Liberty Bell Bay Superannuation Plan

Report on the Actuarial Valuation as at 1 July 2024

17 December 2024

Towers Watson Australia Pty Ltd
ABN 45 002 415 349
AFSL 229921

Summary

I am pleased to present my report to the Trustee of the Liberty Bell Bay Superannuation Plan (the Plan), NULIS Nominees (Australia) Ltd, on the actuarial valuation into the Liberty Bell Bay Superannuation Plan as at 1 July 2024 The Plan is a segment of the Plum Division of the MLC Super Fund.

This Summary sets out the key results and recommendations contained in this report.

Solvency

The financial position of the Plan has improved over the intervaluation period, as shown in the increased Vested Benefits Index from 158.7% as at 1 July 2021 to 235.3% as at 1 July 2024.

The solvency measures as at 1 July 2021 and 1 July 2024 are also shown below:

Measure	1 July 2021	1 July 2024
VBI	158.7%	235.3%
PVABI	146.6%	247.7%
MRBI	198.4%	294.2%

Funding

The Company contribution rate determined under the Projection funding method is calculated at 1 July 2024.

Taking into account the projected financial position of the Plan over the next three years, I recommend Company contributions at the following rates, in respect of defined benefit members:

- Nil until at least 30 June 2028 or until the results of the next valuation be made available.

Contents

Throughout this report the following terms are used:

Plan
Liberty Bell Bay Superannuation Plan

Trustee
NULIS Nominees (Australia) Ltd

Company / Employer
Liberty Bell Bay Pty Ltd

Plan Rules
The Plan's Participation Agreement effective 1 July 2024

The Valuation Date
1 July 2024

Any member contributions made on a salary sacrifice basis must be made in addition to the contributions stated above where applicable.

In addition, I recommend that the Company contribute at the required amounts to meet any Superannuation Guarantee, contractual or any other obligations in respect of accumulation liabilities in the Plan where applicable.

Other Matters involving Actuarial Oversight

I further recommend that:

- The Trustee retain the shortfall limit of 100%;
- The Trustee monitor the financial position of the Plan quarterly throughout the following valuation period; and
- Current external insurance arrangements for death and disablement benefits be retained.

In line with requirements under legislation and the Plan's governing rules, the next actuarial valuation of the Plan should be conducted with an effective date no later than 1 July 2027. The recommended Company contribution rates will be reviewed at that time or at an earlier date if considered appropriate as a consequence of the regular review of the VBI or as required by legislation.

I am not aware of any event since 1 July 2024 that warrants review of the recommendations in this report.

Farah Billimoria
Fellow of the Institute of Actuaries of Australia

17 December 2024

ABN 45 002 415 349 AFSL 229921

Level 32, 385 Bourke Street, Melbourne VIC 3000

DO: BH | TR: AB | CR/ER: FB

https://wtwonlineau.sharepoint.com/sites/tctclient_1004652_LibBell24/Documents/04.01_Actl_Valn/5_Deliverables/Liberty_Bell_Bay_Actuarial_Investigation_1July2024.docx

Section 1: Introduction

Scope

This valuation has been prepared effective 1 July 2024 for NULIS Nominees (Australia) Ltd, the Trustee of the Plan, by the actuary to the Plan, Farah Billimoria, FIAA.

Current legislation and the Trust Deed require an actuarial valuation and report to be due at least every three years for defined benefit funds not paying a defined benefit pension. The main aims of the valuation are to examine the current financial position of the Plan and the long-term funding of the Plan's benefits, and to provide advice to the Trustee on the contribution rate at which the Company should contribute and on any other matters the actuary considers relevant.

This valuation is primarily interested in the defined benefit liabilities of the Plan, and unless otherwise specified, this report relates only to such defined benefit liabilities. The pure accumulation liabilities of the Plan, including those that relate to defined benefit members, are fully funded and do not impact upon the defined benefit liabilities. No valuation is required regarding the pure accumulation liabilities, although in my recommendations I have continued to recommend that the Company contribute to meet any Superannuation Guarantee, contractual or any other obligations in respect of such liabilities where applicable. Any member contributions made on a salary sacrifice basis must also be made.

The Trustee has previously confirmed that there are no active accumulation members in the Plan.

This report has been prepared in accordance with Practice Guideline 1, Professional Standard 400, 402 and 404, issued by the Institute of Actuaries of Australia.

Previous Actuarial Valuation

The members in the Liberty Bell Bay Superannuation Plan were previously TEMCO Plan members of the South32 Superannuation Plan. These members were transferred into the Liberty Bell Bay Superannuation Plan on 1 July 2021.

The previous actuarial valuation of the Plan was carried out by Farah Billimoria, FIAA as at 1 July 2021, with the results of that valuation set out in a report dated 21 December 2021.

