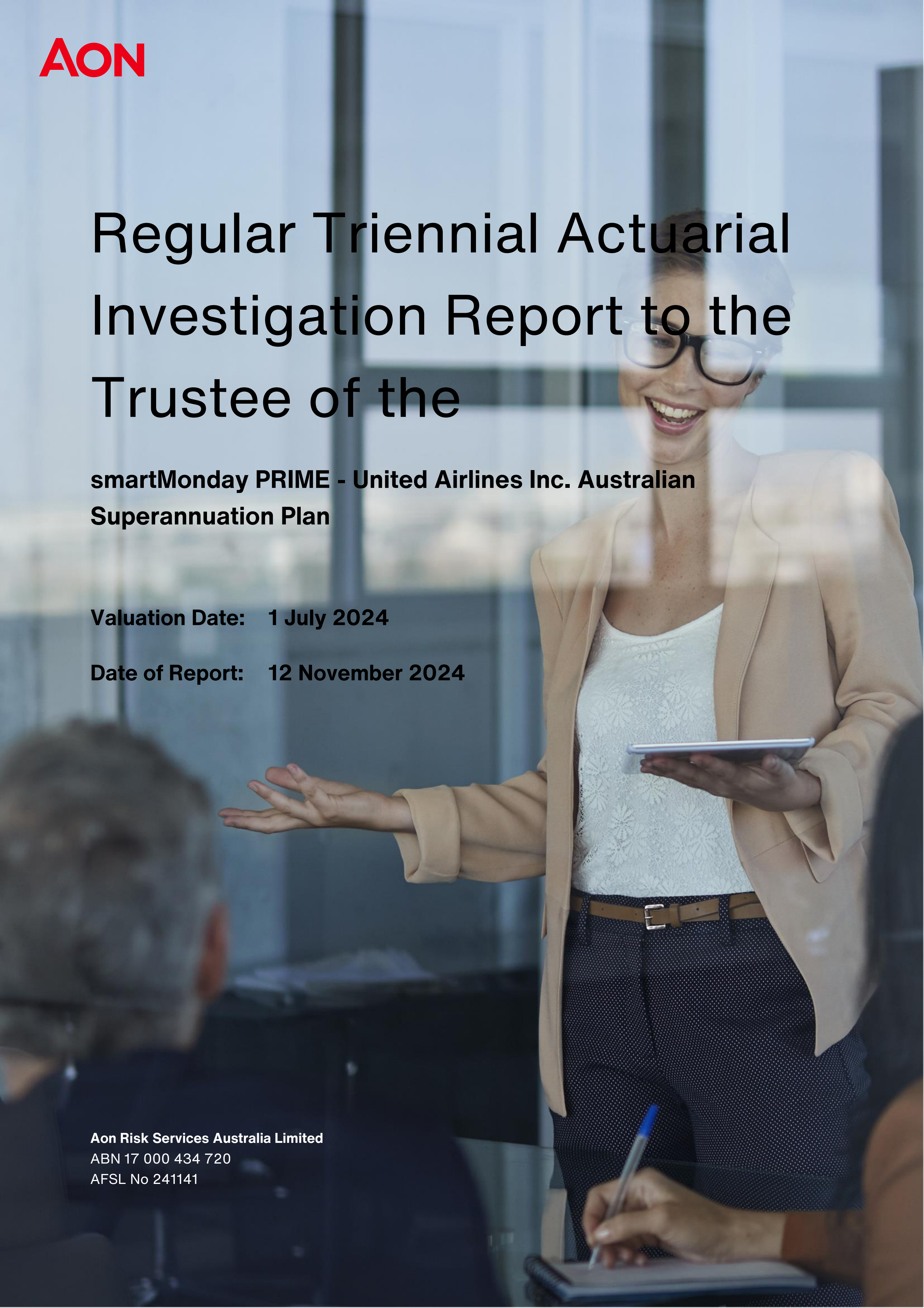

Regular Triennial Actuarial Investigation Report to the Trustee of the

smartMonday PRIME - United Airlines Inc. Australian Superannuation Plan

Valuation Date: **1 July 2024**

Date of Report: **12 November 2024**

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

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Executive Summary

Superannuation regulations and the Trust Deed of the smartMonday PRIME - United Airlines Inc. Australian 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 United Airlines Inc. (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	109.4%	106.1%	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	98.9%	99.3%	The Plan is in an inadequate financial position. The Plan had a deficit on this basis of $69,460.
Minimum Requisite Benefits Index	139.4%	123.2%	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

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

Significant Events

The actual return on the Plan assets from 1 July 2021 to 30 June 2022 was -6.8 percent, which is more than 10 percent below the net investment return assumption of 5.0 percent. However, the Plan assets earnings improved at the date the AASB1056 report as at 1 July 2022 was issued and considering the surplus in the Plan at that time I did not consider this as a notifiable event in relation to the Funding and Solvency Certificate of the Plan. The Plan assets earnings has improved significantly since then up until this valuation date.

