

Regular Triennial Actuarial Investigation Report to the Trustee of the

**smartMonday PRIME - IMB Defined Benefit Superannuation
Plan**

Valuation Date: 1 July 2024

Date of Report: 14 November 2024

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Executive Summary

Superannuation regulations and the Trust Deed of the smartMonday PRIME - IMB Defined Benefit 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 IMB Limited (the Employer) and the Trustee is Equity Trustees Superannuation Limited (the Trustee).

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

Financial Condition

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

	Defined Benefits only	Total Plan	Comments
Vested Benefits Index	109.5%	108.4%	The Plan remains in a satisfactory financial position. The Plan's Vested Benefit Index for Defined Benefits is above the Shortfall Limit of 97.5%.
Actuarial Value of Accrued Benefits Index	109.2%	108.1%	The Plan remains in an adequate financial position. The Plan had a surplus on this basis of \$1,063,631.
Minimum Requisite Benefits Index	142.1%	136.2%	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

The return on Plan Assets was lower than expected for the period 1 July 2021 to 30 June 2022 due to the poor performance of investment markets, however the Plan remained in a satisfactory financial position and the contribution recommendation was changed in a funding position review letter at 1 July 2022 dated 27 October 2022 to ensure that funding would remain satisfactory.

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

Employer Contribution Recommendations

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

Category	Employer Rate for defined benefit members		
	(% p.a. of salaries ¹)		
	1/07/2024 - 30/11/2024 ^{2,3}	1/12/2024 - 30/06/2028 ⁴	1/07/2028 - onwards ^{2,3}
A	25.90%	0.00%	30.10%
B	18.90%	0.00%	23.60%

¹The total dollar value of the contributions is based on these percentages of Superannuation Salary. The Superannuation Guarantee (SG) contribution rate is to be paid based on Ordinary Time Earnings (excluding bonus) and is credited to each member's Superannuation Guarantee Account.

²Compulsory member salary sacrifice contributions of 5 percent p.a. is not included and is paid by the member where there is not a contribution holiday, however whilst the contribution holiday occurs the member contribution does not need to be paid to the Plan and the amounts will be credited from the Plan's reserve.

³This includes the tax on compulsory member salary sacrifice contributions paid by the Employer on behalf of the members.

⁴Contribution holiday includes the member paid compulsory salary sacrificed contributions of 5 percent p.a.

In addition, the following contributions are also payable:

- Compulsory defined benefit member salary sacrificed contributions of 5 percent p.a. of Superannuation Salary (except during the contribution holiday period from 1 December 2024 to 30 June 2028);
- The SG contribution rate on OTE for late retiree members apart from the contribution holiday period from 1 December 2024 to 30 June 2028, if any;
- The SG contribution rate on bonus for defined benefit members, if applicable (only required where the OTE (excluding bonus) is under the maximum contribution base); and
- Due to the small number of Defined Benefit members left in the Plan, I recommend that if the last Defined Benefit member leaves the Plan and there are insufficient assets available to pay their benefit, the benefit is not to be paid until an appropriate contribution to meet the difference is made by the Employer.

These rates are lower than those currently being paid from 1 December 2024 and higher from 1 July 2028.

The Employer contributions in respect of Defined Benefit members must be paid or loaded from the Plan's reserve to members' accounts where applicable by the 28th day of the month following the month to which they relate or earlier date as required by legislation and for Late Retiree members 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 (% p.a. of salaries ¹) ²
A	30.1%
B	23.6%

¹The total dollar value of the contributions is based on these percentages of Superannuation Salary. The SG contribution rate is based on Ordinary Time Earnings (excluding bonus) and is credited to each member's Superannuation Guarantee Account.

² Member salary sacrifice contributions at 5 percent p.a. of Superannuation Salary and Superannuation Guarantee contributions on bonus, if applicable, are paid in addition.

Please refer to Section 4 for details.

Shortfall Limit Recommendations

I have reviewed the Shortfall Limit of 97.5 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. I also recommend the Trustee continues to review the arrangement for the member with restricted insurance cover on death or TPD remains appropriate.

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 (Late Retiree) 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 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 14 November 2024 occur prior to that date as advised by the Trustee (unless, after reviewing the details of a specific event which would otherwise be classified as a notifiable event, the actuary advises the Trustee in writing that such an event does not constitute a notifiable event). Note that there is a new notifiable event relating to the transfer of a member from Category B to Category A as this could be possible if the current Category A member terminates service from the Employer and one of the remaining defined benefit members is appointed as the Chief Executive Officer.

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.



Saffron Sweeney
Fellow of the Institute of Actuaries of Australia
14 November 2024

Section 1 – Introduction

Purpose of the Regular Triennial Actuarial Investigation

The reasons for this regular triennial actuarial investigation are:

- to satisfy the requirements of Superannuation Prudential Standard (SPS) 160 which requires a regular actuarial investigation to be carried out once every three years;
- to review the Plan's financial position as at 1 July 2024 (the Effective Date);
- to examine the Plan's immediate solvency and funding indices;
- to recommend appropriate Employer contribution rates so that the Plan remains in a satisfactory financial position and in order to satisfy clause 5(1) of the Plan Rules;
- 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 Saffron Sweeney, of Aon Risk Services Australia Limited, Fellow of the Institute of Actuaries of Australia. The previous regular triennial actuarial investigation was also completed by Saffron Sweeney as at 1 July 2021. The results are shown in the report dated 19 November 2021.

