

# Regular Triennial Actuarial Investigation Report to the Trustee of the

**smartMonday PRIME - Yum! Australia Superannuation Plan**

**Valuation Date: 1 July 2024**

**Date of Report: 29 November 2024**

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## Executive Summary

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

The sponsor of the Plan is Yum! Restaurants Australia Pty Limited (the Employer) and the Trustee is Equity Trustees Superannuation Limited (the Trustee).

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

## Financial Condition

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

	<b>Defined Benefits only</b>	<b>Total Plan</b>	<b>Comments</b>
Vested Benefits Index	123.4%	100.5%	The Plan remains in a satisfactory financial position.  The Plan's Vested Benefit Index for Defined Benefits is above the Shortfall Limit of 100.0%.
Actuarial Value of Accrued Benefits Index	123.4%	100.5%	The Plan remains in an adequate financial position.  The Plan had a surplus on this basis of \$222,257.
Minimum Requisite Benefits Index	125.2%	100.5%	The Plan was solvent in relation to its Minimum Requisite Benefits.

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

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## Significant Changes Since the Prior Regular Triennial Actuarial Investigation

Below is an explanation of changes or events that have occurred since the last regular triennial actuarial investigation.

### Significant Events

The return on Plan Assets was lower than expected for the 12 month period 1 July 2021 to 30 June 2022 due to the poor performance of investment markets. This has had a negative impact on the value of the Plan Assets at the time. However, as the defined benefit liabilities of the Plan are significantly investment related, the poor investment return did not have a material impact on the financial position of the Plan as the benefit fluctuates with the investment return.

The investment return of the Plan has improved since then until the valuation date and overall provided the Plan with an investment return slightly higher than expectation. As mentioned, the defined benefits liabilities of the Plan are significantly investment related so the slightly good returns on investments does not have a material impact on the financial position of the Plan.

### Significant Changes to the Plan Benefits

No changes to the Plan benefits structure since the last regular triennial investigation.

## 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 <sup>1</sup> )
	<b>1/7/2024 – 31/12/2029</b>
C	0.00%
D	0.00%

<sup>1</sup>The Superannuation Guarantee (SG) contribution rate is to be loaded based on Ordinary Time Earnings (excluding bonus).

In addition, the following contributions are also payable:

- The SG contribution rate on bonus for Defined Benefit members, if applicable; and
- Employer contributions of at least the required contributions to meet Superannuation Guarantee legislation as per the Plan's Benefit Certificate in respect of Accumulation members.

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.

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

<b>Category</b>	<b>Employer Rate for Defined Benefit Members</b>
	<b>(% p.a. of Salaries<sup>1</sup>)</b>
C	24.7%
D	24.8%
All	24.8%

<sup>1</sup>The Superannuation Guarantee contribution rate is based on Ordinary Time Earnings and the balance of the contribution rate is paid on the Superannuation Salary.

Please refer to Section 4 for details.

## Shortfall Limit Recommendations

I have reviewed the Shortfall Limit of 100.0 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, these remain appropriate and the current insurance arrangements should be maintained.

Please refer to Section 6 for details.

## Investment Recommendations

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

Given the strong financial position of the Plan, the Employer may prefer to have the Defined Benefit assets to be invested in a less growth-orientated investment option in order to reduce the fluctuations of assets in volatile investment markets. This would assist in preserving the surplus and reduce potential fluctuations in the contribution rate, however, it would increase the long-term rate.

We can assist the Trustee and Employer to consider the financial impact of a change in investment strategy.

For more information refer to Appendix C.

## Crediting Rate Recommendations

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

## Monitoring Recommendations

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

## Actuarial Assumptions

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

## Material Risks

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

Please refer to Section 8 for details.

## Next Actuarial Investigation

The next regular triennial actuarial investigation of the Plan should be carried out with an effective date of 1 July 2027. A funding position review will be performed at each 1 July between investigations. The Trustee may request that an interim actuarial investigation be carried out before this date.

