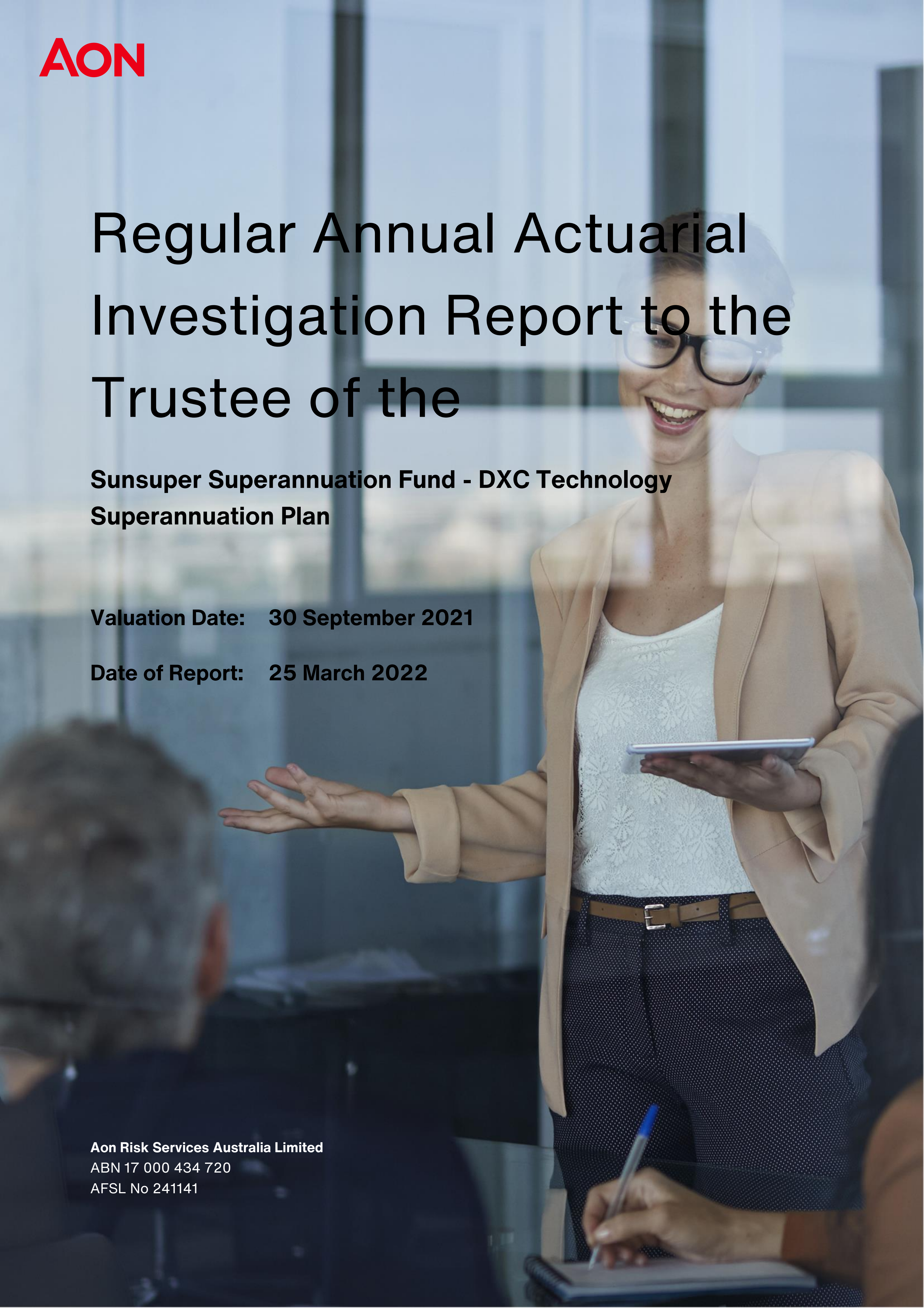

Regular Annual Actuarial Investigation Report to the Trustee of the

Sunsuper Superannuation Fund - DXC Technology Superannuation Plan

Valuation Date: 30 September 2021

Date of Report: 25 March 2022

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

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Executive Summary

Superannuation regulations and the Trust Deed of the Sunsuper Superannuation Fund - DXC Technology Superannuation Plan (the Plan) require that the Plan undergo a regular annual actuarial investigation due to the Plan paying pensions. This report has been prepared in order to comply with these provisions.

The sponsor of the Plan is DXC Technology Australia Pty Limited (the Employer) and the Trustee at the valuation date was Sunsuper Pty Ltd (the Trustee).

Effective from 28 February 2022, Sunsuper merged with QSuper and became the Australian Retirement Trust, hence the Plan and Trustee at the signing date of this report are the Australian Retirement Trust – DXC Technology Superannuation Plan and Australian Retirement Trust Pty Ltd, respectively.

Financial condition

A snapshot of the financial condition of the Plan as at 30 September 2021 is set out below.

	Defined Benefits only	Total Plan	Comments
Vested Benefits Index	142.0%	102.9%	• The Plan remains in a satisfactory financial position. • The Plan's Vested Benefit Index for Defined Benefits is above the Shortfall Limit of 97.0%.
Actuarial Value of Accrued Benefits Index	144.8%	103.0%	• The Plan remains in an adequate financial position. • The Plan had a surplus on this basis of $16,458,912.
Minimum Requisite Benefits Index*	168.0%	103.4%	• The Plan was solvent in relation to its Minimum Requisite Benefits.

*The Minimum Requisite Benefits Index excludes any pensioner liability. The assets have been reduced by the value of the pensioner liability to determine the index.

There is also a high degree of probability that the 16 pensioners currently in payment will be able to be paid as required under the Plan's governing rules. This statement has been made considering the Plan's earnings from the date of the regular annual actuarial investigation to 14 March 2022 and the addition of a new pensioner with their first pension payment on 30 October 2021. This statement is made in accordance with Superannuation Prudential Standard (SPS) 160, SIS Regulation 9.31(1) and Professional Standard 410 issued by the Institute of Actuaries of Australia.

See Sections 3 and 4 for more information on the financial condition of the Plan.

Significant Changes Since the Initial Actuarial Investigation

Significant Events

The return on Defined Benefit (DB) Plan Assets was higher than expected for the period due to strong performance of investment markets to the valuation date. This has had a positive impact on the value of Plan Assets and therefore, in isolation, on the funding position. Please refer to Section 3 for more details.

I recommended the Employer take a contribution holiday from 14 November 2020 but the Employer continued to make contributions up to April 2021 as the initial actuarial investigation report was not signed until 20 May 2021. The contribution holiday commencing in May 2021 had the expected impact on the funding position of the Plan as these contributions had been taken into account in post valuation events.

Post Valuation Event

Effective 28 February 2022, Sunsuper and QSuper agreed to merge to become the Australian Retirement Trust. The merger of funds occurred through a successor fund transfer (SFT). Sunsuper Superannuation Fund members' account balances and benefits were transferred to QSuper, which was renamed as the Australian Retirement Trust. To complete the merger, Sunsuper Pty Ltd was renamed Australian Trust Pty Ltd and is the Trustee of the Australian Retirement Trust. Due to this merger, the name of the Plan from 28 February 2022 is the Australian Retirement Trust – DXC Technology Superannuation Plan. We were advised by the Trustee that there are no other changes to the Plan due to the merger.

Changes to the Plan Benefits

Changes to Category A3 Members' Commutation Factors

For this valuation we have changed the commutation factors for Category A3 members effective 30 September 2021.

We confirm that this change has no impact on members who have left the Plan.

The impact of this change to the funding position of the Plan in changing this assumption is not material. Please refer to Section 3.

The updated Category A3 commutation factors are listed in Section 2.

Employer Contribution Recommendations

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

Category	Contributions
Defined Benefit members*	• Nil regular Defined Benefit company contributions for Category A3 and B1 members from 30 September 2021**; plus • Any pre-tax compulsory contributions (salary sacrifice/deemed)
Accumulation members including frozen Defined Benefit members	Contributions as agreed and no less than the Superannuation Guarantee (SG) contributions on Ordinary Times Earnings (OTE) from 30 September 2021

*Any post-tax compulsory contributions are paid by the members.

**Note that the Employer will need to provide the administrator with the relevant amounts of SG on OTE to load to DB Category A3 and B1 members' SG Accounts (where the amount applying to OTE elements classed as inclusive of SG may be applied to additional accumulation accounts of members and will therefore be paid on all benefit types).

These rates are the same as those currently being paid from May 2021. Prior to this date the Employer made contributions to the Plan for Category A3 and B1 members.

The Employer Superannuation Guarantee contributions for Category A3 and B1 members must be loaded to members' accounts by the 28th day of the month following the month to which they relate. The Employer contributions in respect of Accumulation members (including frozen DB 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. deficit/surplus) or amounts allocated to additional accumulation accounts are:

Category	Employer rate
	(% p.a. of salaries[1])[2,3]
A3	13.6%
B1	11.8%
ED1, ED4, ED5, ED7, ED8 or HP1 (frozen DB members)	1.8%

[1]The SG contribution rate is based on OTE and the balance of the contribution rate is paid on the Superannuation Salary. Note that any OTE items 'inclusive of SG' have the SG rate paid and contributed to an accumulation account

[2] Defined Benefit compulsory contributions (both pre-tax and post-tax) are paid in addition.

[3] Frozen DB members do not have future accruals and therefore the long-term employer DB contribution rates related to these members are those pertaining to expenses.

Please refer to Section 3 for details.

