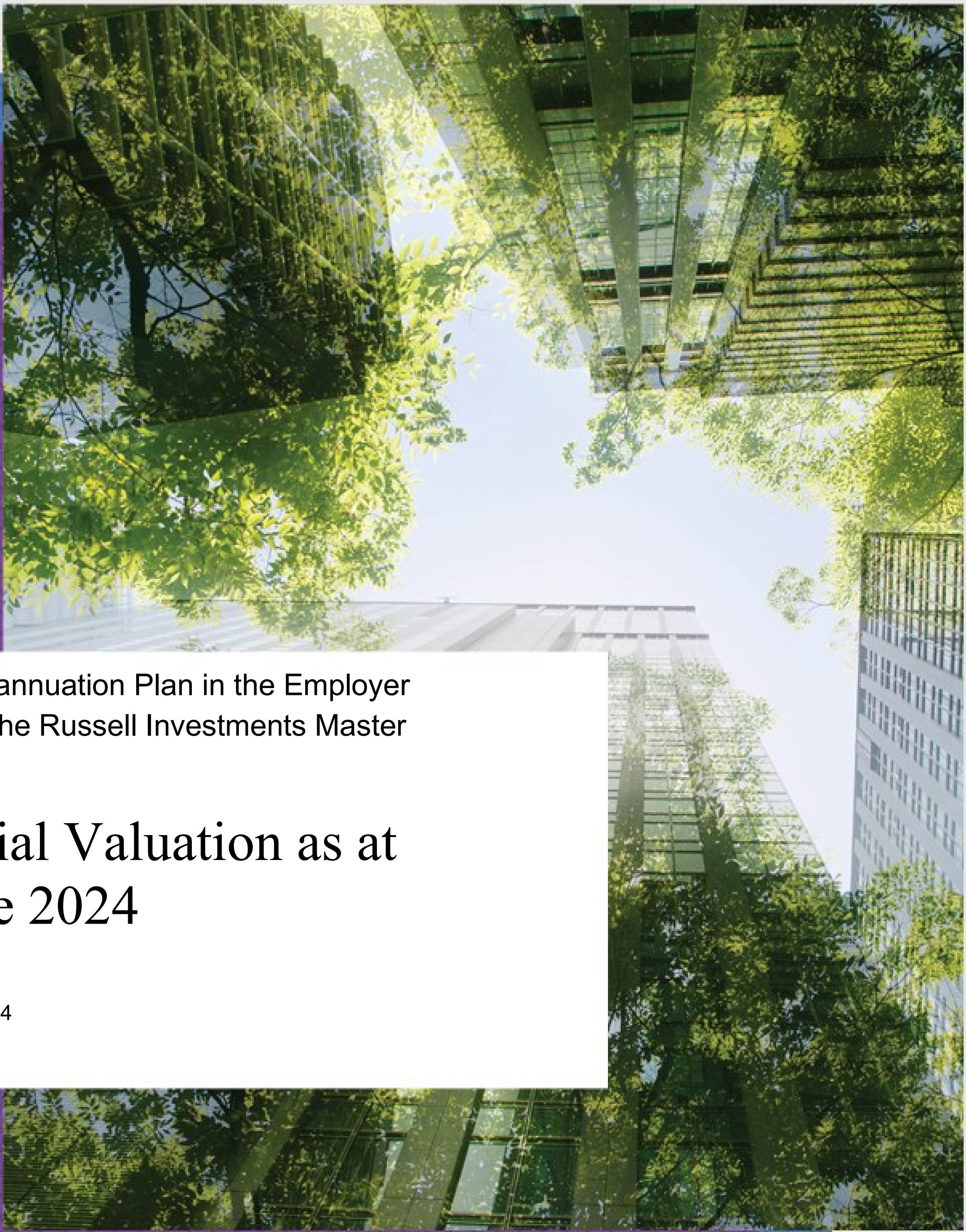

CSR Superannuation Plan in the Employer Division of the Russell Investments Master Trust

Actuarial Valuation as at 30 June 2024

7 November 2024

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Reliance statement and data

This report is provided subject to the terms set out herein and in our engagement letter with Total Risk Management Pty Limited (the Trustee) dated 13 March 2017 and the accompanying Terms and Conditions of Engagement. This report is provided solely for the Trustee's use and for the specific purposes indicated above. It may not be suitable for use in any other context or for any other purpose.

Except where expressly agree in writing, this report should not be disclosed or provided to any third party, other than as provided below. In the absence of such consent and an express assumption of responsibility, no responsibility whatsoever is accepted by us for any consequences arising from any third party relying on this report or any advice relating to its contents.