Compliance with the Standards of the Institute of Actuaries of Australia

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

Reliance and Limitations in the Report

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

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

Previous Investigation Results

The results of the previous investigations were as follows:

	Regular Triennial Actuarial Investigation as at 1 July 2021	Funding position review as at 1 July 2022	Funding position review as at 1 July 2023
A surplus of Assets over the Actuarial Value of Accrued Benefits	\$1,940,186	\$639,220	\$698,185
An excess of Assets over the Vested Benefits	\$1,668,326	\$668,983	\$744,197
Summary of the recommended Employer contribution for DB members	25.9% p.a. for Category A, and 18.9% p.a. for Category B from 1/7/2021 to 30/6/2022 - Nil for both categories from 1/7/2022 onwards	- Nil for both categories from 1/7/2022 to 30/9/2022 25.9% p.a. for Category A and 18.9% p.a. for Category B from 1/10/2022 onwards	25.9% p.a. for Category A and 18.9% p.a. for Category B from 1/10/2022 onwards

The average long-term Employer contribution rate was 24.3 percent p.a. (excluding the 0.88 percent expense to cover the tax for Members' contributions) 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 Returns¹	4.25 % p.a.	2.1% 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 3.5% p.a. ²	The Plan earned lower returns than other funds with a similar investment mix.
Salary Increases³	2.5 % p.a.	4.0% p.a.	Unfavourable effect: The Defined Benefit liabilities increased at a higher rate than assumed.
Average Employer Contribution rate⁴	Recommended rate (averaged based on category and period) of 19.5 % p.a.	Long-term rate of 24.3% 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 Premiums⁴	3.0% p.a. for Expenses 2.9% p.a. for Death and TPD insurance premiums 0.9% p.a. for SCI insurance premiums	3.2% p.a. for Expenses 3.1% p.a. for Death and TPD insurance premiums 0.9% p.a. for SCI insurance premiums	Unfavourable effect: The Defined Benefit assets, on average, have paid more expenses and premiums than assumed.

¹net of investment expenses and tax

²based on the median 3-year median return for Rainmaker's Top 50 Workplace Super Balanced Investment options and Top 50 Workplace Super Capital Stable Investment options for the period ending June 2024.

³for existing Defined Benefit members over the investigation period.

⁴Percent of Defined Benefit members' salaries

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

- Membership movements:
 - Exits: One Defined Benefit member left the Plan due to early retirement during the triennial actuarial investigation period, which is lower than that assumed in the previous investigation and provided a favourable effect to the financial position of the Plan. The benefit paid was slightly more than the amount reserved and therefore, in isolation, this has led to a small unfavourable effect on the financial position of the Plan. The overall withdrawal experience was favourable.

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 2024. Where appropriate I have maintained these methods and assumptions, however some have changed in light of the experience discussed in Section 2 of this report and after consideration of changes in market expectations. The actuarial method used is described in Appendix D.

Interest/Salary Differential

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

While the absolute level of assumed investment returns is relevant in any regular triennial actuarial investigation, the critical factor is the relationship that this rate has with the assumed rate of salary increase. The difference between the two figures is the Interest/Salary Differential. For this investigation I have used an Interest/Salary Differential assumption of 1.75 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. The overall impact of these changes in assumptions, in isolation to all others, is that both the Actuarial Value of Accrued Benefits and the long-term contribution rate have decreased, due to the stronger impact of the increase in investment return compared to that of the salary increase rate.

	Net investment return (p.a.)	Salary increase rate (p.a.)	Differential (p.a.)
Assumption as at 1 July 2021	4.25%	2.50%	1.75%
Assumption as at 1 July 2024	5.35%	3.60%	1.75%

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 50 percent in the Balanced Growth option and 50 percent in the Moderate option) and allowing for correlations of investment returns between asset classes and investment fees;
- We expect that inflation will return to the RBA target of 2 percent p.a. to 3 percent p.a. We have assumed CPI will be 2.5 percent p.a.;
- The long-term outlook for investment returns being somewhat higher than those earned in the last three years; and
- The salary increase rate assumption was determined based on the forecast increases in Average Weekly Ordinary Time Earnings (AWOTE), the Employer's expectations and past experience.

Demographic Assumptions

The Death and TPD assumptions have been updated from the last regular triennial actuarial investigation based on the overall experience of Master Trusts in the Australian market.

The early retirement assumption remains unchanged.

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

Age Last	1 July 2024		1 July 2021	
	Death and Disablement	Retirement	Death and Disablement	Retirement
30	5	0	5	0
35	7	0	6	0
45	18	0	15	0
50	35	0	31	0
55	72	1,000	63	1,000
60	135	2,400	118	2,400
65*	0	10,000	0	10,000

* exact age

Members are expected to remain in the Plan until age 55, hence no resignation assumption is used. This is consistent with the previous regular triennial actuarial investigation.

No allowance has been made for retrenchment which is consistent with the last triennial actuarial investigation. Note that there is no specific retrenchment benefit for the Plan, refer to Appendix A for more information.

The impact of this change in assumptions in isolation has slightly increased the Actuarial Value of Accrued Benefits and the long-term contribution rate.

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 on the next page.

	1 July 2021	1 July 2024
Operating expenses [^] (% p.a. of Defined Benefit members' salaries)	3.0% p.a.	3.2% p.a.
Death and TPD insurance premiums (% p.a. of Defined Benefit members' salaries)	2.9% p.a.	3.2% p.a.
Salary Continuance Insurance premium (% p.a. of Defined Benefit members' salaries)	0.9% p.a.	1.0% p.a.
Total expense and insurance premium assumption	6.8% p.a.	7.4% 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.

