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GILBARCO SUPERANNUATION PLAN

(A Sub-Plan of Russell Investments Master Trust)

Actuarial Valuation as at 1 July 2024

Prepared by David Lewis FIAA
6 December 2024

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1 Executive Summary and Recommendations

1.1 Introduction

The Gilbarco Superannuation Plan (the "Plan") is a sub-plan of the Russell Investments Master Trust ("Russell"). The Plan is a "successor fund" to the Gilbarco Superannuation Fund (the "Predecessor Fund") which was a single employer sponsored superannuation fund. The Company, Gilbarco Australia Limited, and its subsidiaries, is the Plan's sponsor.

This report mainly considers the Defined Benefit Division of the Plan. Defined Benefit members may also have an accumulation benefit being their additional voluntary contributions or rollovers. These benefits form part of the Accumulation Division of the Plan, which also includes accumulation benefits for non-defined benefit members.

Under the Superannuation (Industry) Supervision Act 1993 ("SIS"), an actuarial valuation is required at the inception of a new fund and every three years thereafter. This report covers the valuation of the Plan as at 1 July 2024.

The main conclusions and recommendations are set out below.

1.2 Compliance, Superannuation Guarantee and APRA Reporting

All required actuarial certification is attached to this report.

Please note that it is also a requirement under Funding and Solvency certificates that the Trustee monitors "Notifiable Events" as set down in the certificate and advise the actuary in the event of an occurrence of a Notifiable Event.

Several statements required in regard to the Trustee's reporting requirements to APRA are provided in Section 12 of this report.

1.3 Investments and Insurances

The assets covering the defined benefits are invested in the Russell Balanced Growth Portfolio which has a strategic asset allocation of 70% to growth assets and 30% to defensive assets. I consider that this is a reasonable investment approach to back the defined benefit liabilities of the Plan. With a closed defined benefit section and a small number of members the Trustee and employer may wish to consider moving to a more conservative investment strategy. This is discussed further in Section 4 4.3.

I have reviewed the Plan's insurance arrangements and I consider them to be appropriate.

1.4 Experience of the Plan

I received membership and asset data as at 1 July 2024 from Russell to conduct this valuation. The last valuation of the Plan was as at 1 July 2021. Over the three years, the overall Plan membership (including Accumulation members) increased from 79 to 89. The number of defined benefit members decreased from 7 to 5 and the average rate of salary increase for active defined benefit members from 1 July 2021 to 1 July 2024 was 1.0% p.a.

The average per annum investment return over the inter-valuation period was 4.4%.

1.5 Valuation Methodology and Assumptions

In valuing the Plan's liabilities, I have used the Aggregate Funding Method to determine the recommended Employer contribution rate. This method is explained in Section 5 and is the method used at the previous valuation.

The assumptions relating to the rates of death, disability, resignation and early retirement are based on tables I have developed from the decrement experience of other corporate plans and these assumptions were also used in the previous valuation.

I have assumed the same rates of future salary increase, 4.0% p.a., and of future investment return, 6% p.a., as I used at the previous valuation.

1.6 Valuation Results

Financial Status

The financial position of the Plan on wind-up as reflected in the Vested Benefits Index ("VBI") is complicated by several matters explored in Section 7.2 of this report. I have calculated the VBI on three different assumptions as described in 7.2. I have applied a value to pensions in payment which reflects my assessment of current market annuity rates that would be used to buy out these pensions if the Plan were wound up.

On my "best guess" basis, the Plan is in a satisfactory financial position with a net VBI at 1 July 2024 of 121% based on the valuation assumption that 75% of active members will elect to commute their pension benefit for a lump sum. The VBI as at 1 July 2021 was 133%.

The Accrued Benefits Index declined somewhat over the period from 1 July 2021 decreasing from 142% to 134% as at 1 July 2024. The excess of the net assets over past service liabilities has decreased from $2.76m at the 2021 valuation to $2.40m at this valuation.

These reductions would be expected given the Company's contribution holiday over the inter-valuation period. Factors affecting the financial position positively over the period have been the lower-than-expected salary increases and the return achieved on surplus assets. Negative factors have been the lower-than-expected investment returns and the contribution holiday. A fuller discussion of the financial status is provided in Section 6.

Contribution Rates

The rate of Company contribution recommended at the previous valuation in 2021 was nil% of the salaries of defined benefit members.

As a general principal, while we want to ensure ongoing solvency, we also want to avoid excessive surpluses being generated in the Plan. After considering the overall position of the Plan, I consider that the Company can continue with its current contribution holiday in respect of DB members. Essentially, under the assumptions used in this valuation, the assets of the Plan are already sufficient to meet all benefits payable in the future for current active and pensioner members.

Member contributions are required at 2.2% of salaries (2.6% if paid by salary sacrifice). In addition, the Company should contribute at the required rate for Accumulation members, (11.5% from 1 July 2024, less any amounts being paid to another fund).

However,

- the decisions in regard to taking a pension as against a lump sum by active members on exiting the Plan, and
- the VBI

should both continue to be monitored at least annually and any required adjustments to the Company contribution rate made, as considered appropriate, after discussions between the actuary, Trustee and sponsoring Company.

Insurances

I recommend that the existing insurance formula continue to be used to calculate the defined benefit members' death insurance cover (see Section 8). The formula is:

22.5% x Potential Future Service to Normal Retirement Date x Salary.

Potential Future Service is measured in years and complete months.

The Trustee should continue to fully insure the disability income benefit.

1.7 Sensitivity of the Results

The financial position of the Plan and the contribution rates recommended are sensitive to the assumptions used in my calculations. While, in the long term, I believe that the assumptions are reasonable, the future financial position of the Plan will depend on its actual experience in regard to member decisions on taking pension or lump sums on leaving the Plan, demographic and economic factors, not on the assumptions about these factors. Further discussion and illustrations of this issue is provided in Section 9.3.

1.8 Review of Pension Commutation Rate and Use of Surplus

A full discussion of this issue was provided in my report on the 1 July 2015 valuation and a decision made by the Trustee to maintain the then current commutation rate of $10 for each $1 p.a. of pension. This rate has continued to apply up to the present time. I have not reconsidered this issue in this report.

However, given the strong financial position of the Plan and the small number of defined benefit members, it is worthwhile to consider what should happen to surplus assets in the event that the Plan was wound up and also in the "on-going concern" situation. For instance, surplus assets could be used to pay additional benefits to members (e.g. increase pensions in payment or upgrade lump sum benefits by, say, increasing commutation rates). Alternatively, it may be possible for excess assets to be used to pay the Company contributions for Accumulation members. It seems reasonable for the Trustee and the Company to discuss this issue following this review of the Plan.

1.9 Next Actuarial Valuation

Superannuation legislation requires a valuation every three years and the next full valuation should be carried out based on the data as at 1 July 2027. A number of other actuarial documents are required to ensure the continued compliance of the Plan. These are described briefly in Appendix D.

This report, which has been peer reviewed by Richard Drysdale, FIAA, an experienced actuary who is familiar with the Plan, and has been prepared by:

David Lewis FIAA
6 December 2024

2 Background

2.1 Purposes of the Review

The main purposes of this actuarial review are:

- To examine the financial condition of the Plan as at 1 July 2024;
- To examine the experience of the Plan since the previous review as at 1 July 2021;
- To provide advice on the level of contributions required by the Company to meet the continuing benefit obligations of the Plan;
- To consider the appropriateness of the Plan's investment and insurance arrangements; and
- To comply with Regulation 9.29 of the Superannuation Industry (Supervision) Regulations 1994 and APRA Prudential Standard SPS 160 (Defined Benefits). The Regulation and the APRA Prudential Standard require an actuarial investigation of the Plan to be conducted at least every three years.

2.2 Plan history

The Plan is a "successor fund" to the Gilbarco Superannuation Fund (the "Predecessor Fund") which was a single employer sponsored superannuation fund. The successor fund transfer to the Russell Investments Master Trust occurred effective 30 June 2006.

The Trustee of the Master Trust is Total Risk Management Pty Limited (the "Trustee").