Similarly, defined benefit members' salaries increased by 12.8 percent in the year to 30 June 2024. However, these were in some cases, related to two years' worth of salary increases, so I do not consider it a notifiable event in relation to the Funding and Solvency Certificate of the Plan.

Significant Changes to the Plan Benefits

There were no significant changes to the Plan benefit structure.

Employer Contribution Recommendations

I recommend that the Employer 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])[2]		
	1/07/2024 - 31/12/2024	1/01/2025 - 31/12/2027	1/01/2028 - onwards
A (including FA)	13.00%	22.70%	25.00%

[1]The Superannuation Guarantee (SG) contribution rate is to be paid based on Ordinary Time Earnings (excluding bonus) and the balance of the contribution rate is paid on the Superannuation Salary.

[2] Incorporates the 3 percent Award contributions, payable on Ordinary Time Earnings (excluding bonus).

In addition, the following contributions are also payable:

- The SG contribution rate on bonus, if applicable.
- Employer contributions of at least the required contributions to meet Superannuation Guarantee legislation as per the Plan's Benefit Certificate in respect of Accumulation members (including Late Retirees if any).

The rates from 1 January 2025 are higher than those currently being paid.

The Employer contributions in respect of Defined Benefit members must be paid by the 28th day of the month following the month to which they relate 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.

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

Category	Employer Rate for DB Members (% p.a. of Salaries[1])[2]
A	22.7%
FA	23.2%

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

[2] Incorporates 3 percent Award contributions, payable at Ordinary Time Earnings (excluding bonus).

Please refer to Section 4 for details.

Shortfall Limit Recommendations

I have reviewed the Shortfall Limit of 98.0 percent and confirm that, in my view, it remains appropriate.

Please refer to Section 5 for details.

Insurance Recommendations

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

Please refer to Section 6 for details.

Investment Recommendations

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

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

For more information refer to Appendix C.

Crediting Rate Recommendations

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

Monitoring Recommendations

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

Actuarial Assumptions

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

Material Risks

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

Please refer to Section 8 for details.

Next Actuarial Investigation

The next regular triennial actuarial investigation of the Plan should be carried out with an effective date of 1 July 2027. 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. 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 dated 12 November 2024 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
12 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 the requirements 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 also completed by Su Li Sin, as at 1 July 2021. The results are shown in the report dated 6 December 2021. The previous funding position reviews as at 1 July 2022 and 1 July 2023 were also completed by Su Li Sin, and the results are shown in the letters dated 21 October 2022 and 8 November 2023 respectively.

Compliance with the Standards of the Institute of Actuaries of Australia

This report satisfies the requirements of the Professional Standards (including Professional Standards 400, 402 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 the 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 and the funding position reviews 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	$690,996	$69,404	$262,549
An excess of Assets over the Vested Benefits	$1,173,994	$606,664	$676,514
Summary of the recommended Employer contribution for DB members	• 15.6% p.a. of DB Salaries from 1 July 2021 to 31 December 2021 • 10% p.a. of DB Salaries from 1 January 2022 onwards Plus 3% p.a. award contributions on Ordinary Time Earnings (excluding bonus)		

The average long-term Employer contribution rate was 20.3 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]	5.0% p.a.	4.0% p.a.	Unfavourable effect: The Defined Benefit assets increased at a lower rate than assumed.
		Below the equivalent average return of funds with a similar investment strategy which was 4.3%[2] p.a.	The Plan earned lower returns than other funds with a similar investment mix.
Salary Increases[3]	3.5% p.a.	5.7% p.a.	Unfavourable effect: The Defined Benefit liabilities increased at a higher rate than assumed.
Average Employer Contribution rate[4,5]	Recommended rate (averaged based on category and period) of 13.4% p.a.	Long-term rate of 20.3% 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[4,6]	2.5% p.a. for Expenses	3.5% p.a. for Expenses	Unfavourable effect: The Defined Benefit assets, on average, have paid more expenses and premiums than assumed.
	2.1% p.a. for Death and TPD insurance premiums	3.4% p.a. for Death and TPD insurance premiums	

[1]net of investment expenses and tax.