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

Tax

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

Contribution rates for future service benefits include an allowance for the current 15 percent tax on Employer contributions, net of deductible expenses.

For the purpose of meeting funding requirements, we have made the following assumptions:

- No allowance has been made in the projections for the impact of the surcharge (up to 30 June 2005 but not assessed before 1 July 2024), or withholding tax due to members not providing their Tax File Number to the Trustee, or excessive contributions tax levied on the member where the member has elected the Plan to pay it on their behalf, if not assessed before 1 July 2024;
- No allowance has been made for the additional 15 percent tax on contributions for high-paid individuals or any excessive contributions tax levied. It is assumed that benefits will be adjusted (via additional accumulation accounts) for affected members to meet these tax amounts assessed;
- No adjustment has been made to the non-concessional contributions, if any, of members where their total superannuation benefit exceeds \$1.9 million;
- The Trustee has made a decision in relation to the tax deductibility rules for after-tax contributions from 1 July 2017 in a way that would not lead to a funding implication for Defined Benefit members; and
- That the SG Rate is paid without limitation (i.e. not limited to the SG maximum salary base) for Defined Benefit members.

Overall Effect of Changes in Assumptions

Overall, the changes have slightly 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 additional accounts for the Defined Benefit members.

Actuarial Value of Accrued Benefits (past service)	Total (\$)
Retirement	11,213,336
Death and Disablement	404,987
Resignation	0
Total of active Defined Benefit related liabilities	11,618,323
Additional accounts for Defined Benefit members	1,449,675
Actuarial Value of Accrued Benefits	13,067,998
Assets	14,131,629
Surplus/(Deficit)	1,063,631

Use of Excess Reserves

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

Total assets exceeded the Actuarial Value of Accrued Benefits as at 1 July 2024 by \$1,063,631. This is equivalent to 9.2 percent of Defined Benefit liabilities (i.e. excluding Defined Benefit members' additional accounts) and 46.8 percent of total Defined Benefit salaries. This amount will largely be used to suspend all Employer and member contributions for the Defined Benefit members for a period of time while there is an excess surplus, followed by maintaining it within the Plan as a buffer against future adverse experience with the Employer contributing at the average long-term employer contribution rate from 1 July 2028.

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

The following table quantifies the various impacts on the financial position of the Plan since the last regular triennial actuarial investigation as at 1 July 2021. These figures give an indication of the impact of the factors that affect the final regular triennial actuarial investigation result. As there are yearly funding calculations performed, these items have been determined in each year between triennial investigations and added to provide the 3 years' worth of movements.

	\$(000's)
Previous surplus/(deficit)	1,940
Interest on surplus/(deficit) ¹	(47)
Investment gains/(losses) ²	(272)
Employer contributions paid at a higher/(lower) rate than long-term rate ³	(534)
Expense gains/(losses) ⁴	(25)
Salary gains/(losses) ⁵	(353)
Change in basis gains/(losses) ⁶	140
Withdrawal gains/(losses) ⁷	39
Miscellaneous	176
Surplus/(deficit) as at the valuation date	1,064

¹ Interest on surplus over the period. The negative return during FY2022 exceeds the positive 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 benefit 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 mainly due to the increase in expense and premium assumptions.

Present Value of Future Service Liability	Total (\$)
Retirement	949,955
Death and Disablement	36,554
Resignation	0
Total of Defined Benefit related liabilities	986,509
Less member contributions	257,336
Net Future Service Liability	729,173
Equivalent net future contribution rate	14.2%
Tax (including allowance for tax on Member contributions)	3.4%
Expense allowance	3.2%
Death and TPD premiums	3.2%
Salary Continuance premiums	1.0%
Employer contribution rate required for Future Service Benefits (p.a. salary)	25.0%

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 for the purpose of this regular triennial actuarial investigation. The financial statements, 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 Benefits	9,553,938	138.4%	146.4%	10,376,282	136.2%	142.1%	A
Vested Benefits	11,552,058	114.4%	116.8%	13,031,268	108.4%	109.5%	A
Leaving Service Benefits³	11,845,361	111.6%	113.5%	13,368,662	105.7%	106.4%	A
Actuarial Value of Accrued Benefits	11,280,198	117.2%	120.1%	13,067,998	108.1%	109.2%	A
Retrenchment Benefits	12,200,295	108.4%	109.7%	13,437,391	105.2%	105.8%	A
Accumulation Benefits⁴	1,644,474			1,449,675			B
Assets⁵	13,220,384			14,131,629			C

¹Index is C/A.

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

³The benefit design allows the Employer to grant early retirement consent for Defined Benefit members between ages 50 and 60 depending on the number of years of service with the Employer. Consent is generally granted.

⁴The retrenchment benefit is set as a minimum of each member's Leaving Service benefit and share of surplus assets of the Plan (i.e. over a 10 percent investment fluctuation buffer) (if any). Please refer to Appendix A for details.

⁵The accumulation benefits are equal to the additional accounts for Defined Benefit members.

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

This Shortfall Limit is to be compared to the Defined Benefit Vested Benefits Index i.e. the ratio of Defined Benefit assets and Defined Benefit Vested Benefit liabilities. Additional accounts for Defined Benefit members are excluded from the assets and liabilities.

The Defined Benefit Vested Benefit Index at 1 July 2024 was 109.5 percent. Therefore, the Plan has not fallen below the Shortfall Limit at the valuation date.

I have reviewed the Shortfall Limit of 97.5 percent and confirm that, in my view, it remains appropriate.