The Plan was established by an Employer Application between Gilbarco Australia Limited (the "Company") and the Trustee dated 29 June 2006 and a Successor Fund Transfer Deed between the Trustee and Gilbarco Superannuation Nominees Pty Ltd (the "Predecessor Plan Trustee") dated 13 June 2006.

The Plan provides benefits (as summarised in Appendix 1 to this report) for employees of the Company. Unusually for Australian defined benefit plans, the Deed establishes that the benefit payable on retirement is a pension but, in a large majority of cases in the past, exiting members have elected to commute the pension for a lump sum. Given the low interest rates in Australia and around the world at the present time, there is some question as to what extent this will continue to be the case in the future.

The salary continuance (temporary disablement) benefit is paid as regular income payments.

The Plan consists of a Defined Benefit Division and an Accumulation Division. Defined Benefit members may also have an accumulation benefit being their additional voluntary contributions and rollovers. These accumulation benefits form part of the Accumulation Division, which also includes accumulation benefits for non-defined benefit members. Accumulation benefits are expressed only as a lump sum.

The Defined Benefit Division of the Plan is closed to new members.

The Company, Gilbarco Australia Limited and its subsidiaries, is the Plan's sponsor.

The Plan has been approved under SIS and hence employer contributions are tax deductible (but subject to concessional rates of tax in the hands of the Trustees) and investment income is subject to concessional rates of tax.

2.3 Investments and Insurance

The assets of the Defined Benefit Division of the Plan are invested in the Russell Balanced Growth Portfolio.

Members of the Accumulation Division can exercise investment choice from a range of options offered by Russell.

The future service component of Defined Benefit members' death benefit is insured. These members are also entitled to a disability pension on total disablement. This income benefit is also fully insured.

Members of the Accumulation Division who are not also Defined Benefit members are entitled to Death and Total and Permanent Disability Benefits which may include an insured component.

TAL Life Ltd provides the insurance cover for Plan members.

2.4 Current Contributions

The rate of Company contribution recommended at the previous valuation in 2021 was nil% of the salaries of the defined benefit members. I also recommended at the previous valuation that, given the volatile nature of investment markets, it was necessary to continue to monitor the VBI on an annual basis, or more frequently if there is a significant drop in investment markets.

In addition to the above contributions, any after-tax compulsory or voluntary member contributions and pre-tax (salary sacrifice) member contributions should continue to be paid.

2.5 Actuarial Certification

Under the SIS legislation, an actuarial valuation is required to be carried out at least every three years. Currently the report should be available within 6 months of the valuation date.

A new Funding and Solvency Certificate is attached to this report. It took effect from 1 October 2024. It certifies that the Company contributions at the rates set out in that certificate, subject to no "Notifiable Events" occurring, would be sufficient to secure the Minimum Requisite Benefits (MRB) required under Superannuation Guarantee legislation until 30 June 2029. Under the Regulations, this Certificate should be replaced by 30 June 2028 or earlier in circumstances as described in the Certificate.

It is a requirement under the Funding and Solvency certificate that the Trustee monitors "Notifiable Events" as set down in that Certificate and advises the actuary in the event of an occurrence of a Notifiable Event.

A new Benefits Certificate is also attached to this report. For Superannuation Guarantee legislation purposes this certifies the MRB and the Notional Employer Contribution Rate required to provide the MRB. This Certificate is effective for the period 1 October 2024 to 30 June 2029 but may cease to have effect earlier in circumstances described in the Certificate. It confirms, subject to certain conditions and to the extent set out in the Certificate, that the Company is meeting its Superannuation Guarantee obligations for those employees who are members of this Plan.

Notional Taxed Contributions ("NTC") for defined benefit members of the Plan are required so that the Trustee can calculate and report these notional amounts to the ATO. NTCs notionally paid in a year count towards the total Concessional Contributions paid by or on behalf of that member for the 2007/08 tax year and subsequent tax years.

The current NTC certificate is a replacement certificate dated 5 September 2022.

3 Membership and Salaries

3.1 Membership Data

Data for this valuation is based on the membership and review data as at 1 July 2024 as provided by the Russell.

3.2 Active Membership and Salary Details

The following table shows the changes in active defined benefit membership between 1 July 2021 and 1 July 2024.

Category	1 (DB)	All 2 (Accum.)	Total
In force 1 July 2021	7	72	79
Total New Entrants	-	n/a	n/a
Total Exits	2	n/a	n/a
In force 1 July 2024	5	84	89

One of the two exits from Category 1 took their benefit in pension form.

The following table compares the membership statistics of defined benefit members with the statistics at the last valuation of the Plan at 1 July 2021.

	Number of Members	Average Age	Average Contributory Service	Average Salary ($'000)
1 July 2021	7	56.1	24.9	127
1 July 2024	5	59.0	29.0	146

The total salary of defined benefit members at 1 July 2024 was $729,013 ($888,115 at 1 July 2021). The total salary at 1 July 2021 of the 5 members still in the Plan at 1 July 2024 was $706,874.

3.3 Salary Inflation

All of the active members at the valuation date were members at the previous valuation date. These "continuous" members received average salary increases of 1.0% per annum over the three years since 1 July 2021 (compared to the valuation assumption at the previous valuation of 4% p.a.). Salary increases cause members' benefits (and therefore the liabilities of the Plan) to increase. Lower than expected salary inflation has a positive effect on the Plan's long-term financial position. However, the salaries for members with higher salaries increased at a slightly greater rate than for those with lower salaries. Given the larger benefits for these members, this higher increase rate would have had a less positive effect on the financial position of the Plan.

3.4 Pensioner Details

The following table shows the changes in the pensioner membership between 1 July 2021 and 1 July 2024.

Pensioners	
In force 1 July 2021	10
Deaths	-2
New pensioner	+1
In force 1 July 2024	9

The following table sets out the number and type of current pensioners.

	1 July 2024			1 July 2021		
Type of Pension	**Number**	**Amount**	**Average age**	**Number**	**Amount**	**Average age**
Male Retirement Pension	8	242,976	73	7	190,537	71
Widow's Pension	1	16,574	71	3	23,554	87
TOTAL	**9**	**259,550**	**73**	**10**	**214,091**	**76**

The average annual pension increase for the eight pensioners who were pensioners at the previous valuation was 2.6%. The average annual increase in the CPI over the same period was 5.2%. Pensions paid on retirement are indexed at the discretion of the Trustee. Indexation is normally 50% of CPI if CPI is 3% or greater. CPI is measured as at 31 March each year. Pensions are guaranteed payable for 10 years and life thereafter.

3.5 Membership Movements

It is not possible to make reliable assumptions about future membership movements based on the past experience because of the small size of this membership group. Hence for many years I have used the decrement experience of other corporate plans.

I have continued to use the assumptions regarding death, disability, resignation and retirement as in previous valuations and as set out in Appendix B to this report.

4 Assets and Investments

4.1 Plan Accounts

For this valuation I had access to unaudited financial information, mainly the cash account movements and investment statements, for the years ending 30 June 2022, 2023 and 2024 as supplied to me by Russell. The financial accounts for the master trust as a whole would have been produced and audited but, like most master trust sub-plans, specific sub-plan accounts had not been produced and therefore not been independently audited.

An approximate summary reconciling the Net Asset Value backing the defined benefit Plan is shown in Appendix C.

4.2 Plan Investments

As at 30 June 2024 the net assets backing the DB liabilities of the Plan were $9,398,000 (exclusive of an operational reserve of $23,553), an increase of $64,000 from $9,334,000 as at 30 June 2021. The investments were held in the Russell Balanced Portfolio.

4.3 Investment Objective and Strategy

Accumulation Division members can choose from the available options in Russell. The assets backing the defined benefits are invested in the Russell Balanced Growth Portfolio. The investment objective is:

"To earn a return after costs and tax, exceeding CPI by 3.5% per annum, measured over rolling 5 and 10 year periods."

The investment strategy is:

"The Portfolio is typically exposed to a diversified portfolio mix of growth investments around 70% and defensive investments around 30%. The Portfolio may be exposed to derivatives".