[2]based on the Rainmaker's Top 50 Workplace Super-Balanced Investment Options report, median return over the past 3 years to 30 June 2024.

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

[4]Percent of Defined Benefit members' salaries.

[5]These rates include the 3 percent award contribution rate.

[6]As 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 was higher than assumed.

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

- Membership movements:
  - Exits: Six Defined Benefit members left the Plan due to early retirement/resignation during the triennial actuarial investigation period, which is lower than that assumed in the previous investigation. Overall, total benefits paid were less than the amounts reserved and therefore, in isolation, this has led to a favourable 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.

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

	Net Investment Return (p.a.)	Salary Increase Rate (p.a.)	Differential (p.a.)
Assumption as at 1 July 2021	5.00%	3.50%	1.50%
Assumption as at 1 July 2024	5.70%	3.50%	2.20%

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

- The investment return assumption was derived using long-term assumptions for each asset class net of tax as determined by Aon's global investment team, multiplied by the strategic asset allocation of the Defined Benefit related assets (based on 100 percent in the Balanced Growth option, known as Balanced Growth – Index option prior to 1 June 2024) and allowing for correlations of investment returns between asset classes and investment fees;
- We expect that inflation will return to the RBA target of 2 percent p.a. to 3 percent p.a. We have assumed CPI will be 2.5 percent p.a.;
- The long-term outlook for investment returns being somewhat higher than those earned in the last three years; and
- The salary increase rate assumption was determined based on the forecast increases in Average Weekly Ordinary Time Earnings (AWOTE), the Employer's expectations and past experience.

Demographic Assumptions

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

The assumption for leaving service has been updated from the last regular triennial actuarial investigation based on the Plan's past experience and the recent membership profile. The impact of this change in isolation is to create a small increase in the liabilities.

All other demographic assumptions remain unchanged and appropriate for the valuation.

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	**Resignation**	**Death and Disablement**	**Retirement**	**Resignation**	**Death and Disablement**	**Retirement**
30	1,000	8	0	1,500	6	0
35	1,000	10	0	1,333	7	0
45	500	28	0	800	20	0
50	500	55	0	667	40	0
55	0	115	1,000	0	83	1,000
60	0	219	2,400	0	158	2,400
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 remaining members in the Plan (i.e. members receive the same benefit as if they had resigned or retired, as applicable).

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)	2.5% p.a.	3.0% p.a.
Death and TPD insurance premiums (% p.a. of Defined Benefit members' salaries)	2.1% p.a.	4.0% p.a.
Total expense and insurance premium assumption	**4.6% p.a.**	**7.0% p.a.**

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

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

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

Accumulation members' expenses and insurance premiums for Death or TPD and SCI insurance are deducted from members' accounts 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 increased the expected cost of providing Defined Benefits to the members of the Plan.

Section 4 – Actuarial Value of Accrued Benefits

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

Actuarial Value of Accrued Benefits (past service)	**Total $**
Retirement	5,395,515
Death and Disablement	609,808
Resignation	527,560
Total of Defined Benefit related liabilities	**6,532,883**
Additional accounts for Defined Benefit members	2,446,764
Accounts for Accumulation members*	786,857
Actuarial Value of Accrued Benefits	**9,766,504**
Assets**	**9,697,044**
Surplus/(Deficit)	**(69,460)**

* there are no late retirees as at date of valuation.
**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.

	Total ($ 000)
Previous surplus/(deficit)	**691**
Interest on surplus/(deficit)[1]	(14)
Investment gains/(losses)[2]	(40)
Employer contributions paid at a higher/(lower) rate than long-term rate[3]	(500)
Expense gains/(losses)[4]	(158)
Salary gains/(losses)[5]	(315)
Change in basis gains/(losses)[6]	89
Withdrawal gains/(losses)[7]	141
Member Data Changes[8]	9
Miscellaneous	28
Surplus/(deficit) as at the valuation date	**(69)**

[1] Interest on surplus/(deficit) over the period. The negative return during FY2022 exceeds the postive return during the other periods.

[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 gain occurs when the benefits paid are lower than reserved for in the Plan.

[8]This reflects the change in working hours for two members.