Shortfall Limit Recommendations

I have reviewed the Shortfall Limit of 97.0 percent and in my view, it remains appropriate.

Please refer to Section 4 for details.

Insurance Recommendations

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

Please refer to Section 5 for details.

Investment Recommendations

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

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.

The levels of liquidity available to the Plan are adequate to meet any of its short-term liquidity requirements, particularly in relation to the payment of benefits/pensions via contributions from the Employer and/or sale of the Plan's Assets.

Note that regular pension rebalancing is required to ensure that assets supporting pension liabilities are maintained at a similar level. As at the valuation date, the pension assets are just slightly above the pension liabilities and therefore no asset rebalancing is required.

Should a Category A3 and B1 member take up the pension option then active Defined Benefit assets will need to be transferred to the pension investment, with the amount to transfer dependent on the proportion of benefit taken as a pension as well as the present value of expected future cashflows of the pension payments.

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

We were advised that the Trustee secured an exemption from carrying out the annual actuarial investigation between triennial actuarial investigations from the Australian Prudential Regulation Authority (APRA). I confirm that in my view carrying out the regular actuarial investigation on a triennial basis is appropriate based on the current and expected financial position of the Plan over the next five years. The next triennial actuarial investigation is scheduled to carried out no later than 30 June 2023.

Actuarial Assumptions

There has been one change to the actuarial assumptions since the initial actuarial investigation. For more information refer to Section 2.

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 7 for details.

Next Actuarial Investigation

The next regular triennial actuarial investigation of the Plan is scheduled to be carried out no later than 30 June 2023 as the Trustee secured an exemption from APRA to perform annual investigation in between triennial actuarial investigation.

An annual actuarial investigation/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
25 March 2022

Section 1 – Introduction

Purpose of the Regular Annual Actuarial Investigation

The reasons for this regular annual 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 as well as annually, as the Plan has lifetime pensioners, unless an APRA exemption is achieved;
- to review the Plan's financial position as at 30 September 2021 (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;
- 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 annual actuarial investigation was carried out as at 30 September 2021 by Saffron Sweeney, of Aon Risk Services Australia Limited, Fellow of the Institute of Actuaries of Australia. The initial actuarial investigation was also completed by Saffron Sweeney as at 24 November 2020. The results are shown in the report dated 20 May 2021.

Compliance with the Standards of the Institute of Actuaries of Australia

This report satisfies the requirements of the Professional Standards (including Professional Standards 400, 402, 404 and 410) and Practice Guideline 1 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 initial actuarial investigation were as follows:

	Initial Actuarial Investigation as at 24 November 2020
A surplus/(deficit) of Assets over the Actuarial Value of Accrued Benefits	$13,357,920
An excess/ A (deficiency) of Assets over the Vested Benefits	$12,806,460
Summary of the recommended Employer contribution for Category A3 and B1 DB members	From 24 November 2020 to 31 December 2025 ● Nil regular company contributions in respect of members' defined benefit ● Any pre-tax compulsory member contributions (salary sacrifice/deemed)

The average long-term Employer contribution rate was 7.9 percent p.a. of Defined Benefit members' superannuation salaries as at 24 November 2020.

The Employer made contributions until April 2021 for Category A3 and B1 members and began the contribution holiday in accordance with the above recommendations until the date of this report.

Section 2 – Assumptions

As part of this regular annual actuarial investigation, I have analysed the method and assumptions used in the initial actuarial investigation as at 24 November 2020. I have maintained these methods and assumptions, except the commutation factors for Category A3 which are used to calculate the commuted value of pension.

Interest/Salary Differential

Active Defined Benefit Members

	Net investment return (p.a.)	Salary increase rate (p.a.)	Differential (p.a.)
Assumption as at 24 November 2020	5.80%	3.00%	2.80%
Assumption as at 30 September 2021	5.80%	3.00%	2.80%

Pension Members

	Net investment return (p.a.)	Pension Increase rate (p.a.)	Differential (p.a.)
Assumption as at 24 November 2020	6.30%	• A3 and B1 pensioners 0.00%; • ED7 pensioner 2.30%	• A3 and B1 pensioners 6.30%; • ED7 pensioner 4.00%
Assumption as at 30 September 2021	6.30%	• A3 and B1 pensioners 0.00%; • ED7 pensioner 2.30%	• A3 and B1 pensioners 6.30%; • ED7 pensioner 4.00%

These assumptions have taken into account the long-term outlook of economic conditions, in particular:

- The investment return assumption was derived using long-term assumptions for each asset class net of tax as determined by Aon's global investment team, multiplied by the strategic asset allocation of the Defined Benefit related assets (based on the Sunsuper Balanced option) and allowing for correlations of investment returns between asset classes and investment fees. We have allowed for investment earnings tax for active defined benefit members but not for pensioners as earnings on pension related assets are tax free. We have also taken into account the Trustee's long-term expected return resulting in a 10 percent increase in the underlying calculated returns;
- We expect that inflation will remain under control at around the RBA target of 2 percent p.a. to 3 percent p.a. We have assumed CPI will be 2.3 percent p.a.;

- The long- term outlook for investment returns being somewhat lower than those earned in the last three years;
- The salary increase rate assumption was determined after discussion with the Employer; and
- The pension increase rate assumption was determined based on the Plan provisions.

Ordinary Time Earnings Salary Factor

We have projected SG benefits using the member's Superannuation Salary increased by an Ordinary Earnings (OTE) Salary Factor as listed below as OTE salaries are known to be significantly higher due to the inclusion of several bonuses and allowances.

- 1.1 for Category A3 members where superannuation salary is 80 percent of TEC
- 0.92* for Category A3 members where superannuation salary is 95 percent of TEC
- 1.16 for Category B1 members

*There was a typographical error in the initial actuarial investigation report. The correct OTE factor was used for the impacted members in the calculation and therefore this has no impact in the reported Plan liabilities and in the funding recommendations.

The OTE Factors are based on the salary information provided by the Employer's payroll used in the investigation on the appropriate OTE Salary to be used for SG contributions performed in February 2021. These factors will be reviewed in the next triennial actuarial investigation scheduled on 30 June 2023.

Demographic Assumptions

There have been no changes to the resignation, retirement, death or total and permanent disablement (TPD) decrements used at the initial actuarial investigation, therefore there is no impact on the Actuarial Value of Accrued Benefits or long-term contribution rate from these demographic assumptions.

Specimen rates of leaving through various causes which have been used in this regular annual actuarial investigation and the initial actuarial investigation are shown in the table overleaf:

	Number of exits per 10,000 members		
	30 September 2021 and 24 November 2020		
Age Last	**Resignation**	**Death and Disablement**	**Retirement**
25	1,500	5	0
35	1,333	7	0
45	800	17	0
50	667	35	0
55	0	72	1,000
60	0	136	2,400
65*	0	0	10,000

* exact age

No allowance has been made for retrenchment which is consistent with the initial actuarial investigation.

Defined Benefit Member Options

This Plan gives Category A3 and B1 Defined Benefit members the option to take their benefits as a pension. The assumed pension take-up rate for this investigation and the initial actuarial investigation are shown in the table below.

	24 November 2020	**30 September 2021**
Pension take-up rate*	35.0%	35.0%

*The remaining frozen DB members do not have the option to take their benefit as a pension. One of the categories in the former Plan of the frozen DB members did provide a pension option, however there no longer any members in that category.

No changes were made to the pension take-up rate assumption since the initial actuarial investigation, and hence there is no impact on the long-term contribution rate from the assumptions adopted.

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 annual actuarial investigation requires a specific allowance to be made to meet these costs. The assumed expenses and insurance premiums for this investigation and the initial actuarial investigation are shown in the table on the following page.

	24 November 2020 and 30 September 2021	
	Category A3 and B1	**Frozen DB Members***
Operating expenses (% p.a. of Defined Benefit members' salaries)	1.8% p.a.	1.8% p.a.
Death and TPD insurance premiums (% p.a. of Defined Benefit members' salaries)	0.4% p.a.	0% p.a.
Salary Continuance Insurance premium (% p.a. of Defined Benefit members' salaries)	0.4% p.a.	0% p.a.
Total expense and insurance premium assumption	**2.6% p.a.**	**1.8% p.a.**

*Category ED1, ED4, ED5, ED7, ED8 and HP1. These members' insurance premium expenses are paid by the Employer.

No changes were made to expenses and insurance premiums assumptions since the initial actuarial investigation. There is therefore no impact on the long-term contribution rate.

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

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

Commutation and Pension Factors

In this investigation, we have valued the Plan liabilities using the following commutation factors for Category A3 members and commutation factors for Category B1 members over age 65.

There has been a change in the commutation factors for Category A3 members since the initial actuarial investigation. These are consistent with the rules of the Plan and should be used effective from 30 September 2021.

There are no changes to the commutation factors for Category B1 members over age 65 since the initial actuarial investigation. Note that the commutation factors for age 55 to 65 are stated in the Benefit Deed.

The impact of this change resulted is a slight increase on the Actuarial Value of Accrued Benefits and the long-term rate.

The commutation factors are listed in the tables that follow.