The sector benchmarks for the Portfolio are set out below:

SECTOR	BENCHMARK (%)	Ranges
Australian Shares	26.5	15% to 60%
International Shares	34.5	15% to 60%
Property	11.0	0% to 25%
Infrastructure	5.5	0% to 25%
Commodities	0.0	0% to 10%
Other Alternatives	0.0	0% to 25%
Fixed Income	13.5	0% to 45%
Cash	9.0	0% to 25%

I consider that this is a reasonable investment to back the defined benefit liabilities of the Plan. Usually with a closed defined benefit section and a small and declining number of members the Trustee and employer should give consideration to moving to a more conservative investment strategy. This would be expected to reduce the returns achieved in the future but also reduce the volatility of those returns. Considerations of such a move should reflect the employer's own ability and desire to accept the current level of risk implied in the Balanced Portfolio and the significance of the liabilities of the defined benefit commitment relative to the risks of the business as a whole. However, in this Plan, the longer-term nature of the pensioner liabilities and the average age of those pensioners means that the expected future lifetime of the Plan is at least 10 years. In these circumstances, I consider that the current strategic asset allocation remains appropriate.

4.4 Plan Earning Rate

The Plan Earning Rates shown in the table below have been calculated after investment tax and fees but before administration fees and are based on the change in unit prices over the particular year. These rates may differ from the published returns for the Russell Balanced Growth Portfolio.

Period	**Change in unit price % p.a.**
1 July 2021 to 30 June 2022	-4.5%
1 July 2022 to 30 June 2023	9.5%
1 July 2023 to 30 June 2024	8.9%
Average Rate Per Annum	4.4%

The average change in unit price over the inter-valuation period was therefore 4.4% p.a. which is 1.6% p.a. lower than the rate of 6% p.a. assumed at the last valuation. However, for the purposes of this valuation, I have again assumed that the future Plan Earning Rate will be 6.0% per annum. See Appendix II for further details.

For accumulation account balances the Plan credits the full earning rate of each Portfolio to the appropriate account balance.

5 Valuation Method and Assumptions

5.1 Method

The objective of the valuation process is to determine a contribution rate that will ensure that members' benefits are fully funded when they arise and also the rate will meet the requirements of the Company and the Trustees with respect to predictability and stability.

For the purposes of this valuation an Aggregate Funding Method has been used. Under this method, both benefit payments and contributions for current members are projected into the future. Included in these projections are allowances for a wide range of factors including investment earnings, salary increases and the chances that members will die, become disabled or withdraw from the Plan at various times in the future.

In this valuation the present value of projected benefits is apportioned between liabilities relating to service already completed at the valuation date ("Past Service") and service to be completed after the valuation date ("Future Service"). The value of the Past Service Liability is then compared with actuarial value of the assets. Any "surplus" or "deficit" arising as a result may be used to offset or increase the Company contributions required to support the Future Service Liability.

5.2 Valuation Assumptions

In order to determine the expected size of future benefits and the value of those future benefits, it is necessary to make assumptions about a wide range of factors. These assumptions include:

- The rate of salary growth - Notwithstanding the recent economic environment and the history of salary increases over the last three years, for this valuation I have decided to maintain the salary increase assumption of 4% p.a. as I used at the previous valuation.
- The rate of investment return – For this valuation I have decided to maintain the rate of investment return assumption of 6% p.a. as I used at the previous valuation. See Appendix B for further details.
- The probabilities of members dying, becoming totally and permanently disabled, resigning or retiring from the Plan. I have used the same assumptions as in the previous valuation.
- In particular, in accordance with the experience of the Plan since 2006, I have made a specific assumption that 75% of members leaving the Plan will elect to commute their pension entitlement for a lump sum payment. This is important to the financial position

of the Plan in recent times as, at current interest rate levels, the value of the pension is greater than the $10 for each $1 of pension commutation rate applied to the normal retirement pension benefit. Therefore, members retiring and taking a lump sum improve the financial position of the Plan.

Further information about the assumptions adopted for the current valuation are set out in Appendix B.

5.3 Real Return

Of importance to the ongoing position of the Plan is the degree to which investment returns (on the value of assets) exceed salary increases. This excess return is often referred to as the "real return" and measures whether the Plan's assets grow at a faster rate than its liabilities.

This valuation assumes a "real return" of +1.9% p.a. i.e. (1.06/1.04 - 1) x 100% and this was the same as that assumed in the previous valuation. The actual experience during the inter-valuation period 2021-24 was effectively +3.4% p.a. i.e. (1.044/1.010 – 1) x 100% (compared with +0.1% p.a. over the2018-21 period at the previous valuation). Overall, therefore, the inter-valuation financial experience has had a positive effect on the financial position of the Plan.

However, as the proportion of the Plan’s liabilities due to pensioners increases because of active members leaving, the significance of the real return on the actual future financial experience of the Plan will decrease. Hence, the financial effect of the difference between the pension increase and the investment return assumptions will become more significant.

6 Valuation Results

6.1 Summary of Results

The results of the calculations described in the previous Section of this report are set out in the following table.

	1 July 2024 ($'000)	1 July 2021 ($'000)
PAST SERVICE		
Retirement	3,560	3,556
Death/Permanent Disability	156	205
Resignation	-	7
Defined Benefit members	**3,716**	**3,768**
DB Supplementary Accounts	337	585
Accumulation Member Accounts	12,398	10,992
Current Pensions	3,284	2,806
Total Past Service Liability	**19,735**	**18,151**
LESS		
Value of Assets	**22,133**	**20,911**
Surplus/(Deficit)	**2,398**	**2,760**
FUTURE SERVICE		
Retirement	432	740
Death/Permanent Disability	27	73
Withdrawal	-	-
Total Future Service Liability	**459**	**813**
Future Member Contributions	56	100
Residual	403	713
Value of 1% future contribution	25	46
Net Future Service Company Contribution Rate	**16.1%**	**15.5%**
Expenses	2.2%	1.8%
Income Disability insurance	1.4%	1.4%
Tax	2.8%	2.7%
Gross Future Service Company Contribution Rate	**22.5%**	**21.4%**
Gross Company Rate adjusted for Surplus	**nil%**	**nil%**

6.2 Past Service Funding Analysis

The first section of the table below headed "Past Service" shows that the value of the Plan's assets of $22,133,000 exceeds the present value of benefits arising from past service for existing members, $19,735,000, by $2,398,000 ($2,760,000 at the previous valuation). This shows that, on the assumptions used for this valuation, the Plan assets would be expected to meet all its future liabilities arising out of membership to 30 June 2024.

This change in the excess of assets over past service liabilities is analysed below.

6.3 Reasons for the Change in the Past Service Funding Position

I set out in the table below an approximate $ analysis of the gains and losses affecting the surplus position over the inter valuation period as shown in the table in Section 6.1:

Item	***S'000***
Surplus as at 1 July 2021	**2,760**
Gain on salary increases below assumption	337
Loss on Investment return below assumption	-450
Investment return on surplus assets	256
Nil Company contribution for 3 years	-534
Unexplained	29
Surplus at 1 July 2024	**2,398**

Hence, the change in the $ value of past service surplus over the inter-valuation period has mainly resulted from:

- the lower rate of salary increases than assumed at the previous valuation;
- the higher-than-expected investment return; and
- the investment return on the surplus assets.

6.4 Future Service Costs

The second section of the table shows the Company contribution rates arising from the future service of existing Defined Benefit members. The Company contribution rate required to support future service benefits for Defined Benefit members is 22.5% (21.4% at the previous valuation) of salaries.

The increase in the gross future service contribution rate is mainly due to a small percentage increase in the allowance for expenses and the increase in age of the remaining active members.

6.5 Future Contribution Rate

From the results in the table in 6.1 above, it is clear that the past service excess of $2,398,000 is significantly greater than the residual future service cost of $403,000 plus future expenses. Hence, under the assumptions used in this valuation, the assets of the Plan are already sufficient to meet all expected benefits payable in the future for current active and pensioner members.

Further discussion of this result is provided in Section 9.

7 Coverage of Vested and Accrued Benefits

7.1 Background

The aim of the indices below is to examine the financial state of the Plan at the valuation date by comparing the total assets of the Plan with members' entitlements according to the Trust Deed.

