Regular Triennial Actuarial Investigation Report to the Trustee of the

Russell Investments Master Trust - Diageo Australia Superannuation Plan

Valuation Date: **1 July 2023**

Date of Report: **26 December 2023**

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

Table of Contents

Executive Summary

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

The sponsor of the Plan is Diageo Australia Limited (the Employer) and the Trustee is Total Risk Management Pty Limited (the Trustee).

Financial Condition

A snapshot of the financial condition of the Plan as at 1 July 2023 is set out below.

	Defined Benefits only	Total Plan	Comments
Vested Benefits Index	115.7%	105.3%	The Plan remains in a satisfactory financial position. The Plan's Vested Benefit Index for Defined Benefits is above the Shortfall Limit of 96.0%.
Actuarial Value of Accrued Benefits Index	130.7%	109.6%	The Plan remains in an adequate financial position. The Plan had a surplus on this basis of $4,383,556.
Minimum Requisite Benefits Index	153.6%	115.0%	The Plan was solvent in relation to its Minimum Requisite Benefits.

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

Significant Changes Since the Prior Regular Triennial Actuarial Investigation

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

Significant Events

The return on Defined Benefit (DB) Plan Assets was higher than expected for the period due to strong performance of investment markets. This has had a positive impact on the value of Plan Assets and therefore, in isolation, on the funding position. Please refer to Section 4 for more details.

I recommended in the prior regular triennial actuarial Investigation that the Employer take a contribution holiday from 1 January 2021. However, the Employer made contributions of 0.5 percent p.a. of Defined Benefit member salaries from 1 April 2022 to date to enable contribution reporting to be generated for the Superannuation Guarantee contribution amounts for Defined Benefit members. This has had a positive impact on the financial position of the Plan.

There were no other significant events for this Plan.

Significant Changes to the Plan Benefits

There were no significant changes to the Plan benefit structure.

Employer Contribution Recommendations

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

Category	Employer Rate for defined benefit members[1]	
	1/07/2023 – 30/06/2028	**1/07/2028 onwards**
Defined Benefit members	Nil[2]*	16.9% p.a.

[1]The total contirbution rate is paid on the Superannuation Salary, however Defined Benefit members' Superannuation Guarantee accounts are credited with the net of tax Superannuation Guarantee contribution rate based on Ordinary Time Earnings.

[2]The Plan reserve will be used to fund SG contributions allocated to the members' accounts.

*The Employer has advised they will contribute at 0.5 percent p.a. for DB members to enable contribution reporting to be generated for the Superannuation Guarantee contribution amounts for Defined Benefit members.

In addition, the following contributions are also payable:

- Employer contributions of at least the Superannuation Guarantee rate of Ordinary Time Earnings in respect of Accumulation members and any other contributions above this amount as agreed between the Employer and the employee; and
- Any member additional contributions made on a voluntary basis.

These rates are the same as those currently being paid.

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

For illustration, the long-term Employer Defined Benefit contribution rates without considering the Plan's current financial position (i.e. surplus) or amounts allocated to additional accumulation accounts, is 16.9 percent p.a. of Defined Benefit members' Superannuation salaries.

Please refer to Section 4 for details.

Shortfall Limit Recommendations

I have reviewed the Shortfall Limit of 96.0 percent and confirm that, in my view, it remains appropriate.

Please refer to Section 5 for details.

Insurance Recommendations

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

Please refer to Section 6 for details.

Investment Recommendations

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

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

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

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

For more information refer to Appendix C.

Crediting Rate Recommendations

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

Monitoring Recommendations

I have reviewed the current practice of carrying out a funding position review on an annual basis between triennial actuarial investigations and confirm that, in my view, it remains appropriate based on the current and expected financial position over the next 5 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 2026. A funding position review will be performed at each 1 July between investigations. The Trustee may request that an interim actuarial investigation be carried out before this date.

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

Disclaimer

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

Saffron Sweeney

Saffron Sweeney
Fellow of the Institute of Actuaries of Australia
26 December 2023

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 2023 (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 11.1 of the Trust Deed;
- to review the basis for insuring death and disability benefits; and
- to comment on any aspect of the Plan that may assist with improving its objectives.

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

Name of Actuary

This regular triennial actuarial investigation was carried out as at 1 July 2023 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 2020. The results are shown in the report dated 15 December 2020.

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 2020	Funding position review as at 1 July 2021	Funding position review as at 1 July 2022
A surplus of Assets over the Actuarial Value of Accrued Benefits	$4,284,844	$6,549,243	$4,017,857
An excess of Assets over the Vested Benefits	$1,793,689	$4,368,960	$2,163,101
Summary of the recommended Employer contribution for DB members	• 12.4% from 1 July 2020 to 31 December 2020 • Nil from 1 January 2021 to 30 June 2025 • 16.8% onwards	• Nil from 1 January to 30 June 2025 • 16.8% onwards	• Nil from 1 January to 30 June 2025 • 16.8% onwards

The average long-term Employer contribution rate was 16.8 percent p.a. of Defined Benefit members' superannuation salaries as at 1 July 2020.