The Trustee may make a copy of this report available to its auditors, the sponsoring employer CSR Limited (the Company) and to any person to whom the Trustee may be required to provide a copy under relevant legislation. However, we make no representation as to the suitability of this report for any purpose other than that for which it was originally provided and accept no responsibility or liability to the Trustee's auditors, the Company or any third party in this regard. The Trustee should draw the provisions of this paragraph to the attention of its auditors and the Company when passing this report to them.

In preparing this valuation, we have relied upon information and data provided to us orally and in writing by the Trustee and other persons or organisations designated by the Trustee. We have relied on all the data and information provided, including Plan provisions, membership data and asset information, as being complete and accurate. We have not independently verified the accuracy or completeness of the data or information provided, but we have performed limited checks for consistency. The data and information we have relied upon is shown in Section 1.

In our opinion, all calculations are in accordance with requirements of applicable legislative requirements, and the procedures followed and the results presented conform to applicable actuarial standards of practice.

Executive Summary

The CSR Superannuation Plan (the Plan) is in the Employer Division of the Russell Investments Master Trust (the Fund). Effective from 1 December 2020, by way of successor fund transfer, the Plan provides lifetime pension benefits for the former members of the Viridian Superannuation Plan (a segment of the Plum Division of the MLC Super Fund).

This report summarises the results of the actuarial investigation carried out as at 30 June 2024 (the valuation date). It has been prepared for Total Risk Management Pty Limited (the Trustee), in my capacity as RSE Actuary to the Plan. Note that in all cases this report only considers the lifetime pension benefits payable to former members of the Viridian Superannuation Plan.

Funding Status

The Plan's "vested benefit" liability is calculated as the present value (using the assumptions and methodology detailed in this report) of the expected future pensions payable from the Plan. The following table shows the ratio of the Plan's assets to vested benefits as at the valuation date.

	30 June 2024
Total Vested Benefits	$14,360,000
Net Assets	$15,321,000
Vested Benefits Index (VBI)	**106.7%**

Company Contributions

At the valuation date there was a surplus of assets over vested benefits. Given the VBI as at the valuation date, we consider that Company contributions are not required to be paid for the next year, or until the next actuarial investigation is carried out.

The funding position, and in particular the coverage of vested benefits by Plan assets, should continue to be monitored quarterly. The requirement to pay contributions may be altered should the financial position of the Plan deteriorate.

Shortfall Limit

Under Superannuation Prudential Standard SPS 160, the "Shortfall Limit" is the amount by which the VBI may fall below 100% and for there to be a reasonable expectation of it being restored to 100% within one year without the need for further employer contributions, in addition to those being made at the time. Considering the Plan's current investment strategy, we recommend the Trustee retain the Shortfall Limit at 98%.

Investments

We consider the current investment strategy to be reasonable for a fund of the size and benefit design of the Plan. In reaching this conclusion we note that in the first instance the Company assumes responsibility for making up any funding shortfall.

Certifications

The actuarial statement required under Prudential Standard SPS 160, made under section 34C of the Superannuation Industry (Supervision) Act 1993 is contained in Appendix D. The Plan is not used to meet the Company Superannuation Guarantee obligation as it only provides benefits to retired former employees.

Next Valuation

In accordance with the Fund's Rules, the next actuarial valuation is due at no later than 30 June 2025. The next triennial investigation is required no later than 30 June 2026.

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of Actuaries of Australia

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7 November 2024

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https://wtwonlineau.sharepoint.com/sites/tctclient_987204_VIRIDIAN24/Documents/04.01_Actl_Valn/5_Deliverables/Viridian_Actuarial Investigation Report_30June2024.docx

Section 1: Purpose and Summary

The CSR Superannuation Plan (the Plan) is in the Employer Division of the Russell Investments Master Trust (the Fund). Effective from 1 December 2020, by way of successor fund transfer, the Plan provides lifetime pension benefits to former members of the Viridian Superannuation Plan (a segment of the Plum Division of the MLC Super Fund).

Current legislation requires that an actuarial investigation be undertaken at least every three years (a triennial investigation). Where a defined benefit fund or sub-fund is paying a defined benefit pension, such as a lifetime pension, superannuation law requires an actuarial investigation to be undertaken annually unless directed otherwise by APRA. I confirm that the Plan is currently required to undertake actuarial investigations annually.

This investigation has been conducted to meet the requirements of an annual investigation.

This report summarises the results of the actuarial investigation carried out as at 30 June 2024 (the valuation date). Note that in all cases this report only considers the lifetime pension benefits payable to former members of the Viridian Superannuation Plan.