7.2 First Measure - Vested Benefits Index (VBI)

The first measure tests the ability of the Plan's assets to meet members' immediate vested entitlements. Members' vested entitlements are the benefits payable on members leaving employment and becoming entitled to a resignation benefit, or an early retirement benefit if the member is 55 or older. As in my 2021 valuation, I have considered the vested benefits on three bases:

1. All active members commute their pension entitlement for a lump sum payment;
2. 25% of active members take a pension and 75% commute the pension for a lump sum; and
3. All active members take the pension.

In the event of a wind-up of the Plan, pensions in payment and pensions arising from the closure of the Plan may well be required to be secured by purchasing appropriate life annuities in the market. In my calculation of the vested benefits I have therefore allowed for pensions being secured at my assessment of the current market rates to purchase an equivalent annuity. I have assessed these rates based on a 5% p.a. discount rate (as against the 6% rate used for the valuation), pension increases of 1.5% p.a. and expenses of 2.0%. At age 65 the cost of $1 of pension is $17.2 for pre-July 97 members (as their spouse is eligible for a pension after their death) and $15.7 of pension for post-June 97 members. Currently 6 of the 9 pensioners have been accessed as pre-June 97 pensioners. On this basis the value of pensions in payment is $3.588m ($3.579m at the previous valuation). Please note that I have not sought actual quotations of current market rates but estimated the costs using a basis I consider appropriate.

I set out my results in the table below:

	1 July 2024 ($'000) Active members elect:			1 July 2021 ($'000) Active members elect:		
	0% lump sum	**75% lump sum**	**100% lump sum**	**0% lump sum**	**75% lump sum**	**100% lump sum**
(i) Category 1 DB Vested Benefits	6,250	4,158	3,460	4,826	3,425	2,958
(ii) Category 1 Supplementary	337	337	337	585	585	585
(iii) Category 2 (Accumulation) Vested Benefits	12,398	12,398	12,398	10,992	10,992	10,992
(iv) Pension Liabilities	3,588	3,588	3,588	3,579	3,579	3,579
(v) Members' Total Vested Benefits	22,573	20,481	19,783	19,982	18,581	18,114
(vi) Market Value of Assets	22,133	22,133	22,133	20,911	20,911	20,911
Net DB VBI ((vi)-(ii)-(iii))/((i)+(iv))	**96%**	**121%**	**133%**	**111%**	**133%**	**143%**

The VBI is a very important test of the immediate solvency of the Plan.

The Plan's index value if all active members commute their pension entitlement (i.e. take a lump sum benefit) is 133% net of accumulation benefits (143% at the previous valuation). On this assumption the Plan is in a very good financial position.

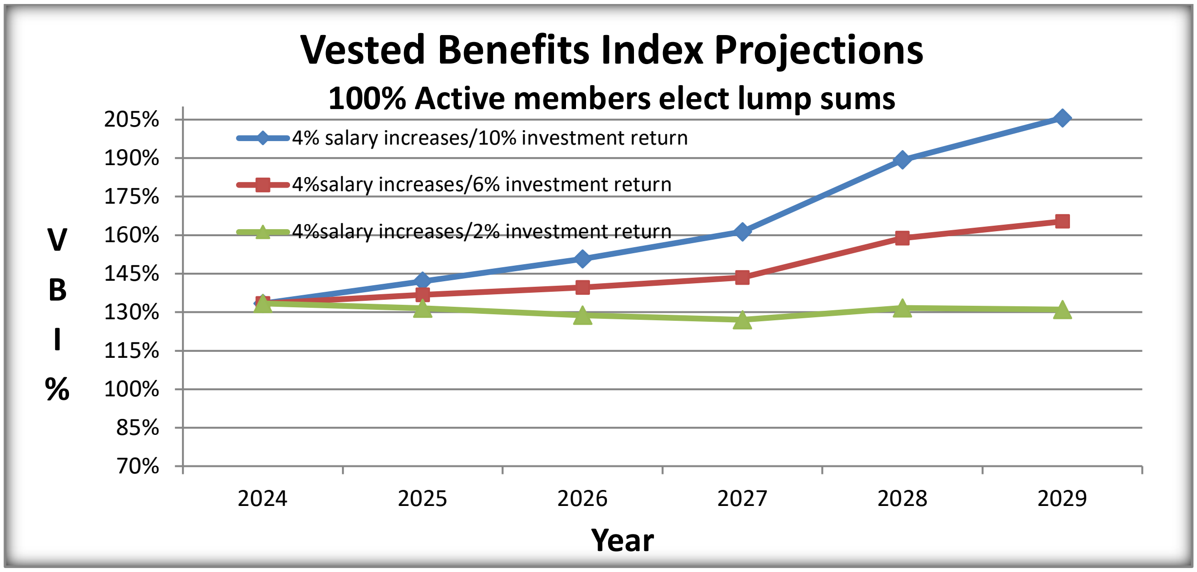
Under the valuation assumption that 25% of exiting active members take a pension the VBI is 121% net of accumulation benefits (133% at the previous valuation). This is again a good financial position. Under the assumption that 100% of exiting active members take a pension the VBI falls to 96% net of accumulation benefits (111% at the previous valuation). Hence, in this unlikely situation only 96% of all Plan benefits could be provided.

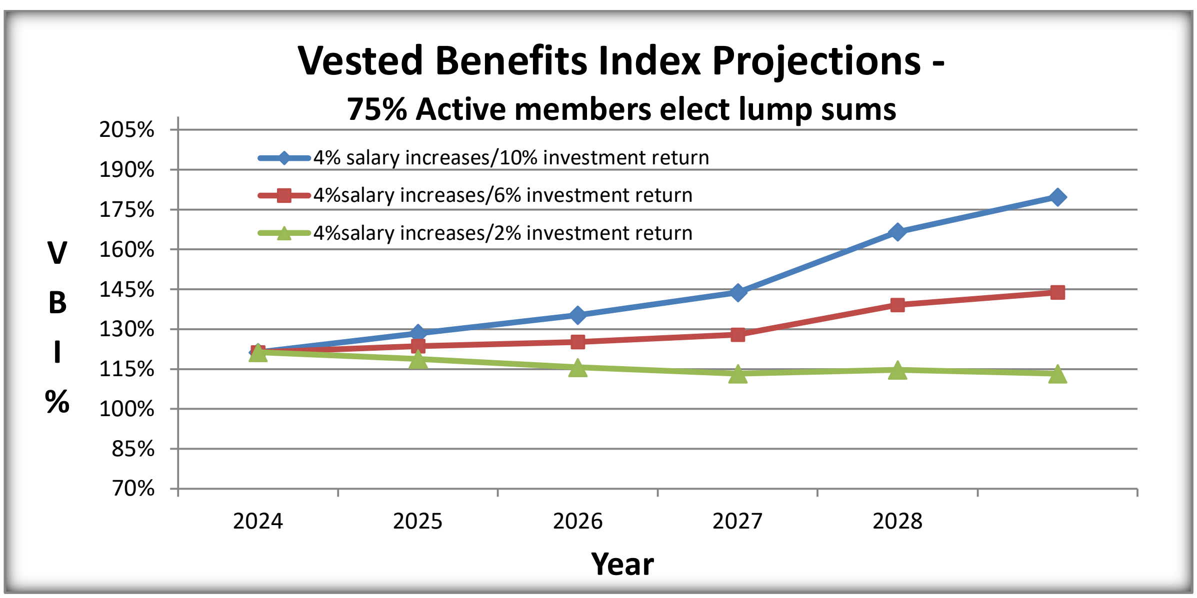
Not unexpectedly, given the contribution holiday over the last 3 years, this is a weaker winding-up financial position than at the previous valuation. This decline should be expected to continue given the recommendation for a continuing Company contribution holiday.