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

Minimum Requisite Benefits Index

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

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

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

Actuarial Value of Accrued Benefits Index

The valuation results shown in Section 4 of this report disclose the Actuarial Value of Accrued Benefits, also known as the Past Service Liability. This is different to the figure calculated for AASB1056 purposes due to the use of estimated salaries as at 1 July 2024 since the actual salary was not available to meet reporting deadlines. Note that the liabilities were 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 21 August 2024 excluded Defined Benefit members' additional accounts as these liabilities are equal in value to the assets held and therefore recognised as "Defined Contribution member benefits" in the AASB 1056 financial statements.

The Actuarial Value of Accrued Benefits Index provides a measure of the Plan's ability to meet its benefit obligations to all members of the Plan based on membership to the valuation date.

The minimum desirable range for this index is 100 to 105 percent which allows for possible variations in asset values. The index was at an adequate level at the valuation date.

Retrenchment Benefits Index

This index considers the extent to which the Plan could meet the retrenchment benefits applicable to its members if they were all retrenched and the Plan was not terminated. The retrenchment benefit is equal to the members' equitable share of the Plan as determined by an Actuary. Past practice has defined equitable share as:

- The member's Actuarial Value of Accrued Benefits, with a minimum of the Leaving Service Benefit; plus
- A share of the surplus of the Plan (if any) after allowing for a 10 percent investment fluctuation buffer.

As at 1 July 2024, the surplus of the Plan is below 10 percent of the Plan assets hence, the Retrenchment Benefit for each member is set equal to the Actuarial Value of Accrued Benefits with a minimum of the Leaving Service Benefit and a share of surplus assets of the Plan (i.e. surplus in excess of a 10 percent buffer). Please refer to Appendix A for details.

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 above 100 percent at the valuation date.

Termination of the Plan

In the event of the termination of the Plan, the Trustee would follow the rules of the Plan as specified in the successor fund arrangement with the Aon Master Trust (now Smart Future Trust) and distribute whatever assets are available net of accruals, taxes and expenses, to members in accordance with the amount of benefit which would have been payable if member had ceased to be a member at the date of termination. If assets are insufficient, all assets are distributed to members in such proportions as the Actuary shall determine. Excess assets (if any) will be distributed among members in such proportions as the Actuary shall determine. These are known as "termination liabilities".

There is no guarantee of adequacy for the termination liabilities, only a priority charge on available assets up to the level of termination liabilities. At 1 July 2024 the available assets exceeded the members' termination liabilities.

Section 6 – Adequacy of Insurance Arrangements

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

Death or Total and Permanent Disablement Insurance (Lump Sum)

The Trustee has effected Group insurance (with AIA Australia Limited) 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 is as follows:

Defined Benefit Members

Insured Amount = Death or TPD benefit - Vested Benefit

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

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

	1 July 2024
	(\$)
Total sums insured (A)	4,591,372
Plan Assets (B)	14,131,629
Amount of Surplus, if any, set aside for funding purposes (C)*	640,156
Plan Assets available to meet Death/TPD benefits (B)-(C)=(D)	13,491,473
Available on Death/TPD (A)+(D)=(E)	18,082,845
Total Death/TPD benefit (F)	17,621,186
Excess/(shortfall) (E) - (F)	461,659

* 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 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.

Disability Income Insurance

The Trustee also has effected Group Insurance (with AIA Australia Limited) to cover disability income benefits payable from the Plan in certain circumstances of disablement. This is a fully insured benefit, however the Plan remains liable for the payment of retirement, death, total and permanent disablement and resignation benefits if a member who receives a disability income benefit terminates service. Benefits are payable for a period of two years in the Plan. There is additional disability income insurance, payable up to age 65, held outside the Plan.

Indemnity Insurance

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

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

Material Issues Arising From Insurance

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

We note there is one member of the Plan whose death and TPD insurance covers were restricted by the Insurer's Automatic Acceptance Limit. As a result, their death and TPD benefits were restricted to their vested benefit plus their restricted cover. In order to receive the full death and TPD benefit as prescribed under the Trust Deed, they will have to undergo a medical underwriting process to obtain the full standard death and TPD insurance cover (based on the formula above) and benefits (based on the Trust Deed).

I also recommend the Trustee continues to review the arrangement for the member with restricted insurance cover on death or TPD remains appropriate.

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 (3.6% p.a./5.35% p.a.)	13,067,998	25.0%
Last valuation (2.5% p.a./4.25% p.a.)	13,208,204	25.2%
Last valuation with this valuation decrements (2.5% p.a./4.25% p.a.)*	13,210,607	25.2%
Salary inflation rate plus 1% p.a. (4.6% p.a./5.35% p.a.)	13,179,014	25.2%
Salary inflation rate minus 1% p.a. (2.6% p.a./5.35% p.a.)	12,962,555	24.7%
Investment return plus 1% p.a. (3.6% p.a./6.35% p.a.)	12,842,650	24.4%
Investment return minus 1% p.a. (3.6% p.a./4.35% p.a.)	13,311,105	25.4%

* 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 0.2 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 0.60 percent p.a.