The provision of lifetime pensions from the Plan means that an actuarial review is necessary to:

- examine the sufficiency of the assets in relation to members' lifetime pension benefit entitlements;
- determine the recommended contribution rate required to be paid by CSR Limited (the Company);
- examine the suitability of the Plan's investment arrangements;
- satisfy the Trust Deed that requires an actuarial review to be periodically conducted;
- meet legislative and prudential standard requirements, in particular paragraph 23 of Prudential Standard 160 Defined Benefit Matters (SPS160).

This report has been prepared in accordance with Professional Standard 400, dated March 2021, issued by the Institute of Actuaries of Australia.

Section 2: Background and Data

Effective 1 December 2020, the Viridian Superannuation Plan (a segment of the Plum Division of the MLC Super Fund) transferred on a successor fund basis to the CSR Superannuation Plan in the Employer Division of the Russell Investments Master Trust. Its operations are governed by the Rules governing the CSR Superannuation Plan in the Russell Investments Master Trust (the Viridian Superannuation Rules) and the Trust Deed of the Plan dated 26 June 2003, as amended from time to time.

The Plan is an employer plan under the Russell Investments Master Trust and is a complying superannuation fund for the purposes of the Superannuation Industry (Supervision) Act for taxation purposes. The Plan provides lifetime pensions to former members of the Viridian Superannuation Plan (a segment of the Plum Division of the MLC Super Fund). A summary of the main benefits is included Appendix A to this report. The Plan is closed to new defined benefit members.

The Plan is a regulated fund under the Superannuation Industry (Supervision) Act 1993 and receives concessional tax treatment accordingly.

Previous Recommendations

The previous Actuarial Investigation of the Plan was conducted as at 30 June 2023 by me, and the results were summarised in my report dated 12 October 2023. Key findings and recommendations from that report included the following:

- the Plan had sufficient assets to meet its vested benefits;
- the Vested Benefits Index (VBI) and Accrued Benefits Reserve Index (ABRI) was 102.8%;
- Company contributions were not required to be made to the Plan;
- the Trustee maintain the Shortfall Limit at 98%; and
- the investment strategy implemented by the Trustee was reasonable for a fund of the size and benefit design of the Plan.

It is our understanding that all recommendations have been implemented by the Company.

Experience Since 30 June 2024

The investment return on the Plan's assets for the period 30 June 2024 to 6 September 2024 was 2.9%. This was higher than assumed and considered in isolation, has strengthened the Plan's financial position.

The pension increase to be applied at 1 October 2024, based on the actual Consumer Price Index increase over the year to 30 June 2024 will be 3.8%. This was higher than assumed and considered in isolation, has weakened the Plan's financial position.

We are not aware of any further events subsequent to the investigation date which would have a material impact on the conclusions or recommendations in this report.

Sources of Information

We have relied on the following data provided by Russell Investments (the Plan Administrator):

- the administrative records at the valuation date; and
- the unaudited financial information as at the valuation date for the Plan.

Where possible the information provided has been checked for reasonableness and is considered suitable for the purposes of this investigation.

Data

The membership details are summarised in the following tables. We have carried out limited checks for consistency on the data and are satisfied that the data provided is reasonable based on our knowledge of the Plan.

Member pensioners	30 June 2023	30 June 2024
Number of members	43	43
Average age (years)	76.8	77.7
Annual pensions	$1,146,000	$1,209,000

Lifetime Pensioner Reversionary and Contingent Benefits

We are aware that the administrator is holding incomplete records in respect of some lifetime pensioners. We understand that there are two lifetime pensioners where the reversionary benefit payable to a spouse on the death of a pensioner may be higher than the current allowance, and that there is a small possibility that contingent spouse pensioners (a pension payable to a spouse on the death of a former member who is not currently in receipt of a pension) may in future emerge.

We are aware that the Administrator of the former Viridian Superannuation has pursued all avenues available to complete this data. We also understand that any funding impact of this incomplete data was addressed in the successor fund transfer agreement between NULIS Nominees, CSR Ltd and the Trustee of the Plan.

Overall, we are satisfied that the data provided is sufficiently accurate for the purposes of this investigation. Although we have no reason to doubt the quality of the data, the results of this investigation are dependent on the quality of the data provided.

Section 3: Assets and Investment Strategy

Market Value of Net Assets

We have been supplied with the values of assets held by the Plan at the valuation date. The market value of the Plan's assets at the valuation date, net of the Operational Risk Financial Reserve (ORFR), was $15,321,000.

The market value of the Plan's invested assets is based on redemption unit prices. The market value of the net assets is the net assets available to meet the Plan's liabilities as used in determining the contribution recommendations and Funding Status Measures at the valuation date.