The report concluded that the Plan was not in an unsatisfactory financial position (as defined by SIS legislation) at that date and recommended the Company cease contributions in respect of defined benefit members from 1 January 2022. We understand Company contributions were in line with this recommendation.

Experience since 1 July 2024

Since 1 July 2024 the experience of the Plan has been as follows:

- The net return on the Plan's assets from the valuation date to 30 November 2024 was approximately 4.5%; and
- Not materially more or less number of members than expected members have exited the Plan.

The actual experience since has not had a material impact on the Plan. Because of this, no allowance has therefore been made for experience since 1 July 2024 when carrying out the projection of the financial position of the Plan from that date.

Limitations

This report is provided subject to the terms set out herein and in our engagement letter dated 2 August 2021 and the accompanying Terms and Conditions of Engagement. This report is provided solely for the Trustee's use and for the specific purposes indicated above. It may not be suitable for use in any other context or for any other purpose.

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

We consent to the Trustee making a copy of this report available on the Plan's website where required in accordance with the relevant legislation.

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

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

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

Section 2: Solvency

Solvency Measures

When assessing the adequacy of the assets and future contribution rates, both the long-term and short-term solvency positions should be considered. To assess the solvency position, I have considered the following funding solvency measures:

- Vested Benefits Index (VBI), the ratio of assets to the vested benefits, which represent the total amount which the Plan would be required to pay if all members were to voluntarily leave service (or are payable for benefits in the form of lifetime pension or deferred benefits) on the valuation date;[1]
- The Present Value of Accrued Benefits Index (PVABI), the ratio of assets to the present value of accrued benefits, which represents the value in today's dollars, of expected future benefits payable based on membership completed to the valuation date;[2] and
- The MRBI, the ratio of assets to the portion of the Minimum Requisite Benefits as defined in the Plan's Benefit Certificate that relates to defined benefits.[3]

The following table shows the above indices as at the valuation date, as well as the prior valuation date.

	As at			As at 1 July 2021		
Measure	Value of Liability	Value of Assets	Index	Value of Liability	Value of Assets	Index
VBI	$1,484,000	$3,493,000	235.3%	$3,466,000	$5,501,000	158.7%
PVABI	$1,410,000	$3,493,000	247.7%	$3,751,000	$5,501,000	146.6%
MRBI	$1,187,000	$3,493,000	294.2%	$2,773,000	$5,501,000	198.4%

Overall, the indices have increased from those at the previous valuation date. This is primarily a result of the Plan's defined benefit membership reducing by around two-thirds since 1 July 2021 and the Plan surplus now being spread over materially fewer members.

The VBI is above 100% as at the valuation date, and as such, the Plan is to be treated as being in a satisfactory financial position as at that date.

Given there are no accumulation members in the Plan, our understanding is that any consideration regarding the use of the sizeable surplus that exists will need to be occur following the exit of the last remaining defined benefit member from the Plan. We would be happy to discuss this further with the Trustee and/or Company if requested.

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[1] Based on the valuation assumptions chosen, the Plan's vested benefits has been calculated as 70% of full lump sum defined benefit entitlement, plus 30% of expected present value of defined benefit pension entitlement.
[2] Benefits have been apportioned to past service by proportioning the projected benefit payable by the proportion of total projected service that is completed to the valuation date.
[3] The minimum benefits are conservatively estimated to be 80% of a member's vested benefits.

Minimum requisite benefit

The review of the Plan's MRBs remain under review by the Plan's administrator. As stated in the 1 July 2021 valuation report, MRBs for the Plan members have previously been estimated to be well below their vested benefits. It is reasonable to believe that the ratio of MRB to vested benefits remains under 100% and therefore that MRBs remain comfortably covered by the Plan's assets.

We note that it is important for the MRBs to be properly administered and confirming the correct MRBs are recorded should be a priority for the administrator.

For the purposes of reporting an MRBI in this valuation, we have assumed that the MRBs for the Plan members are equal to 80% of their vested benefits. The MRBI on this basis as at 1 July 2024 is 294.2% and we conclude that the MRBI for the Plan remains above 100% at the valuation date.

Retrenchment Benefits, Termination Benefits, Other Discretionary or Contingent Benefits

The benefit payable on retrenchment and termination of the participation agreement is materially the same as the resignation benefit, and therefore the Plan does not have any material additional funding strain that would be caused by any retrenchments.

Based on historical experience within the previous plan we have not analysed the impact of discretionary benefits. There are no other material contingent benefits offered by the Plan.