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

## Disclaimer

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



Mary Grace Raneses  
Accredited Member of the Institute of Actuaries of Australia  
29 November 2024

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## Section 1 – Introduction

### Purpose of the Regular Triennial Actuarial Investigation

The reasons for this regular triennial actuarial investigation are:

- to satisfy the requirements of Superannuation Prudential Standard (SPS) 160 which requires a regular actuarial investigation to be carried out once every three years;
- to review the Plan's financial position as at 1 July 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 7 of the Successor Fund Deed;
- to review the basis for insuring death 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 Mary Grace Raneses, of Aon Risk Services Australia Limited, Accredited Member of the Institute of Actuaries of Australia. The previous regular triennial actuarial investigation was completed by Su Li Sin, 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:

	<b>Regular Triennial Actuarial Investigation as at 1 July 2021</b>	<b>Funding Position Review as at 1 July 2022</b>	<b>Funding Position Review as at 1 July 2023</b>
A surplus of Assets over the Actuarial Value of Accrued Benefits	\$410,081	\$342,432	\$276,441
An excess of Assets over the Vested Benefits	\$412,184	\$343,325	\$277,229
Summary of the recommended Employer contribution for DB members	<ul style="list-style-type: none"> <li>12.2% for Category C and 14.2% for Category D for the period 1 July 2021 to 31 December 2021</li> <li>0% for Category C and Category D from 1 January 2022 onwards</li> </ul>		

The average long-term Employer contribution rate was 17.7 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:

	<b>Assumptions at the Previous Triennial Investigation</b>	<b>Plan Experience</b>	<b>Impact on the Financial Position of the Plan (when considered in isolation)</b>
Investment Returns <sup>1</sup>	6.0% p.a.	6.2% p.a.	Favourable effect: The Defined Benefit assets increased at a higher rate than assumed.  The Plan earned higher returns than other funds with a similar investment mix.
Salary Increases <sup>3</sup>	3.5% p.a.	[REDACTED]	[REDACTED]
Average Employer Contribution rate <sup>4</sup>	Recommended rate (averaged based on category and period) of 0.0% p.a.	Long-term rate of 17.7% 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 <sup>4</sup>	<ul style="list-style-type: none"> <li>6.2% p.a. for Expenses</li> <li>0.2% p.a. for Death insurance premiums</li> </ul>	<ul style="list-style-type: none"> <li>7.2% p.a. for Expenses</li> <li>0.2% p.a. for Death insurance premiums</li> </ul>	Unfavourable effect: The Defined Benefit assets, on average, have paid more expenses and premiums than assumed.

<sup>1</sup> net of investment expenses and tax

<sup>2</sup> based on the Rainmaker’s Top 50 Workplace Super - Growth Investment Options report, median return over the past 3 years to 30 June 2024

<sup>3</sup> for existing Defined Benefit members over the investigation period

<sup>4</sup> Percent of Defined Benefit members’ salaries

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

- Membership movements:
  - Exits: ■ Defined Benefit members left the Plan due to early retirement/resignation during the triennial actuarial investigation period, which is higher than that assumed in the previous investigation. Overall, benefits paid were slightly 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.

## 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 2.5 percent p.a. as shown in the table below. Therefore, the Interest/Salary Differential is the same as used in the previous regular triennial actuarial investigation and in isolation to all others, has no impact to the Actuarial Value of Accrued Benefits and the long-term contribution rate.

	Net Investment Return (p.a.)	Salary Increase Rate (p.a.)	Differential (p.a.)
<b>Assumption as at 1 July 2021</b>	6.00%	3.50%	2.50%
<b>Assumption as at 1 July 2024</b>	6.00%	3.50%	2.50%

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 Growth option, known as the Growth – Active 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 slightly lower than those earned in the last three years; and
- The salary increase rate assumption was determined based on the Employer’s expectations and past experience.

## Demographic Assumptions

The Death and TPD assumptions have been updated from the last regular triennial actuarial investigation based on the overall experience of master trusts in the Australian market and the current membership profile. The impact of this change in isolation is to create a very small increase on the Actuarial Value of Accrued Benefits.

All other demographic assumptions remain unchanged. These remain reasonable for purposes of this 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:

Age Last	1 July 2024			1 July 2021		
	Resignation	Death and Disablement	Retirement	Resignation	Death and Disablement	Retirement
35	1,333	8	0	1,333	7	0
40	1,000	12	0	1,000	10	0
45	800	21	0	800	18	0
50	667	40	0	667	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 on retrenchment, members are paid their resignation benefit, although the Trustee has the discretion to increase the benefit to the members' Reserve in the Plan, which is generally the discounted early retirement benefit.