Professional Standard 404 defines the 'Fair Value' of assets as the value of assets before the deduction of transaction costs. Based on the type of assets held in respect of the Plan, I do not expect realisation costs to be material. I have therefore used the net market value of assets for the purpose of this investigation.

The method used to determine the net market value of assets is consistent with the method used in the previous investigation.

Nature of Defined Benefit Liabilities

The level of the defined benefit liabilities does not bear the same direct relationship with the defined benefit assets as exists with accumulation liabilities (where the assets and liabilities are generally matched). The defined benefit liabilities reflect the pensions payable and future indexation, whereas the supporting assets depend on a range of factors including:

i. the level of Company contributions; and

ii. the level of investment returns.

In this case it is the Company that bears the investment risk as the level of contributions required depends on the level of investment returns achieved.

An investment strategy for a defined benefit plan, which is framed to take a long-term view, will often adopt moderate levels of equity investment in order:

i. to secure attractive long-term investment returns; and

ii. to provide an opportunity for capital appreciation and dividend growth, which gives some protection against inflation (as benefits are indexed to inflation).

The main constraint is that potential fluctuations in asset values mean the total asset value could fall below the level of Vested Benefits, placing the Plan in an unsatisfactory financial position.

While the impact of a sudden sharp fall in asset values can be limited by maintaining a buffer of assets over and above the level of vested benefits, the level of the buffer may never be sufficiently high to safeguard against all possible investment outcomes. However, the buffer should be at a level where the risk of the asset values falling below the level of vested benefits under a particular investment strategy is acceptable to the Trustee and the Company.

In this regard, a lower buffer may be acceptable where the Company is willing and able to accept short-term variations in contributions as part of underwriting the defined benefits of the Plan. In this case, short-term variations in company contributions may result from:

i. reducing a buffer that has grown too large; or

ii. rebuilding a buffer that has reduced or become negative.

An alternative for a plan which does not have a sufficient asset buffer above the level of Vested Benefits is to adopt a more conservative investment strategy. While this may reduce short-term fluctuations in asset values, it is also likely to reduce long-term returns and hence result in increased company contributions in the long-term.

In summary, a balance needs to be achieved between these short-term and long-term considerations in funding the defined benefit liabilities.

Defined Benefits – Investment Objectives and Guidelines

The Trustee has developed formal objectives and a policy for the investment of the Plan's assets. These objectives and policies are summarised in the Investment Policy Statement for the Russell Investments Master Trust dated 1 December 2020.

At the valuation date, the investment policy was to have the assets supporting the Plan's defined benefit liabilities invested 52% in growth assets such as shares and property and 48% in income assets such as cash and fixed interest. We have taken account of the investment objectives of the Plan in setting our actuarial assumptions in Section 4 of this report. The following table below shows the benchmark asset allocation for the Plan's assets as at the valuation date.

Asset Class	Benchmark Asset Allocation as at 30 June 2024
Australian Equities	21.50%
International Equities	19.25%
Property	7.50%
Infrastructure	3.50%
Fixed Interest	43.95%
Cash	4.30%
Total	**100.00%**

Suitability of Investment Strategy

We consider the current investment strategy to be reasonable for a fund of the size and benefit design of the Plan. In reaching this conclusion we note that in the first instance the Company assumes responsibility for making up any funding shortfall.

Considerations Relating to Lifetime Pensions

We also consider the assets held by the Plan to have sufficient liquidity for meeting the future expected benefit payments for the pension members of the Plan and are sufficient to provide for the risk of longevity.

If the Plan were to reach an unsatisfactory financial position (where vested benefits are greater than assets) then the current lifetime pensions would continue to be paid in full. In this situation additional employer contributions may be required to restore the Plan to a satisfactory financial position in line with the requirements of the agreed funding policy.

Upon the death of a lifetime pensioner (where no reversionary pension is payable to surviving dependants), the liability would cease. Any surplus created at that time improves the Plan's financial position.

Section 4: Valuation Method and Actuarial Assumptions

To carry out an actuarial valuation for defined benefit liabilities, it is necessary to decide on:

- the valuation method to be adopted; and
- the assumptions as to the factors which will affect the cost of the benefits to be provided by the Plan in the future.

Valuation Method

Given that the Plan no longer includes any active defined benefit members, we have determined that a Projected Funding Method is the most appropriate method to determine the level of future Company contributions.

The objective of the Projected Funding Method is to ensure that the Plan has sufficient assets to provide for the vested benefits for all members for all future years and in particular for the next three years. Vested benefits are the primary means by which the Regulator assesses the financial condition of defined benefit superannuation plans.