Category A3 Commutation Factors with no early retirement discount factor based on ALT 2015-2017 with 25 year mortality improvement and 6.3 percent p.a. discount:

Age	Male	Female
55	13.59769	14.00183
56	13.44222	13.86355
57	13.27920	13.71775
58	13.10832	13.56391
59	12.92924	13.40166
60	12.74156	13.23062
61	12.54492	13.05035
62	12.33892	12.86054
63	12.12324	12.66099
64	11.89768	12.45151
65	11.66224	12.23212

Category B1 Commutation Factors based on ALT 2015-2017 with 25 year mortality improvement and 6.3 percent p.a. discount:

Age	Unisex
55	10.80
56	10.63
57	10.44
58	10.25
59	10.05
60	9.84

Members' commutation factors at the termination date can be calculated by interpolating between the factors in the tables above, based on the member's age in years and complete months at termination date.

Category B1 pension amount can be determined using the above factors.

Category A3 pension amount can be determined using the above factors adjusted by an early retirement factor in accordance with the rules of the Plan (i.e. 3 percent p.a. prior to age 65 or age 60 for females who joined the Plan prior to 1 September 1986).

These factors should be used to determine the annual pension equivalent of Defined Benefit MRB (DB MRB). The annual pension equivalent of the DB MRB should be compared to the annual pension under the rules of the Plan to ensure that the members will receive at least the MRB at termination where a member elects to receive part or full pension.

Additional Assumptions Relating to Pensions

There are a number of additional assumptions that relate to pension liabilities and assets. These are the same assumptions used in the initial actuarial investigation. They include:

Pension-related expenses: No explicit allowance was assumed.

Pensioners and pensioner's spouse mortality: Australian Life Tables (ALT) 2015-2017 allowing for future mortality improvements based on the 25-year improvement factors from ALT 2015-2017 has been used to allow for general trends in increasing longevity and that those members who elect a pension are likely to have longer life expectancy than the average population.

Spouse age: Actual spouse age is used when available when the pension form has a spouse reversion. If not available, it was assumed that the male in the relationship is 3 years older than the female in the relationship.

Payment Form: Actual payment form elected was used for pensioners. The Category A3 and Category B1 pensioners receive life pension with 5 years guaranteed payment period and life pension with 50 percent spouse reversion respectively. Spouse pensioners (of a deceased Category B1 pensioner) receive a lifetime reduced pension. There is one pensioner from the Former ES Plan. This member has a lifetime pension with 67 percent spouse reversion.

The form of payment for active Category A3 members and Category B1 members electing a pension are a life pension with 5 years guaranteed payment period and a life pension with 50 percent spouse reversion respectively. There are no longer active members in the Former ES Plan that belong to the categories that allow a pension option.

Remarriage, separation or divorce: We have not allowed for remarriage, separation or divorce for Category B1 pensioners/members or the Former ES Plan pensioner.

Tax

There have been no changes to our assumptions regarding tax since the initial 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 30 September 2021), 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 30 September 2021;
- 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 $1.7 million;

- The Trustee has made a decision in relation to the tax deductibility rules for after-tax contributions from 1 July 2017 in a way that would not lead to a funding implication for Defined Benefit members; and
- That the SG Rate is paid with limitation (i.e. limited to the SG maximum salary base) for Defined Benefit members. The SG maximum salary base increase is assumed to be 3 percent p.a,

Overall effect of changes in assumptions

Overall, the change is not material and has slightly increased the expected cost of providing Defined Benefits to the members of the Plan.

Section 3 – Results of the Valuation

I have adopted the actuarial method and assumptions described in Section 2 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 annual 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	27,309,576
Death and Disablement	1,256,738
Resignation	867,971
Total of active Defined Benefit related liabilities	**29,434,285**
Pensioner liabilities	7,333,423
Total of Defined Benefit related liabilities	**36,767,708**
Additional accounts for Defined Benefit members	4,245,579
Accounts for Accumulation members*	508,140,781
Actuarial Value of Accrued Benefits	**549,154,068**
Assets**	**565,612,980**
Surplus/(Deficit)	**16,458,912**

* Includes the two late retirees' liabilities.

**Assets for Accumulation members have been set equal to the active Accumulation members' benefits.

Analysis of Changes in Financial Position Since the Initial Actuarial Investigation

The following table quantifies the various impacts on the financial position of the Plan since the initial actuarial investigation as at 24 November 2020. These figures give an indication of the impact of the factors that affect this regular annual actuarial investigation result.

	$(000's)
Previous surplus/(deficit)	**13,358**
Interest on surplus/(deficit)[1]	1,874
Investment gains/(losses)[2]	1,200
Employer contributions paid at a higher/(lower) rate than long-term rate[3]	(200)
Expense gains/(losses)[4]	(47)
Salary gains/(losses)[5]	99
Change in basis gains/(losses)[6]	(44)
Withdrawal gains/(losses)[7]	(38)
MRB top-up payments for former Category A3 members who left the Plan[8]	(308)
Pension indexation gains/(losses)[9]	6
Pension take-up gains/(losses)[10]	394
Pensioner mortality gains/(strain)[11]	(34)
Miscellaneous	199
Surplus/(deficit) as at the valuation date	**16,459**

[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 loss occurs when expenses are more than assumed.

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

[6]A loss from a change in basis occurs when the overall set of assumptions becomes more conservative. This is due to the change on the commutation factors used in the calculation of the lump sum commuted pension value for Category A3 members.

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

[8]These are additional benefit payments to some terminated Category A3 members due to the corrections to the OTE salary for SG contributions since 1 July 2008. Please refer to our letter to the Trustee dated 18 March 2021 for details.

[9]A pension indexation gain occurs when pension indexation is at a lower rate than assumed.

[10]A pension take-up gain occurs when fewer eligible members who have exited take up the pension option than assumed.

[11]A pensioner mortality strain occurs when pensioners live longer than assumed.

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 30 September 2021 by $16,458,912. This is equivalent to 44.8 percent of Defined Benefit liabilities (i.e. excluding accumulation members' benefits and Defined Benefit members' additional accounts) and 327.2 percent of total Defined Benefit salaries. Any excess can be used to continue the suspension of all Employer contributions (from 30 September 2021) for all Category A3 and B1 Defined Benefit members until 31 December 2025.

There are other alternatives the Trustee/Employer could consider to utilise the surplus including:

- de-risking the investment strategy by investing more in defensive assets. This will reduce the likelihood of a large market fall wiping out a large portion of the surplus and protect the surplus, however, consideration would need to be given to the account balances in Members' names that underpin the defined benefit, as they would also be impacted as the majority of Category A3 members currently have their Vested Benefit equal to the accumulation underpin benefit;
- extending the contribution holiday to the required Employer contributions for accumulation and Frozen DB members;
- paying compulsory member contributions for the Defined Benefit members from the Defined Benefit surplus; and
- consider buying out the current pensioners, to remove the longevity risk.

We can assist the Trustee/Employer consider these options as required.

Long-term contribution rate

The Defined Benefit long-term Employer contribution rate has slightly increased since the initial actuarial investigation due to the impact of mortality improvements to the liabilities of members expected to receive pension in future.

Present Value of Future Service Liability	**Total ($)**
Retirement	1,130,278
Death and Disablement	75,934
Resignation	38,076
Total of active Defined Benefit related liabilities	**1,244,288**
Less member contributions	331,824
Net Future Service Liability	**912,464**
Equivalent net future contribution rate	5.1%
Tax	0.9%
Expense allowance	1.8%
Death and TPD premiums*	0.2%
Salary Continuance premiums*	0.2%
Employer contribution rate required for Future Service Benefits (p.a. salary)**	**8.2%**

*This is the weighted average for the active Plan members, that is, 0.4 percent for Death and TPD premiums and 0.4 percent for Salary Continuance premiums for Category A3 and B1 members and nil for frozen DB members. Note that the insurance expenses for frozen DB members are paid by the Employer.

**This is the weighted average for all active Plan members (Category A3, B1 and frozen DB members).

Section 4 – Immediate Solvency and Funding Indices

Immediate Tests on the Adequacy of the Assets

An important objective of this regular annual actuarial investigation is the measurement of the funding of expected member benefits in respect of their service up to the valuation date.

- Assets: I have taken the fair value of the net assets provided by the Plan administrator, based on the Sunsuper Superannuation Fund as the value of assets for Defined Benefit members and the value of Accumulation members' benefits for Accumulation members for the purpose of this regular annual actuarial investigation. The financial statements at 30 June 2021 were audited and signed on 29 September 2021. 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 annual 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 initial 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 annual actuarial investigation and the prior initial annual actuarial investigation.

As mentioned, I have recommended a new set of commutation factors for Category A3 (see Section 2). The impact of this change is not material.

	24 November 2020			30 September 2021			
	Amount	Index[1]	DB Index[2]	Amount	Index[1]	DB Index[2]	
	($)			($)			
Minimum Requisite Benefits	452,836,360	103.5%	161.8%	539,703,622	103.4%	168.0%	A
Vested Benefits[3]	463,441,866	102.8%	135.1%	549,878,883	102.9%	142.0%	A
Actuarial Value of Accrued Benefits	462,890,406	102.9%	137.2%	549,154,068	103.0%	144.8%	A
Retrenchment Benefits	463,296,879	102.8%	135.7%	549,568,082	102.9%	143.2%	A
Accumulation Benefits[4]	426,968,750			512,386,360			B
Assets[5]	476,248,326			565,612,980			C
Assets excluding Pensioners' liability	468,813,283			558,279,557			D

[1]Index is C/A. For the Minimum Requisite Benefits Index, it is D/A.

[2]DB Index is (C – B)/(A – B), i.e. the index excluding accumulation benefits. For Minimum Requisite Benefit Index it is (D-B)/(A-B).