## 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)	6.2% p.a.	12.7% p.a.
Death insurance premiums (% p.a. of Defined Benefit members' salaries)	0.2% p.a.	0.2% p.a.
<b>Total expense and insurance premium assumption</b>	<b>6.4% p.a.</b>	<b>12.9% p.a.</b>

<sup>^</sup> 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.

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

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

The impact of this change in total expense and insurance premiums assumption in isolation has 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.



## Analysis of Changes in Financial Position Since the Last Regular 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.

	<b>Total (\$000)</b>
<b>Previous surplus/(deficit)</b>	410
Interest on surplus/(deficit) <sup>1</sup>	48
Investment gains/(losses) <sup>2</sup>	1
Employer contributions paid at a higher/(lower) rate than long-term rate <sup>3</sup>	(161)
Expense gains/(losses) <sup>4</sup>	(70)
Salary gains/(losses) <sup>5</sup>	█
Change in basis gains/(losses) <sup>6</sup>	0
Withdrawal gains/(losses) <sup>7</sup>	3
Miscellaneous	(9)
<b>Surplus/(deficit) as at the valuation date</b>	<b>222</b>

<sup>1</sup> Interest on surplus over the period.

<sup>2</sup> An investment gain occurs when investment earnings are slightly higher than assumed.

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

<sup>4</sup> An expense loss occurs when expenses are more than assumed.

<sup>6</sup> A loss from a change in basis occurs when the overall set of assumptions becomes less conservative. There is a very small loss due to the change in death and TPD assumptions which was rounded to nil in the nearest thousands.

<sup>7</sup> A withdrawal gain occurs when the benefit paid is lower than reserved for in the Plan.

## Long-term Contribution Rate

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

<b>Present Value of Future Service Liability</b>	<b>Total (\$)</b>
Retirement	145,543
Death and Disablement	12,100
Resignation	5,793
<b>Total of Active Defined Benefit related liabilities</b>	<b>163,436</b>
Less member contributions	0
<b>Net Future Service Liability</b>	<b>163,436</b>
Equivalent net future contribution rate	10.1%
Tax	1.8%
Expense allowance	12.7%
Death premiums	0.2%
<b>Employer contribution rate required for Future Service Benefits (p.a. salary)</b>	<b>24.8%</b>

## 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 of the Smart Future Trust 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 <sup>1</sup>	DB Index <sup>2</sup>	Amount (\$)	Index <sup>1</sup>	DB Index <sup>2</sup>	
<b>Minimum Requisite Benefits</b>	██████████	100.9%	125.5%	██████████	100.5%	125.2%	A
<b>Vested Benefits</b>	██████████	100.8%	124.0%	██████████	100.5%	123.4%	A
<b>Leaving Service Benefits<sup>3</sup></b>	██████████	100.8%	124.0%	██████████	100.5%	123.4%	A
<b>Actuarial Value of Accrued Benefits</b>	██████████	100.8%	123.8%	██████████	100.5%	123.4%	A
<b>Retrenchment Benefits</b>	██████████	100.8%	124.0%	██████████	100.5%	123.4%	A
<b>Accumulation Benefits<sup>4</sup></b>	██████████			██████████			B
<b>Assets<sup>5</sup></b>	██████████			██████████			C

<sup>1</sup>Index is C/A

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

<sup>3</sup>The benefit design allows the Employer to grant early retirement consent for Defined Benefit members between ages 55 and 60. Consent is generally granted.

<sup>4</sup>The accumulation benefits are inclusive of additional accounts for Defined Benefit members (including surcharge accounts) and active Accumulation members' benefits.

<sup>5</sup>Assets for Accumulation members have been set equal to the active Accumulation members' benefits.

## Vested Benefits Index

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

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

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

## Leaving Service Benefits Index

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

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

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

The Leaving Service Benefits Index was at an adequate level, and therefore the Defined Benefit Leaving Service Benefits Index was at an adequate level at the valuation date.

## Shortfall Limit

In accordance with SPS 160, the Trustee has set a Shortfall Limit of 100.0 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 123.4 percent. Therefore, the Plan has not fallen below the Shortfall Limit at the valuation date.

I have reviewed the Shortfall Limit of 100.0 percent and confirm that, in my view, it remains appropriate.

