

Report to the Trustee on the Actuarial Investigation as at 31 March 2024

AMP Employees' Superannuation Plan (a plan in the AMP Super Fund)

30 September 2024

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Executive Summary

This report on the actuarial investigation of the defined benefit liabilities of the AMP Employees' Superannuation Plan ("the Plan") as at 31 March 2024 has been prepared for N.M. Superannuation Proprietary Limited as Trustee of the Plan to meet the requirements of the Plan's governing rules and the SIS legislation. This report should not be relied upon for any other purpose or by any party other than the Trustee of the Plan. Mercer is not responsible for the consequences of any other use. This report should be considered in its entirety and not distributed in parts. The Trustee should share this report with the Employer who contributes to the Plan. The Employer may consider obtaining separate actuarial advice on the recommendations contained in the report.

Change in Financial Position

The following section summarises the Plan's financial position for AXA and AMP Defined Benefit Sections of the Plan, at both this and the previous actuarial investigation.

AXA DB

	Defined Benefits Only*		31 March 2023	
	31 March 2024			
	\$m	Asset Coverage	\$m	Asset Coverage
Net Assets	358.8		336.8	
Vested Benefits**	274.0 (264.1)	131.0% (135.9%)	273.5 (261.8)	123.1% (128.6%)
SG Minimum Benefits	272.4	131.7%	271.2	124.2%
Actuarial Value of Accrued Benefits	273.2	131.3%	272.5	123.6%

* Excludes additional accumulation accounts for defined benefit members; includes the actuarial value of the current pension liabilities (\$213.7m) at the investigation date.

** For the purpose of this valuation, we have calculated the Vested Benefits for active and deferred members with allowance for the actuarial value of the pension option. The Vested Benefits and Asset Coverage figures in brackets above show the results calculated with Vested Benefit as the lump sum withdrawal benefit for active and deferred members.

Refer to the Glossary (Section 5 of this report) for descriptions of the measures of liability shown above.

The coverage levels at 31 March 2024 were higher than the levels at the previous actuarial investigation mainly due to:

- Actual investment returns over the year being higher than assumed; and

Partially offset by:

- The actual crediting rate for deferred benefits being higher than assumed.

The coverage levels of the various benefit liability measures in the AXA DB section at 31 March 2024 (as shown in the table above) were all above 100%.

AMP DB

	Defined Benefits Only*		31 March 2023	
	31 March 2024			
	\$m	Asset Coverage	\$m	Asset Coverage
Net Assets	254.8		244.7	
Vested Benefits**	226.9 (223.9)	112.3% (113.8%)	235.5 (231.9)	103.9% (105.5%)
SG Minimum Benefits	226.9	112.3%	235.5	103.9%
Actuarial Value of Accrued Benefits	226.8	112.4%	235.4	104.0%

* Excludes additional accumulation accounts for defined benefit members; includes the actuarial value of the current pension liabilities (\$200.9m) at the investigation date.

** For the purpose of this valuation, we have calculated the Vested Benefits for deferred members with allowance for the actuarial value of the pension option. The Vested Benefits and Asset Coverage figures in brackets above show the results calculated with Vested Benefit as the lump sum withdrawal benefit for deferred members.

Refer to the Glossary (Section 5 of this report) for descriptions of the measures of liability shown.

The coverage levels at 31 March 2024 were higher than the levels at the previous actuarial investigation mainly due to:

- Actual investment returns over the year being higher than assumed;

Partially offset by:

- Actual pension indexation being higher than assumed.

The coverage levels of the various benefit liability measures in the AMP DB section at 31 March 2024 (as shown in the table above) were all above 100%.

Section 1.4 provides further comments on the Plan's experience over the review period and a comparison with the position at the previous investigation date.

Overall position at 31 March 2024

At 31 March 2024 the Plan was in a satisfactory financial position as defined under SIS legislation and the coverage levels of Vested Benefits and the Actuarial Value of Accrued Defined Benefits were above the financing objective (refer Section 1.3).

Recommended contribution rates

I have recommended (in Section 1.5) that the Employer contributes at the following rates:

AXA DB Members

- Deemed member contributions.

AMP DB Members

- None

Others (Accumulation members)

- At the rates required under the Plan rules.

The recommended contribution program is expected, on the basis of the actuarial assumptions adopted for this investigation, to result in the Plan meeting its financing objective (107.5% of the maximum of Vested Benefits and Actuarial Value of Accrued Benefits) at 31 March 2025 and beyond, as illustrated in section 1.6.