To help mitigate the impact of the volatility of the Plan's assets, and in particular reduce the likelihood of the VBI falling below 100% in future, we recommend that an appropriate buffer of assets over vested benefits be targeted.

This is consistent with the valuation method adopted in the previous investigation.

Plan Experience and Valuation Assumptions

It is important when setting the valuation assumptions to examine the experience of the Plan to see whether the previous assumptions have been borne out in practice. A summary of the major items of experience over the last year is set out below.

Investment Return

The following table compares the investment return assumption made at the last valuation with the Plan's actual experience over the twelve-month period to the valuation date:

	Assumption 30 June 2023	Experience 30 June 2023 – 30 June 2024
Investment Return (gross of tax and net of expenses)	6.9%	9.5%

The Plan's investment return over the twelve-month period to the valuation date is higher than assumed at the last valuation. This has had a positive effect on the Plan's financial position.

For this valuation, we have adopted a long-term future investment return assumption of 6.8% p.a.

This investment return assumption is consistent with the Trustee's investment objectives and strategy.

Pension Increases

The following table compares the pension increase assumption made at the last valuation with the Plan's actual experience over the twelve-month period to the valuation date:

	Assumption 30 June 2023	Experience 30 June 2023 – 30 June 2024
Pension Increases	2.9%	6.0%

Pension increases are granted effective 1 October each year based on the annual consumer price index (CPI) increase to the preceding 30 June. Given the significant deviation from the expected level, the increase of 6.0% which was applied at 1 October 2023 was allowed for in the valuation of liabilities as at 30 June 2023. This increase has therefore not had an effect on the Plan's financial position as measured in the previous valuation.

For this valuation, we have adopted a pension increase assumption of 2.6% p.a. from 1 October 2024.

This is in line with our long-term inflation assumption at the valuation date and consistent with the assumptions underlying the capital market model used to derive the investment return assumption.

The increase in CPI of 3.8% for the year to 30 June 2024 will be applied effective 1 October 2024. It is higher than assumed in this valuation and, in isolation, has had a negative effect on the Plan's financial position. We have allowed for this increase in the projection of liabilities.

Impact of changes in financial assumptions

Over the long term, it is the "gap" between the assumed investment return (gross of tax) and pension increase assumption that is important when valuing the members' liabilities. The gap has been set to 4.2% p.a. (6.8% p.a. return minus 2.6% p.a. inflation). This is an increase in the gap of 4.0% p.a. (6.9% p.a. return minus 2.9% p.a. inflation) used in the previous review. In isolation, the change in gap reduces the Plan liabilities and strengthens the financial position.

Pensioner Mortality

For the previous valuation, we assumed that pensioner mortality would be in line with Australian Life Tables 2015-2017 (ALT15-17) with an adjustment factor of 80% to allow for the approximate socio-economic group of the Plan's membership. Additionally, future improvements of 1% p.a. from 30 June 2016 have been assumed. We have maintained the previous mortality assumptions in this valuation.

Expenses

For the previous valuation we an allowance for future expenses of 4.0% of pension payments for the lifetime pensioners in payment. We have maintained the assumption from the previous valuation.

Insurance

As there are no active defined benefit members, the Plan has no insurance arrangements in respect of defined benefits.

Summary of Valuation Assumptions

A summary of our valuation assumptions is set out in Appendix B to this report.

Section 5: Funding Status Measures

When assessing the adequacy of the assets and future contribution rates, both the long-term funding and short-term solvency positions should be considered. To assess the short-term solvency position, we have calculated the Vested Benefits Index and the Accrued Benefits Reserve Index of the Plan at the valuation date. The Plan's position with respect to minimum requisite benefit requirements and the position on termination are also considered.

Vested Benefits

Pursuant to superannuation law and SPS 160, a fund (or a section of a fund) is in a "satisfactory" financial position if the assets cover the Vested Benefit entitlements of the members of the fund.

The Vested Benefits represent the value of the pension benefits for members who have already left service. The following table shows the VBI as at the valuation date and the previous valuation date for comparison purposes.

	30 June 2023	30 June 2024
Vested Benefits	14,711,000	14,360,000
Net Assets	15,129,000	15,321,000
Vested Benefits Index (VBI)	**102.8%**	**106.7%**

As at the valuation date, the net assets of the Plan exceeded the Vested Benefits and therefore the Plan was in a satisfactory financial position. The VBI has improved from the previous review as a result of strong investment returns and changes to the financial assumptions.

Reporting Requirements of Prudential Standard SPS 160 "Defined Benefit Matters"

SPS 160 requires trustees and actuaries to take certain actions when a superannuation fund is in an unsatisfactory financial position. In particular, SPS 160 requires the Trustee to put in place a plan to restore the Plan from an unsatisfactory financial position within a period of three years or less.