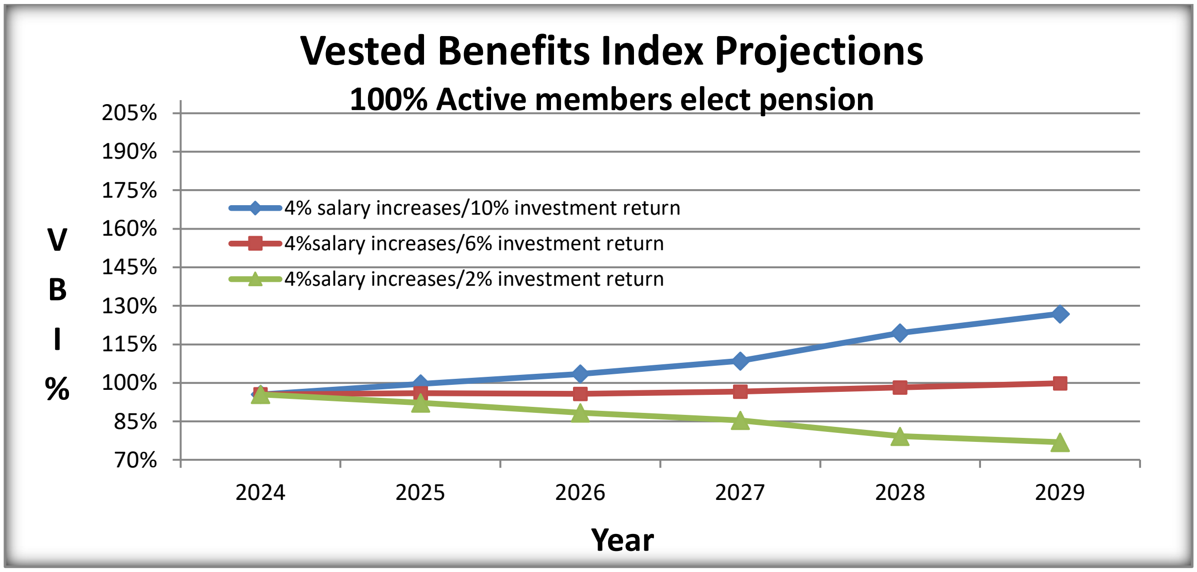
7.2.1. Projection of the Vested Benefit Index

I consider that in the circumstances of this Plan (a small number of members and closed to new members) the most important measure of the financial position is the Net DB VBI. I therefore provide a projection of the VBI below based on various sets of assumptions concerning investment returns and salary increases. I have projected outcomes on the basis of all three scenarios discussed above.

In these projections I assume that all existing members survive in the Plan and retire at age 65 and take the pension in the proportions set out in the tables below. I also assume Company contributions are paid at the rate recommended in this report (Nil% of DB members' salaries). I have used the financial assumptions as set out in this report (6% p.a. investment return and 4% p.a. salary increases), a conservative set of assumptions (2% p.a. investment returns and 4% p.a. salary increases) and a very favourable set of assumptions (10% p.a. investment returns and 4% p.a. salary increases). It is the gap between the salary increase and investment return assumptions that is important rather than the absolute value of each. I plot the results below.







The above illustrations show that unless all active members elect to take a pension benefit and investment markets perform extremely badly, then the Plan can expect to meet its winding up benefits over the next 5 years.

Of course, the actual experience of the Plan in terms of salary increases and investment return will not emerge as a consistent gap between salary increases and investment returns on a year-by-year basis. While the salary increase rate may well be reasonably stable around the 4% p.a. level over the period, we are very aware from the experience of recent years that investment returns can vary dramatically from year to year (e.g. from negative 12% one year to positive 10% the next). Hence, it is likely that the results above will over or under-estimate the position at a particular year end. However, I would have a reasonable expectation that the illustrations of the possible outcomes at the end of five years would represent the likely range of outcomes after that time. The exercise of projecting results over this period is to provide a "feel" for the possible volatility and range of likely outcomes.

From the information available to me the Minimum Requisite Benefits (essentially the level of assets necessary to meet minimum benefit as described under the Superannuation Guarantee legislation) remained well covered and hence in terms of Regulation 9.06(3) of the SIS Regulations the Plan has not become "technically insolvent" during this period.

In summary, if most retiring members take a pension and there is unfavourable financial experience in the next few years, then the Company may have to re-commence contributing to the Plan.

7.3 Second Measure - Accrued Benefits Index

The second measure tests the progress of the Plan in setting aside assets to meet retirement benefits. It is derived by comparing the assets to the "Accrued Benefits" of all members. "Accrued Benefits" are the same as the "Past Service Liabilities" shown in Section 6. For this purpose, it is not necessary to consider outcomes other than on the valuation basis.

	1 July 2024 ($'000)	**1 July 2021 ($'000)**
(i) Category 1 DB Accrued Benefits (i)	3,716	3,768
(ii) Category 1 Supplementary (ii)	337	585
(iii) Category 2 (Accumulation) Vested Benefits	12,398	10,992
(iv) Pension Liabilities	3,284	2,806
(v) Members' Total Accrued Benefits	19,735	18,151
(vi) Market Value of Assets	22,133	20,911
Net DB ABI ((vi)-(ii)-(iii))/((i)+(iv))	**134%**	**142%**

Under the Aggregate Funding Method, the ABI normally increases above 100% during the ear1y years of a fund's life, falling back to 100% as the fund matures. The present value of 134% net of accumulation benefits (142% at the previous valuation) confirms a very good state of funding. The reasons for the decline in the financial position since the previous valuation are analysed in Section 6.3 above.

This index would be expected to reduce over the next three years assuming the actual experience is in line with my assumptions and the Company contribution holiday continues.

8 Insurance

Members of the Accumulation and Defined Benefits categories are entitled to death and total and permanent disablement benefits. For Accumulation members these benefits consist of a member's accumulated accounts and an insured component. All Accumulation member death and disablement benefits are covered by Plan assets and insurance.

Part of the death benefit for Defined Benefit members is insured. The disability benefit, which is a pension benefit, is fully insured.

The lump sum death benefit for the Defined Benefit members is a multiple of salary. The multiple is 16.7% of salary for each year of completed contributory service plus 22.5% of salary for year of potential future service. For members who joined the Plan before 1 July 1997, there are entitlements on death to various dependents and spouse pensions depending on the existence of a spouse or other eligible dependents at the time of death. The cost of these pensions is deducted from (not in addition to) the death benefit described above.

The formula used for determining the sum insured for Defined Benefit members is 22.5% multiplied by salary multiplied by future service at the review date to age 65. Potential future service is measured in years and complete months. I recommend that this level of insurance is maintained.

I recommend that the disability benefit continues to be fully insured.

9 Recommended Company Contribution Rate

9.1 Matters to Consider

The rate of Company contribution recommended at the previous valuation was nil% of the salaries of active defined benefit members. At the previous valuation I also recommended that, given the volatile nature of investment markets, it was necessary to continue to monitor the VBI on an annual basis

Section 6 indicates that the Company contribution required to fund benefits in respect of active defined benefit members should remain at nil%. Essentially, under the assumptions used in this valuation, the assets of the Plan continue to be sufficient to meet all benefits payable in the future for current active and pensioner members.

Member contributions are required to continue to be paid at the rate of 2.2% of salaries (2.6% if paid by salary sacrifice). In addition, the Company should contribute at least the required rate for Accumulation members to meet SG requirements (i.e. from 1 July 2024 11.5% less any amounts being paid to another fund).

Since the defined benefit section of the Plan is closed to new entrants it is not necessary to consider the effect of new entrants in my recommendations.

As a general principal, while we want to ensure ongoing solvency, we also want to avoid excessive surpluses being generated in the Plan. It is closed to new members, has a small group of older active members (average age approximately 59) and includes 9 life pensioners with an average age of 73. In Section 7 we discussed the Vested Benefit Index and the Accrued Benefit Index. The discussion on VBI indicates the range of possible outcomes for this Plan due to the uncertainties caused by:

- the pension benefit promise,
- the options members have to commute pensions and
- the current difference between the current commutation rate and the cost of buying life annuities in the current market.

This range of outcomes makes it difficult to set a reasonable path between members' security of benefits and the potential for large surpluses to emerge. However, it is clear that the Plan is in a very strong financial position and can be expected to meet future benefits in all but a fairly unlikely set of circumstances.

9.2 Recommended Contribution Rate

After considering the overall position of the Plan, I consider that the contributions by the Company in respect of DB members should remain at nil%.