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

## Minimum Requisite Benefits Index

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

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

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

## Actuarial Value of Accrued Benefits Index

The valuation results shown in Section 4 of this report disclose the Actuarial Value of Accrued Benefits, also known as the Past Service Liability. This is the same as the figure calculated for AASB1056 purposes which was calculated in accordance with the Institute of Actuaries of Australia Practice Guideline 499.06 (apart from the inclusion of a terminated member at the valuation date, who have not had their benefit paid or rolled into another complying superannuation fund\*). This amount constitutes the "value of the liabilities in respect of accrued benefits" as defined in Division 9.5 of the Superannuation Industry (Supervision) (SIS) Regulations and has been calculated in accordance with Professional Standard 402 issued by the Institute of Actuaries of Australia.

\*Also note that the Actuarial Report for AASB1056 Purposes dated 23 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 AASB1056 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. Where the members have already terminated employment and are receiving Defined Benefit pensions or are entitled to deferred benefits, the value of those pensions (i.e. the present value of projected pension benefits) or deferred benefits is also included.

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.

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## Retrenchment Benefits Index

This index considers the extent to which the Plan could meet the retrenchment benefits applicable to its members if they were all retrenched and the Plan was not terminated. The retrenchment benefit is equal to the resignation benefit, however, the Trustee has the discretion to increase the benefits to the member's Reserve held in the Plan as determined by an Actuary. The member's Reserve in the Plan have been considered to determine the Retrenchment Benefits at the valuation date. For more information refer to Appendix A.

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

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

## Termination of the Plan

In the event of the termination of the Plan, all assets available at that time, net of accruals and expenses, would be distributed to members to the extent of their "termination liabilities" as per the Trust Deed and in accordance with relevant law. Each member would be credited with an amount (as resources permit) determined by the Trustee in such a manner as the Trustee considers is fair and equitable after considering advice from the Actuary. These are known as "termination liabilities".

There is no guarantee of adequacy for the termination liabilities, only a priority charge on available assets up to the level of termination liabilities.

## 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 Insurance (Lump Sum)

The Trustee has effected Group insurance (with AIA Australia) to cover part of the lump sum benefits payable from the Plan in the event of the death 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 benefit with an annual premium, which can be taken into account in the financial planning of the Plan.

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

### Defined Benefit Members

Insured Amount = Death benefit - Vested Benefit

### Accumulation Members

Standard Insured Amount = Greater of A or B

A = Future service to age 65 x 10 percent x Salary

B = Age based minimum level of dollar cover for smartMonday members

This is slightly different to the insurance formula in the last triennial actuarial investigation as at 1 July 2021.

### Death 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.

	1 July 2024 (\$)
<b>Total sums insured (A)</b>	██████████
<b>Plan Assets (B)</b>	██████████
<b>Funding excess/(shortfall) (C)*</b>	██████████
<b>Amount of Surplus, if any, set aside for funding purposes (D)*</b>	██████████
<b>Plan Assets available to meet Death benefits (B)-(D)=(E)</b>	██████████

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	<b>1 July 2024</b>
	<b>(\$)</b>
<b>Available on Death (A)+(E)=(F)</b>	135,798,883
<b>Total Death benefit (G)</b>	135,768,710
<b>Excess/(shortfall) (F) - (G)</b>	14,173

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

## Recommendation

I have reviewed the formulae and confirm that, in my view, these remain appropriate and the current insurance arrangement should be maintained.

## Indemnity Insurance

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

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

## Material Issues Arising From Insurance

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

## Section 7 – Sensitivity Analysis and Projections

### Assumption Variation

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

Assumptions (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./6.0% p.a.)	██████████	24.8%
Last valuation (3.5% p.a./6.0% p.a.)	██████████	24.8%
Last valuation with this valuation decrements (3.5% p.a./6.0% p.a.)*	██████████	24.8%
Salary inflation rate plus 1% p.a. (4.5% p.a./6.0% p.a.)	██████████	24.8%
Salary inflation rate minus 1% p.a. (2.5% p.a./6.0% p.a.)	██████████	24.8%
Investment return plus 1% p.a. (3.5% p.a./7.0% p.a.)	██████████	24.8%
Investment return minus 1% p.a. (3.5% p.a./5.0% p.a.)	██████████	24.8%

<sup>1</sup> This is based on last valuation's financial assumptions only, i.e. the decrement assumptions are the same as those used for this valuation.

<sup>2</sup> This is calculated based on this valuation's expense and premiums assumption.