Contributions have been paid in accordance with the above recommendations since the last regular triennial actuarial investigation to the date of this report. However, the Employer made contributions of 0.5 percent p.a. of Defined Benefit member salaries from 1 April 2022 to date to enable contribution reporting to be generated for the Superannuation Guarantee contribution amounts for Defined Benefit members.

Section 2 – The Plan's Experience

This section considers the assumptions used in the previous regular triennial actuarial investigation as at 1 July 2020 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 2020 were as follows:

	Assumptions at the previous triennial actuarial investigation	Plan Experience	Impact on the financial position of the Plan (when considered in isolation)
Investment Returns[1]	5.5% p.a.	7.4% p.a.	Favourable effect: The Defined Benefit assets increased at a higher rate than assumed.
		Above the equivalent average return of funds with a similar investment strategy which was 6.7% p.a.[2]	The Plan earned higher returns than other funds with a similar investment mix.
Salary Increases	3.5% p.a.	3.9% p.a.[3]	This would usually be an unfavourable effect, however as rises were less than expected in the first year of the valuation period when there were more defined benefit members the overall impact on the financial position was positive with the rise in liabilities in the first year being less than assumed which outweighed the loss which occurred due to higher than expected salary rises in the second and third years.
Average Employer Contribution rate[4]	Recommended rate (averaged based on category and period) of 4.4% p.a.	Long-term rate of 16.8% p.a.	Unfavourable effect: The Defined Benefit assets increased at a lower amount than the long-term cost of providing the defined benefits.

	Assumptions at the previous triennial actuarial investigation	Plan Experience	Impact on the financial position of the Plan (when considered in isolation)
			As recommended, the Defined Benefit contribution rates were at a lower rate than the long-term cost of providing the defined benefits.
Expenses and Insurance Premiums[4]	1.7% p.a. for Expenses	1.0% p.a. for Expenses	Favourable effect: The Defined Benefit assets, on average, have paid less expenses and premiums than assumed.
	0.6% p.a. for Death and TPD insurance premiums	0.6% p.a. for Death and TPD insurance premiums[5]	

[1]net of investment expenses and tax

[2]based on the 3-year median return for Rainmaker Workplace Super Performance on Balanced options for the period ending 30 June 2023

[3]for existing Defined Benefit members averaged yearly increase at each annual review date over the investigation period

[4]percent of Defined Benefit members' salaries

[5]note that premiums for the financial year to 30 June 2023 had not been charged to the Plan and have subesequently been paid

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

- Membership movements:
  - Exits: 15 Defined Benefit members left the Plan due to early retirement, resignation and normal retirement during the triennial actuarial investigation period, which is higher than that assumed in the previous investigation. Overall, more benefits paid were more than the amounts reserved and therefore, in isolation, this has led to an unfavourable effect on the financial position of the Plan.
- Ordinary Time Earnings Salary Factor: We have projected SG benefits using the member's Superannuation Salary increased by an Ordinary Time Earnings (OTE) Salary Factor of 1.3 as OTE salaries are known to be significantly higher due to the inclusion of bonuses. We had allowed for a factor of 1.3 at the last regular triennial actuarial investigation and based on information provided by the Employer's payroll the average amount of OTE to Superannuation Salary was 1.3. Therefore, in isolation, this has not affected the financial position of the Plan.

The overall experience of the Plan during the regular triennial actuarial investigation period has had a positive effect on its financial position.

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Section 3 – Assumptions

As part of this regular triennial actuarial investigation, I have analysed the method and assumptions used in the previous regular triennial actuarial investigation as at 1 July 2020. Where appropriate I have maintained these methods and assumptions, however some have changed in light of the experience discussed in Section 2 of this report and after consideration of changes in market expectations. The actuarial method used is described in Appendix D.

Interest/Salary Differential

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

While the absolute level of assumed investment returns is relevant in any regular triennial actuarial investigation, the critical factor is the relationship that this rate has with the assumed rate of salary increase. The difference between the two figures is the Interest/Salary Differential. For this investigation I have used an Interest/Salary Differential assumption of 2.1 percent p.a. as shown in the table below. Therefore, the Interest/Salary Differential is less conservative than used in the previous regular triennial actuarial investigation. The overall impact of these changes in assumptions, in isolation to all others, is that the Actuarial Value of Accrued Benefits decreased and the long-term contribution rate has decreased.

	Net investment return (p.a.)	Salary increase rate (p.a.)	Differential (p.a.)
Assumption as at 1 July 2020	5.50%	3.50%	2.00%
Assumption as at 1 July 2023	5.80%	3.70%	2.10%

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 and allowing for correlations of investment returns between asset classes and investment fees;
- We expect that inflation will remain under control at around the RBA target of 2 percent p.a. to 3 percent p.a.; and
- The salary increase rate assumption was determined based on the Employer's expectations and past experience.