Other Findings and Recommendations for the Trustee

Other Recommendations

- It is recommended that the Trustee transfer an amount from the AXA pension reserve currently held under the AXA Section of the Plan to the AXA Section defined benefit reserve. This rebalancing should occur so that following the transfer the AXA pension reserve should be equal to the current pensioner liabilities as at 31 March 2024 (i.e. transfer the current value of the AXA pension reserve minus \$213.7m). If the value of the AXA pension reserve is now below \$213.7m then no transfer is required.
- It is recommended that the Trustee transfer an amount from the AMP pension reserve currently held under the AMP Section of the Plan to the AMP Section defined benefit reserve. This rebalancing should occur so that following the transfer the AMP pension reserve should be equal to the current pensioner liabilities as at 31 March 2024 (i.e. transfer the current value of the AMP pension reserve minus \$200.9m). If the value of the AMP pension reserve is now below \$200.9m then no transfer is required.

Suitability of Policies

- The investment policy for the defined benefit section of the Plan is suitable.
- The crediting policy for the defined benefit section of the Plan is suitable.
- The insurance arrangements for the defined benefit section of the Plan are suitable.
- The Trustee's process for monitoring the Plan's financial position is suitable.
- The Shortfall Limit for the defined benefit section of the Plan is suitable.

1

Key results and recommendations

This section highlights the critical issues relating to the Plan's financial position and summarises the key findings and recommendations resulting from this investigation.

1.1 Purpose

I have prepared this report exclusively for the Trustee of the AMP Employees' Superannuation Plan for the following purposes:

- To present the results of the annual actuarial investigation of the Plan as at 31 March 2024;
- To review the main items of Plan experience for the period since the previous triennial actuarial investigation effective at 31 March 2023;
- To recommend contributions to be made by the Employer intended to allow the Plan to meet its benefit obligations in an orderly manner, and to maintain an appropriate level of security for members' accrued benefit entitlements;
- To satisfy the requirements of the Plan's Trust Deed for actuarial investigations of the Plan's financial position; and
- To meet legislative requirements under relevant Commonwealth superannuation legislation.

It has been prepared in accordance with the requirements of the Trust Deed, the Superannuation Industry (Supervision) Act 1993 and associated regulations (SIS legislation) and Professional Standard 400 issued by the Actuaries Institute setting out requirements for actuarial investigations of defined benefit superannuation funds under SIS legislation.

The previous triennial actuarial investigation was conducted as at 31 March 2023 by me, on behalf of Mercer, and the results are contained in a report dated 27 September 2023. Triennial actuarial investigations are generally carried out every three years. The next triennial actuarial investigation will be carried out as at 31 March 2026. Less comprehensive annual investigations are required as the Plan pays current defined benefit pensions.

1.2 Financial position as at 31 March 2024

AXA DB	Defined Benefits Only*		31 March 2023	
	31 March 2024			
	\$m	Asset Coverage	\$m	Asset Coverage
Net Assets	358.8		336.8	
Vested Benefits**	274.0 (264.1)	131.0% (135.9%)	273.5 (261.8)	123.1% (128.6%)
SG Minimum Benefits	272.4	131.7%	271.2	124.2%
Actuarial Value of Accrued Benefits	273.2	131.3%	272.5	123.6%

* Excludes additional accumulation accounts for defined benefit members; includes the actuarial value of the current pension liabilities (\$213.7m) at the investigation date.

** For the purpose of this valuation, we have calculated the Vested Benefits for active and deferred members with allowance for the actuarial value of the pension option. The Vested Benefits and Asset Coverage figures in brackets above show the results calculated with Vested Benefit as the lump sum withdrawal benefit for active and deferred members.

AMP DB	Defined Benefits Only*		31 March 2023	
	31 March 2024			
	\$m	Asset Coverage	\$m	Asset Coverage
Net Assets	254.8		244.7	
Vested Benefits**	226.9 (223.9)	112.3% (113.8%)	235.5 (231.9)	103.9% (105.5%)
SG Minimum Benefits	226.9	112.3%	235.5	103.9%
Actuarial Value of Accrued Benefits	226.8	112.4%	235.4	104.0%

* Excludes additional accumulation accounts for defined benefit members; includes the actuarial value of the current pension liabilities (\$200.9m) at the investigation date.

** For the purpose of this valuation, we have calculated the Vested Benefit for deferred members with allowance for the actuarial value of the pension option. The Vested Benefits and Asset Coverage figures in brackets above show the results calculated with Vested Benefit as the lump sum withdrawal benefit for deferred members.

Refer to the Glossary (Section 5 of this report) for descriptions of the measures of liability shown above.