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. However, as the Plan's liabilities are mostly investment related, the long-term cost to the Employer is not particularly sensitive to the financial assumption changes (as shown in the above results).

### Post Valuation Events

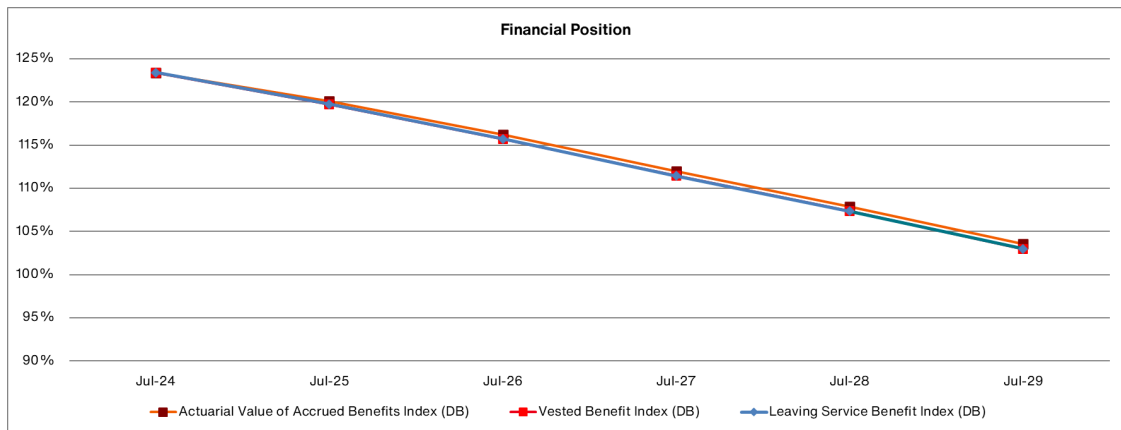
The Plan has earned an average investment return of 7.7 percent from the date of the valuation to 22 November 2024. This is significantly higher than the rate assumed for the valuation and has contributed to maintain the strong financial position of the Plan. I estimate that coverage of Vested Benefits without Employer's consent (exclusive of Accumulation members' benefits and Defined Benefit members' additional accounts) has decreased from 123.4 percent at the valuation date to

approximately 121.9 percent as at 22 November 2024 due to the expenses for the period and the Employer contribution rate being lower than the long-term contribution rate. This has been taken into account in the recommended Employer contributions.

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

## Projection of Future Liabilities

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



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 value of these liabilities during the period up to 31 December 2029.

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## Section 8 – Material Risks

### Financial Risk

The differences between the assumed and the actual salary increase rate and the assumed and actual long-term investment return has no material impact on the financial position of the Plan, given the Plan has a large proportion of investment related benefits. However, if the salary related portion of the benefit increases or investment related portion declines, the situation could change and the differences could have a material impact on the financial position of the Plan.

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 deterioration in the financial position can be managed. The Employer should be made aware of the effect on the financial position of salary increases being granted above assumed rates.

### 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 Benefit or Retrenchment Benefit for DB Members

Members are likely to receive a larger benefit on retirement than resignation. The Employer may grant early retirement consent for members to early retire between ages 55 and 60 and therefore the financial position could be more strained if consent is granted. As early retirement consent is usually granted, the Trustee should aim that the assets cover the leaving service benefits (which assume consent is granted for those in this age range).

Members can also receive a larger benefit than resignation benefit on retrenchment. The retrenchment of a member under age 60 can result in a financial strain, however, this can be minimised if a buffer of assets is held above normal resignation benefits.

Whilst this risk is not an issue at present as all the defined benefit members are currently receiving an investment related benefit, this may become relevant again in the future if investment returns were much lower than expected or salary increases were much higher than expected.

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## Size of the Plan

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

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.

As at the valuation date, the Plan’s liability is mostly investment related and considering the size of the Plan, it will be good to assess whether a conversion to defined contribution is more appropriate for defined benefit members and more practical for the Trustee and Employer to maintain going forward. We have assisted the Employer on the analysis of this move. We can provide assistance should the Employer make a decision regarding this matter in future.

## 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 <sup>1</sup> )
<b>1/07/2024 – 31/12/2029</b>	
C	0%
D	0%

<sup>1</sup>The Superannuation Guarantee contribution rate is to be loaded based on Ordinary Time Earnings (excluding bonus).