Ordinary Time Earnings Salary Factor

We have projected SG benefits using the member's Superannuation Salary increased by an Ordinary Times Earnings (OTE) Salary Factor of 1.3 as OTE salaries are known to be significantly higher due to the inclusion of bonuses. This is the same assumption as adopted for the previous triennial actuarial investigation, therefore there is no impact on the Actuarial Value of Accrued Benefits or long-term contribution rate.

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 as well as on the basis of the employer's advice regarding the nature of their workforce. The impact of this change in isolation is to create a small increase in the liabilities.

All other demographic assumptions remain unchanged.

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

Number of exits per 10,000 members

	1 July 2023			1 July 2020		
Age Last	**Resignation**	**Death and Disablement**	**Retirement**	**Resignation**	**Death and Disablement**	**Retirement**
25	1,500	7	0	1,500	6	0
35	1,333	9	0	1,333	9	0
45	800	25	0	800	24	0
50	667	49	0	667	48	0
55	0	102	1,000	0	101	1,000
60	0	193	1,950	0	193	1,950
65	0	0	10,000	0	0	10,000

* exact age

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

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 following table:

	1 July 2020	1 July 2023
Operating expenses (% p.a. of Defined Benefit members' salaries)	1.7% p.a.	1.1% p.a.
Death and TPD insurance premiums (% p.a. of Defined Benefit members' salaries)	0.6% p.a.	1.0% p.a.^
Total expense and insurance premium assumption	**2.3% p.a.**	**2.1% p.a.**

^ As the assumption is based on total Defined Benefit salaries, the impact of having fewer Defined Benefit members means that the premiums as a percentage of total Defined Benefit salaries increases especially with the inclusion of Death insurance premiums for accumulation members in the insurance premium assumption.

The expenses and insurance premiums assumptions have decreased overall from the previous regular triennial actuarial investigation to reflect the expected expenses over the next three years. It should be noted that this also includes an allowance for the cost of member fees and death insurance premiums for accumulation members.

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

Accumulation members' expenses (except member fees) and insurance premiums for TPD are deducted from members' accounts. Also, Salary Continuance Insurance (SCI) is insured outside of the Plan. Therefore, no assumptions are required and therefore the assumptions above do not incorporate the cost associated with them.

The impact of this change in total expense and insurance premiums assumption in isolation has decreased 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 2023), 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 2023;

- 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;
- That the SG Rate is paid without limitation (i.e. not limited to the SG maximum salary base) for Defined Benefit members.

Overall Effect of Changes in Assumptions

Overall, the changes have slightly decreased the expected cost of providing Defined Benefits to the members of the Plan.

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Section 4 –Actuarial Value of Accrued Benefits

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

Actuarial Value of Accrued Benefits (past service)	**Total ($)**
Retirement	9,903,513
Death and Disablement	1,448,904
Resignation	2,946,891
Total of active Defined Benefit related liabilities*	**14,299,308**
Additional accounts for Defined Benefit members	3,480,777
Accounts for Accumulation members	27,861,749
Actuarial Value of Accrued Benefits	**45,641,834**
Assets	**50,025,390**
Surplus/(Deficit)	**4,383,556**

*Defined Benefit member account balances were received from the administrator run on the soft close unit price as at 30 June 2023. The hard close unit price was slightly higher which would minimally increase the actuarial value of accrued benefits by an estimated 0.01%. As such, we have considered this to be immaterial to the funding position of the Plan and maintained the liability calculated using the balances provided.

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 2023 by $4,383,556. This is equivalent to 30.7 percent of Defined Benefit liabilities (i.e. excluding accumulation members' benefits and Defined Benefit members' additional accounts) and 74.3 percent of total Defined Benefit salaries. Any excess can be used to suspend all Employer contributions for all Defined Benefit members for a period of 5 years.

A small surplus is also to be maintained to fund potential death insurance shortfalls for Defined Benefit members.

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 2020. These figures give an indication of the impact of the factors that affect the final regular triennial actuarial investigation result. This analysis is based on an analysis performed each year and combined to provide the totals for the valuation period.

	$(000's)
Previous surplus/(deficit)	**4,285**
Interest on surplus/(deficit)[1]	875
Investment gains/(losses)[2]	1,584
Employer contributions paid at a higher/(lower) rate than long-term rate[3]	(1,980)
Expense gains/(losses)[4]	114
Salary gains/(losses)[5]	135
Change in basis gains/(losses)[6]	99
Withdrawal gains/(losses)[7]	(547)
Administration SG contribution correction gains/(losses)[8]	(62)
Change in valuation program[9]	(321)
Miscellaneous	202
Surplus/(deficit) as at the valuation date	**4,384**

[1]Interest on surplus over the period.

[2]An investment gain occurs when investment earnings are higher than assumed.

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

[4]An expense gain arises when expenses and premiums are less than assumed.

[5]A salary gain arises when salaries increase at a lower amount than was assumed.

[6]A gain from a change in basis occurs when the overall set of assumptions becomes less conservative.