Managing a Deficit of Assets

Total assets are less than the Actuarial Value of Accrued Benefits by $69,460. This is equivalent to 1.1 percent of Defined Benefit liabilities (i.e. excluding accumulation benefits and Defined Benefit members' additional accounts) and 2.8 percent of Defined Benefit salaries. Therefore, Employer contributions will need to be increased to a rate higher than the current rate the Employer is paying to meet members' benefit payments as they fall due (at least the long-term rates or more as needed).

As Vested Benefits are covered by assets, this deficit can be reduced over a number of years. This can be achieved by:

a) increasing the Employer contribution rate to the calculated long-term rate (22.7 percent p.a.) effective 1 January 2025; and
b) further increasing the Employer contribution rate to 25 percent p.a. from 1 January 2028.

Long-term Contribution Rate

The Defined Benefits long-term Employer contribution rate has increased since the last regular triennial actuarial investigation due largely to the change in actuarial assumptions.

Present Value of Future Service Liability	**Total ($)**
Retirement	1,496,732
Death and Disablement	157,215
Resignation	75,811
Total of Defined Benefit related liabilities	**1,729,758**
Less member contributions	0
Net Future Service Liability	**1,729,758**
Equivalent net future contribution rate	13.4%
Tax	2.3%
Expense allowance	3.0%
Death and TPD premiums	4.0%
Employer contribution rate required for Future Service Benefits (p.a. salary)	**22.7%**

Note: figures in the table above include the 3 percent Award contributions.

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 Accumulation members for the purpose of this regular triennial actuarial investigation. The financial statement of Smart Future Trust, which includes 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 Benefit	7,683,012	132.4%	149.2%	7,869,051	123.2%	139.4%	A
Vested Benefit	8,996,364	113.0%	118.4%	9,140,979	106.1%	109.4%	A
Actuarial Value of Accrued Benefits	9,479,362	107.3%	110.1%	9,766,504	99.3%	98.9%	A
Accumulation Benefits[3]	2,627,774			3,233,621			B
Assets[4]	10,170,358			9,697,044			C

[1]Index is C/A.

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

[3]The accumulation benefits are inclusive of additional accounts for Defined Benefit members (including surcharge accounts) and active Accumulation members' benefits. Note that the 3 percent Award account has been included in the Defined Benefit liabilities.

[4]Assets 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. 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 109.4 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 20 August 2024 excluded Defined Benefit members’ additional accounts, the Award account 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 inadequate level at the valuation date.

Termination of the Plan

In the event of the termination of the Plan, all assets available at that time, net of accruals and expenses, would be distributed to members to the extent of their “termination liabilities” as per the Employer Application Agreement with the Trustee of smartMonday, namely as follows:

a. Provide benefits to Members, their Dependants or Personal Legal Representative who were already entitled to be paid a benefit from the Plan;

b. Provide benefits to Members that they are entitled to as if they voluntarily left service;

c. Provide benefits to members, their Dependants or personal Legal Representatives who may have become eligible for a retirement benefit or a benefit payable in respect of death or disablement during the notice period; and

d. Divide the balance of the Plan’s assets amongst the remaining Members of the Plan in such proportions as an actuary certifies as being the member’s Reserve in the Plan.

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 formula used to determine the amount to be insured are as follows:

Defined Benefit Members

Insured Amount = Death or TPD benefit - Vested Benefit

Accumulation Members

Accumulation members are provided with the Standard Minimum Death and TPD insurance cover under smartMonday PRIME and members can elect not to have this cover.

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

The table in the next page 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)	7,412,871
Plan Assets (B)	9,697,044
Amount of Assets, if any, set aside for funding purposes (C)*	31,690
Plan Assets available to meet Death or TPD benefits (B)-(C)=(D)	9,665,354
Available on Death or TPD (A)+(D)=(E)	17,078,225
Total Death or TPD benefits (F)	16,553,850
Excess/(shortfall) (E) - (F)	524,375

* a portion of the assets is set aside for funding purposes to make allowance for the recommended contribution rate being lower than the long-term Employer contribution rate for the period to 31 December 2024 and therefore this cannot be considered for Death or TPD purposes.