Section 3: Funding

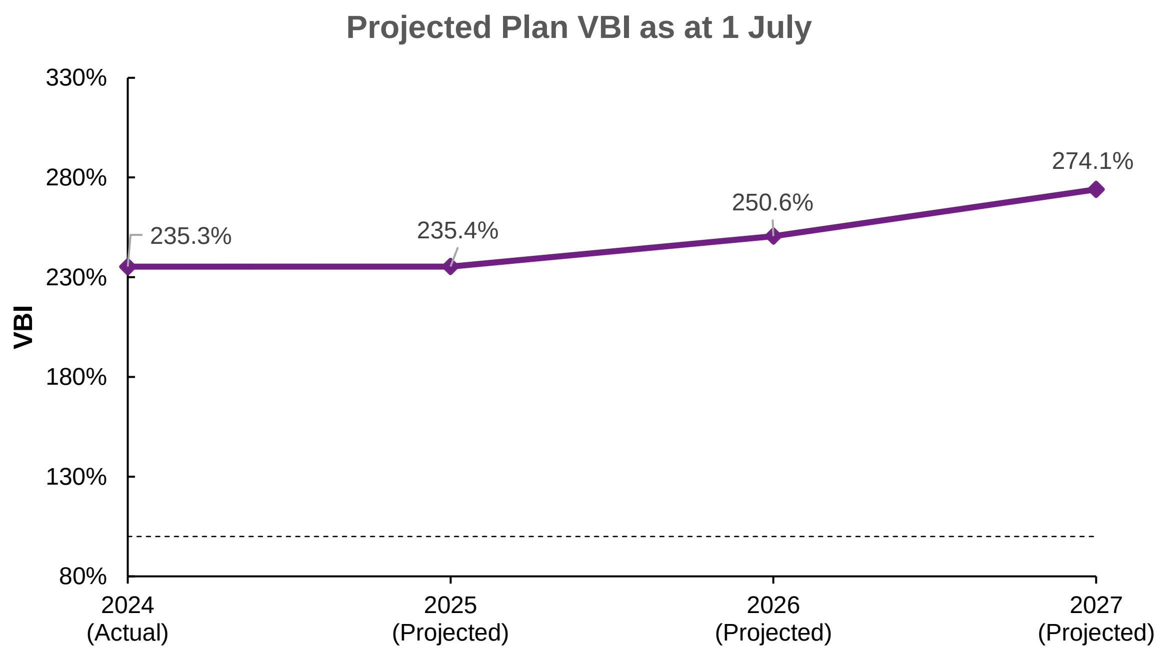
This section considers the long-term funding of the Plan and assesses the contributions required in order to fund benefits payable in future years. To determine the long-term contribution rates, we have used the Projection funding method as described in the “Additional Information” section of this report.

Long Term Funding results

As the Plan is currently in a large surplus position, the long-term Company contribution rate is calculated to be nil (i.e. 0% of salaries).

The contribution rate in the previous valuation report was also calculated to nil. The contribution rate remains at nil primarily due to Plan assets remaining materially greater than future member liabilities.

The Trustee has a solvency target of maintaining the VBI to be above 100%, to keep the level required for the Plan to be in a satisfactory financial position. In order to assess whether the above contribution program is likely to meet this target, we have projected the Plan’s VBI over the next four years based on nil Company contributions.



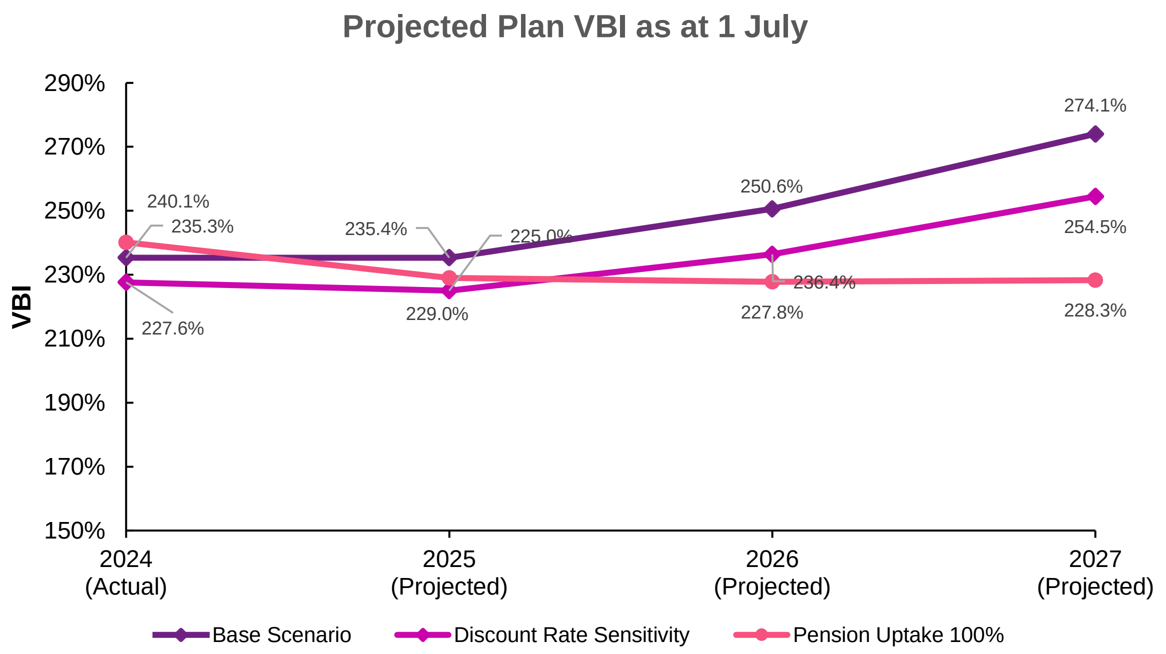
As can be seen from the graph above, on the basis of the actuarial assumptions adopted for this valuation, the current assets are sufficient to maintain the VBI well above 100% without any further contributions from the Company.