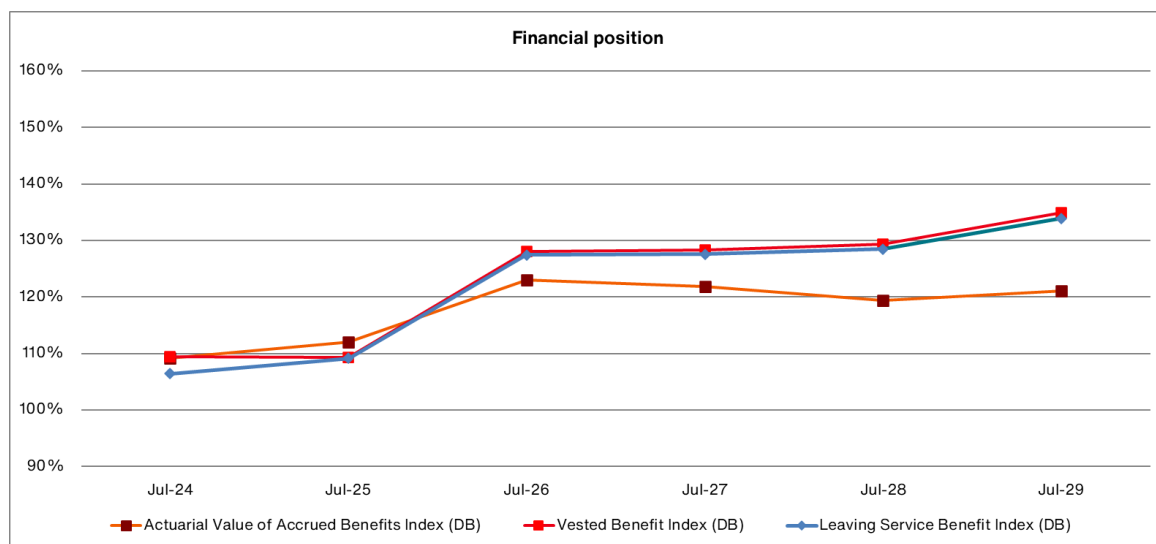
Post Valuation Events

The Plan has earned an average investment return of 4.0 percent from the date of the valuation to 6 November 2024. This is significantly higher than the rate assumed for the valuation and has further strengthened the financial position of the Plan. I estimate that coverage of Vested Benefits without Employer's consent (exclusive of Defined Benefit members' additional accounts) has increased from 109.5 percent at the valuation date to approximately 111.1 percent as at 6 November 2024. This has

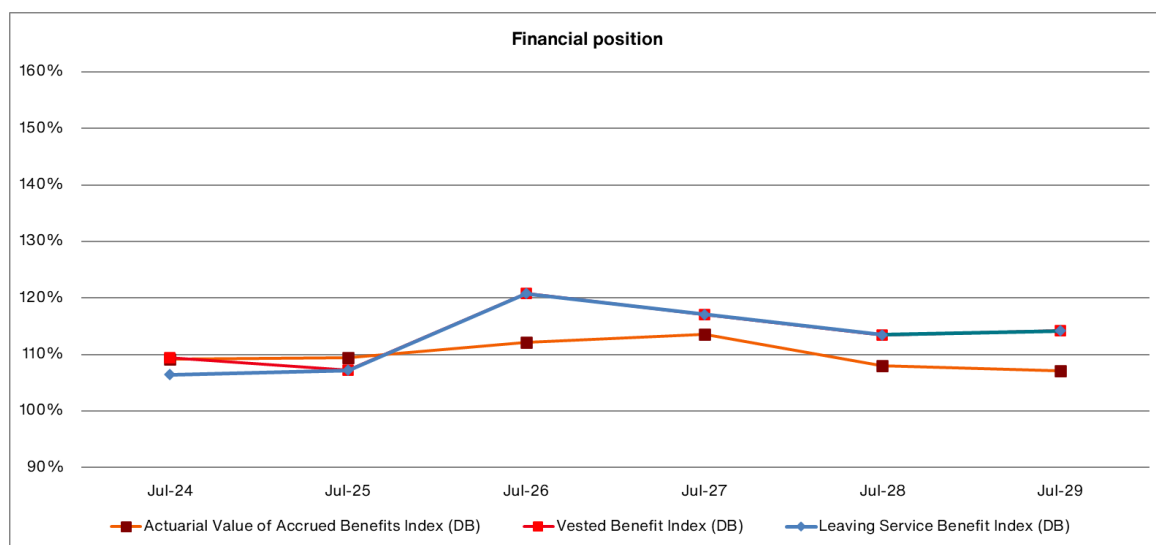
been taken into account in the recommended Employer contributions. As Minimum Requisite Benefits (MRBs) are accumulation in nature, they will have moved in line with this investment return. Therefore, the funding position, in regards to MRBs, is largely unchanged since the valuation date.

Projection of Future Liabilities

The graph below shows the projected value of Defined Benefit Vested Benefits, 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.



As there is a possibility of defined benefit members staying in the defined benefit until their normal retirement age we have also performed the projection assuming no member leaves for any other reason.



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 1 July 2029.

Note that the above projections do not allow for the contribution holiday for late retirees, if any, during the contribution holiday period, however, if the three members who will reach their normal retirement date during the period continue as employees post normal retirement the surplus will be sufficient based on the assumptions used to meet the SG rate on the OTE subject to the Maximum Contributions Base applying.

Section 8 – Material Risks

Financial Risk

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

Other strategies to mitigate these risks are:

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

Employer Financial Viability

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

Plan Specific Risks

Early Retirement Benefits and Retrenchment 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. In some cases the Employer must provide consent for this to occur. If consent is granted it is important to check that payment of this benefit would not detrimentally affect the financial position of the Plan and may require additional funding by the Employer. We note that as the membership ages, there was only one member remaining under the early retirement age of 55 as at 1 July 2024.

The Plan design also provides a potentially higher benefit for a member who is retrenched. If a retrenchment benefit is paid, it is important to check that payment of this benefit would not detrimentally affect the financial position of the Plan and this also may require additional funding by the Employer.