Member contributions are required at 2.2% of salaries (2.6% if paid by salary sacrifice). In addition, the Company should contribute at the required rate for Accumulation members (11.5% less any amounts being paid to another fund).

Given the circumstances of the Plan it is appropriate that decisions by active members electing to take a pension or lump sum on exiting the Plan and the VBI should both continue to be monitored annually and adjustments made to the contribution rate, as considered appropriate, after discussions between the actuary, Trustee and sponsoring Company.

Extraordinary circumstances which may require a revision of this recommendation would include:

- a substantial fall in the market value of assets, or
- the actual experience in regard to active members leaving and commuting their pension entitlements differs substantially from the assumption made.

9.3 Sensitivity of the Results

The financial position of the Plan and the contribution rates recommended are sensitive to the assumptions used in my calculations. While, in the long term, I believe that the assumptions are reasonable, the future financial position of the Plan will depend on its actual experience in regard to demographic and economic factors, not on the assumptions about these factors. Also, in the short term, the assumptions could vary very significantly to the actual experience of the Plan and therefore could effect the future short-term financial position significantly. It is to monitor these short-term variations that I consider the vested benefit index should be monitored annually and also in the event of a significant fall in investment values

To illustrate the sensitivity of the results to the assumptions used I have calculated the results using a 5% per annum assumption for future salary increases (rather than the 4% rate) and the results on that basis show a decrease in the past service actuarial surplus shown in the table in Section 6.1 above (from $2.398m to $1.832m). The future service contribution rate would rise from 22.5% to 23.5% of salaries. However, given the remaining surplus, the recommended contribution rate would remain at nil.

Because of its significance and potential variability, I also considered the sensitivity of the results to the assumption I have made that 25% of active members who leave will take a pension. If this assumption was increased to 50% then the past service actuarial surplus shown in the table in Section 6.1 above would decrease from $2.398m to $1.704m. The future service contribution rate would rise from 22.5% to 24.5% of salaries but the recommended contribution rate would remain at nil.

9.4 Use of Surplus

Given the strong financial position of the Plan it is worthwhile to consider what should happen to surplus assets in the event that the Plan was wound up or even in the "on-going concern" situation. For instance, surplus assets could be used to pay additional benefits to members by, for example:

- an increase to pensions in payment;
- an upgrade in lump sum benefits by, say, increasing commutation rates; or
- ceasing the requirement for active members to contribute to the Plan.

It may also be possible for surplus assets to meet Company contributions in respect of Accumulation members.

It could be useful at this time for the Trustee and the Company to discuss this issue.

10 Material Risks

Professional Standard PS 400 issued by the Institute of Actuaries of Australia for investigations of defined benefit superannuation funds, requires the actuary to consider and document any material risks to the fund.

The Plan is subject to a number of risks that could have an impact on the funding status or the liquidity of the Fund and consequently the Fund's ability to secure accrued benefits and to meet benefit payments in a timely manner. The particular risks are:

1. Significant adverse variations in future experience of investment returns and salary increases for defined benefit members;
2. More exiting members elect to take a pension rather than commuting the pension benefit for a lump sum;
3. A number of benefits becoming payable when there are insufficient liquid assets to meet those payments; and
4. The inability (or refusal) of the Company to pay the contributions as recommended.

Offsetting these risks, I believe that the chosen financial assumptions are reasonable, the Plan is currently in a satisfactory financial position with a degree of surplus assets and I am satisfied that there is sufficient liquidity in the Plan to meet benefits and other payments as and when they arise.

Given the history of the Company in regard to meeting its contribution obligations, I do not see a material risk to the Plan in the Company not meeting its obligations in the future.

Given the small number of members it is possible that the Company may at some stage investigate termination of the defined benefit section of the Plan, but this issue has not been discussed in any real detail with the Actuary by the Trustee or by the Company in recent years.

There are other risks associated with the Plan, such as the possibility of increasing expenses and insurance premiums, but I do not consider those risks to be material at this time.

11 Events Since the Valuation Date

Since 1 July 2024, investment markets generally have risen. It is worth noting that the Balanced Growth option has returned over 4% from 1 July 2024 to 7 November 2024 and hence it is likely that the VBI has improved since 30 June 2024.

Therefore, it is reasonable to assume that the financial position as at the date of this report will be in at least as good, if not better than, the levels shown at 1 July 2024

12 APRA Prudential Standards

From 1 July 2013 APRA Prudential Standard SPS 160 Defined Benefit Matters came into effect. Under this Standard the Trustee is required to:

1. set a shortfall limit for each plan, and monitor coverage of vested benefits to that limit;
2. arrange regular actuarial valuations to monitor the standard set by that shortfall limit; and
3. review that shortfall limit each time the actuary prepares an actuarial investigation or valuation.

The Trustee must set a shortfall limit at a level where it reasonably expects the employer can rectify any funding shortfall within one year, without the need for immediate action to restore the fund to a satisfactory financial position (i.e. a VBI of 100%).

12.1 Actuarial Certification and Reporting

As set out in Section 2.5 above, various actuarial certifications are attached to this report.

12.2 Superannuation Guarantee (SG) Changes from 1 July 2008

Changes to the Superannuation Guarantee Administration Act came into effect on 1 July 2008. In order for employers to meet their Superannuation Guarantee (SG) obligation for an employee these changes required that minimum superannuation contributions would have to be paid at the prescribed rate (currently 11.5%) of Ordinary Time Earnings (OTE). The SG rules up to 30 June 2008 allowed the earnings base on which contributions could be paid to be less than OTE if, prior to August 1991, contributions to superannuation were paid on an earnings base of less than OTE.

It was agreed that the Minimum Requisite Benefit (as set down in the Benefit Certificate) from 1 July 2008 be calculated based on the prescribed rate of Ordinary Time Earnings and that this figure be reported to Russell as part of the contribution schedules provided to it.

The SG rate of 11.5% as at 1 July 2024, is legislated to rise to 12% from 1 July 2025.

SG requirements commencing from 1 January 2020 in regard to SG contributions to an Accumulation arrangement, requires that any salary sacrifice contributions from an employee should not reduce that employee's OTE when calculating the SG payment (currently 11.5%). So, someone on $80,000 OTE making a $10,000 salary sacrifice contribution is required to have their SG contribution calculated on $80,000, not $80,000 - $10,000 = $70,000. In addition, any salary sacrificed contributions cannot be counted toward Company SG contributions. While not part of the legislative requirement, the Actuaries Institute has decided that Actuaries should raise the issue with employers with DB funds and encourage employers to apply the same principals for DB arrangements. This is not required under legislation but simply considered as "best practice". If an employer does not apply this best practice, then the actuary is required to note that as a decision by the employer. I understand that in this Plan the Company reports Salary for DB members at the gross salary before salary sacrifice arrangement amounts.

12.3 Notional Taxed Contributions

In a letter dated 5 September 2022 I provided my latest certification of the Notional Taxed Contributions ("NTC") for defined benefit members of the Plan as per the Income Tax Assessment Amendment Regulations 2007 (No. 3), as amended. NTCs are required so that the Trustee can calculate and report these notional amounts to the ATO. NTCs notionally paid in the year count towards the total Concessional Contributions paid by or on behalf of that member for the 2007/08 and subsequent tax years.

12.4 Minimum Benefits

For the purposes of this valuation, I have set a minimum benefit for all lump sum benefits (death, total and permanent disability, resignation and retirement) equal to the minimum required under Superannuation Guarantee legislation.

12.5 APRA reporting

The following statements are required in regard to the Trustee's reporting requirements to APRA:

- A Shortfall Limit of 97% was proposed by the Trustee in an email dated 14 June 2013. I confirmed that I considered this shortfall limit to be reasonable in an email dated 17 June 2013. I consider that this limit remains appropriate for the Plan;
- I provide a spreadsheet with this report showing the accrued benefits as at 1 July 2024 for defined benefit members (including any allowance for additional accumulation accounts);
- I confirm that the weighted average term of defined benefit liabilities is 7.3 years;

- I confirm that as at 1 July 2024, the net assets available to meet the defined benefit liabilities cover the Minimum Requisite Benefits for defined benefit members.
- I confirm as the RSE actuary of the Plan that, in my opinion, at the valuation date, there was a high degree of probability that the fund will be able to pay the pensions as required under the fund's governing rules.