Sensitivity Analysis

Before making a recommendation on the level of contributions that the Company should make to the Plan, it is useful to consider the sensitivity of the analysis above to reasonable variations in the valuation assumptions. The following table shows the long-term contribution rate calculated, if key assumptions had been varied as described below:

	This Valuation Basis	Scenario 1	Scenario 2
Description	**Base Case**	**Discount rate Sensitivity**	**Pension Uptake 100%**
Net Discount Rate (p.a.)	6.20%	*5.20%*	6.20%
Gross Discount Rate (p.a.)	6.90%	5.9%	6.90%
Expected Salary Growth (p.a.)	3.00%	3.00%	3.00%
Pension Take-Up (%)	30%	30%	*100%*
Vested Benefits Index at 1 July 2024	235.3%	227.6%	240.1%
Present Value of Accrued Benefits Index at 1 July 2024	247.7%	232.9%	244.6%
Long Term Contribution Rate	0.0%	0.0%	0.0%

Similarly, the Plan's projected VBI over the next four years under the varied assumptions are shown in the graph below, all scenarios assume nil Company contributions.



These results show that the current assets are sufficient to maintain the VBI well above 100% without any further contributions from the Company from 1 July 2024, even under more extreme scenarios.

While the sensitivities have been selected to be illustrative of reasonable changes in the valuation assumptions, they do not represent the upper or lower bounds of possible outcomes and more extreme outcomes are possible.

Summary

On the basis of the above results, and having regard to the long-term target objective of the Trustee to achieve a funding target of a VBI of 100%, I recommend Company contributions at the following rates in respect of defined benefit members:

- Nil until at least 30 June 2028 or until the results of the next valuation be made available.

Any member contributions made on a salary sacrifice basis must be made in addition to the contributions stated above.

In addition, I recommend that the Company contribute at the required amounts to meet any Superannuation Guarantee, contractual or any other obligations in respect of accumulation liabilities in the Plan where applicable.

We further recommend that the VBI position (and other measures of solvency) continue to be monitored quarterly throughout the following valuation period, to ensure that these contribution recommendations remain appropriate.

Section 4: Other Matters Involving Actuarial Oversight

Investments

Investment Strategy

The Plan's assets are invested 50/50 in the MLC Balanced/MLC Stable options, this results in the target allocation shown in the below table:

Asset Class	Strategic Allocation
Australian Equities	17.5%
Global Shares Unhedged	15.0%
Global Shares Hedged	5.0%
Growth Alternatives	2.5%
Property	5.0%
Private Equity	3.0%
Infrastructure	5.5%
Total Growth Assets	**53.5%**
Fixed Interest	31.0%
Cash	15.5%
Defensive Alternatives	0.0%
Total Defensive Assets	**46.5%**

In my opinion an investment strategy as described above is suitable for a Plan of this type having regard to its strong financial position, the underlying liabilities and the capacity of the Company to meet any funding shortfall.

Crediting Rate and Investment Reserving Policy

The Plan's policy credits defined benefit member accounts with actual investment returns (net of fees and taxes) from the underlying assets. In our view, this remains appropriate.

Liquidity

Taking into account the ready sale of the Plan's assets from time to time, in our opinion the Plan has sufficient liquidity to meet payments from regular cashflows.

Shortfall Limit

The Trustee currently has an approved shortfall limit of 100%.

Based on the Plan's benefit design, its target asset allocation and the ongoing Company contribution holiday, in our opinion a shortfall limit of 100% remains appropriate for the Plan.

Insurance

Death and Disablement Benefits

At the valuation date, the Plan has death, total and permanent disablement (TPD) insurance with TAL.

The level of insured benefit for each member is determined as the Death/TPD benefit less vested benefit.