It is important for the Employer to understand these issues and either pay higher regular contributions or be prepared to pay higher contributions in future should these events arise.

Investment Policy

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

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

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

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

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

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

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

Recommendations

Future Contribution Recommendations

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

Category	Employer Rate for defined benefit members (% p.a. of salaries ¹)		
	1/07/2024 - 30/11/2024 ^{2,3}	1/12/2024 - 30/06/2028 ⁴	1/07/2028 - onwards ^{2,3}
A	25.90%	0.00%	30.10%
B	18.90%	0.00%	23.60%

¹The total dollar value of the contributions is based on these percentages of Superannuation Salary. The Superannuation Guarantee (SG) contribution rate is to be paid based on Ordinary Time Earnings (excluding bonus) and is credited to each member's Superannuation Guarantee Account.

²Compulsory member salary sacrifice contributions of 5 percent p.a. is not included and is paid by the member where there is not a contribution holiday, however whilst the contribution holiday occurs the member contribution does not need to be paid to the Plan and the amounts will be credited from the Plan's reserve.

³This includes the tax on compulsory member salary sacrifice contributions paid by the Employer on behalf of the members.

⁴Contribution Holiday includes the member paid compulsory salary sacrificed contributions of 5 percent p.a.

In addition, the following contributions are also payable:

- Compulsory defined benefit member salary sacrificed contributions of 5 percent p.a. of Superannuation Salary (except during the contribution holiday period from 1 December 2024 to 30 June 2028);
- The SG contribution rate on OTE for late retiree members apart from the contribution holiday period from 1 December 2024 to 30 June 2028, if any;
- The SG contribution rate on bonus for defined benefit members, if applicable (only required where the OTE (excluding bonus) is under the maximum contribution base); and
- Due to the small number of Defined Benefit members left in the Plan, I recommend that if the last Defined Benefit member leaves the Plan and there are insufficient assets available to pay their benefit, the benefit is not to be paid until an appropriate contribution to meet the difference is made by the Employer.

These rates are lower than those currently being paid from 1 December 2024 and higher from 1 July 2028.

The Employer contributions in respect of Defined Benefit members must be paid or loaded from the Plan's reserve to members' accounts where applicable by the 28th day of the month following the month to which they relate or earlier date as required by legislation and for Late Retiree members by the 28th day of the month following the quarter end or earlier date as required by legislation.

The recommended contributions will need to be reviewed prior to the next regular triennial actuarial investigation due with an effective date of 1 July 2027 if one or more of the notifiable events within the Funding and Solvency Certificate occur prior to that date as advised by the Trustee (unless, after reviewing the details of a specific event which would otherwise be classified as a notifiable event, the Actuary advises the Trustee in writing that such an event does not constitute a notifiable event). Note that there is a new notifiable event relating to the transfer of a member from Category B to Category A as this could be possible if the current Category A member terminates service from the Employer and one of the remaining defined benefit members is appointed as the Chief Executive Officer.

Shortfall Limit Recommendations

I have reviewed the Shortfall Limit of 97.5 percent (see Section 5) and confirm that, in my view, it remains appropriate.

Insurance Recommendations

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

I also recommend the Trustee continues to review the arrangement for the member with restricted insurance cover on death or TPD remains appropriate.

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 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 Late Retiree (Accumulation) category on reaching their Normal Retirement Date.

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 five 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.

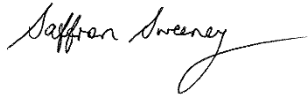
Actuary's Statement for the Purposes of SPS 160

I have conducted a regular triennial actuarial investigation of the smartMonday PRIME - IMB Defined Benefit 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, was \$14,131,629 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 6 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 \$13,067,998 as at 1 July 2024. This amount was not used for the purposes of the Plan's Australian Accounting Standard AASB1056 reporting for financial year end 30 June 2024 as the members' salaries effective 1 July 2024 were estimated (since the actual salary was not yet available) for purposes of AASB1056 liability calculations to ensure timely disclosure in the Smart Future Trust financial statements; these calculations also excluded Defined Benefit members' additional accounts as these liabilities are equal in value to the assets held and are therefore recognised as "Defined Contribution member benefits" in the AASB1056 financial statements.
- 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.



Saffron Sweeney
Fellow of the Institute of Actuaries of Australia
Aon Risk Services Australia Limited

14 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.

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

Eligibility

Category A and B – the current members joined the Plan on invitation from Employer. However, the Plan is now closed to new entrants. If a Category B member is appointed as the Chief Executive Officer they can be transferred to Category A.

Plan Structure

The smartMonday PRIME - IMB Defined Benefit Superannuation Plan (the Plan) is a Defined Benefit plan and is constituted by a Trust Deed originally dated 20 August 1973 and restructured on 27 August 2003.

There were no changes in the Deed since the last regular triennial actuarial investigation.

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

Salary Review Date

1 September

Definitions

Normal Retirement Date (NRD)

65th Birthday

Early Retirement Date (ERD)

At any time after attaining age 60 or

- With the consent of the Employer having attained the age of 50 years but not yet having attained the age of 55 years and having completed 15 years of service;

-
- Having attained the age of 55 years but not yet having attained the age of 60 years and having completed 15 years of service; or
 - With the consent of the Employer having attained the age of 55 but not yet having attained the age of 60 years and not having completed 15 years of service.

Salary

The figure as advised by the Employer excluding directors fees, bonuses, commissions, sums paid for overtime and any other additional payments. Note that the Employer has advised that this Salary is determined as 78 percent of Total Fixed Remuneration for Defined Benefit members.