A restoration plan is not required as the Plan was in a satisfactory financial position as at 30 June 2024.

Actuarial Value of Accrued Benefits

An indication of the funding status of the Plan is given by the ratio of the Plan's net assets to the actuarial value of accrued benefits. This is called the Accrued Benefits Reserve Index (ABRI).

Actuarial value of accrued benefits for lifetime pensioners are equal to vested benefits, so it follows that the ABRI is equal to the VBI.

Benefits Payable on Termination of the Plan

On termination of the Plan, the Trust Deed states that the Plan assets should be applied in the following order:

- To pay benefits and secure pensions which at the termination date had become payable to pensioners or spouse pensioners or other beneficiaries or had prospectively become payable in consequence of the deaths of pensioners or spouse pensioners of the Plan occurring before the termination date; and
- To provide for the payment of benefits to other members at the termination date as and when they leave service (The Plan has no other members than those covered by the first point above).

As at the valuation date, the calculations for the Plan are as follows:

Benefits Payable on Termination of the Plan	$
Value of Pensions in payment, contingent pensioners	14,360,000
Surplus assets	961,000
Value of the Plan assets	**15,321,000**

The table shows that as at the valuation date the Plan had assets which were sufficient to cover its estimated minimum termination payments under the Rule of the Plan.

If the Trustee was required to secure current pensions on termination by purchasing pensions from a financial services institution, it is likely the cost would be considerably higher than the value of the pensions in payment shown above. We have not carried out these calculations.

Minimum Requisite Benefits Index

As the Plan no longer includes any active defined benefit members, it is our opinion that the Minimum Requisite Benefits Index is equal to 1 under regulation 9.15(2) (ii) of the Superannuation Industry (Supervision) Regulations 1994, and the Plan is therefore not technically insolvent at the valuation date.

Ability to Pay Pensions

SPS 160 requires the Plan's actuary to certify whether there is a high degree of probability to pay pensions as required under the Trust Deed and Rules.

Professional Standard 410, issued by the Institute of Actuaries of Australia, further specifies that a probability of at least 70% should be represented as a high degree of probability for this purpose.

We have simulated the Plan's projected financial position over the remaining lifetime of the Plan, allowing for actual returns and pension indexation experienced since the valuation date to estimate the probability that the Plan can pay all future expected pension payments for the remaining lifetimes of the current pension members, including reversion pensions.

We estimate that this probability is more than 70%, therefore, I am able to certify that there is a high degree of probability to pay pensions as set out under the Trust Deed and Rules.

Shortfall Limit

The shortfall limit is defined in paragraph 10 of SPS 160 as:

"… the extent to which an RSE licensee considers that a fund can be in an unsatisfactory financial position with the RSE licensee still being able to reasonably expect that, because of corrections to temporary negative market fluctuations in the value of fund assets, the fund can be restored to a satisfactory financial position within one year."

Should the financial position of the Plan breach the Shortfall Limit, additional interim Actuarial investigations will be required with rectification plans to be put in place to address the unsatisfactory financial position.

The Information Note dated June 2013, issued by the Actuaries Institute, provides guidance on what might be a reasonable shortfall limit based on modelling undertaken by several actuaries involved in the Actuaries Institute Superannuation Practice Committee. In the absence of any Plan specific analysis, based on the Information Note and considering the Plan's current investment strategy, I recommend the Trustee maintain its Shortfall Limit at 98%.

Summary

As at 30 June 2024 the Plan's assets, on all of the measures considered in this report, were considered satisfactory to cover the long-term benefits of the lifetime pensioners.

All measures have improved since the last valuation which is attributable to stronger than expected investment returns and changes to the financial assumptions over the review period.

We consider that Company contributions are not required to be paid for the next year, or until the next actuarial investigation is carried out.

The funding position should be monitored quarterly. The recommended contributions may need to be altered should the financial position of the Plan deteriorate.

Section 6: Projection of Financial Position

As described in Section 4, the funding method to be used to determine the contribution requirements involves projecting forward the Plan's VBI on the basis of the selected assumptions outlined in Appendix B and the recommended contributions.

An allowance has been made for the actual return on assets since the investigation date which were better than expected and have strengthened the Plan's financial position.

The table below shows the Plan's future expected VBI over a three-year period following the valuation date.

Date	Assets ($'000)	Vested Benefit ($'000)	Vested Benefit Index (VBI)
30 June 2024	15,321	14,360	106.7%
30 June 2025	15,297	14,182	107.9%
30 June 2026	14,988	13,802	108.6%
30 June 2027	14,651	13,391	109.4%

As shown in the table above, the Plan is projected to maintain a satisfactory financial position and establish an appropriate buffer of assets in excess of vested benefits.