Recommendation

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

Indemnity Insurance

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

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

Material Issues Arising From Insurance

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

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Section 7 – Sensitivity Analysis and Projections

Assumption Variation

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

Assumptions (salary increase rate/long-term investment return)	Actuarial Value of Accrued Benefits as at 1 July 2024	Overall Long-term Employer Contribution Rate as at 1 July 2024**
	($)	(p.a.)
This Valuation (3.5% p.a./5.7% p.a.)	9,766,504	22.7%
Last valuation (3.5% p.a./5.0% p.a.)	9,855,856	23.1%
Last valuation with this valuation decrements (3.5% p.a./5.0% p.a.)*	9,926,804	23.2%
Salary increase rate plus 1% p.a. (4.5% p.a./5.7% p.a.)	9,937,032	23.2%
Salary increase rate minus 1% p.a. (2.5% p.a./5.7% p.a.)	9,616,928	22.2%
Investment return plus 1% p.a. (3.5% p.a./6.7% p.a.)	9,562,437	22.0%
Investment return minus 1% p.a. (3.5% p.a./4.7% p.a.)	10,002,722	23.4%

* 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 depending on the actual experience of the Plan and particularly in relation to salary increases and long-term investment returns. If the increase in salaries of Defined Benefit members is 1 percent p.a. higher than the assumed rate, the long-term cost to the Employer will be 0.5 percent p.a. higher than that based on the assumptions used for this valuation. If long-term investment returns are 1 percent p.a. higher than assumed, the long-term Employer contribution rate decreases by 0.7 percent p.a.

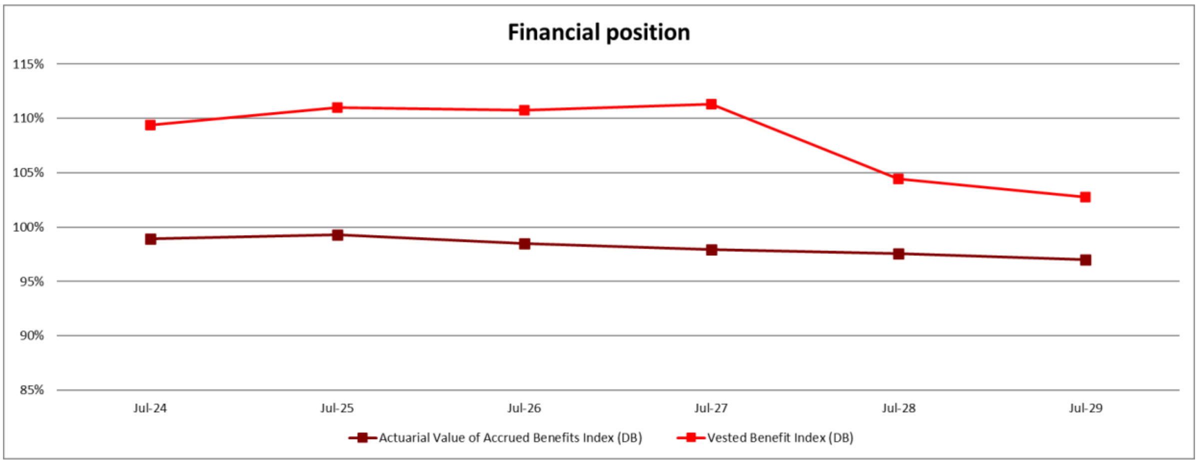
Post Valuation Events

The Plan has earned an average investment return of 4.5 percent from the date of the valuation to 4 November 2024. This is significantly higher than the rate assumed for the valuation and has 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 109.4 percent at the valuation date to approximately 110.2 percent as at 4 November 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 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 remain sufficient to cover the vested benefits during the period up to 1 July 2029 and is not expected to cover the Actuarial Value of Accrued liabilities over the same period but is expected to remain at a reasonable level.

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 Risk

Early Retirement Benefits for Defined Benefit Members

The Plan design generally provides a significant increase in benefits when first moving from a resignation benefit to an early retirement benefit at age 55 for Defined Benefit members. The Trustee and Employer should monitor any trend for members to retire early before age 65 and check that benefit payments will not detrimentally affect the financial position of the Plan.

As illustrated in the graph in Section 7, should the younger members currently below age 55 continue to remain in the Plan until their early retirement age, then there would be a need to increase the recommended contribution rate in the future so that members' benefits remain fully funded.

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])[2]		
	1/07/2024 - 31/12/2024	1/01/2025 - 31/12/2027	1/01/2028 - onwards
A (including FA)	13.00%	22.70%	25.00%

[1]The Superannuation Guarantee (SG) contribution rate is to be paid based on Ordinary Time Earnings (excluding bonus) and the balance of the contribution rate is paid on the Superannuation Salary.

[2] Incorporates the 3 percent Award contributions, payable on Ordinary Time Earnings (excluding bonus).