[3]The active Category A3 and B1 members' benefits are valued using the commutation factors we recommended in this report (refer to Section 3). The commutation factors for Category B1 are the same factors adopted at the prior initial actuarial investigation date. The commutation factors for Categorty A3 are different from the factors used at the initial actuarial investigation date. We have also assumed that Category A3 and B1 active members will elect to receive 35 percent of their benefits as a pension instead of lump sum payment on retirement. There are no active frozen DB members who are eligible to elect a pension, therefore their Vested Benefits are 100 percent lump sum.

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

[5]Assets for active Accumulation members have been set equal to the Accumulation members' benefits.

The regular annual investigation results reveal that:

- The Plan remains in a satisfactory financial position.
- The Plan's Vested Benefit Index for Defined Benefits is above the Shortfall Limit of 97.0 percent.
- The Plan is in adequate financial position on an Actuarial Value of Accrued Benefits basis.
- The Plan is solvent in relation to its Minimum Requisite Benefits.

Financial Indices for Pension Members

The following table summarises the Vested Benefits, Actuarial Value of Accrued Benefit and assets of the pensioners in isolation. Note that the assets and liabilities below were also included in the results shown on the previous page and the remainder of the report.

	24 November 2020		**30 September 2021**	
	Amount ($)	**Index**	**Amount ($)**	**Index**
Vested Benefit	7,435,043	100%	7,333,423	100%
Actuarial Value of Accrued Benefits	7,435,043	100%	7,333,423	100%
Assets (assuming the pension was funded)*	7,435,043		7,333,423	
Asset invested in Sunsuper Balanced option*	6,703,161		7,395,880	

* In practice, there is a separate asset for the pensioners and are provided with an investment return which has no investment earnings tax payable.

Note that regular pension rebalancing is required to ensure that assets supporting pension liabilities are maintained at a similar level, which will be reviewed each year (as pension liabilities will be calculated on a yearly basis for AASB1056 purposes even if an APRA exemption is received for regular annual actuarial investigations between triennial investigations) considering experience versus assumptions (particularly investment returns, pension increase rate and longevity or mortality of pensioners and their spouses, if applicable). As at the valuation date, the pension assets are just slightly above the pension liabilities and therefore no asset rebalancing is required.

Should a Category A3 or B1 member take up the pension option then active Defined Benefit assets will need to be transferred to the pension investment, with the amount to transfer dependent on the proportion of benefit taken as a pension as well as the present value of expected future cashflows of the pension payments.

Vested Benefits Index

Vested Benefits are the benefits that members are entitled to receive upon voluntary withdrawal from the Plan or where the members have already terminated employment and are receiving Defined Benefit pensions, the value of those pensions (i.e. the present value of projected pension benefits) are also included. It is either the resignation benefit or early retirement benefit, if eligible. Category A3 and B1 Defined Benefit members may take their benefit as a pension. A pension take-up rate of 35 percent has been assumed to be consistent with the funding assumptions.

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 97.0 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 30 September 2021 was 142.0 percent. Therefore, the Plan has not fallen below the Shortfall Limit at the valuation date.

I have reviewed the Shortfall Limit of 97.0 percent and confirm that, in my view, it remains appropriate.

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

Minimum Requisite Benefits Index

Minimum Requisite Benefits (MRBs) are the minimum benefits that members are entitled to under the Superannuation Guarantee legislation. Where the members have already terminated employment and are receiving Defined Benefit pensions, the value of those pensions are not included as the MRB test on the benefit had been checked at termination. 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 3 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.

This is not the same as the figure that will be used for the AASB1056 purposes as at 30 June 2022 as it will be calculated at a different date.

The Actuarial Value of Accrued Benefits Index provides a measure of the Plan's ability to meet its benefit obligations to all members of the Plan based on membership to the valuation date. Where the members have already terminated employment and are receiving Defined Benefit pensions, the value of those pensions (i.e. the present value of projected pension benefits) are also included.

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

Retrenchment Benefits Index

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

Retrenchment Benefits payable to Category A3 members are effectively the greater of:

- 100 percent lump sum Vested Benefits; and
- lump sum benefit equal to 16 2/3 percent x Years of Membership x FAS discounted by 3 percent p.a. to age 55.

Retrenchment benefits for Category B1, ED1, ED4, ED5, ED7, ED8 and HP1 members whose benefit accrual date is after 1 October 1996 are calculated as a 100 percent lump sum Vested Benefits.

Retrenchment Benefits for HP1 members whose benefit accrual date is prior to 1 April 1990 or other pre 1 October 1996 member who the Employer deems appropriate are calculated as the greater of:

- Vested Benefit and
- The greater of
  - Accrued Multiple x FAS x $0.943^{\text{Future Service to age 65}}$ + Productivity Account
  - Member Contribution Account up to 31 October 2010 x [2 + (Age at joining HPA in complete years – 20) x 2.5 percent]

A Retrenchment Benefit Index below 100 percent indicates that a major retrenchment programme would strain the resources of the Plan and therefore may result in higher contributions from the Employer. The Index for Defined Benefit Members was 143.2 percent at the valuation date.

Termination of the Plan

If the Plan terminates, the liability under the governing rules is limited to whatever assets are then held in the Plan. The Plan Assets on termination of the Plan will be distributed in accordance with Clause 7 of the Participation Deed.

Transferring Pensioner Liability to a Third Party

We have not provided the value of pension benefits in the above tables on an equivalent market value basis (that is, the amount determined as being required to be paid to a third party to take on the liability) due to the difficulty of getting annuity quotations and there being no immediate requirement by the Employer or Trustee to consider this as an option.

If a member does take up the pension option and then if the Trustee decides to transfer the pension liability to a third party it is unlikely that the assets will be sufficient due to risk, expense and profit margins of the third party and an additional contribution equal to the grossed-up value of the funding shortfall, as determined by the Actuary, would need to be paid by the Employer in order to maintain the security of other members' benefits.

The Employer needs to be aware that buying out pension liabilities in the event of winding up the Plan would be more expensive in the open market due to the limited provider options that are currently available. As an indication, an annuity for a male age 65 could cost around 40 percent more than the actuarial liability value (based on annuity rates available on Challenger's website).

If the Trustee decides to transfer the pension liability to a third party, it is unlikely that the assets will be sufficient due to risk, expense and profit margins of the third party and an additional contribution as determined by the Actuary would need to be paid by the Employer in order to maintain the security of other members' benefits. However, note that there are limited annuity options available in the Australian market and exact matching of the pension liabilities may not be possible. If the Trustee or Employer would like to explore this option further we could attempt to obtain quotations from annuity providers.

Section 5 – 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 and Total and Permanent Disablement Insurance (Lump Sum)

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

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

Defined Benefit Members

Category A3 and B1 Members

Insured Amount = Death/TPD benefit – Vested Benefit

Category ED1, ED4, ED5, ED7 and ED8 members*

Insured amount = 11 percent x Future Service to age 65 x Salary + Top-up sum insured determined at 1 November 2009

Category HP1 Members*

Insured amount = Salary + (X percent x Future Service to age 65 x Salary)

Where X can be 5, 10, 15, 20 or 25 which is chosen by the member

*There was a typographical error in the insurance formula for frozen DB members in the initial actuarial investigation report. The correct insurance formulae were used hence no impact on the total insurance reported or in the advice recommended for insurance arrangements.

Accumulation Members

The following applies to accumulation members.

Permanent Employees

Level 1: 5 percent x Salary x Years of Future Membership to age 65

Level 2: 10 percent x Salary x Years of Future Membership to age 65

Level 3: 15 percent x Salary x Years of Future Membership to age 65

Level 4: 20 percent x Salary x Years of Future Membership to age 65 [Default (automatic) level of cover]

Level 5: 25 percent x Salary x Years of Future Membership to age 65

Non-Permanent Employees

1 Unit of age-based cover as indicated in the Plan's Sunsuper for Life Corporate Insurance Guide for the Plan issued on 24 November 2020.

The administrator confirmed that there are no changes in the insurance arrangements since the prior initial actuarial investigation.

Death and Total and Permanent Disablement 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.

	30 September 2021	
	Death ($)	**TPD ($)**
Total sums insured (A)*	1,070,451,150	1,057,034,829
Plan Assets (excluding pension assets) (B)	558,217,101	558,217,101
Amount of Surplus, if any, set aside for funding purposes (C)**	883,476	883,476
Plan Assets available to meet Death or TPD benefits (B)-(C)=(D)	557,333,625	557,333,625
Available on Death or TPD (A)+(D)=(EF)	1,627,784,775	1,614,368,454
Total Death or TPD benefits (F)	1,612,534,019	1,599,117,698
Excess/(shortfall) (E) - (F)	**15,250,756**	**15,250,756**

*sum insured for the period 1 July 2021 to 30 June 2022.

**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/TPD purposes.

Recommendation

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

Disability Income Insurance

The Trustee also has effected Group Insurance (with MetLife Insurance) to cover disability income benefits payable from the Plan in certain circumstances of disablement. This is a fully insured benefit, however the Plan remains liable for the payment of retirement, death, total and permanent disablement and resignation benefits if a member who receives a disability income benefit terminates service.

Indemnity Insurance

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

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

Material issues arising from insurance

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

Section 6 – Projection of Future Liabilities

Post Valuation Events

The Plan has earned an average investment return of -0.6 percent from the date of the valuation to 14 March 2022. This is lower than the rate assumed for the valuation.