If vested benefits are not fully covered by assets, there is effectively some “uninsured” risk.

As at the valuation date, the amounts over/(under) insured in the Plan are shown in the table below:

As at 1 July 2024	$
Death/TPD benefit	2,074,000
Less Insurance Cover	(577,000)
Plan's Exposure	1,497,000
Plan's Net Assets	3,493,000
Total Over/(Under) Insurance	1,996,000

While net assets are more than sufficient to meet the full amount of death and TPD benefit for current members, we believe the current insurance arrangement should be maintained by the Plan to ensure members have the option to continue cover to an equivalent total death/disablement benefit level upon ceasing employment. We note that the cost of this insurance cover is approximately $2,000 p.a., which is comfortably met by the Plan’s surplus assets at the valuation date.

On this basis, we consider the current insurance arrangements adequate and recommend that the current insurance formula be maintained.

Section 5: Additional Information

Risks

The table below summarises the main risks to the financial position of the Plan.

Risk	Approach taken to risk
Investment returns on the existing assets could be insufficient to meet the Trustee's funding objectives	The Trustee takes advice from the Plan Actuary on possible assumptions for future investment returns. In setting the future contributions, the Plan Actuary considers the effect on the future financial position if investment returns are less than expected. The Trustee is able to agree further contributions with the Company at subsequent valuations if future returns prove insufficient.
Price inflation or salary increases could be different from that assumed which could result in higher liabilities	Salary increases are generally linked to price inflation. The Trustee invests in assets that are expected to be correlated to future inflation in the longer term (sometimes referred to as "real" assets). This means that, over the longer term, such assets are expected to keep pace with inflation. Such assets include equities, property and index-linked bonds.
Falls in asset values might not be matched by similar falls in the value of the Plan's liabilities	The Trustee considers this risk when determining the Plan's investment strategy. It consults with the Company in order to understand the Company's appetite for bearing this risk and takes advice on the Company's ability to make good any shortfall that may arise. To the extent that such falls in asset values result in deficits at future valuations, the Company would be required to agree a recovery plan with the Trustee to restore full funding over a period of time.
Plan members live longer than assumed	The Trustee adopts mortality assumptions that it regards as prudent estimates of the life expectancy of members so that higher reserves are targeted in respect of the risk than are expected to be necessary.
Options exercised by members could lead to increases in the Plan's liabilities	The Trustee sets the terms for converting benefits in respect of member options on the basis of actuarial advice with the view to avoiding strains on the Plan's finances as far as is reasonably possible without disadvantaging members. The terms are kept under regular review, generally following each actuarial valuation.
Legislative changes could lead to increases in the Plan's liabilities	The Trustee takes legal and actuarial advice on changes in legislation and consults with the Company, where relevant.

Economic risk | Demographic risk | Legal risk

Benefits summary

The Plan was established to provide superannuation benefits to employees of Liberty Bell Bay Pty Ltd (previously TEMCO, purchased by GFG Alliance in 2021). Its operations are governed by a Participation Agreement effective from 1 July 2021. The Plan's members were transferred from the South32 Superannuation Plan on 1 July 2021. Prior to the Plan's members transferring to the South32 Superannuation Plan on 1 November 2018, they were part of the TEMCO Superannuation Plan (TEMCO Plan), a sub-fund of the OnePath Master Fund.

Under the Participation Agreement, as a result of an actuarial valuation, the Trustee may change employer contributions, member contributions and/or benefits payable to members after obtaining the advice of the actuary and subject to the consent of the Company.

The Plan is a complying superannuation fund under the Superannuation Industry (Supervision) Act and qualifies for concessional tax treatment.

The main provisions of the Plan are summarised as follows:

Normal Retirement Age (NRA)	Age 65 for men and women.
Final Average Salary	The average salary of a Member during the three years immediately preceding termination of service or attainment of Normal Retirement.
Eligible Service	Service as a contributing member of the Plan, subject to a maximum of 36 years.

The defined benefit categories of the Plan are closed to new entrants.

Contributions by Members

Plan members are required to contribute at 4% of Salary (excluding bonuses, overtime and allowances), subject to a maximum of $2,400 pa. If the member chooses to make the contributions as salary sacrifice (before tax), the member is to contribute 4.71% of Salary (this is to take account of the 15% contributions tax).

Members may make additional voluntary contributions (AVCs) which accumulate with interest and are paid on leaving service for any reason.

There are no administration fees for members in this category.

Benefits

Minimum Benefit

The minimum benefit that applies on resignation and retirement is equal to the sum of:

- 2.5 x Member's Accumulated Contributions;
- 3% x Final Average Salary x years of membership from 1/3/1987;

This benefit is subject to the Minimum Requisite Benefit.