[7]A withdrawal loss occurs when the benefit paid is higher than reserved for in the Plan.

[8]An administration correction to Defined Benefit member SG accounts has increased the expected liability for members compared to previously assumed causing a loss.

[9]The valuation program needed updating as the minimum resignation benefit was not being applied to the Death benefit and this caused a loss.

Long-term Contribution Rate

The Defined Benefits long-term Employer contribution rate has increased slightly since the last regular triennial actuarial investigation due to the impact of the SG rate increasing but this was largely offset by the impact of the change in actuarial assumptions, which results in slightly higher future contribution rates.

Present Value of Future Service Liability	**Total ($)**
Retirement	3,730,703
Death and Disablement	273,818
Resignation	551,977
Net Future Service Liability	**4,556,498**
Equivalent net future contribution rate	12.6%
Tax	2.2%
Expense allowance	1.1%
Death and TPD premiums	1.0%
Employer contribution rate required for Future Service Benefits (p.a. of salary)	**16.9%**

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 for Defined Benefit members plus the amount of the Accumulation members' benefits as the value for Accumulation member assets, as the value of assets for the purpose of this regular triennial actuarial investigation. The financial statements of the Russell Investments Master Trust as at 30 June 2023 were audited. 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 2020			1 July 2023			
	Amount	**Index[1]**	**DB Index[2]**	**Amount**	**Index[1]**	**DB Index[2]**	
	($)			**($)**			
Minimum Requisite Benefits	30,170,042	125.2%	171.4%	43,504,762	115.0%	153.6%	A
Vested Benefits	35,971,119	105.0%	110.9%	47,489,469	105.3%	115.7%	A
Actuarial Value of Accrued Benefits	33,479,964	112.8%	130.7%	45,641,834	109.6%	130.7%	A
Accumulation Benefits[3]	19,533,924			31,342,526			B
Assets	37,764,808			50,025,390			C

[1]Index is C/A .

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

[3]The accumulation benefits are inclusive of additional accounts for Defined Benefit members (including surcharge accounts) and active Accumulation members' benefits.

Vested Benefits Index

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

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

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

Shortfall Limit

In accordance with SPS 160, the Trustee has set a Shortfall Limit of 96.0 percent. This is the extent to which the Trustee considers the Plan can be underfunded (on the basis that assets are insufficient to meet all members' Vested Benefits) but retain a reasonable expectation of returning to a funded position within a year, solely due to a correction to temporary negative market fluctuations in the value of the Plan assets.

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

The Defined Benefit Vested Benefit Index at 1 July 2023 was 115.7 percent. Therefore, the Plan has not fallen below the Shortfall Limit at the valuation date.

I have reviewed the Shortfall Limit of 96.0 percent and confirm that, in my view, it remains appropriate. The shortfall limit is determined as follows:

100 percent – 5 percent x Vested Benefit Salary related proportion (100 percent) x Growth investments related proportion (74 percent)

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 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.

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

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

Termination of the Plan

In the event of the termination of the Plan, all assets available at that time, net of accruals and expenses, would be distributed to members to the extent of their "termination liabilities" as per Clause 8.3 and 8.4 of the Trust Deed and in accordance with relevant law in the following order:

a) The costs and expenses of the Trustee and of the winding up of the Plan that are not met by the Employer;

b) Benefits which became payable before the termination date;

c) Each member would be credited with an amount (as resources permit) equal to the member's Vested Benefit;

d) Any additional amount for each member that the Trustee determines is fair and equitable; and

e) Any surplus amount paid to the affected employers in proportions which the Trustee decides after advice from the Actuary.

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 2023 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 Insurance (Lump Sum)

The Trustee has effected Group insurance (with TAL Life Limited) to cover part of the lump sum benefits payable from the Plan in the event of the death of members. The Sum Insured is designed to supplement the proportion of the benefit which has already been accrued in respect of the members within the Plan and to provide the balance of the relevant benefit from the insurance arrangement. Insurance replaces the otherwise volatile impact on the Plan of payments required in respect of the 'unfunded' portion of each death benefit with an annual premium, which can be taken into account in the financial planning of the Plan.

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

Defined Benefit Members

Insured Amount = Death benefit - Vested Benefit

Accumulation Members

Insured Amount = Greater of

a) 15% x Salary x years of future service to age 65; and

b) 3 x Salary.

Death Funding and Insurance

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

	1 July 2023 ($)
Total sums insured (A)	94,691,284
Plan Assets (B)	50,025,390
Funding excess/(shortfall) (C)	4,383,556
Amount of Surplus, if any, set aside for funding purposes (D)*	2,780,277
Plan Assets available to meet Death benefits (B)-(D)=(E)	47,245,113
Available on Death (A)+(E)=(F)	141,936,397
Total Death benefits (G)	142,180,753
Excess/(shortfall) (F) - (G)	(244,356)

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

As shown in the table above, a contribution holiday may result in a shortfall of assets against Death benefits if all members of the Plan died as a proportion of the surplus will be used to fund members' benefits. As we review the Plan's financial position annually and the likelihood of all members dying is very low, I am comfortable with recommending a contribution holiday and retaining the current insurance arrangements.