In addition, the following contributions are also payable:

- The SG contribution rate on bonus, if applicable.
- Employer contributions of at least the required contributions to meet Superannuation Guarantee legislation as per the Plan's Benefit Certificate in respect of Accumulation members (including Late Retirees if any).

The rates from 1 January 2025 are higher than those currently being paid.

The Employer contributions in respect of Defined Benefit members must be paid by the 28th day of the month following the month to which they relate 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/Employer (unless, after reviewing the details of a specific event which would otherwise be classified as a notifiable event, the Actuary advises the Trustee in writing that such an event does not constitute a notifiable event).

Shortfall Limit Recommendations

I have reviewed the Shortfall Limit of 98.0 percent (see Section 5) and confirm that, in my view, it remains appropriate.

Insurance Recommendations

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

Investment Recommendations

In my opinion the investment strategy is appropriate to meet:

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

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

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

Crediting Rate Recommendations

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

Monitoring Recommendations

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

Disclaimer

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

Actuary's Statement for the Purposes of SPS 160

I have conducted a regular triennial actuarial investigation of the smartMonday PRIME - United Airlines Inc. Australian 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 $9,697,044 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 4 November 2024.

2) The value of the Assets of the Plan was inadequate to meet the value of liabilities of the Plan in respect of the Actuarial Value of Accrued Benefits of $9,766,504 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 $5,020,575 which was calculated in accordance with Practice Guideline 499.06 (this excludes additional accounts for Defined Benefit members, the 3 percent Award accounts and Accumulation members' benefits) The relevant value of Defined Benefit related assets for AASB 1056 was $4,951,115.

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 become and continue to be adequate to meet the liabilities of the Plan and I expect the Plan to remain in a satisfactory financial position as defined in the SIS Regulations.

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

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

12 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 A – Permanent Employees on invitation to this category by the Employer. However, due to the APRA requirement to have a minimum of 50 Defined Benefit members for new members to be eligible to enter the category, or APRA approval to allow new members where there are less than 50 Defined Benefit members, it is unlikely further new members will be admitted to this category.

Category B – Accumulation Members including Late Retirees. Casual Employees or Late Retirees or any Permanent Employee not invited to be a Category A member. Due to the difficulty in entering members into Category A, all new employees effectively join this category.

Plan Structure

The smartMonday PRIME - United Airlines Inc. Australian Superannuation Plan (the Plan) is a Defined Benefit plan and is constituted by a Trust Deed originally dated 1 January 1987 and replaced on 27 June 1990.

All new entrants to the Plan would generally join the accumulation sections, as noted above.

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)

Coincident with or following a Member's 55th Birthday.

Salary

The ordinary full-time equivalent 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

The highest average of Salary over any 36 consecutive months for the entire period of employment or any such lesser total period of employment immediately preceding the relevant date of determination.

Vesting Factor

The vesting factor is 10 percent for each year of service in excess of 5 years to a maximum of 100 percent.

Service

Membership

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

Credited Membership

Such an additional period of time as decided by the Employer.

Fraction

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

Contributions

Member

Members of the Plan are not required to contribute. However, Members may make voluntary contributions which accumulate with investment earnings and are paid on leaving service for any reason.

Employer

The Employer shall contribute such amounts or rates as last advised by the Actuary to the Plan or as may be decided by the Principal Employer and advised to the Trustee and Actuary to the Plan.

The following amounts will be credited to each account:

Category A (Defined Benefits)

- 3 percent p.a. of Ordinary Time Earnings (excluding bonus) to the Award Account (if any); plus
- Superannuation Guarantee (SG) rate of OTE (excluding bonus) less 3 percent p.a. award to the SG Account; plus
- 5 percent p.a. of Salary notionally credited to the 5 percent Notional Account (no contributions tax is deducted); plus
- SG on bonus, if applicable; plus
- Members may make voluntary contributions which accumulate with investment earnings less tax if applicable and are paid on leaving service for any reason.

Category B (Accumulation and Late Retirees)

The Employer contributes a minimum Superannuation Guarantee (SG) contribution on Ordinary Time Earnings (OTE) or such other percentage of Salary as required by law where, if applicable, 3 percent of this rate is paid to the Award Account and the balance to the Company Account.

Benefits for Category A Members

Normal Retirement Benefit (NRB)

On retirement at the Normal Retirement Date, a Member is entitled to a benefit equal to the greater of the Minimum Benefit and:

- 15 percent x Years of Membership x FAS + Additional Accounts

If a Member continues to work after reaching age 65, their Retirement Benefit will be calculated and crystallised at that date. From then onwards, they will transfer to Category B and benefits will be calculated in accordance with that category.