Appendix A. Summary of Benefits and Contributions

TRUST DEED

The Plan is a "successor fund" to the Gilbarco Superannuation Fund (the "Predecessor Fund") which was a single employer sponsored superannuation fund. The successor fund transfer occurred effective 30 June 2006.

The Plan was established by an Employer Application between Gilbarco Australia Limited (the "Company") and the Trustee dated 29 June 2006 and a Successor Fund Transfer Deed between the Trustee and Gilbarco Superannuation Nominees Pty Ltd (the "Predecessor Fund Trustee") dated 13 June 2006.

DEFINITIONS

Contributory Service ("CS"):

Years of service while contributing to the Plan or to some previous plans while a Category 1 member, counted in years and months with part of a month treated as a full month, including any period of Total Disablement.

Final Average Salary ("FAS"):

Means the highest average annual rate of Salary in any three consecutive years during the period of ten years immediately preceding cessation of service.

Membership ("M"):

Means the period of continuous membership of the Plan and of the former fund, (counted in years and complete months).

Normal Retirement Date ("NRD"):

Means the first of the month nearest to the 65th Birthday of the member.

Pre-1987 Member Balance

Means, for members who were members at 1 July 1997, a member account balance arising from pre97 service increased for earnings.

Review Date:

1st July each year.

Salary

In respect of a Category 1 member, salary means the basic pay of the member excluding any allowance, bonus, benefit or the provision of a residence, commission, payment for overtime or temporary shift work. However, for Senior Managers bonuses under the Senior Management Incentive Scheme are included in Salary. If the member is entitled to a Total Disablement Benefit, then the benefit is based on Salary at the date of disablement excluding bonuses under the Senior Management Incentive Scheme.

DESCRIPTION OF CATEGORIES

Category 1 is the defined benefit category and is closed to new members. There are a number of accumulation categories (2A, 2B, 2C, 2D), collectively referred to as Category 2.

ELIGIBILITY AND CONTRIBUTIONS

Eligibility:

An employee may be invited by the Employer to become an accumulation member.

Contributions:

The contributions required to be made for each Category are as follows:

Category	Member Contribution Rate	Employer Contribution Rate
1	2.2%	Balance of cost
2A	2.5%	11.5%
2B	2.5%	8.5%
2C	0.0%	11.5%
2D	0.0%	8.5%

Subject to minimum under SG

BENEFITS

Normal Retirement:

Category 1	A yearly pension for life of 1.67% x FAS x CS plus the balance of any supplementary account plus any supplementary benefit or guarantees
Category 2	The amount in a member's accumulated accounts.

Late Retirement:

The member is treated as if they retired on their NRD. Pension payments and commuted lump sums are either paid to the member while still in service or held in Trust along with any member or superannuation guarantee contributions until the member retires or dies.

Early Retirement:

Category 1	Early retirement is available after age 55 or from age 50 with the employer's consent. The benefit is

	A yearly pension for life of 1.67% x FAS x CS, reduced by 3% simple for each year (pro rata for each month or part month) the member is aged less than 62 plus the balance of any supplementary account plus any supplementary benefit or guarantees
Category 2	As for retirement.

Death:

Category 1	16.7% x Salary x CS: plus 22.5% x Salary for each year of prospective service (pro rata for each month and part month) remaining until NRD plus the balance of any supplementary account plus any supplementary benefit or guarantees.
Category 2	The member's accumulated accounts plus an insured benefit.

Total Disablement:

Category 1	an annual benefit of 67% x Salary, payable monthly ceasing when the member dies or the member attains the NRD or the member is no longer totally disabled.
Category 2	On Total and Permanent Disablement the benefit is the same as the death benefit.

Withdrawal:

Category 1	The greater of Part A or Part B below plus the balance of any supplementary account plus any supplementary benefit or guarantees. **Part A:** (Standard benefit) (5.2% x FAS x CS since 1 July 1987 + Pre 1987 Member Balance) ("Basic Benefit") plus 10% x Basic Benefit for each year of membership (pro rata for part of a year measured in complete months) in excess of 5 years to a maximum of 100% after 15 years.

Part B:

(SG Proxy Benefit)

(i) (5.2% x FAS x CS between 1 July 1987 and 30 June 1992 + Pre 1987 Member Balance)
plus
(ii) 10% of (i) for each year of membership (pro rata for part of a year measured in complete months) on 1 July 1992 in excess of 5 years to a maximum of 100%
plus
(iii) 5.2% x FAS x CS after 1 July 1992
plus
(iv) the aggregation of the nominal SG rate less 3% for each period of Membership after 1 July 1992 (where the SG rate is in accordance with the following table) x FAS.

%	Period of Membership
4	1 July 1992 to 31 December 1992
5	1 January 1993 to 30 June 1995
6	1 July 1995 to 30 June 1998
7	1 July 1998 to 30 June 2000
8	1 July 2000 to 30 June 2002
9	1 July 2002 to 30 June 2013
9.25	1 July 2013 to 30 June 2014
9.5	1 July 2014 to 30 June 2021
10	1 July 2021 to 30 June 2022
10.5	1 July 2022 to 30 June 2023
11.0	1 July 2023 to 30 June 2024
11.5	1 July 2024 to 30 June 2025
12.0	1 July 2025 and thereafter

Category 2 The member’s accumulated accounts.

Supplementary Account

As shown above the amount in a member’s Supplementary accumulation account is added to the retirement death and withdrawal benefits.

Supplementary Benefits

The following supplementary lump sum benefit applies to members who were members on 1 July 1997:

4% x FAS x CS before 1 June 1995.

The supplementary benefit is paid on retirement, death or withdrawal.

Enhancements arising from the Company Minute

Certain members are entitled to early retirement from the age of 50 on or after 31 December 2005. In calculating the early retirement benefit these members are to be considered to be 3 years older and to have served 3 years longer than their actual age and service at the date of calculation.

Pension Payments

Pensions paid on retirement are indexed at the discretion of the Trustee (normally by 50% of CPI where CPI is 3% or greater, measured as at 31 March each year) and are guaranteed payable for 10 years and life thereafter.

For Category 1 members who were members at 1 July 1997 certain pensions are payable to Eligible Spouses and Eligible Dependent Children on death in service or after retirement.

Commutation of Pensions

Commutation of retirement pensions is available at the member’s option on retirement or at a later date at the discretion of the Trustee. The Trustee determines the commutation factors in consultation with the actuary. Most members commute their pension on retirement.

Currently commutation factors are $10 for each $1 of pension for active members who retire at age 65. The commutation factors increase by $0.20 for each year of age below 65.

Appendix B. Actuarial Assumptions

In order to carry out the valuation it is necessary to make certain assumptions about the size of the future cash flows into and out of the Plan and the likelihood of these cash flows occurring. The assumptions made in this valuation can be divided into two types, financial and demographic assumptions.

B.1 Financial Assumptions

B.1.1 Real Rate of Investment Return

The most significant assumption made in an actuarial valuation is the long-term future real rate of investment return. This is the excess of the assumed future rate of investment return over the assumed rate of salary increase. The assumed future investment return, salary growth and also the real rate of return are as set out below

	%p.a. at 1 July 2024	**% p.a. at 1 July 2021**
Investment Return (A)	6.0	6.0
Salary Inflation (B)	4.0	4.0
Real Rate of Return ((1+A)/(1+B) – 1)	1.9	1.9

B.1.2 Investment Expenses

The assumed investment returns have been determined after allowance for investment expenses and hence no specific allowance has been included for this item.

B.1.3 Administration Expenses

Future Plan expenses, including the cost of insurance of the Total Disablement Benefit, have been allowed for at the rate of 3.6% (3.2% at the last valuation) of salaries.

B.2 PENSIONS IN PAYMENT

B.2.1 Discount Rate:

For the purposes of calculating the value of vested benefits only, in this valuation I have elected to use a 5% (6% otherwise) discount rate to value pensioner liability. I consider this to be a more realistic assumption in the event of the Trustee and Company deciding to secure these pensions by the purchase of life annuities from a suitable financial institution.