Recommendation

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

Total and Permanent Disablement (TPD) Funding and Insurance

Accumulation members are also insured by TAL Life Limited to cover part of the lump sum benefits payable from the Plan in the event of the Total and Permanent Disablement of members where they have not elected to opt out of this insurance. The formula used to determine the amount to be insured is the same as the death insured amount.

Indemnity Insurance

Clause 19.2 of the Russell Investments Master Trust – Amending Deed No.15 provides an indemnity to the Trustee against claims which may be made against it. This is secured against the Assets of the Plan.

The Trustee has effected indemnity insurance through Vero Insurance Limited to cover the Trustee Directors and hence the Plan Assets to protect against claims which may be made against it.

Material Issues Arising From Insurance

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

Section 7 – Sensitivity Analysis and Projections

Assumption Variation

The values of the benefit liabilities shown in this report depend on the assumptions used to calculate them. The main assumptions relate to salary increases and the long-term investment return (net of assumed 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 2023	Overall long-term Employer contribution rate as at 1 July 2023
	($)	**(p.a.)**
This valuation (3.7% p.a./5.8% p.a.)	45,641,835	16.94%
Last valuation (3.5% p.a./5.5% p.a.)	45,740,601	17.00%
Last valuation with this valuation decrements (3.5% p.a./5.5% p.a.)*	45,741,887	17.00%
Salary inflation rate plus 1% p.a. (4.7% p.a./5.8% p.a.)	46,204,833	17.20%
Salary inflation rate minus 1% p.a. (2.7% p.a./5.8% p.a.)	45,258,492	16.91%
Investment return plus 1% p.a. (3.7% p.a./6.8% p.a.)	45,126,500	16.82%
Investment return minus 1% p.a. (3.7% p.a./4.8% p.a.)	46,415,779	17.43%

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

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 0.26 percent p.a. higher than that based on the assumptions used for this valuation. If long-term investment returns are 1 percent p.a. lower than assumed, the long-term Employer contribution rate increases by 0.49 percent p.a.

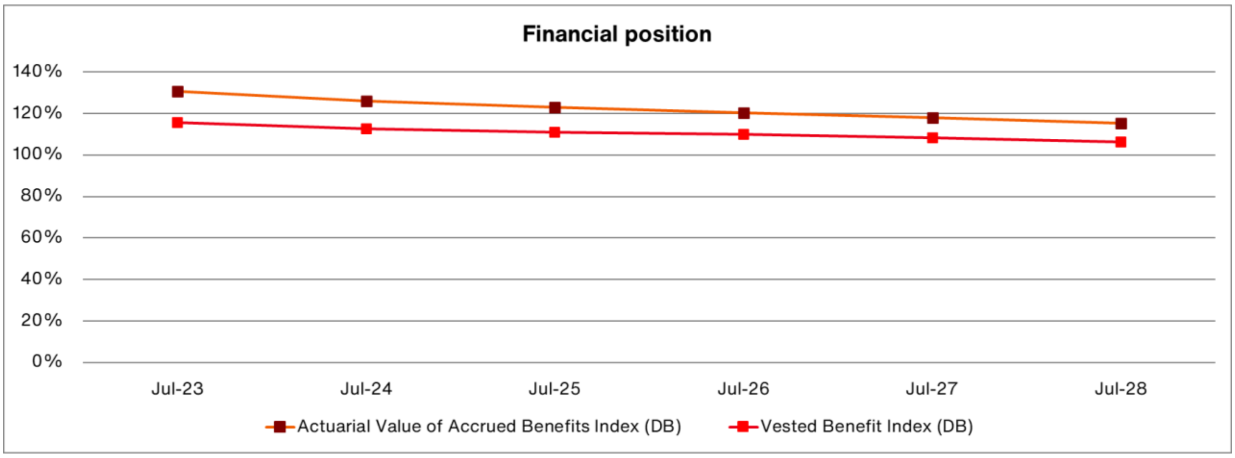
Post Valuation Events

The Plan has earned an average investment return of 1.5 percent from the date of the valuation to 11 December 2023. This is lower than the rate assumed for the valuation and has resulted in a deterioration in the financial position of the Plan. The premiums for the financial year to 30 June 2023 have also been paid in this period. I estimate that coverage of Vested Benefits (exclusive of Accumulation members' benefits and Defined Benefit members' additional accounts) has decreased from 115.7 percent at the valuation date to approximately 111.4 percent as at 11 December 2023. This has been taken into account in the recommended Employer contributions.

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

Projection of Future Liabilities

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



Assuming the Employer contributions are not less than the rates which I have recommended, I expect that on the assumptions, methods and asset values adopted in the valuation, that the Assets will remain sufficient to cover the value of these liabilities during the period up to 1 July 2028.

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.

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.
- **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.