Section 7: Sensitivity Analysis and Material Risks

Investment Returns

If actual investment returns are less than assumed in the investigation, with all other actuarial assumptions borne out, then the funding position will worsen, and increased Company contributions may be required.

The Plan may need to be terminated at a time when the Plan's assets are below the vested benefits (for example because of market movements, or non-payment by the employers of contributions, etc.). This indicates the need for the Trustee to maintain a policy of monitoring the Plan's assets against vested benefits, especially in times of market instability.

Any change to the investment strategy that impacts future expected return on assets supporting the defined benefit liabilities will potentially have a material impact on the financial position of the Plan. If the Trustee is considering changing the investment strategy, we recommend that we assess the potential impact on the financial position of the Plan and future Company contribution requirements.

Inflation

Pensions in payment are indexed annually in line with movement in the CPI and increases higher than expected, with all other actuarial assumptions borne out, will result in the deterioration of the Plan's financial position.

Given that indexation increases are generally capped to a lifetime limit of 3% p.a., the impact of higher than CPI increases over a long-term period is somewhat reduced. However, short term CPI increases higher than expected do represent a risk to the Plan's financial position.

Pensioner mortality

We have made allowance for both socio-economic factors and improvements in pensioner longevity in the mortality assumption used to value pension benefits. If pensioners' mortality is lighter than assumed, then the cost of the pensions will increase, and the financial position of the Plan will be worse than anticipated. The reverse is also true (i.e. if mortality proves to be heavier than assumed, the cost of the pensions will decrease).

Credit Risk

The continuation of the Plan is dependent on the funding support of the Company. If the Company were unwilling or unable to pay contributions, or to meet the expenses, that may affect the ongoing viability of the Plan. Given the current funding position and the nature of the Company we do not consider credit risk to be a material issue.

Liquidity Risk

The benefit payments from the Plan are expected to be made as income stream payments, therefore the Plan requires access to sufficient liquid assets to meet these payments as they fall due. The Plan's current assets are considered to be sufficiently liquid to mitigate this risk.

Sensitivity Analysis

Real Return

The future financial position of the Plan will depend on the real return i.e. the difference between the return on investments and the pension increases. To illustrate the impact of a lower or higher real return we have projected the VBI using a real return of plus and minus 1% p.a. These projections are shown in the table below. The projection of the VBI using the base assumption is also shown for comparison:

VBI	Real Return -1% p.a.	Base Case	Real Return +1% p.a.
30 June 2024	98.2%	106.7%	115.4%
30 June 2025	98.7%	107.9%	117.3%
30 June 2026	98.6%	108.6%	119.0%
30 June 2027	98.5%	109.4%	120.9%

Pensioner Mortality

The VBI is sensitive to assumptions regarding pensioner mortality. To illustrate the impact of heavier or lighter mortality, we have adjusted the base mortality to allow for plus and minus 1 year of life expectancy of the pensioner members. These projections are shown in the table below with an allowance for the recommended Company contributions. The projection of the VBI using the base assumption is also shown for comparison:

VBI	Mortality -10%	Base Case	Mortality +10%
30 June 2024	102.2%	106.7%	111.0%
30 June 2025	102.9%	107.9%	112.6%
30 June 2026	103.2%	108.6%	113.8%
30 June 2027	103.5%	109.4%	115.2%

These results highlight the potential for variation from the expected outcomes, the importance of regular monitoring of the financial position and the benefit of maintaining a contingency margin in funding levels. Adverse experience has the potential to undermine the funding program over the longer term.

Note that while the above sensitivity tests have been selected to provide a range of possible outcomes, they do not represent upper or lower bounds for possible outcomes.

Appendix A: Summary of Benefits

Pensioner members

Pensions are payable monthly for life.

Death after Retirement Benefit

The member's pension continues, as a spouse's pension, for the balance of the five years if death occurs within five years of retirement. A spouse's pension is then payable equal to 50% of the member's pension. The pension is payable until the spouse's death.

Smaller pensions are payable to dependent children.

Pension Value Maintenance (PVM)

Pensions in payment are increased in line with CPI increases subject to a lifetime maximum of 3% per annum. This limit can and has been exceeded after consultation between the Actuary, Trustee and Company. For a number of years, when CPI increases considerably exceeded 3% p.a., it was the practice to grant PVM increases at the rate of 2/3rds of the increase in the CPI. For each of the last 3 years, PVM increases have been equal to the rate of increase in the CPI.