In addition, the following contributions are also payable:

- The SG contribution rate on bonus for Defined Benefit members, if applicable; and
- Employer contributions of at least the required contributions to meet Superannuation Guarantee legislation as per the Plan’s Benefit Certificate in respect of Accumulation members.

These rates are the same as 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 100.0 percent (see Section 5) and confirm that it remains appropriate.

### Insurance Recommendations

I have reviewed the formulae (see Section 6) and confirm that, in my view, these remain 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 - Yum! Australia Superannuation Plan (the Plan) as at 1 July 2024 covering the three-year period to that date.

In my opinion:

1. As at 1 July 2024, the fair value of the net Assets of the Plan for Defined Benefit members, based on the general ledger for the Plan plus the Accumulation members' benefits for Accumulation member assets, was [REDACTED] and this is the value of assets used to determine the Employer contribution rate with an allowance for investment returns for the period from 1 July 2024 to 22 November 2024.

2. The value of the Assets of the Plan was adequate to meet the value of liabilities of the Plan in respect of the Actuarial Value of Accrued Benefits of [REDACTED] as at 1 July 2024. The Actuarial Value of Accrued Benefits of Defined Benefit members as at 1 July 2024 for the purposes of Australian Accounting Standard AASB1056 was [REDACTED] which was calculated in accordance with Practice Guideline 499.06 (this excludes additional accounts for Defined Benefit members and Accumulation members' benefits, but includes Defined Benefit members pending payment, which have been excluded for the purpose of this regular triennial actuarial investigation). The relevant value of Defined Benefit related assets for AASB1056 was [REDACTED] which includes a DB member's pending payment, which have been excluded from both assets and liabilities for the purposes of this investigation).
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.



Mary Grace Raneses  
Accredited Member of the Institute of Actuaries of Australia  
Aon Risk Services Australia Limited

29 November 2024

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## 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.

Below is a summary of provisions used in this valuation. This summary should not be used to calculate benefits or be relied upon in place of the formal Plan rules.

### Eligibility

New employees are eligible to become an Accumulation member (Category B). There are a few Accumulation members that belong to Category A which is closed to new entrants. The Defined Benefit categories (Categories C and D) are closed to new entrants.

Category C members (weekly paid staff)

Category D members (monthly paid management)

### Plan Structure

The smartMonday PRIME - Yum! Australia Superannuation Plan (the Plan) is a Defined Benefit plan and is constituted by a Trust Deed originally dated 1 February 1971 and subsequent amendments. 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 with the consent of the Employer or at any time after the age of 60.

## Salary

The ordinary annual rate of salary or wages excluding commissions, bonuses, overtime payments and any other additional payments determined on 1 January every year. Contributions are paid on part-time salary (i.e. Salary x Fraction).

## Final Average Salary

Final Average Salary is the average of the Defined Benefit member's three highest salaries in 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.

## 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 are not required to contribute to the Plan.

### Employer

Category C	Superannuation Guarantee Rate, this is inclusive of Member Deemed Contributions of 3.5 percent of salary. The Company Basic Account is allocated 3.5 percent of salary.
Category D	Superannuation Guarantee Rate, this is inclusive of Member Deemed Contributions of 6.0 percent of salary. The Company Additional Account is allocated 6.0 percent of salary.

## Benefits (Accumulation)

An amount equal to the sum of the member's account balances.

The death benefit is equal to the member's account balances plus insured benefit.

The total and permanent disablement (TPD) benefit is equal to the member's account balances plus insured benefit, if any.

## Benefits (Defined Benefit)

### Normal Retirement Benefit (NRB)

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

- a. 15 percent of membership as a Category D member before 1 January 1998
- b. 12.75 percent of membership as a Category D member after 1 January 1998
- c. 10 percent of membership as a Category C member before 1 January 1998
- d. 8.5 percent of membership as a Category C member after 1 January 1998

### 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

An amount equal to the benefit payable on the member's normal retirement date if the member's salary at date of death had remained unchanged.

### Total and Permanent Disablement (TPD) and Serious Ill-Health Benefits

An amount equal to the Resignation Benefit, which may be increased at the Trustee's discretion, to a maximum of the Reserve held in the Plan for that member, as advised by the Actuary.

### Resignation Benefit

Before completion of 5 years of service, an amount equal to Member Deemed contributions and Company Basic Contributions accrued with investment earnings.