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[1]	
	1/07/2023 – 30/06/2028	**1/07/2028 onwards**
Defined Benefit members	Nil[2]*	16.9% p.a.

[1]The total contribution rate is paid on the Superannuation Salary, however Defined Benefit members' Superannuation Guarantee accounts are credited with the net of tax Superannuation Guarantee contribution rate based on Ordinary Time Earnings.

[2]The Plan reserve will be used to fund SG contributions allocated to the members' accounts.

*The Employer has advised they will contribute at 0.5 percent p.a. for DB members to enable contribution reporting to be generated for the Superannuation Guarantee contribution amounts for Defined Benefit members.

In addition, the following contributions are also payable:

- Employer contributions of at least the Superannuation Guarantee rate of Ordinary Time Earnings in respect of Accumulation members and any other contributions above this amount as agreed between the Employer and the employee; and
- Any member additional contributions made on a voluntary basis.

These rates are the same as those currently being paid.

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

The recommended contributions will need to be reviewed prior to the next regular triennial actuarial investigation due with an effective date of 1 July 2026 if one or more of the notifiable events within the Funding and Solvency Certificate occur prior to that date as advised by the Trustee/Employer (unless, after reviewing the details of a specific event which would otherwise be classified as a notifiable event, the Actuary advises the Trustee in writing that such an event does not constitute a notifiable event).

Shortfall Limit Recommendations

I have reviewed the Shortfall Limit of 96.0 percent (see Section 5) and confirm that, in my view, it remains appropriate.

Insurance Recommendations

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

Investment Recommendations

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

In my opinion the investment strategy is appropriate to meet:

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

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

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

Crediting Rate Recommendations

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

Monitoring Recommendations

I have reviewed the current practice of carrying out a funding position review on an annual basis between regular triennial actuarial investigations and confirm that, in my view, it remains appropriate based on the current and expected financial position over the next 5 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 Russell Investments Master Trust - Diageo Australia Superannuation Plan (the Plan) as at 1 July 2023 covering the three-year period to that date.

In my opinion:

1) As at 1 July 2023, the fair value of the net Assets of the Plan for Defined Benefit members, based on the fair value of net assets for the Plan provided by the Administrator plus the amount of the Accumulation members' benefits as the value for Accumulation member assets, was $50,025,390 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 2023 to 11 December 2023.
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 $45,641,834 as at 1 July 2023. We were not required by the Trustee to calculate the liabilities for the purpose of Australian Accounting Standard AASB1056 as the Trustee determined an estimate based on vested benefits and the relationship between vested benefits and accrued benefits from the most recent actuarial investigation.
3) The value of the Assets of the Plan was adequate to meet the value of liabilities of the Plan in respect of the Minimum Requisite Benefits as at 1 July 2023.
4) The investigation disclosed the Plan was in a satisfactory financial position as at 1 July 2023. 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

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

26 December 2023

Appendix A – Summary of Plan Rules

As set out in Clause 9 of the 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.

Plan Structure

The Russell Investments Master Trust - Diageo Australia Superannuation Plan (the Plan) is a Defined Benefit plan and is constituted by a Trust Deed originally dated 23 April 1998 and amended on 22 January 2003. It has since been effectively included in the Russell Investments Master Trust Deed via an Employer application form effective 2 October 2014. Since the last regular triennial actuarial investigation as at 1 July 2020, the Deed has not been amended with regards to the calculation of benefits.

All new entrants to the Plan join the Accumulation section. This, and the fact that the Plan provides Minimum Requisite Benefits to satisfy Employer obligations under Superannuation Guarantee arrangements, has ensured that an increased number of benefits are being calculated on an accumulation basis.

The Plan is a complying fund for the purposes of the Superannuation Industry (Supervision) Act 1993. This results in the Plan being taxed at the favourable rate of 15 percent on income net of allowable deductions.

Annual Review Date

1 July

Definitions

Normal Retirement Date (NRD)

65th Birthday

Early Retirement Date (ERD)

Within 10 years of NRD.

Salary

For Defined Benefit members, salary is defined as the ordinary annual rate of salary or wages excluding commissions, bonuses, overtime payments and any other additional payments, but includes salary sacrificed items. Contributions are paid on part-time salary (ie Salary x Fraction).

For accumulation members, salary is defined as the base salary plus car allowance plus flex allowance, as applicable.

Final Average Salary

Average of a member's salary over the last 3 years or the period of membership if less than 3 years.

Service

Membership

Calculated as the number of years (counting days as fractions of a year) of service as a member of the Plan or the number of years a member is deemed to have been a member of the Plan. It includes any period of membership of the previous United Distillers Superannuation Plan adjusted for any 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

Members are not required to contribute to the Plan. Voluntary contributions can be made.