Early Retirement Benefit (ERB)

The benefit is determined as for normal retirement, based on Membership and Final Average Salary at the date of retirement but is reduced by 1/12 percent for each month that the actual date of retirement precedes the Normal Retirement Date.

Late Retirement Benefit (LRB)

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

Death Benefit

Lump sum benefit equal to greater of:

- The prospective benefit which would have been paid at the NRD if the member had continued on the same Salary; and

- 4 times Salary at Death

The benefit is payable, at the Trustee's discretion, to any one or more of the Member's dependants or his personal representatives, and may be paid either by way of a lump sum payment or payments, or by way of a pension or annuity. All insured benefits are subject to the Insurer's refusal to grant or pay insurance.

Total and Permanent Disablement (TPD) Benefit

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

Resignation Benefit

Members who cease employment with the Employer due to resignation, or in circumstances which do not otherwise entitle the Member to receive a benefit, shall be entitled to a Leaving Service Benefit.

If the Member last commenced employment before 4 February 2004, the Member is eligible for a lump sum of Vesting Factor x 5 percent Notional Account subject to a minimum of the Minimum Benefit.

If the Member last commenced employment on or after 4 February 2004, the Member is eligible for the Minimum Benefit.

Retrenchment Benefit

For a Member who commenced service prior to 1 January 1987 and was a Member of the Plan as at 31 December 1986, the benefit payable is:

- The lump sum present value of a pension of 1.5 percent of Member's Salary x Member's Years of Membership.

(There are no longer any members who may become entitled to this benefit).

For remaining DB members of the Plan, this is equal to the Resignation Benefit.

Benefits for Category B Members

A Member is entitled to a lump sum benefit equal to the SG Account. On death or TPD insurance, if any, is payable in addition. Members are provided with a minimum level of death and TPD insurance cover by smartMonday PRIME which is based on a fixed amount per age. The member may opt out of this cover.

Benefits for All Members

Plan Termination Benefits

In the event of the termination of the Plan, all assets available at that time, net of accruals and expenses, would be distributed to members to the extent of their "termination liabilities" as per the Employer Application Agreement with the Trustee of smartMonday, namely as follows:

a. provide benefits to Members, their Dependants or Personal Legal Representative who were already entitled to be paid a benefit from the Plan;

b. provide benefits to Members that they are entitled to as if they voluntarily left service;
c. provide benefits to Members, their Dependants or Personal Legal Representatives who may have become eligible for a retirement benefit or a benefit payable in respect of death or disablement during the notice period; and
d. divide the balance of the Plan's assets amongst the remaining Members of the Plan in such proportions as an actuary certifies as being the Member's Reserve in the Plan.

Additional Accounts

3 percent Award Account, Additional Voluntary Contribution Accounts and Rollover Accounts are in addition to all of the above benefits.

Note that in this report, 3 percent Award account is included in the DB liabilities.

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 for a Defined Benefit split 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.

Minimum Benefit

All benefits payable are subject to a minimum of the Minimum Benefit for both Category A and B Members. The Minimum Benefit is equal to the sum of all real account balances in the member's name.

Appendix B – Membership

Changes in Membership 1 July 2021 – 1 July 2024

	Total
Active DB Membership at 1 July 2021	**24**
Plus	
New Entrants	0
Transfers from other funds/categories	0
Less	
Transfers to other funds/categories	0
Deaths	0
Total and Permanent Disablement	0
Early retirements	(4)
Normal retirements	0
Resignations	(2)
Retrenchments	0
Late retirements	0
Active DB Membership at 1 July 2024	**18**

In addition, there were six Accumulation members at the valuation date with total salaries of $777,309.