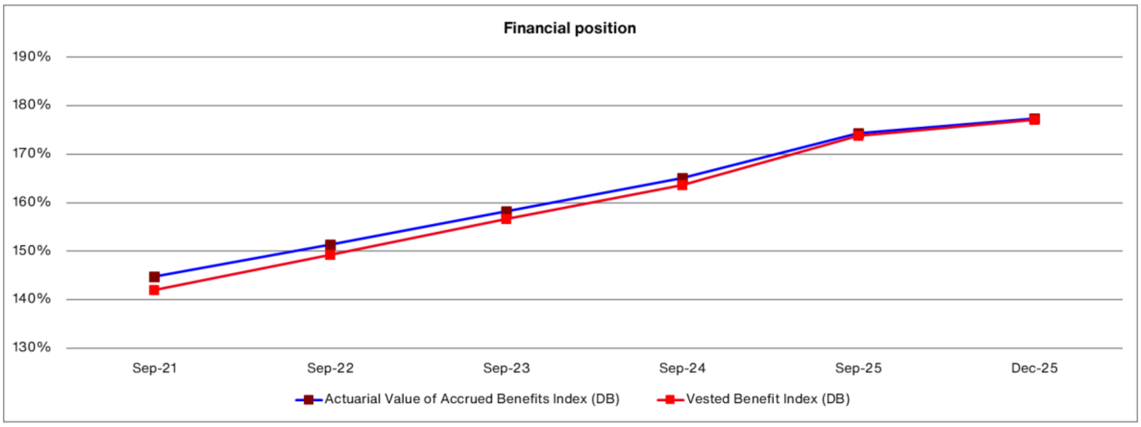
There were a few membership movements post valuation. There was one member who left the Plan and took a lump sum benefit, one who became a late retiree (i.e. became an accumulation member) and one who retired and took a 100 percent pension.

A combination of these membership movements and the Employer taking a contribution holiday resulted in a slight deterioration in the financial position of the Plan. I estimate that coverage of Vested Benefits (exclusive of Accumulation members' benefits and Defined Benefit members' additional accounts) has decreased from 142.0 percent at the valuation date to approximately 139.9 percent as at 14 March 2022. 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 5 years. These projections have been based on defined benefit liabilities (including pensioners) and assume that the Employer will pay contributions in accordance with the contribution recommendation (refer to Section 8 of this report) and are based on the assumptions used to calculate past service liabilities at each of the future dates. These projections also allow for the post valuation events described above.



Assuming the Employer contributions are not less than the rates which I have recommended, I expect that on the assumptions, methods and asset values adopted in the valuation, that the Assets will remain sufficient to cover the value of these liabilities during the period up to 31 December 2025.

There is also a high degree of probability that the 16 pensions currently in payment (including the new pension effective from 30 October 2021) will be able to be paid as required under the Plan's governing rules during the period up to 31 December 2025. This statement has been made considering the Plan's earnings from the date of the regular annual actuarial investigation to 14 March 2022. This statement is made in accordance with Superannuation Prudential Standard (SPS) 160, SIS Regulation 9.31(1) and Professional Standard 410 issued by the Institute of Actuaries of Australia.

Section 7 – Material Risks

Financial Risk

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 long-term investment return (net of tax and investment fees), and the assumed and actual pension take-up rate.

- Should salaries increase at a higher rate than anticipated, the liabilities will be higher than expected and the Assets may then be insufficient to cover members' benefits. This would then require the Employer to make larger contributions to the Plan.
- Similarly, if there is a large negative investment return, the Assets of the Plan would be reduced and may then be insufficient to cover members' benefits. This would then require larger contributions to be made by the Employer.
- Should the pension take-up rate be higher 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.

If the Employer is willing and able to make these larger contributions and accept the volatility involved, deterioration in the financial position can be managed. 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;
- 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); and
- to ensure that the Employer is aware of the effect on the financial position of the pension take-up rate being above the assumed rate and to hold a buffer in the assets to protect the Plan from any variance.

Employer Financial Viability

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

Plan Specific Risks

Pensioners

This Plan allows Category A3 and B1 Defined Benefit members to choose a pension option upon early or normal retirement. Currently there are 28 members who are in these categories and their average age as at 30 September 2021 is 58.4 years. There is likely to be additional cost to the Employer if more of these members than assumed choose a pension rather than a lump sum upon exit from the Plan.

If a pensioner outlives the assumed life expectancy, this may cause the assets of the Plan to be insufficient to cover pensioners' benefits. This would then require additional contributions to be made by the Employer. The current level of surplus mitigates this risk to an extent.

Please note that the valuation results are based on best estimate assumptions and therefore represent a "business as usual" approach. The Employer also needs to be aware that buying out these pension liabilities in the event of winding up the Plan would be more expensive in the open market due to the limited provider options that are currently available and the risk, expense and profit margins a provider will require. As an indication, an annuity for a male age 65 could cost around 40 percent more than the current actuarial liability value (based on annuity rates available on Challenger's website).

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.

  The Trustee mitigates this risk by:

  - Investing in unit trusts offering daily liquidity, avoiding significant amounts in direct, illiquid investments;
  - Ensuring that the majority of invested assets are realisable at short notice (typically one week or less), under normal market conditions; and
  - Maintaining a small cash float in each investment option.

- **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 mitigates this risk by using external fund managers to provide access to a number of different asset classes, styles of investing and geographical areas.

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

Section 8 – 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	Contributions
Defined Benefit members*	• Nil regular Defined Benefit company contributions for Category A3 and B1 members from 30 September 2021**; plus • Any pre-tax compulsory contributions (salary sacrifice/deemed)
Accumulation members including frozen Defined Benefit members	Contributions as agreed and no less than the Superannuation Guarantee (SG) contributions on Ordinary Times Earnings (OTE) from 30 September 2021.

*Any post-tax compulsory contributions are paid by the members.

**Note that the Employer will need to provide the administrator with the relevant amounts of SG on OTE to load to DB Category A3 and B1 members' SG Accounts (where the amount applying to OTE elements classed as inclusive of SG may be applied to additional accumulation accounts of members and will therefore be paid on all benefit types).

These rates are the same as those currently being paid since May 2021.

The Employer Superannuation Guarantee contributions for Category A3 and B1 members must be loaded to members' accounts by the 28th day of the month following the month to which they relate. The Employer contributions in respect of Accumulation members (including frozen DB 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 30 June 2023 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 97.0 percent (see Section 4) and confirm that, in my view, it remains appropriate.

Insurance Recommendations

I have reviewed these formulae (see Section 5) and confirm that, in my view, these remain appropriate.

Investment Recommendations

In my opinion the investment strategy is appropriate to meet:

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

Additionally, it is able to pay the ongoing income streams of the Plan's pension members.

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, particularly in relation to the payment of benefits/pensions via contributions from the Employer and/or sale of the Plan's Assets.

Note that regular pension rebalancing is required to ensure that assets supporting pension liabilities are maintained at a similar level. As at the valuation date, the pension assets are just slightly above the pension liabilities and therefore no asset rebalancing is required.

Should a Category A3 and B1 member take up the pension option then active Defined Benefit assets will need to be transferred to the pension investment, with the amount to transfer dependent on the proportion of benefit taken as a pension as well as the present value of expected future cashflows of the pension payments.

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

We were advised that the Trustee secured an exemption from APRA from carrying out the annual actuarial investigation between triennial actuarial investigations. I confirm that in my view carrying out the regular investigation on a triennial basis is appropriate based on the current and expected financial position of the plan over the next five years.

Disclaimer

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

Actuary's Statement for the Purposes of SPS 160

I have conducted a regular annual actuarial investigation of the Sunsuper Superannuation Fund - DXC Technology Superannuation Plan (the Plan) as at 30 September 2021 covering the period from 24 November 2021 to the valuation date.

In my opinion:

1) As at 30 September 2021, the fair value of the net Assets of the Plan for Defined Benefit members including the Accumulation members' benefits and DB members' additional benefits, based on the general ledger for the Plan, was $565,612,980 and this is the value of assets used to determine the Employer contribution rate with an allowance for investment returns for the period from 30 September 2021 to 14 March 2022.

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 $549,154,068 as at 30 September 2021. The Actuarial Value of Accrued Benefits for AASB1056 purposes will be different as it will be calculated at a different date.

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 30 September 2021.

4) The investigation disclosed the Plan was in a satisfactory financial position as at 30 September 2021. The Plan's financial condition has not fallen below the Shortfall Limit set by the Trustee at the valuation date.

5) The Plan has a liability in respect of current pensioners. The present value of their future payments has been included in all benefit calculations. The assets including future contributions are sufficient to provide for the risk of longevity. Should the Plan be in an unsatisfactory financial position, the benefits of pension members will continue to be paid and the Employer will be required to increase contributions in order that the security of member's benefits will not be jeopardised. Any other member who has postponed retirement or deferred receipt of a benefit remains a member under the Rules and any relevant liability is included. Note that the assets supporting the pension liabilities are not segregated from the rest of the Plan Assets, however holdings are in a separate investment option for tax purposes, and as pensioners are either past employees or their dependants, their benefits have a priority (after Minimum Requisite Benefits) in the event of termination of the Plan.

   There is also a high degree of probability that the 16 pensions currently in payment (including the new pension effective 30 October 2021) will be able to be paid as required under the Plan's governing rules. This statement is made in accordance with Superannuation Prudential

Standard (SPS) 160, SIS Regulation 9.31(1) and Professional Standard 410 issued by the Institute of Actuaries of Australia.

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

25 March 2022

Appendix A – Summary of Plan Rules

As set out in the Plan's Benefit Deed, the Trustee may review and amend contributions and/or benefits under the Trust Deed as long as the amendment does not reduce the benefits accrued to any member with respect to the period before the date of the amendment, unless the member or regulator has approved the amendment in writing.