Employer

Defined Benefit	As per advice from the Actuary
Accumulation	A minimum of the Superannuation Guarantee Rate on Ordinary Time Earnings

Benefits

Normal Retirement Benefit (NRB)

On leaving service for any reason (other than death), the benefit payable is:

- 12.5% x FAS x period of membership to 30/6/1999 plus 15% x FAS x period of membership from 1/7/1999 to date of exit plus the total of all accumulation accounts.
- Members who joined the Plan prior to 1 November 1987 have a Fixed Retirement Benefit Multiple defined in Appendix A to the Rules of the Trust Deed, which applies until age 60. For the remaining 5 years to age 65, this Fixed Multiple is added to a Retirement Benefit Multiple using the relevant accrual rate for membership above after age 60.

Early Retirement/Resignation Benefit (ERB)

The benefit is determined as for normal retirement.

Late Retirement Benefit (LRB)

NRB plus net member and Employer contributions made after Normal Retirement Date plus unit price movements to the date of exit.

Minimum Superannuation Guarantee Benefit

Resignation and Retirement benefits are subject to a Minimum Superannuation Guarantee Benefit which is equal to the Diageo Take-On Benefit (the minimum Superannuation Guarantee Benefit at 1 October 2014 with earnings plus the DB Employer Account which is the accumulation of SG contributions net of tax).

Death Benefit

The greater of:

- 3 x current Salary; or
- 12.5% x period of membership to 30/6/1999 plus 15% x period of membership from 1/7/1999 to age 65 x FAS at age 65 assuming salary continues unchanged.

This benefit is subject to a minimum of the Minimum Superannuation Guarantee Benefit.

Total and Permanent Disablement (TPD) Benefit

The TPD Benefit is the same as the resignation benefit.

Retrenchment Benefit

Same as the resignation benefit.

Benefits – Accumulation members

Resignation/Retirement Benefit

The Superannuation Guarantee Account which is the accumulation of at least Superannuation Guarantee contributions less tax and expenses at the member's chosen option's return.

Death/Total and Permanent Disablement Benefit

The Superannuation Guarantee Account plus the greater of:

a) 15% x Salary x years of future service to age 65; and

b) 3 x Salary.

Plan Termination Benefits

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

Additional Accounts

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

Surcharge Account

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

Additional Contributions Tax Account

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

Family Law Account

All benefits are also offset by the Family Law Account (if any). The Account is any amount paid to a former spouse (a family law split) accumulated 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 2020 – 1 July 2023

	Total
Active DB Membership at 1 July 2020	**77**
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	2
Normal retirements	3
Resignations	10
Retrenchments	0
Late retirements	0
Active DB Membership at 1 July 2023	**62**

In addition:

- There were 229 Accumulation members at the valuation date with total salaries of $29,300,000.
- 2 Defined Benefit members had a pending benefit payment totalling $485,346.92 which has not been included in the assets or liabilities for the purposes of this report.

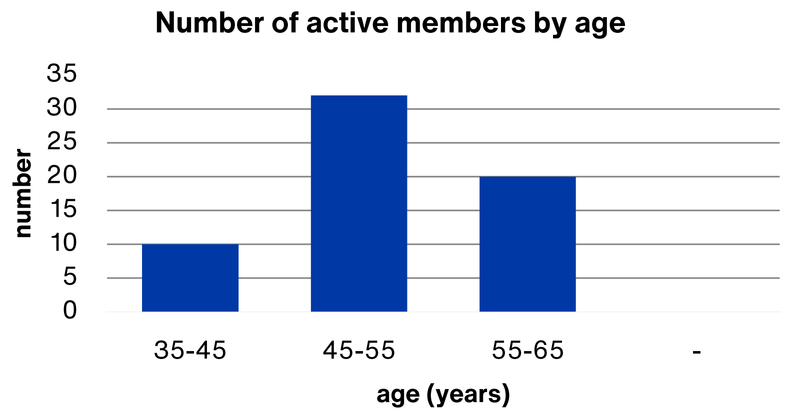
Membership Characteristics as at 1 July 2023

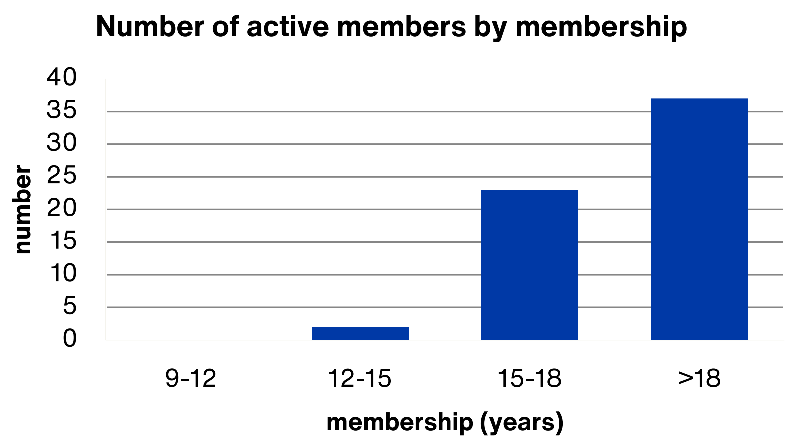
The main characteristics of the Plan's Defined Benefit membership at the valuation date are summarised in the following table. For comparison, active figures for the previous valuation date (1 July 2020) are shown also:

Defined Benefit active members	**1 July 2023**	**1 July 2023**
Number of members	77	62
Average age (years)	49.1	52.3
Average membership (years)	17.2	20.1
Total annual salary ($)	6,994,471	5,896,029
Average annual salary ($)	90,837	95,097

By age and Membership

The following graphs outline the distribution by age and membership of the 62 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 triennial actuarial investigation data.