On completion of 5 or more years of service up to 20 years of service, an amount equal to the amount above, plus 5 percent of Company Additional contributions, accrued with investment earnings, for each complete year of membership greater than 5 years.

On completion of 20 or more years of service, an amount equal to the Reserve held in the Plan as advised by the Actuary.

The member's Reserve in the Plan has been calculated in the past as the Early Retirement Benefit discounted by 2 percent p.a. for each year (and complete month) to the member's 60<sup>th</sup> birthday from the date of calculation.

## Retrenchment Benefit

Same as the resignation benefit, however, the Trustee has the discretion to increase the benefit to the member's Reserve in the Plan as advised by the Actuary.

## Plan Termination Benefits

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

## Additional Accounts

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

## Surcharge Account

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

## Additional Contributions Tax Account

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

## Family Law Account

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

## Partial Withdrawals

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

## Appendix B – Membership

### Changes in Membership 1 July 2021– 1 July 2024

	1 July 2021
<b>Active DB Membership at 1 July 2021</b>	<b>█</b>
<b>Plus</b>	
New Entrants	0
Transfers from other funds	0
Transfers from other categories	0
<b>Less</b>	
Transfer to other funds	0
Transfers to other categories	0
Deaths	0
Total and Permanent Disablement	0
Early retirements	<b>█</b>
Normal retirements	0
Resignations	<b>█</b>
Retrenchments	0
Late retirements	0
<b>Active DB Membership at 1 July 2024</b>	<b>█</b>

In addition:

- There were 308 Accumulation members at the valuation date with total salaries of \$27,432,458.



## 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
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

## Quality of Data

Member data was received electronically and was in good order for the purposes of preparing this Report. Defined benefit individual membership data as well as Defined Benefit asset information was reconciled to the last funding position review data as at 1 July 2023.

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

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

## Administration

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

- Member information relevant to the valuation;
- 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 (\$)
<b>Plan Assets at start of period (A)</b>	██████████	██████████	██████████	██████████
Accumulation accounts at start of period* (B)	██████████	██████████	██████████	██████████
<b>Defined Benefit related Plan Assets at start of period (C) = (A) – (B)</b>	██████████	██████████	██████████	██████████
Plus				
Member contributions	██████	██████	██████	██████
Employer contributions	██████	██████	██████	██████
Rollovers/transfers in	██	██	██	██
Investment income (including capital appreciation/depreciation)	██████████	██████████	██████████	██████████
Less				
Group Life premiums (net of rebates)	██████	██████	██████	██████
Benefits (net of insurance recoveries)	██████████	██	██████████	██████████
Transfers out to other funds	██	██	██	██
Administration and other charges	██████████	██████████	██████████	██████████
Income tax	██████	██████████	██████	██████████
<b>Defined Benefit related Plan Assets at end of period (D)</b>	██████████	██████████	██████████	██████████
Accumulation accounts at end of period (E)*	██████████	██████████	██████████	██████████
<b>Plan Assets at end of period (F) = (D) + (E)</b>	██████████	██████████	██████████	██████████

\*This excludes the additional accounts for Defined benefit members which are included in the Defined Benefit related Plan Assets in this summary table.

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

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

## Summary of Assets

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

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

The benchmark asset allocation of the Growth option is as follows:

	1 July 2023	1 July 2024
By Asset Class		
Australian Shares	37.5	36.5
International Shares	37.5	36.5
Property	6.0	6.0
Alternatives Asset - Growth	4.0	6.0
Alternatives Asset - Defensive	5.0	0.0
Australian Fixed Interest	5.0	13.0
International Fixed Interest	5.0	2.0
Cash	0.0	0.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

Effective 1 June 2024, the Defined Benefit assets investment option changed from the Growth – Active option to the Growth option due to changes implemented by smartMonday. There is 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 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.)
Growth	-1.3%	9.9%	10.4%	6.2%

<sup>1</sup>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.

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## 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.

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

## Death and Disablement Benefits

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

## Resignation Benefit

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.

In the case of benefits based on a multiple of Final Average Salary, the past component is based on members' actual accrued multiple as at the valuation date, and if applicable multiplied by any discount/reduction factor that applies.

## Superannuation Guarantee Minimum Benefit

In the case of Superannuation Guarantee (SG) Minimum Benefit the past component is based on the accumulated contributions (SG which includes the Deemed Member) 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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