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

The governing rules of the Plan are set out in the Sunsuper Superannuation Fund – DXC Technology Superannuation Plan Benefit Deed and Participation Deed dated 23 November 2020. A summary of the main benefit provisions in respect of defined benefit members is set out below. Reference should be made to the formal governing documents for definitive statements.

Plan structure

The DXC Technology Superannuation Plan (the Plan) is a superannuation plan with Defined Benefit and Defined Contribution (Accumulation) sections and is constituted by a Benefit Deed. The Plan transferred into the Sunsuper Superannuation Fund effective 24 November 2020 on a successor fund transfer basis. The prior plans that transferred to the Plan are:

- The Mercer Super Trust – DXC Technology Australia Superannuation Plan (the Former DXC Plan, which includes Category A3 and B1 members) transferred on 1 December 2020;
- The MLC Superannuation Fund – HP Super Employer Plan (the Former ES Plan, which includes Category ED1, ED4, ED5, ED7, ED8 and HP1 members) transferred on 24 November 2020; and
- A number of other accumulation superannuation funds (due to previous mergers and acquisitions) transferred to the Plan from 24 November 2020.

The existing provisions of these plans remain unchanged at the SFT date of 24 November 2020 and are consolidated in the Plan's Benefit Deed and Participation Deed. Note that there have been no changes to benefits with the transfer to the Australian Retirement Trust effective 28 February 2022.

The Defined Benefit sections of the Plan are closed to new entrants. 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 the 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

Category A3

Membership	Membership is measured in years and complete months and includes any membership of relevant previous funds.
Members' Contributions	5% pa of salaries by salary sacrifice
Normal / Early Retirement Date	65th / 55th birthday
Final Average Salary (FAS)	Average of 3 highest consecutive salaries at a review date over the last 10 years.
Commutation Factor (Category A3)	Commutation Factors for Category A3 members are set out in Section 3 of this report. We recommend that these factors be reviewed and updated, if applicable, at each triennial actuarial investigation, where the next investigation is scheduled as at 30 June 2023 (with the report to be delivered before 31 December 2023) unless there is a significant change that requires commutation factors to be updated before the new rates would usually be available.
Normal Retirement Benefit	Category A3 members of the Plan have the option of taking their benefits in the form of a lump sum or a pension. <u>Lump Sum</u> The sum of: ● 1.67% x Membership x FAS (subject to a maximum of 0.7 times Final Average Salary) x Commutation factors recommended by the Plan Actuary ● Member Voluntary Account ● Rollover Account ● less Surcharge Account Retirement benefit is subject to a minimum of the resignation benefit. <u>Pension</u> The pension benefit at age 65 is calculated as: ● 1.67% x FAS x Membership (subject to a maximum of 70 percent of Final Average Salary) The Member Voluntary Account and Rollover Account less Surcharge Account are payable in addition as a lump sum. Pension Indexation: None. Spouses' pension: The pension is not reversionary. Pension Guarantee period: 5 years

Early Retirement Benefit	Lump sum benefit is calculated as the Normal Retirement Benefit (from age 55) based on membership completed at the early retirement date and using commutation factors at the early retirement age recommended by the Plan Actuary. For members who retire on or after age 55 but before age 65 and choose to take a pension, the benefit is calculated as: ● 1.67% x FAS x Membership completed as at the early retirement date The pension is then discounted by 3% p.a. from age 65 (or 3% p.a. from age 60 for females retiring before age 60 who joined the Plan prior to 1 September 1986).
Resignation Benefit	A lump sum equal to: ● Member Account ● Member Voluntary Account ● Company Basic Account* ● Company Additional Account ● Rollover Account ● less Surcharge Account *Accumulation of contributions at SG rates with interest. There is no pension option on resignation.

Death and Total and Permanent Disability Benefit	A lump sum equal to:
	
	The greater of:
	
	● Death Multiple x Salary; and
	● Sum of:
	    ○ Company Basic Account
	    ○ Company Additional Account
	    ○ Member Account
	    ○ 17.5% x years remaining to age 65 x Salary
	    ○ Member Voluntary Account
	    ○ Rollover Account
	    ○ less Surcharge Account
	
	Where Death Multiple is defined as:
	
	<u>Less than age 36 at entry:</u>
	
	● 17.5% x Years of total potential Membership to age 65
	
	<u>Greater than age 36 to 50 at entry:</u>
	
	The greater of:
	
	● (5 – 17.5% x Years from Age 50 to Date of Calculation); and
	● 17.5% x years of total potential Membership to age 65.

	<u>Greater than age 50 at entry:</u> ● 17.5% x years of total potential Membership to age 65.
Temporary Total Disablement Benefit	75% x Salary This is payable monthly during the Member's period of Temporary Total Disablement. This benefit is payable after a 3-month waiting period up to a maximum of 2 years.
Retrenchment Benefit	A lump sum equal to the greater of: ● 16.67% x Membership x FAS (subject to a maximum of 7 times Final Average Salary) x (1-D) Where: D is the discount factor = 3% x the number of years (including fractions of a year being complete months) from the date member ceased service to the date of the member's 55th birthday. Plus: ○ Member Voluntary Account ○ Rollover Account ○ less Surcharge Account ● Resignation Benefit

Commutation Factors Recommended by the Actuary*

Age	Male	Female
55	13.59769	14.00183
56	13.44222	13.86355
57	13.27920	13.71775
58	13.10832	13.56391
59	12.92924	13.40166
60	12.74156	13.23062
61	12.54492	13.05035
62	12.33892	12.86054
63	12.12324	12.66099
64	11.89768	12.45151
65	11.66224	12.23212

*Updated effective 30 September 2021 and to be reviewed at the next triennial actuarial investigation.

Minimum Requisite Benefit	All benefits on leaving service for any reason are subject to a minimum of the Superannuation Guarantee benefit described in the Plan's Benefit Certificate effective 24 November 2020 (re-issued on 22 March 2022).

Category B1

Members' Contributions	4% p.a. of salary (grossed up for contributions tax if made by salary sacrifice) with salary subject to a maximum of $60,000 p.a.
Final Average Salary (FAS)	Average of Salary earned in the last 36 months to the date of leaving the Company.
Final Average Salary Pre (FASpre)	Final Average Salary calculated on the basis of a Member's Salary excluding the Converted Amount (Amount of the Member's Salary that is paid to the Member in lieu of bonuses and commissions and other incentives).
Service Pre	Service before 1 July 2001
Service Post	Service on and after 1 July 2001 where total service (service pre and service post) is limited to 36 years.
Discount Factor (DF)	If aged 55 or over, 1. If under age 55, 1 less (55 – Age) x 0.02, subject to a minimum of 0.7.
Normal / Early Retirement Date	65th / 55th birthday
Commutation Factor for over age 65 (Category B1)	Commutation Factors for Category B1 members over age 65 are set out in Section 3 of this report. These factors will be reviewed at each triennial actuarial investigation, where the next investigation is scheduled as at 30 June 2023 (with the report to be delivered before 31 December 2023) unless there is a significant change that requires commutation factors to be updated before the new rates would usually be available.
Normal Retirement Benefit	Category B1 members of the Plan have the option of taking their benefits in the form of a lump sum or a pension (or part lump sum and part pension). <u>Lump Sum:</u> The sum of: ● The greater of* ○ (20% x Service Pre x FASpre + 20% x Service Post x FAS) x DF; and; ○ 2.5 x Member Account + (3% x Service Pre after 1/3/1987 x FAS Pre) + (3% x Service Post x FAS) + NP Buy back Account (if any) ● Member Voluntary Account ● Member Voluntary Salary Sacrifice Account ● Rollover Account ● less Surcharge Account

	*Capped at 7.2 x Final Average Salary (split into FASpre and FAS) + NP Buy back Account (if any) <u>Pension</u> The pension benefit at age 65 is calculated as: ● (1/54 x FASpre x FT Service Pre) + (1/54 x FAS x FT Service Post) + (1/54 x FASpre x PT Service Pre x SF) + (1/54 x FAS x PT Service Post x SF) Where: “FT” means Full-time, “PT” means Part-time and “SF” means the Service Fraction applicable to the relevant PT service. Pension Indexation: None. Spouse pension: 50% reversionary pension paid to spouse after member’s death. Pension Guarantee period: There is no guarantee period.
Early Retirement Benefit	Lump sum benefit is calculated as the Normal Retirement Benefit (from age 55) based on the membership completed at the early retirement date. For members who retire on or after age 55 but before age 65 and choose to take a pension, the benefit is calculated as the lump sum retirement benefit divided by an age dependant Pension Factor (see below).
Late Retirement Benefit	For members who retire between ages 65 and 70: Lump sum benefit is calculated as the Normal Retirement Benefit based on the membership completed at the late retirement date. For members who retire after age 70: The Member is entitled to a benefit on retirement equal to the benefit as if they had retired at age 70 together with investment earnings and accumulated contributions net of tax and expenses, if any, from age 70 to the date of termination of employment. For members who retire on or after age 65 but before age 70 and choose to take a pension, the benefit is calculated as the lump sum retirement benefit divided by an age dependant pension factor recommended by the Plan Actuary.
Resignation Benefit	A lump sum benefit calculated in the same manner as the lump sum Retirement Benefit. There is no pension option on resignation.
Death and Total and Permanent Disability Benefit	The sum of: ● 20% x Service Pre x FASpre at age 65 assuming Salary remains unchanged. ● 20% x Service Post x FASpost at age 65 assuming Salary remains unchanged

	● 20% x total potential Service Post to age 65 (i.e., Total Service to age 65 capped at 36 years – Accrued Service at date of death) x FASpost at age 65 assuming Salary remains unchanged. ● Member Voluntary Account ● Member Voluntary Salary Sacrifice Account ● Rollover Account ● NP Buy back Account (if any) ● less Surcharge Account.
Temporary Total Disablement Benefit	75% x Salary, payable monthly during the Member's period of Temporary Total Disablement
Commutation Factors Recommended by Actuary*	See table below

Commutation Factors Recommended by Actuary*

Age at leaving service		Age at leaving service	
55	13.8	**63**	11.4
56	13.5	**64**	11.1
57	13.2	**65**	10.8
58	12.9	**66***	*10.63*
59	12.6	**67***	*10.44*
60	12.3	**68***	*10.25*
61	12.0	**69***	*10.05*
62	11.7	**70***	*9.84*

*to be reviewed at each Triennial

Minimum Requisite Benefit	All benefits on leaving service for any reason are subject to a minimum of the Superannuation Guarantee benefit described in the Plan's Benefit Certificate effective 24 November 2020, which was re-issued on 22 March 2022.