Leaving Service Benefit

When the member leaves for any reason other than death or disablement the benefit is calculated as:

> 20% x Final Average Salary x Membership Period x Benefit Factor
>
> where
>
> Benefit Factor = max (0, (1 – (55 – max (40, min (55, age))) x 0.02))

The leaving service benefit is subject to the minimum benefit.

On leaving service after the preservation age (but before the Normal Retirement age) the member can elect to take their benefit as a pension rather than a lump sum, equal to:

> Leaving Service Benefit / Pension Discount Factor
>
> where
>
> Pension Discount Factor = 10.80 + (65 – age at retirement) x 0.3

Similarly, on leaving service at Normal Retirement Age the member can take the benefit as a pension, equal to:

> 1/54 x Final Average Salary x Membership Period

The pension is fixed (that is, it is not indexed with price increases). A reversionary pension may be paid on the death of the member.

Death Benefit

A lump sum benefit equal to:

> 20% x Projected Final Average Salary at 65 x Potential Membership to 65

Potential Membership has a maximum of 36 years.

If the member joined the Predecessor Fund before 1/7/1994 the death benefit can be paid as part lump sum plus part pension(s) payable to the Spouse and Child Dependant(s).

The part lump sum is calculated as:

Final Average Salary x (65 – max (age at death, 45)) x 0.15

The Spouse Pension is calculated as:

> Half of the member's TPD pension.

The Dependants' Pension on death is calculated as:

> One sixth of the member's TPD pension, provided for up to three dependants, where dependants include children up to 18 years of age, or children up to 25 if in full-time study.
>
> Pensions, other than those payable to children, do not increase in line with inflation or investment earnings.

Disablement Benefit

A benefit is payable on assessment of total and permanent disability equal to the benefit payable had the Member died on the date of assessment.

If the member joined BHP Billiton Superannuation Fund before 1/7/1994 the TPD benefit can be paid as part lump sum plus part pension

The part pension is calculated as:

1/54 x Final Average Salary x Total Potential Membership to 65

In addition, these members would also receive a part lump sum calculated as:

Final Average Salary x (65 – max (age at death, 45)) x 0.15

Additional Accumulation Benefits

These are vested benefits payable as an accumulation in addition to the standard benefits, financed by amounts transferred or rolled-in to the Plan or by voluntary member or employer contributions. These additional benefits will continue to accumulate with interest to the calculation date at the Liberty Bell Bay Plan crediting rate(s) applicable to the member. These benefits should be paid in addition to the leaving service, retirement, death or disablement benefits stated above (if applicable).

For the avoidance of any doubt, the additional accumulation benefits include any partial benefit payments, surcharge components, family law legislation directions or section 293 tax payments made from the Liberty Bell Bay Plan (or any prior plan) that are not already reflected in the leaving service, retirement, death or disablement benefits stated above. These amounts are accumulated with interest to the date of calculation at the crediting rate(s) applicable to the member. The total additional accumulation benefits may be less than zero as a result of these components.

Summary of Data Used in this Valuation

Membership Data

MLC Wealth Limited, as part of the MLC Super Fund, has responsibility for maintaining member records, payment of benefits and other administrative tasks of the Plan.

MLC Wealth Limited provided data in respect of members of the Plan as at 1 July 2024, including members who had left the Plan since the last valuation date.

We have checked a sample of the membership data for internal consistency and are satisfied as to the accuracy of this sample.

The following table shows a summary of the membership as at 1 July 2021 and 1 July 2024:

	1 July 2021	
Number of Members	6	2
Average Age	56.4 years	55.9 years
Average Past Membership	28.7 years	28.4 years

Asset Data

The Net Asset value represents the value of assets including any Transaction Costs that would be incurred on sale. We note that Professional Standard 404 requires that the “Fair Value” of assets be used which is defined as the value of assets before the deduction of Transaction Costs. Based on the type of assets held by the Plan we confirm that the Transaction Costs are not expected to be material. We have therefore used the Net Asset value provided by the Plan’s administrator for the purposes of this valuation.

Although no financial statements were prepared at 1 July 2024, we understand that the net asset values provided have been calculated on a consistent basis with the preparation of the MLC Super Fund’s audited financial statements.

After adjustments for contributions tax payable, the net market value of assets available to meet members’ benefit liabilities at 1 July 2024 was determined to be $3,493,000 and has been used in this valuation to determine contribution recommendations and Funding Status Measures.

For the purpose of assessing the financial position of the Plan, we are required to exclude any Operational Risk Financial Requirement (ORFR) reserve from the net assets. However, the ORFR reserve is not required to be held at a sub-plan level, therefore no further adjustment is necessary.