B.2.2 Mortality Basis:

2015/17 Australian Life Tables with 25 year projected improvement in mortality (same as at the last valuation).

B.2.3 Increases in Pensions in Payment:

Inflation assumed at 3% and pensions in payment increases at 50% of the rate of inflation i.e. 1.5%.

B.3 PROPORTION OF ACTIVE MEMBERS ELECTING TO COMMUTE THE PENSION BENEFIT

The benefit from the Plan is expressed as a pension that can be commuted for a lump sum. The commutation factor at 65 is $10 for each $1 of annual pension. At current interest rates this makes the pension considerably more valuable than the alternative lump sum.

The traditional benefit on retirement in Australia generally has been to take a lump sum. Very few Plans offer a pension and very few people offered a pension elect to take it. Generally, members leaving the Plan have commuted the pension and taken the lump sum benefit available. Of the 34 eligible members leaving the Plan since it was established in 2006, 25 (75%) elected to take a lump sum benefit.

Based on the above information the proportion of active members who leave electing to take a lump sum has been taken as 75%, the same assumption as made at the previous valuation.

B.4 OTHER DEMOGRAPHIC ASSUMPTIONS

In order to evaluate the cost of future benefits, assumptions are required as to rates of mortality, disablement, withdrawal, and early retirement for active members. For the current valuation I have used the rates shown in the table below. These are the same as those used at the last investigation.

	Assumed number of members leaving at each age last birthday per 100,000 members at that age		
Age	**Death**	**Retirement**	**Resignation**
20	60	-	16,590
25	55	-	14,710
30	50	-	10,790
35	75	-	8,610
40	100	-	6,510
45	195	-	4,410
50	290	-	2,310
55	458	10,000	500
60	830	30,000	-
65	2,065	100,000	-

Appendix C. Change in Net Asset Value

Based on figures supplied by Russell Investments I set out below a reconciliation of the movement in the Net Assets backing the defined benefits of the Plan for the period 1 July 2021 to 30 June 2024.

	$	$
NET 'DB'ASSETS at 1 July 2021		**9,357,298**
Investment Revenue		
Change in Market Value	1,205,632	
		1,205,632
Contributions		
Member Contributions	30,536	
Employer Contributions	28,136	
		58,672
Expenses		
Administration Fees	47,979	
Actuarial and Consulting	-	
Insurance Expenses	148,253	
Investment Expenses	33,452	
		229,684
Income Tax Expense	-23,860	-23,860
Benefits Paid	994,581	994,581
Net Change in Position		63,899
NET 'DB'ASSETS at 30 June 2024		**9,421,197**
Operational Reserve		**23,553**
NET ASSETS AVAILABLE TO MEET DEFINED BENEFITS		**9,397,644**
Additional voluntary accounts for DB Members		336,983
Assets backing Accumulation Benefit Member Accounts		12,398,325
TOTAL NET ASSETS		**22,132,952**

Appendix D. Other Actuarial Documents

There are a number of other documents that must be provided by the actuary of a defined benefit superannuation fund. Brief details are provided in this Appendix.

D.1 AAS1056 "Superannuation Entities"

This standard governs preparation of financial statements for defined benefit superannuation funds. It includes specifications for the calculation and disclosure of the "accrued benefits" of the Plan.

The Actuaries Institute of Australia has issued Guidance Note 454 dealing with the provision of AAS 1056 advice by actuaries.

This statement is contained below.

D.2 Benefit Certificate

This is a certificate provided by the actuary as evidence that the Plan benefits specified in the Trust Deed are adequate to meet the requirements of the Superannuation Guarantee Legislation.

This certificate is typically updated once every four or five years or when the Plan benefits are altered. The Institute of Actuaries of Australia has issued Professional Standard 403 dealing with the Benefit Certificates.

The current Benefit Certificate Benefit Certificate was issued on 20 November 2021 and expires on 30 June 2026. I have issued a new Certificate dated 6 December 2024 as part of this valuation

D.3 Funding and Solvency Certificate

This is a certificate that the Trustee must, under the Superannuation Industry (Supervision) Act 1993, obtain from the Plan actuary. It serves three primary purposes:

- It certifies the immediate solvency of the Plan with respect to Superannuation Guarantee benefits,
- It sets minimum Company contribution rates necessary to ensure that the Plan continues to be able to provide Superannuation Guarantee benefits, and
- It sets limits for the Plan experience – any events outside these boundaries require a new certificate to be issued.

This certificate would typically be updated every three years as part of the actuarial valuation. However, it must be updated where the Plan experience falls outside certain boundaries. The Actuaries Institute of Australia has issued Guidance Note 461 dealing with the Funding and Solvency Certificates.

The current certificate covers the period 1 October 2021 to 30June 2026. I have issued a replacement Funding & Certificate dated 6 December 2024 with this report.

D.4 Short Report for Members

Regulation 2.41 of the Superannuation Industry (Supervision) Act 1993 requires that a copy of the most recent “actuarial report” be provided to a member on request. Regulation 9.31 specifies that this “actuarial report” must contain:

- A statement of the value of assets of the Plan at the Valuation Date,
- A statement of the actuary’s opinion on whether, at the Valuation Date, the value of the assets of the Plan is adequate to meet the value of the liabilities of the Plan in respect of accrued benefits…”,
- A statement recommending Company contribution rates,
- A statement about whether the financial position of the Plan is “unsatisfactory” – i.e. whether vested benefits are covered by assets, and
- A statement that:
    - all necessary Funding and Solvency Certificates have been obtained, and
    - a statement about the projected solvency of the Plan over the next three years.

This short report is set out below.

Appendix E. AAS 1056

AAS 1056 REPORTING OF "ACCRUED BENEFITS' AS AT 1 July 2024

This statement has been prepared for the purposes of complying with AAS 1056 and has been completed at the request of the Trustee of the Gilbarco Superannuation Plan in respect of the Defined Benefit members.

For the purposes of AAS 1056 the following amounts have been determined as at the Valuation Date, 1 July 2024:

	As at 1 July 2024 ($'000)
Vested Benefits for Active Members	3,460
Vested Benefits for Pensioner Members	3,588
Total Vested Benefits	**7,048**
Accrued Benefits for Active Members	3,716
Accrued Benefits for Pensioner Members	3,284
Total Accrued Benefits	**7,000**
Net Market Value of Assets	**9,397**

Accrued Benefits are the total present values of expected future benefits payments which have accrued prior to the Valuation Date. The assumptions used include a discount rate of 6% p.a. (5% in calculating the value of Pensioners' vested benefits) and salary growth of 4% p.a. The discount rate has been determined using the "return on assets" approach described in Guidance Note 454 issued by the Actuaries Institute of Australia. The decrement assumptions for retirement, resignation, death and disability are based on overall experience of similar corporate funds.

Vested Benefits are the total benefits payable on the Valuation Date if all active members voluntarily exited the Plan and pensioner liabilities were secured by the purchase of annuities at current market rates.

The value of Accrued Benefits and the value of Vested Benefits do not include any value for accumulation member accounts nor for voluntary accumulation accounts of defined benefit members.

David Lewis FIAA
6 December 2024

Appendix F. Short Report for Members

I, David Lewis, have carried out an actuarial valuation of the Sims Group Superannuation Plan as at 1 July 2024 and hereby certify the following:

- The value of Plan assets, including assets meeting accumulation member benefits and all benefits of Defined Benefit members, as at I July 2024 was $22,133,000,
- The value of Plan assets was adequate to meet the liabilities of the Plan in respect of members' vested benefits,
- The value of the Plan assets was adequate to meet the value of the liabilities in the Plan in respect of accrued benefits,

Given the financial position, I recommend that the Company contributes at the rate of nil% of the Salaries of defined benefit members, subject to review at least annually. In addition, the Company should also contribute at the required rate for Accumulation members (currently 11.5%). DB members should continue to pay their compulsory 2.2% contributions.

A new Benefit Certificate and a new Funding and Solvency Certificate have been issued for the Plan.

I expect the Plan to remain able to meet members' vested benefits over the period from 1 July 2024 to 30 June 2027.

David Lewis FIAA
6 December 2024

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