Category ED1, ED4, ED5, ED7 and ED8 (Former EDS (Australia) Superannuation Fund Division Members)

Classes of Members	● ED1 – Former EDS Defined Benefit members ● ED4 – Former OSF Division C ● ED5 – Former OSF Division D and E ● ED7 – Former TSS Division 2; and ● ED8 – Former WSSP Defined Benefit members
Date Accrual Froze	31 October 2009
Members' Compulsory Contributions	Nil

Annual Salary	Member's salary expressed as an annual amount. This is the amount advised by the Employer to the Trustee that will be used to calculate the benefits under Schedule 2 of the Benefit Deed.
Final Average Salary (FAS)	**ED1, ED4, ED7 and ED8** The average annual salary received during the three years immediately prior to ceasing employment. **ED5** The average annual salary received during the two years immediately prior to ceasing employment.
Accounts	**Member Contributions Account balance** – The member's contributions account balance immediately prior to 1 November 2009, with investment earnings from that date. **Member Account** – The Member Account is payable in addition to all benefits and includes all accumulation benefits with respect to service from 1 November 2009. **Surcharge** – All benefits are reduced by the value (with investment earnings) of any surcharge assessments paid by the Prior ES Plan in respect of the member.
Normal / Early Retirement Date	65th / 55th birthday
Past Service Multiple	The lump sum multiple accrued by the member in the pre-merger EDS Fund immediately prior to 1 November 2009
Age Factor	A factor determined according to the member's age in years and complete months. The appropriate factor is to be interpolated between the factors for the adjacent integral ages.

Age Factor for ED1

Age	Factor	Age	Factor	Age	Factor
45 or less	0.85	**51**	0.91	**57**	0.97
46	0.86	**52**	0.92	**58**	0.98
47	0.87	**53**	0.93	**59**	0.99
48	0.88	**54**	0.94	**60 and over**	1.00
49	0.89	**55**	0.95		
50	0.90	**56**	0.96		

	Age Factor for ED5

Age	Factor	Age	Factor	Age	Factor
45 or less	0.80	**49**	0.88	**53**	0.96
46	0.82	**50**	0.90	**54**	0.98
47	0.84	**51**	0.92	**55 and over**	1.00
48	0.86	**52**	0.94		

Age Factor for ED8

Age	Factor	Age	Factor	Age	Factor
30	0.50	**39**	0.68	**48**	0.86
31	0.52	**40**	0.70	**49**	0.88
32	0.54	**41**	0.72	**50**	0.90
33	0.56	**42**	0.74	**51**	0.92
34	0.58	**43**	0.76	**52**	0.94
35	0.60	**44**	0.78	**53**	0.96
36	0.62	**45**	0.80	**54**	0.98
37	0.64	**46**	0.82	**55 and over**	1.00
38	0.66	**47**	0.84		

Early/Normal Retirement Benefit

ED1, ED5 and ED8

Lump sum equals to the greater of

- Resignation Benefit and
- The sum of
  - Past Service Multiple x Final Average Salary x Age Factor
  - Member Account
  - Surcharge Account

ED4 and ED7

Lump sum benefit equal to Resignation Benefit

Resignation Benefit

ED1

Members Less than age 45

Benefit is lump sum benefit equal to the sum of

- Member Contributions Account balance x (1 + Vesting Factor);
- Member Account; and
- Surcharge Account

Members age 45 or more but less than age 55

Benefit is lump sum equal to the sum of

- Resignation benefit calculated for members less than age 45; and

	• 10% x [Age of member – 45] x [(Past Service Multiple x Final Average Salary x Age Factor) – (Member Contributions Account Balance x (1 + Vesting Factor))], subject to a minimum of zero **ED4 and ED7** Lump sum benefit equal to the sum of • Past Service Multiple x Final Average Salary • Member Account • Surcharge Account **ED5 and ED8** Lump sum benefit equal to the sum of • Past Service Multiple x Final Average Salary x Age Factor • Member Account • Surcharge Account
Death and Total and Permanent Disability Benefit	Lump Sum benefit equal to Resignation Benefit
Total Disablement Benefit	**ED1, ED4, ED5** If a member becomes totally disabled while in service and prior to normal retirement age, member will receive a monthly benefit payable after 180 days equal to the lower of • 75% of Superannuation Salary at the date of disablement reduced by any workers' compensation, sickness or accidents benefits, and any salary or other income for work that the member receives while in receipt of the TTD benefit; and • 66.7% of the Superannuation Salary at the date of disablement This benefit will be paid for a period ending on the earliest of two years from the first monthly payment, the member's 65^{th} birthday, the date the member returns to work, the date of the member's Total and Permanent Disablement, or the date of the member's death. **ED7** If a member becomes totally disabled while in service and prior to normal retirement age, member will receive a monthly benefit payable after 180 days equal to the lower of • 75% of the Superannuation Salary at the date of disablement, reduced by any workers' compensation, sickness or accidents benefits, and any salary or other income for work that the member receives while in receipt of the TTD benefit; and

	• 66.7% of Superannuation Salary at the date of disablement. This benefit will be paid for a period ending on the earliest of two years from the first monthly payment, the date the member returns to work, or the member's death **ED8** If a member become totally disabled while in service and prior to normal retirement age and they will receive a monthly benefit payable after 90 days equal to • 70% of the Superannuation Salary at the date of disablement, reduced by any workers' compensation, sickness or accidents benefits, and any salary or other income for work that the member receives while in receipt of the TTD benefit This benefit will be paid until the earliest of two years from the date of the first monthly payment, the date the member returns to work or the member's date of death.
Minimum Requisite Benefit	All benefits on leaving service for any reason are subject to a minimum of the Superannuation Guarantee benefit described in the Plan's Benefit Certificate effective 24 November 2020, which was re-issued on 22 March 2022.

Category HP1 (Former Hewlett-Packard Australia Superannuation Plan Division Members)

Classes of Members	HP1 – Members who joined the HPA Plan prior to 1 October 1996 and who prior to 1 November 2010, had made or were deemed to have made contributions at a rate of at least 5% of Salary
Date Accrual Froze	31 October 2010
Members' Compulsory Contributions	Nil
Superannuation Salary	**Pre 2006 Salary** Notional Salary equal to a percentage of Total Remuneration **Post 2006 Salary** Effective 31 July 2005, certain members of the pre-merger HP Plan were offered the opportunity to increase their Notional Salary to 85% of Total Remuneration.
Final Average Salary (FAS)	Average of the member's three highest Superannuation Salaries on the five most recent review dates (1 July) prior to leaving the Plan. Due to the definition of salary, each member has two FAS definition • FAS Pre 2006 – this is based on Superannuation Salary pre-2006 • FAS Post 2006 – this is based on Superannuation Salary post 2006

Pensionable Service	Period of service between the date of becoming a full member and retirement from the Plan
Service	Member's period of employment
Accounts	**Member Contribution Account** – Member contributions (less tax) up to 31 October 2010, with investment earnings **SG Account** – Company SG contributions (less tax) up to 31 October 2010 with investment earnings, plus member's Preserved Account at 30 June 1996 with investment earnings; plus vested part of the Resignation Benefit at 30 June 1996 with investment earnings. **Pre-96 Account** – The excess of the Maximum Resignation Benefit at 30 June 1996 under the previous rules over the vested Resignation Benefit at that date with investment earnings (for existing members at 1 October 1996 only). **Company Account** – Company additional contributions (less tax), in excess of the SG level with investment earnings. From 1 July 2002, no further contributions were credited to this account. **Productivity Account** – Notional Company contributions of 3 percent of Salary (less tax) from 1 January 1988 up to 31 October 2010, with investment earnings. **Member Account** – All accumulation benefits with respect to service from 1 November 2010 with investment earnings **Additional Account** – Voluntary contributions or rollovers made by the member with investment earnings **Surcharge Account** – Surcharge assessments with investment earnings
Normal/Early Retirement Date	65th birthday/ 55th birthday (this applies to the remaining Defined Benefit active members)
Early/Normal Retirement Benefit	Lump sum benefit equal to the greater of ● Accrued Multiple Pre 1/4/1990 x Age Factor x FAS pre 2006 + Accrued Multiple From 1/4/1990 to 1/7/2005 x FAS pre 2006 + Accrued Multiple Post 1/7/2005 x FAS post 2006 + Productivity Account + Pacific Dunlop Account ● Pre-96 Account + Company Account + Member Contributions Account Plus the sum of ● Additional Account ● Surcharge Account and ● Member Account

Accrued multiple is the sum of accrual rates earned for each year and completed months of Pensionable service. The accrual rates are as follows:

Pensionable Service Completed	Accrual Rate
Prior to 1 April 1990	16.7%
After 31 March 1990 and prior to 1 November 2010	15.0%

Age Factor for membership prior to 1 April 1990 are summarized in the table below.