We are satisfied that there are no material data discrepancies and that the data provided is suitable for the purpose of this valuation. We have relied on the information provided for the purposes of this valuation. Although we have no reason to doubt the quality of asset information provided, the results of this valuation are dependent on the quality of the asset information. Any changes to the asset values above will have an impact on the outcome of the valuation and any resulting recommendations.

Funding Method, Assumptions and Experience

Funding Method

In this valuation, I have determined the level of contributions required by projecting members' expected future benefits, and the expected level of future value of assets on the basis of selected assumptions, and compared its levels against relevant funding objectives. If the funding objectives are not expected to be achieved, alternative contributions were determined in order to achieve the funding objectives.

This funding method is suitable for this valuation as it takes into account the expected growth of the Plan's assets and liability profile in the short-term in determining the contributions.

In producing my recommendations, I have also taken into account the pace of funding required to maintain certain short term solvency measures, in particular, that legislation requires the VBI to be above 100% and that the Trustee has a funding target of 100%.

In the previous actuarial valuation, the Projected Benefit Funding Method was used to determine the level of contributions. In my view this method remains appropriate.

Assumptions

In order to determine the value of expected future benefits and Plan assets, it is necessary to make assumptions regarding the timing and amount of future benefit payments, expenses and contributions. In doing so it is important to examine the experience of the Plan since the last valuation to see whether the previous assumptions have been borne out in practice.

While each of the assumptions used is normally the actuary's best estimate of future experience, in practice, the actual experience in any (short) period can always be expected to differ from the assumptions to some extent. However, it is intended that over longer periods, they will provide a reasonable estimate of the likely future experience and financial position of the Plan.

In the short-term, as the actual experience emerges differently to the experience implied by the assumptions, the financial position of the Plan will also vary from that expected. However, adjustments to Company contribution rates, if any, can be made to reflect these differences in the following actuarial valuation.

Financial Assumptions

Valuation assumptions can be broadly divided into demographic assumptions, which relate to characteristics of current and future members of the Plan, and financial assumptions, which are assumptions other than demographic assumptions. The following sections first consider the financial assumptions that are to be adopted for this valuation.

Investment Returns

The rate of return on the Plan's Assets (net of tax and investment expenses that are deducted from the investment return) from 1 July 2021 to 30 June 2024 are set out in the table below:

Period	Net Investment Return
1 July 2021 to 30 June 2022	-2.6%
1 July 2022 to 30 June 2023	5.0%
1 July 2023 to 30 June 2024	7.1%
1 July 2021 to 30 June 2024	**9.6%**
Annualised Return	**3.1% p.a.**

Over the 3 year period to 30 June 2024 the assets held in the Plan returned 3.1% p.a. which is slightly higher than the rate assumed in the previous valuation of 3.0% p.a. (net of tax). In isolation, this has had a positive impact on the financial position of the Plan.

While short-term differences between actual investment return experience and the actuarial assumption can affect the long term financial position of the Plan as measured by the actuarial valuation, the assumption used in the valuation must be based on long-term expectations since the valuation involves valuing payments in the future.

Based on models of future investment returns developed by WTW, the current long term expectations of investment returns net of taxation and investment management expenses and current strategic asset allocation of the Plan is 6.2% p.a..

The assumption that would apply in respect of assets backing pension liabilities is 6.9% p.a., this is gross of taxation and net of investment management expenses, reflecting that the Plan can apply for a tax deduction on assets backing lifetime pensions.

On this basis, I have assumed a long-term investment earning rate of 6.2% p.a. for active members and 6.9% for emerging pension members for this valuation, which is higher than the assumed long term earning rate used for the previous valuation of 3.0% p.a. for active members and 3.5% for emerging pensioners.

Salary Increases

The average salary increases during the valuation period for the members remaining in the Plan as at 1 July 2024 was 5.50% p.a.. This is the higher than the salary increases assumption adopted for the previous actuarial valuation of 3.0% p.a..

The Company has confirmed that it expects long-term salary increases for the remaining members to average 3.0% p.a., this represents expected real wage growth of 0.4% p.a. above the current long term expectations of price increases of 2.6 % p.a. based on modelling by WTW. I have adopted this rate for the purpose of this valuation.

The financial assumptions are summarised below:

	1 July 2024	1 July 2021
• Active members	6.2% p.a.	3.0% p.a.
• Emerging Pensioners	6.9% p.a.	3.5% p.a.
• Salary increases	3.0% p.a.	3.0% p.a.

In isolation, the change in financial assumptions at 1 July 2024 is expected to increase the VBI of the Plan by 30.5% and increase the PVABI of the Plan by 47.5%.

Administration Expenses and Insurance Costs

For this valuation, I assumed:

- A long-term rate of expenses of approximately 0.9% of assets going forward. This is higher than the assumption used in the previous valuation of 0.6% of assets.
- An allowance for insurance premiums of 0.8% of salaries, based on the expected costs of such premiums, having regard to the expected level of death and disablement benefits and premium rates charged by the insurer, TAL. This is higher than the assumption used in the previous valuation of 0.5% of salaries.