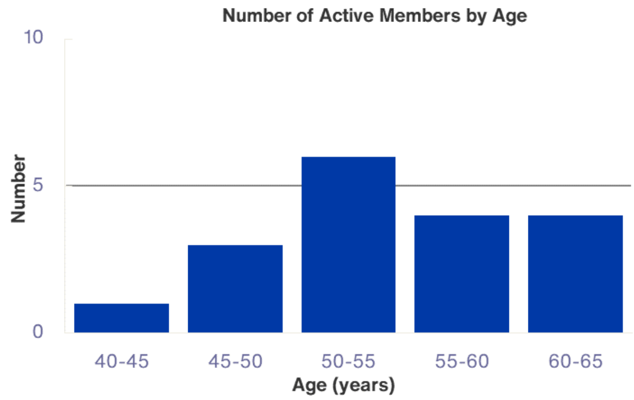
Membership Characteristics as at 1 July 2024

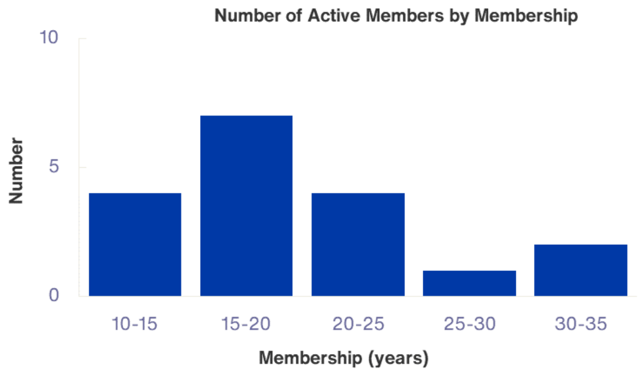
The main characteristics of the Plan's Defined Benefit membership at the valuation date are summarised in the following table. For comparison, active figures for the previous valuation date (1 July 2021) are shown also:

Defined Benefit Active Members	1 July 2021	1 July 2024
Number of members	24	18
Average age (years)	52.7	54.3
Average membership (years)	17.2	19.2
Total annual salary ($)	2,795,096	2,474,810
Average annual salary ($)	116,462	137,489

By Age and Membership

The following graphs outline the distribution by age and membership of the 18 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 the asset information was reconciled to the last funding position review 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:

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

Appendix C – Accounts and Summary of Assets

Accounts

The following is a summary of the 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 to 30 June 2022 ($)	1 July 2022 to 30 June 2023 ($)	1 July 2023 to 30 June 2024 ($)	1 July 2021 to 30 June 2024 ($)
Plan Assets at start of period (A)	**10,170,358**	**8,999,467**	**9,322,561**	**10,170,358**
Accumulation accounts at start of period* (B)	83,317	530,802	644,699	83,317
Defined Benefit related Plan Assets at start of period (C) = (A) – (B)	**10,087,041**	**8,468,665**	**8,677,862**	**10,087,041**
Plus				
Member contributions	120,296	60,640	138,553	319,489
Employer contributions	526,526	359,153	351,289	1,236,968
Rollovers/transfers in	139,641	0	41,495	181,136
Investment income (including capital appreciation/depreciation)	(639,674)	840,779	821,300	1,022,405
Less				
Group Life premiums (net of rebates)	78,843	76,433	98,002	253,278
Benefits (net of insurance recoveries)	1,504,672	855,768	883,137	3,243,577
Transfers out to other funds	0	0	0	0
Administration and other charges	118,165	79,707	79,431	277,303
Income tax	63,485	39,467	59,742	162,694
Defined Benefit related Plan Assets at end of period (D)	**8,468,665**	**8,677,862**	**8,910,187**	**8,910,187**
Accumulation accounts at end of period* (E)	**530,802**	**644,699**	**786,857**	**786,857**
Plan Assets at end of period (F) = (D) + (E)	**8,999,467**	**9,322,561**	**9,697,044**	**9,697,044**

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

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 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.

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	29.5	29.5
International Shares	29.5	29.5
Property	6.0	6.0
Alternatives Asset - growth	5.0	5.0
Alternatives Asset - defensive	0.0	0.0
Australian Fixed Interest	13.0	22.0
International Fixed Interest	13.0	4.0
Cash	4.0	4.0
Total	**100.0**	**100.0**

Effective 1 June 2024, the Defined Benefit assets investment option changed from the Balanced Growth – Index option to the Balanced Growth investment option due to changes implemented by smartMonday. There are no material changes expected to the underlying strategic asset allocation.

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

Crediting Rate Policy

The Balanced Growth option return for the period was:

Option	Year to 30 June 2022 (p.a.)	Year to 30 June 2023 (p.a.)	Year to 30 June 2024 (p.a.)	3 Years to 30 June 2024 (p.a.)
Balance Growth[1]	-6.8%	9.8%	9.8%	4.0%

[1]net of investment fees and taxes

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

Appendix D – Funding Method

Funding Method

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

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

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

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

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

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

Summary of Method of Attributing Benefits to Past Membership

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

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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