Age	Factor	Age	Factor	Age	Factor
50	1.319	**56**	1.208	**62**	1.073
51	1.301	**57**	1.186	**63**	1.049
52	1.283	**58**	1.165	**64**	1.024
53	1.265	**59**	1.143	**65**	1.000
54	1.247	**60**	1.122		
55	1.229	**61**	1.098		

Late Retirement

On retirement after age 70 years, a lump sum benefit is payable equal to the benefit at age 70 accumulated with investment earnings to the date of retirement.

Resignation Benefit

Benefit is lump sum equal to the sum of

- Member Contribution Account;
- SG Account;
- Pre-96 Account;
- Company Account;
- Additional Account;
- Surcharge Account; and
- Member Account.

Retrenchment Benefit

Members whose Pensionable Service commenced prior to 1 April 1990 and other pre 1 October 1996 members who the Company deems appropriate are eligible to receive a defined benefit upon retrenchment from the Company at any time.

The defined benefit is the greater of

- (16.7% x m + 15% x n) x FAS x 0.943^t + Productivity Account; and
- A x [2 + (E – 20) x 2.5%]

Plus the sum of

- Additional Account
- Surcharge Account and

	• Member Account where m = service completed prior to 1 April 1990 in years and completed months n = service from 1 April 1990 up to 31 October 2010 in years and completed months FAS = final average salary t = future service to age 65 A = member's contribution to 31 October 2010 with investment earnings E = age at joining the HPA Plan in complete years
Death and Total and Permanent Disability Benefit	Lump sum benefit equal to the sum of • Resignation benefit; • Standard insurance cover equal to (1 + x% of future service from date of death to NRA) x Salary; and • Voluntary insurance Where x is the percentage chosen by member and can be 5, 10, 15, 20 or 25
Total Disablement Benefit	Following a certain period of absence from work, the benefit is an annual pension paid in monthly instalments for a maximum of two years equal to the lesser of • 66.7% of Salary at the date of disablement; and • 75% of Salary at the date of disablement reduced by any other sickness or accident benefits
Minimum Requisite Benefit	All benefits on leaving service for any reason are subject to a minimum of the Superannuation Guarantee benefit described in the Plan's Benefit Certificate effective 24 November 2020, which was re-issued on 22 March 2022.

All Accumulation Members

Classes of Members	All members that are not a DB member
Leaving Service Benefit	Sum of Accumulation Account balances
Death and TPD Benefits	Sum of the following • Accumulation Account Balances; • Standard Insurance cover; and • Voluntary Insurance cover.

Partial Withdrawals

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

Appendix B – Membership

Membership Characteristics as at 30 September 2021

The main characteristics of the Plan's active and pensioner Defined Benefit membership at 30 September 2021 is summarised in the following table.

Defined Benefit active members	**30 September 2021**
Number of members	43
Average age (years)	57.6
Average membership (years)	29.9
Total annual salary	5,030,248
Average annual salary ($)	116,983
Pensioners	
Number of pensioners	15
Average age (years)	68.1
Total annual pension ($)*	616,254

*Note that the annual pension used in the valuation reflects the 2.3 percent p.a. increase assumed for the one EDS pensioner. One member terminated service after the valuation date and elected to take their whole benefit as a pension. They were included in active members for the purposes of benefits determined at the valuation date, however, have been included as a pensioner when considering post valuation items including confirmation of Plan assets being adequate to pay current pensions.

In addition:

- There were 2,690 Accumulation members (including 2 late retirees) at the valuation date with total salaries of $328,866,949.

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 initial actuarial investigation data.

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 30 September 2021 as audited financial statements for the Plan at that date are not available, however we understand that the financial statements for the Sunsuper Superannuation Fund as at 30 June 2021 have been audited and signed on 29 September 2021.

Aon have relied on data and information provided by the Plan administrator. 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

In this valuation we have recommended new Category A3 commutation factors listed in Section 3 effective 30 September 2021. Therefore, our calculation of lump sum vested benefits differs from the administrator's as the new commutation factors were not provided to them before they provided data to us.

The administrator confirmed that the sum insureds for the period 1 July 2021 to 30 June 2022 are based on salary as at 30 June 2021 instead of salary at 1 July 2021 for Category A3 members and frozen DB members. Since the salary increase is not material for impacted members, the impact to the total sum insured is not significant. The administrator advised that this will be corrected moving forward.

No other 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 annual actuarial investigation. Data checking included:

- Accrued and normal retirement multiples;
- Annual pension payable for pensioners including the indexation of pension payments indexed according to the methodology stipulated in the Benefit Deed;
- Final average salary and consistency of salaries from year to year; and
- All benefit calculations at the valuation date (resignation, retirement, death and total and permanent disablement benefits).

Appendix C – Accounts and Summary of Assets

Accounts

The following is a summary of the Financial Accounts provided by the Plan administrator for the regular annual actuarial investigation from the period 24 November 2020 to 30 September 2021. The final accounts of the Sunsuper Superannuation Fund for 30 June 2021 have received audit clearance.

	24 November 2020 to 30 September 2021 ($)
Plan Assets at start of period (A)	**476,248,326**
Accumulation accounts at start of period* (B)	426,968,750
Defined Benefit related Plan Assets at start of period (C) = (A) – (B)	**49,279,576**
Plus	
Member contributions	99,480
Employer contributions	139,441
Rollovers/transfers in	0
Investment income (including capital appreciation/depreciation)	7,064,947
Sundry income	0
Less	
Group Life premiums (net of rebates)	14,392
Benefits (net of insurance recoveries)	3,192,176
Transfers out to other funds	0
Administration and other charges	138,709
Income tax	11,547
Other taxes	0
Others	0
Defined Benefit related Plan Assets at end of period (D)	**53,226,620**
Accumulation accounts at end of period* (E)	512,386,360
Plan Assets at end of period (F) = (D) + (E)	**565,612,980**

*These include the DB Additional Accounts for Defined Benefit members which were equal to $3,703,693 and $4,245,579 as at 24 November 2020 and 30 September 2021 respectively.

Note that assets backing pension liabilities are included in the above assets, however, they are in a separate investment option and therefore receive favourable tax treatment. The amount of pension assets at 24 November 2020 and at 30 September 2021 was $6,703,161 and $7,395,880 respectively.

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

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

Summary of Assets

Accumulation members and Defined Benefit members for non-defined benefit related assets, may invest their account balances in any option. Members who do not choose an investment option will have their account balances invested in the default Life Cycle Investment Strategy option.

Defined Benefit related account balances are invested in the Sunsuper Balanced option. Defined Benefit assets above account balances (i.e. defined benefit reserve assets) are also invested in the Sunsuper Balanced option. Pensioner assets are separate but are also invested in the Sunsuper Balanced option, however, they have nil tax on investment earnings.

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

By Asset Class	24 November 2020	30 September 2021
(based on benchmark asset allocation)	**(%)**	**(%)**
Australian Shares	26.50	26.75
International Shares	26.25	27.25
Property	10.50	9.50
Alternatives Asset – growth	14.25	13.00
Alternatives Asset – defensive	7.75	6.50
Australian Fixed Interest	5.38	6.50
International Fixed Interest	5.37	6.50
Cash	4.00	4.00
Total	**100.00**	**100.00**

*Effective 28 February 2022, this investment option is known as the Australian Retirement Trust Super Savings' Balanced option. We are not aware of any material changes in the strategic asset allocation of this option.

The asset valuation method is in accordance with Professional Standard 404 published by the Institute of Actuaries of Australia. We have relied on the asset information provided by the Plan administrator as at 30 September 2021 as audited financial statements at the date are not available.

Crediting Rate Policy

The Plan assets relating to Defined Benefits as at 30 September 2021 are invested in the Sunsuper Balanced option. The return for the period 24 November 2020 to 30 September 2021 for defined benefit related account balances was:

Option	Period to 30 September 2021
Sunsuper Balanced option[1]	13.9%

[1]net of investment fees and taxes

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

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 annual 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 a regular annual 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.

For the pension liability, the value is determined as the present value of expected future cashflows.

This is the same method as was used at the initial 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 30 September 2021 at the valuation rate of interest assumption.

The past membership component for each type of benefit is:

Retirement Benefits

Based on a member's actual accrued retirement benefit multiple as at the date of valuation or accumulated value of contributions made to the Plan (i.e. investment related benefits).

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

Death and Disablement Benefits

Based on a member's accrued retirement benefit multiple as at the date of valuation or accumulated value of contributions made to the Plan.

Resignation Benefit

Category A3, ED1 and HP1

In the case of benefits based on the accumulated value of contributions made to the Plan, the past component is based on the accumulated contributions with investment earnings to the valuation date, allowing for future expected investment earnings, vesting and discounted from the projected date of resignation to the valuation date.

Category B1, ED4, ED5 AND ED8

Based on member's actual accrued retirement benefit multiple as at the date of valuation or the accumulated value of contributions made to the Plan.

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

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.

Contact Information

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