The following table shows the split of the Vested Benefits and the Actuarial Value of Accrued Benefits between each group of members for each section of the Plan as at the current investigation date as well as the previous investigation date.

Vested Benefits (\$m)	AXA		AMP		Total Plan	
	2024	2023	2024	2023	2024	2023
Net Assets	358.8	336.8	254.8	244.7	613.6	581.5
- Active members	8.9	10.7	-	-	8.9	10.7
- Deferred members	51.4	54.9	26.0	26.0	77.4	80.9
- Pensioners	213.7	207.9	200.9	209.5	414.6	417.4
Total Liabilities	274.0	273.5	226.9	235.5	500.8	509.0
Funding Coverage	131.0%	123.1%	112.3%	103.9%	122.5%	114.2%

Actuarial Value of Accrued Benefits (\$m)	AXA		AMP		Total Plan	
	2024	2023	2024	2023	2024	2023
Net Assets	358.8	336.8	254.8	244.7	613.6	581.5
- Active members	8.2	9.7	-	-	8.2	9.7
- Deferred members	51.4	54.9	25.9	26.0	77.3	80.9
- Pensioners	213.7	207.9	200.9	209.4	414.6	417.3
Total Liabilities	273.2	272.5	226.8	235.4	500.0	507.9
Funding Coverage	131.3%	123.6%	112.4%	104.0%	122.7%	114.5%

* Totals may not add up due to rounding

Vested Benefits coverage

At 31 March 2024 assets were greater than the Vested Benefits for both the AXA section of the Plan (AXA DB) and AMP section of the Plan (AMP DB). Accordingly the Plan was considered to be in a "satisfactory financial position" under SIS legislation.

SG Minimum Benefits coverage

The assets were sufficient to cover the SG Minimum Benefits in both sections as at 31 March 2024. Hence the Plan was considered to be "solvent" under SIS legislation.

Actuarial Value of Accrued Benefits coverage

Reports on actuarial investigations under the SIS legislation are required to include the actuary's opinion as to the adequacy of assets to meet accrued benefit liabilities (the Actuarial Value of Accrued Benefits) at the investigation date.

The coverage of the Actuarial Value of Accrued Benefits was in excess of 100% in both sections at 31 March 2024 and is projected to remain above 100% on the assumptions and recommended employer contribution rates adopted for this investigation.

Overall financial position

At 31 March 2024 the Plan was in a satisfactory financial position as defined under SIS legislation and the coverage levels of Vested Benefits and the Actuarial Value of Accrued Defined Benefits were above the financing objective (refer Section 1.3).

Impact of valuing pensions at 'market value'

The basis used to value defined benefit pension entitlements for the purposes of this investigation is considered suitable taking into account the Plan's current circumstances, including the current investment strategies and assuming the ongoing support of the Employer sponsor.

Furthermore, as noted in Section 1.3, the financing objective has been set on the basis that pensioners' reasonable expectations on termination of the Plan would be to receive the lump sum value of their pension determined on the actuarial assumptions adopted for this investigation.

If instead the pension liabilities were to be valued on a 'market value' basis – that is, the amount which would be required to be paid to a third party (for example, a life office) to take on the liability – a much higher pension liability value would be obtained.

We expect that the 'market value' of the pension liabilities would be substantially higher than the value used to determine the funding indices above, to the extent that the funding indices would be likely to reduce well below 100% if the 'market value' of the pension liabilities was used.

We would be happy to provide further information if required.

1.3 Financing objective adopted for investigation

The financing objective I have adopted for this investigation is the same as for the 31 March 2023 investigation i.e, to maintain the value of both the AXA DB and the AMP DB assets at least equal to:

- 107.5% of the greater of Vested Benefits and Actuarial Value of Accrued Benefits for defined benefit members.

For the purpose of this valuation, unless otherwise indicated, Vested Benefits for active and deferred members includes an allowance for the actuarial value of the pension option.

The defined benefit coverage levels are highly sensitive to the returns on the underlying assets. A margin in excess of 100% coverage of Vested Benefits and Actuarial Value of Accrued Benefits is therefore desirable to provide some security against adverse experience such as poor investment returns and pensioners living longer than expected. I consider that the target margin of 7.5% is suitable.

Based on the assumptions adopted for this investigation, achieving the financing objective of 107.5% of the greater of Vested Benefits and Actuarial Value of Accrued Benefits for defined benefit members would also result in a satisfactory margin of coverage over SG Minimum Benefits. Hence it is not considered necessary to adopt specific financing objectives in relation to this benefit liability measure.