Commutation

Pensions payable on retirement or total incapacity are commutable using the guaranteed commutation factors provided in the Trust Deed. The factors are as follows:

- for single members or where remaining pensions are commuted $11.50 per $1 p.a. pension; and
- where reversionary pensions are to be retained $9.50 per $1 p.a. pension.

Spouse's pensions and deferred pensions on withdrawal are commutable using an actuarial basis which has applied for many years.

Under rule 12.2.1(a)(iii) of the Participation Schedule, a member may also commute their pension if it has been in payment for more than three months "within such further time as the Trustee after obtaining the advice of the Actuary may permit". The payment of such a commutation is therefore at the discretion of the Trustee. If the Trustee agrees to commute this member's benefit then rule 12.2.2(d) requires that: "The amount of a lump sum … payable under rule 12.2.1(a)(iii) in conversion of a pension payable under any rule shall be calculated on a basis which the Actuary certifies to be appropriate".

Appendix B: Movement in Plan Assets

A summary of the movement in Plan assets since the previous actuarial valuation is shown in the following table:

	($'000)
Net assets available to pay benefits at 30 June 2023	**15,129**
plus ORFR	38
Net Market Value (including ORFR) at 30 June 2023	**15,167**
Contributions	-
Administration Expenses	3
Benefits Paid	(1,194)
Contributions Tax	-
Total Cash Flows from Ordinary Activities	**(1,191)**
Total Investment Revenue	**1,383**
Net assets available to pay benefits at 30 June 2024	**15,359**
less ORFR	(38)
Net Market Value (including ORFR) at 30 June 2024	**15,321**

Appendix C: Valuation Assumptions

Asset Value

Market value taken from unaudited accounts at the valuation date.

Investment Returns

6.8% p.a. (gross of taxation and net of investment expenses)

Pension increases

3.8% as at 1 October 2024 (representing actual increase in CPI in the year to 30 June 2024) and 2.6% p.a. thereafter.

Mortality for Pensioners

The assumptions for mortality after retirement used to value the liabilities for pensioner members are as follows:

Pensioner Mortality Assumptions	
Base Table	80% of ALT 2015-17
Future Mortality Improvements	1% p.a. from 1 July 2016

Administration Expenses

We have made an allowance for expenses of 4.0% of pension payments for the lifetime pensioners in payment.

Appendix D: Requirements under Prudential Standard SPS 160

I have carried out an actuarial valuation of the CSR Superannuation Plan (the Plan) which is in the Employer Division of the Russell Investments Master Trust. My valuation is carried out as at 30 June 2024 and is only in respect of the Plan lifetime pensioner members. For the purposes of Prudential Standard SPS 160, as Actuary to the Plan, I certify that:

1. The value of assets of the Plan for the purposes of the valuation has been taken as $15,321,000 which is the market value of assets of the Plan, excluding the amount held to meet the ORFR.

2. Based on my reasonable expectations, with consideration of the recommended contribution schedule, I project that the likely future financial position of the Plan over the three years following the investigation will be as follows:

Date	Vested Benefit Index (VBI)
30 June 2024	106.7%
30 June 2025	107.9%
30 June 2026	108.6%
30 June 2027	109.4%

3. In my opinion the assets of the Plan, excluding the amount held to meet the ORFR, as at the valuation date were adequate to meet the liabilities in respect of the accrued benefits of the members of the Plan.

   The value of accrued benefits for pensioners has been taken as the present value of future pension payments calculated using the valuation assumptions. The assumptions adopted to calculate accrued benefits are best estimate assumptions. In my opinion, these methods and assumptions are appropriate for the purpose of determining accrued benefits.

4. The financial position of the Plan is not unsatisfactory at 30 June 2024.

5. Given the Plan's investment strategy, in my opinion, the shortfall limit should be maintained at 98%.

6. As the Plan no longer includes any active defined benefit members, it is our opinion that the Minimum Requisite Benefit Index for the Plan is equal to 1 under regulation 9.15(2) (ii) of the Superannuation Industry (Supervision) Regulations 1994.

7. Under paragraph c of the application of regulation 9.05 of the Superannuation Industry (Supervision) Regulations 1994, the requirement to provide a Funding and Solvency Certificate does not apply for funds that have never been used to reduce or remove the superannuation guarantee charge imposed by section 5 of the Superannuation Guarantee Charge Act 1992. It is therefore my opinion that a Funding and Solvency Certificate is not required for the Plan.

8. Based on the results of this valuation I consider that Company contributions are not required to be paid for the next year, or until the next actuarial investigation is carried out.

9. As at 30 June 2024, I am able to certify that there is a high degree of probability that the Plan will be able to pay the pensions as required under the Trust Deed and Rules.

Travis Dickinson
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7 November 2024

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