Demographic Assumptions

Proportion of Benefits Taken as a Lifetime Pension

We have assumed that 30% of eligible members will elect to receive their benefits in the form of a lifetime pension on retirement. This remains unchanged from the previous valuation.

With only a small number of members the experience is likely to be volatile. Should experience continue to show that more members are electing a pension benefit than expected, this assumption may need to be revised further upwards.

We note that none of the four members that exited the Plan over the valuation period elected to take a pension.

As noted above, the experience of the Plan is regularly monitored and any adverse experience in relation to pension take up will be identified. We have also considered the sensitivity of the contribution recommendations to this assumption.

Rates at which Employee Members Cease Service

Because of the small number of employee members remaining in the Plan, I have not conducted a full analysis of the assumed exit rates against actual experience. I have therefore retained the same assumed rates as the ones used in the previous valuation.

Sample Decrement Rates

Specimen annual rates of decrement appear in the tables below.

Age	Number out of 10,000 members aged X at the beginning of the year assumed to leave the Plan during the year on account of:		
	Death	**Disablement**	**Resignation**
25	5	3	1000
30	5	3	1000
35	5	3	1000
40	8	7	1000
45	11	16	1000
50	16	38	1000
55	25	85	-

Age	Number out of 10,000 members aged X at the beginning of the year assumed to retire during the year
55	1,000
56	1,000
57	1,500
58	2,000
59	2,500
60	3,000
61	3,500
62	4,000
63	4,500
64	5,000
65	10,000

Pensioner Mortality and Spouse Assumptions

The Plan currently has no active pensioners but does retain the provision to pay pensions to exited members.

The demographic assumptions used to value the emerging pensioners remains the Australian Life Tables 2015-2017. We have also applied a mortality improvement of 1% p.a. from 1 July 2016, consistent with the approach used in the previous valuation.

Both Proportion Married and Spouse Age Difference assumptions are the same as adopted in the previous valuation:

	Assumption
Proportion Married	90%
Spouse Age Difference	Males 3 years older

Statutory Statements Under SPS 160

Liberty Bell Bay Superannuation Plan

Actuarial Valuation as at

The statements required under paragraphs 23(a) to (i) of SPS 160 for interim and regular valuations are set out below:

Plan Assets

At the net market value of assets of the Plan, excluding any amount held to meet the Operational Risk Financial Requirement (ORFR), was $3,493,000.

Projection of Defined Benefit Vested Benefit Index

Based on the actuarial assumptions I project that the likely future financial position of the Plan over the three years following the valuation date will be as follows:

Date	Defined Benefit Vested Benefits Index
1 July 2024	235.3%
1 July 2025	235.4%
1 July 2026	250.6%
1 July 2027	274.1%

Accrued Benefits

The value of the accrued liabilities of all members as at was $1,410,000.

In my opinion, the value of the assets of the Plan at 1 July 2024 was adequate to meet the liabilities in respect of accrued benefits in the Plan (measured as the present value of members' accrued entitlements using the actuarial assumptions).

This assessment has been made using assumptions and a valuation method which I regard as reasonable.

Vested Benefits

The value of the vested benefits of all members as at 1 July 2024 was $1,484,000.

In my opinion, the financial position of the Plan is not unsatisfactory at 1 July 2024. The shortfall limit does not need to be reviewed at this time.

Minimum benefits

The value of the liabilities in respect of the minimum benefits of members as at 1 July 2024 was estimated to be $1,187,000 which is less than the value of assets held at that date.

Funding and Solvency Certificates

Funding and Solvency Certificates for the Plan covering the period from 1 July 2021 to 1 July 2024 required by the Superannuation Industry (Supervision) Act have been provided.

In my opinion, I am likely to be able to provide Funding and Solvency Certificates for the Plan covering the period from 1 July 2024 to 1 July 2027.

Company Contributions

The report on the actuarial valuation of the Plan at 1 July 2024 recommends Company contributions at the following rates, in respect of defined benefit members:

- Nil until at least 30 June 2028 or until the results of the next valuation be made available.

Any member contributions made on a salary sacrifice basis must be made in addition to the contributions stated above where applicable.

In addition, it is recommended that the Company contribute at the required amounts to meet any Superannuation Guarantee, contractual or any other obligations in respect of accumulation liabilities in the Plan where applicable.

Payment of Pensions

The Plan does not have any lifetime pension members.

Farah Billimoria
Fellow of the Institute of Actuaries of Australia

17 December 2024

ABN 45 002 415 349 AFSL 229921

Level 32, 385 Bourke Street, Melbourne VIC 3000

About WTW

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