1.4 Main items of Plan experience

AXA DB

The coverage levels at 31 March 2024 were higher than the levels at the previous actuarial investigation mainly due to:

- Actual investment returns over the year being higher than assumed;

Partially offset by:

- The actual crediting rate for deferred benefits being higher than assumed.

There were also experience items which had a smaller impact on the Plan over the period, which are outlined in the table below.

Item	Assumed at previous investigation	Plan experience	Comment on effect
Investment returns*	6.8% pa	12.3% pa	Favourable effect – investment returns were higher than assumed.
Pension Indexation	5.0% pa	5.0% pa	No effect – pensions increased at the same rate as assumed.
Salary Increase	2.75% pa plus promotional salary increases	3.3% pa	Small unfavourable effect – salaries increased at a higher rate than assumed.
Cash crediting rate	3.2% pa	3.6% pa	Small unfavourable effect – deferred benefits increased at a slightly higher rate than assumed.

* An average is taken of the assumed and actual returns on defined benefit assets relating to pensioners and non-pensioners.

The overall impact of the change in assumptions is outlined in Section 3.3.

AMP DB

The coverage levels at 31 March 2024 were higher than the levels at the previous actuarial investigation mainly due to:

- Actual investment returns over the year being higher than assumed;

Partially offset by:

- Actual pension indexation being higher than assumed.

Item	Assumed at previous investigation	Plan experience	Comment on effect
Investment returns*	6.9% pa	12.8% pa	Favourable effect – investment returns were higher than assumed.
Pension Indexation	3.5% pa in the first year and 2.5% pa thereafter	6.75% as at 1 July 2023 and 3.6% as at 1 July 2024	Unfavourable effect – pension indexation was higher than assumed.

* An average is taken of the assumed and actual returns on defined benefit assets relating to pensioners and non-pensioners.

The overall impact of the change in assumptions is outlined in Section 3.3.

1.5 Recommended contribution rates

At 31 March 2024 the Plan was in a satisfactory financial position as defined under SIS legislation and the coverage levels of Vested Benefits and the Actuarial Value of Accrued Defined Benefits were above the financing objective.

I recommend the Employer contribute, as follows:

AXA DB Members

- Deemed member contributions.

AMP DB Members

- None

Others (Accumulation members)

- At the rates required under the Plan rules.

The recommended contribution program is expected, on the basis of the actuarial assumptions adopted for this investigation, to result in the Plan meeting its financing objective at 31 March 2025 and beyond, as illustrated in the following section.

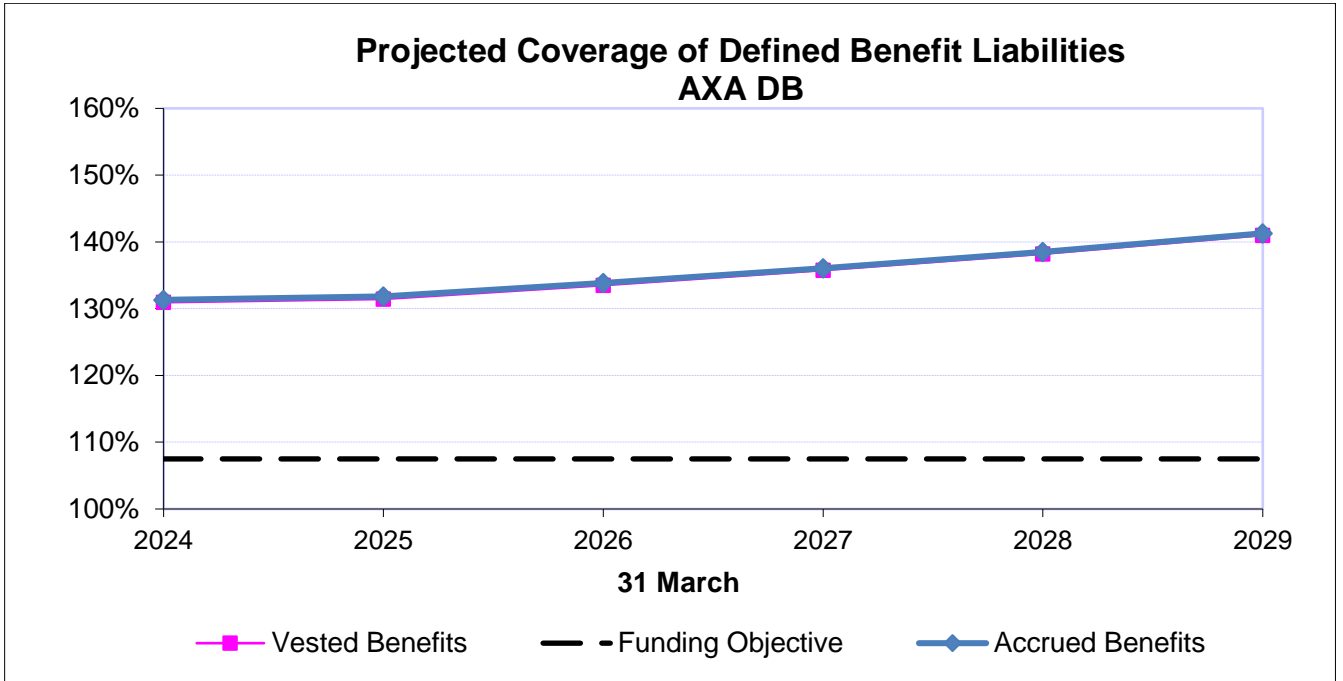
1.6 Projection of coverage of defined benefit liabilities