Defined Benefit member account balances were received from the administrator run on the soft close unit price as at 30 June 2023. The hard close unit price was slightly higher which would minimally increase the actuarial value of accrued benefits by an estimated 0.01%. As such, we have considered this to be immaterial to the funding position of the Plan and maintained the liability calculated using balances provided.

Accumulation members' cash flow information was not available from the Administrator and therefore a full reconciliation on accumulation members' assets was not carried out.

We have relied on the asset information provided by the Plan administrator as at 1 July 2023 as audited financial statements for the Plan at that date are not available, however we understand that the financial statements for the Russell Investments Master Trust as at 30 June 2023 have been audited.

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 and death 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 2020 to 30 June 2023. The final accounts of the Russell Investments Master Trust for 30 June 2023 have received audit clearance.

	1 July 2020 to 30 June 2021 ($)	1 July 2021 to 30 June 2022 ($)	1 July 2022 to 30 June 2023 ($)	1 July 2020 to 30 June 2023 ($)
Plan Assets at start of period (A)	**37,764,808**	**44,143,252**	**40,682,492**	**37,764,808**
Accumulation accounts at start of period* (B)	19,533,924	23,664,969	22,346,324	19,533,924
Defined Benefit related Plan Assets at start of period (C) = (A) – (B)	**18,230,884**	**20,478,283**	**18,336,167**	**18,230,884**
Plus				
Employer contributions	796,275	43,631	32,021	871,928
Rollovers/transfers in	0	0	0	0
Investment income (including capital appreciation/depreciation)	3,313,844	(888,504)	1,700,100	4,125,440
Less				
Group Life premiums (net of rebates)	54,098	53,098	173	107,369
Benefits (net of insurance recoveries)	1,631,032	1,189,650	1,343,906	4,164,589
Transfers out to other funds	0	0	0	0
Administration and other charges	78,506	66,746	42,375	187,627
Income tax	93,551	(7,659)	(2,339)	83,553
Others	5,532	(4,593)	1,309	2,249
Defined Benefit related Plan Assets at end of period (D)	**20,478,283**	**18,336,167**	**18,682,864**	**18,682,864**
Accumulation accounts at end of period* (E)	23,664,969	22,346,324	31,342,526	31,342,526
Plan Assets at end of period (F) = (D) + (E)	**44,143,252**	**40,682,492**	**50,025,390**	**50,025,390**

* Includes accumulation accounts for defined benefit members

In addition, there were 2 members where their benefits were pending payment at the valuation date. Their assets and liabilities totalling $485,346.92 have not been included for the purposes of this report.

Summary of Assets

Accumulation members may invest their account balances in any option. Members who do not choose an investment option will have their account balances invested in the MySuper option, the Balanced Opportunities option.

Defined Benefit members can invest their additional account balances in any option but all other account balances (i.e. those that relate to the Defined Benefit) are invested in the Balanced Opportunities option. Defined Benefit assets above account balances will be invested in the Balanced Opportunities option.

The benchmark asset allocation of the Balanced Opportunities option is as follows:

By Asset Class	1 July 2020	1 July 2023
(based on benchmark asset allocation)	(%)	(%)
Australian Shares	27.00	26.50
International Shares	30.00	34.50
Property	9.75	10.00
Alternatives Asset - growth	9.75	3.25
Alternatives Asset - defensive	3.00	3.25
Australian Fixed Interest	10.25	6.75
International Fixed Interest	10.25	6.75
Cash	0.00	9.00
Total	**100.00**	**100.00**

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

Crediting Rate Policy

The 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.

The Balanced Opportunities option return for the period was:

Option	Year to 30 June 2021 (p.a.)	Year to 30 June 2022 (p.a.)	Year to 30 June 2023 (p.a.)	3 Years to 30 June 2023 (p.a.)
Balance Opportunities	18.4%	-4.5%	9.5%	7.4%

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 2023 at the valuation rate of interest assumption.

The past membership component for each type of benefit is:

Retirement/Resignation Benefits

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

Death and Disablement Benefits

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

Superannuation Guarantee Minimum Benefit

In the case of Superannuation Guarantee benefits the past component is based on the accumulated contributions with investment earnings to the valuation date, allowing for future expected investment earnings and discounted from the projected date of termination to the valuation date.

Adjustments

Additional accumulation accounts for Defined Benefit members and Accumulation members' benefits (e.g. rollover, voluntary member contribution, etc.) have been added to the past membership liability at their face value and accounts such as the surcharge and/or family law liability account have been deducted.

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