Final Average Salary

The average of the member's three highest salaries at the ten Salary Review Dates immediately preceding the earlier of the date of leaving service and the NRD.

Ordinary Time Earnings (OTE) Salary

This is equal to:

$$\text{Salary}/78 \text{ percent} \times [1/(1 + \text{SG rate})]$$

SG rate is the minimum Superannuation Guarantee rate at the relevant time.

OTE Salary is the salary used to determine the contributions to the SG account.

Service

Membership

Actual employment with the Employer in respect of which the Member concerned receives Salary but includes any period of absence from employment which the Trustees determine shall be so included. It is measured in years and complete months, but excludes any period of Approved Leave of Absence.

Fraction

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

Contributions

Member

Category A and B 5 percent p.a. (deemed)

Note that the Employer pays the tax so that the net amount allocated to each member's Deemed Member Contribution Account is 5 percent p.a. of Salary.

Employer

Category A and B Balance of costs

Benefits

Normal Retirement Benefit (NRB)

Equal to Retirement Benefit Multiple times Final Average Salary. The Normal Retirement Benefit is a lump sum benefit calculated as follows:

$NRB = K \text{ percent} \times FAS \times \text{years of Membership} \times \text{Fraction}$

Where K percent = 25 percent for Category A (for all periods of Plan membership)
 20 percent for Category B

Early Retirement Benefit (ERB)

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

Late Retirement Benefit (LRB)

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

Death Benefit

Category A and B

Lump sum benefit equal to the sum of:

- Accrued Multiple x prospective (at age 65) Final Average Salary; and
- $[\text{Maximum (7 and Normal Retirement Multiple)} - \text{Accrued Multiple}] \times \text{Salary} \times 92 / 78$

Total and Permanent Disablement (TPD) Benefit

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

Total and Temporary Disablement Benefit

For Category A and B

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

Resignation Benefit

For Category A and B

Lump sum benefit equal to 2.25 times Deemed Member Contribution Account.

Retrenchment Benefit

The Retrenchment Benefit is the Member's Equitable Share in the Plan. The Member's Equitable Share is calculated as the maximum amount payable by the Plan to a member without the Actuary recommending that the Employer make additional contributions to fund the augmented benefit. Consistent with previous calculations for other members, we have adopted the definition of equitable share as:

- the Member's "Actuarial Reserve" (subject to a minimum of the leaving service benefit assuming Employer consent to early retirement), plus
- a share of the "surplus assets of the Plan" (if any), plus
- the member's Additional Accounts (e.g. voluntary and rollover accounts) (if any).

The Member's "Actuarial Reserve" is equal to the Member's actuarially calculated present value of the retirement benefit (PVAB) accrued to the date of calculation (excluding Additional Accounts). It can be calculated by:

- calculating the accrued retirement multiple (ARM) as at the calculation date. (This equals the retirement multiple at age 65 less the amount accruing in respect of Membership after the calculation date);
- projecting current salary forward each year to estimate Final Average Salary (FAS) up to age 65 based on the assumptions in the most recent actuarial valuation;
- multiplying the ARM by the projected FAS to determine the Accrued Retirement Benefit projected to be paid at age 65 in respect of Membership already completed for retirement and death/total & permanent disablement benefits;
- applying the probability of when each benefit would be expected to be paid based on actuarial assumptions from the most recent actuarial valuation;
- discounting the Accrued Retirement Benefit back to the calculation date to allow for future investment earnings based on the assumption in the most recent actuarial valuation; and
- in order to determine the surplus, the total Actuarial Reserve is set to be no less than the total leaving service benefits which assumes Employer consent for early retirement.

The "surplus assets of the Plan" is equal to the Plan assets less the sum of:

- Additional Accounts
- Sum of all Members' Actuarial Reserves (subject to a minimum of the leaving service benefit assuming Employer consent to early retirement)
- Reserve for fluctuation in asset values (equal to 10 percent of total Actuarial Reserves, excluding Additional Accounts)

The Member's share of the "surplus assets of the Plan" (if any) is the proportion of the Member's Actuarial Reserve to the total of all members' Actuarial Reserves.

Minimum Benefit

The above are subject to a minimum benefit equal to the SG account and Deemed Member Contribution Account.

Additional Accounts

Additional Voluntary Contribution Accounts and Rollover Accounts are in addition to all of the above benefits (excluding the Total and Temporary Disablement Benefit).

Surcharge Account

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

Family Law Account

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

Partial Withdrawals

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

Appendix B – Membership

Changes in membership 1 July 2021 – 1 July 2024

Active DB Membership at 1 July 2021	8
Plus	
New Entrants	0
Transfers from other funds	0
Transfers from other categories	0
Less	
Transfer to other funds	0
Transfers to other categories	0
Deaths	0
Total and Permanent Disablement	0
Early retirements	-1
Normal retirements	0
Resignations	0
Retrenchments	0
Late retirements	0
Active DB Membership at 1 July 2024	7

Membership Characteristics as at 1 July 2024

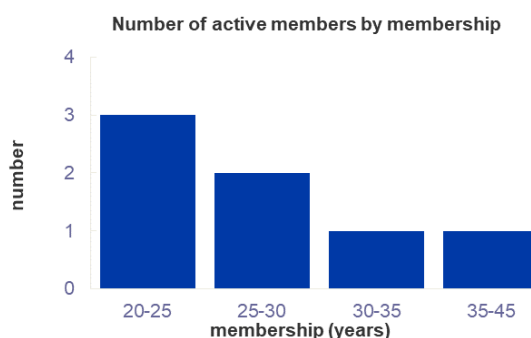
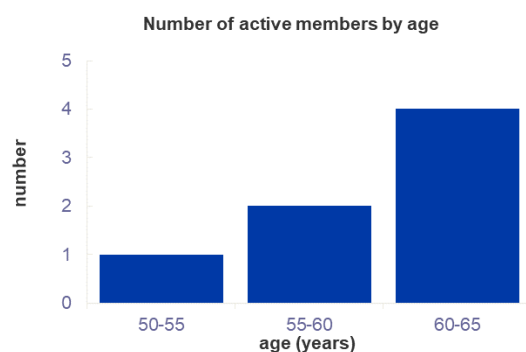
The main characteristics of the Plan's Defined Benefit membership at the valuation date are summarised in the following table. For comparison, active figures for the previous valuation date (1 July 2021) are shown also:

Defined Benefit active members	1 July 2021	1 July 2024
Number of members	8	7
Average age (years)	58.0	60.6
Average membership (years)	25.2	29.1
Total annual salary (\$)*	2,154,356	2,273,606
Average annual salary (\$)*	269,295	324,800

*the salaries noted here were effective 1 September 2021 and 1 September 2024 respectively.

By age and Membership

The following graphs outline the distribution by age and membership of the 7 active Defined Benefit members:



Quality of Data

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

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:

- 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 1 July 2024. The final accounts of the Smart Future Trust for 30 June 2024 have received audit clearance.

	1 July 2021	1 July 2022	1 July 2023	1 July 2021
	to	to	to	to
	30 June 2022	30 June 2023	30 June 2024	30 June 2024
	(\$)	(\$)	(\$)	(\$)
Plan Assets at start of period	13,220,384	12,616,996	12,772,101	13,220,384
Plus				
Member contributions	108,527	110,094	110,179	328,800
Employer contributions	461,963	343,141	461,551	1,266,655
Rollovers/transfers in	0	0	0	0
Investment income (including capital appreciation/ depreciation)	(965,963)	903,047	1,026,107	963,191
Less				
Group Life premiums (net of rebates)	80,938	91,122	91,018	263,078
Benefits (net of insurance recoveries)	0	999,198	0	999,198
Transfers out to other funds	0	0	0	0
Administration and other charges	67,288	69,375	63,963	200,626
Income tax	59,689	41,482	83,328	184,499
Plan Assets at end of period	12,616,996	12,772,101	14,131,629	14,131,629

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

Defined Benefit members can invest their additional account balances in any option and if no election is made, they are invested in the default option of Balanced Growth, which they can change any time.

Defined Benefit related account balances and Defined Benefit assets above account balances (i.e. defined benefit reserve assets) are invested 50 percent in the Balanced Growth Option and 50 percent in the Moderate Option. We note that the Balanced Growth - Index Option is now the Balanced Growth Option and the Moderate - Index option is now the Moderate Option from 1 June 2024 as a result of the changes implemented by smartMonday and understand that there is no significant change to the underlying strategic asset allocation.

Rebalancing will be performed where the holdings in these options differ by more than 5 percent based on the Actuary's review of the split between the two options employed at each 1 July when carrying out the AASB1056 work.

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

By Asset Class	1 July 2021	1 July 2024
	(%)	(%)
Balanced Growth	50.9%	53.5%
Moderate	49.1%	46.5%
Total	100.0%	100.0%

By Asset Class	1 July 2021	1 July 2024
(based on benchmark asset allocation and actual split between options at 1 July)	(%)	(%)
Australian Shares	20.9	20.0
International Shares	20.9	19.8
Property	6.0	6.0
Alternatives Asset - growth	5.0	7.2
Alternatives Asset - defensive	0.0	15.0
Australian Fixed Interest	36.7	24.6
International Fixed Interest	6.0	2.9
Cash	4.5	4.5
Total	100.0	100.0

The asset valuation method is in accordance with Professional Standard 404 published by the Institute of Actuaries of Australia. There were no material qualifications identified in the latest audit report that impact on the value of assets. We have relied on the asset information provided by the Plan administrator as at 30 June 2024 as audited financial statements at that date are not available, however we understand that the Smart Future Trust financial statements as at 30 June 2024 were audited and signed on 30 September 2024.

Crediting Rate Policy

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

The option returns for the Defined Benefit related assets were:

Option	Year to 30 June 2022	Year to 30 June 2023	Year to 30 June 2024	3 Years to 1 July 2024
	(p.a.)	(p.a.)	(p.a.)	(p.a.)
Balanced Growth	-6.8%	9.8%	9.8%	4.0%
Moderate	-8.2%	4.0%	5.3%	0.2%
Total DB Assets	-7.5%	7.0%	7.7%	2.1%

Note: All figures are net of investment fees and taxes

Appendix D – Funding Method

Funding Method

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

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

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

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

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

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

Summary of Method of Attributing Benefits to Past Membership

In order to determine if the Plan is in surplus or deficit it is necessary to determine what proportion of benefits payable in the future from the Plan are due to past service. The past membership components in respect of the current members are projected forward allowing for future assumed salary increases and then discounted back to 1 July 2024 at the valuation rate of interest assumption.

The past membership component for each type of benefit is:

Retirement Benefits

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

Death and Disablement Benefits

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

Resignation Benefit

Based on 2.25 times the accumulated member contributions with interest to the valuation date, allowing for future expected investment earnings and discounted from the projected date of termination to the valuation date.

Superannuation Guarantee Minimum Benefit

In the case of Superannuation Guarantee benefits the past component is based on the accumulated contributions (SG and member deemed) 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 (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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