I have prepared a projection of Plan assets and benefit liabilities based on:

- the actuarial assumptions adopted for this investigation;
- the actual return on assets of 0.2% from 31 March 2024 to 30 June 2024 for assets supporting the active and pension sections of AXA DB;
- the actual return on assets of 0.2% from 31 March 2024 to 30 June 2024 for assets supporting the pension sections of AMP DB; and
- Actual AMP Section pension indexation of 3.6% as at 1 July 2024.

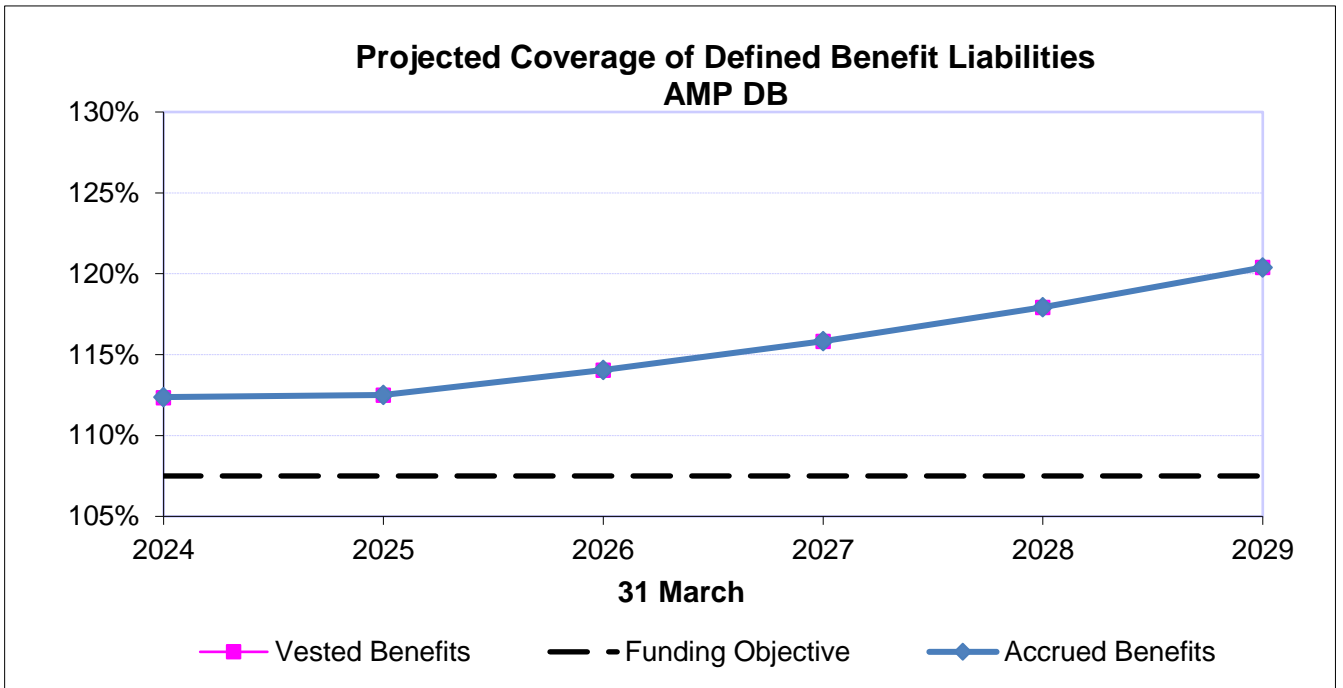
The results of those projections are as follows:

AXA DB

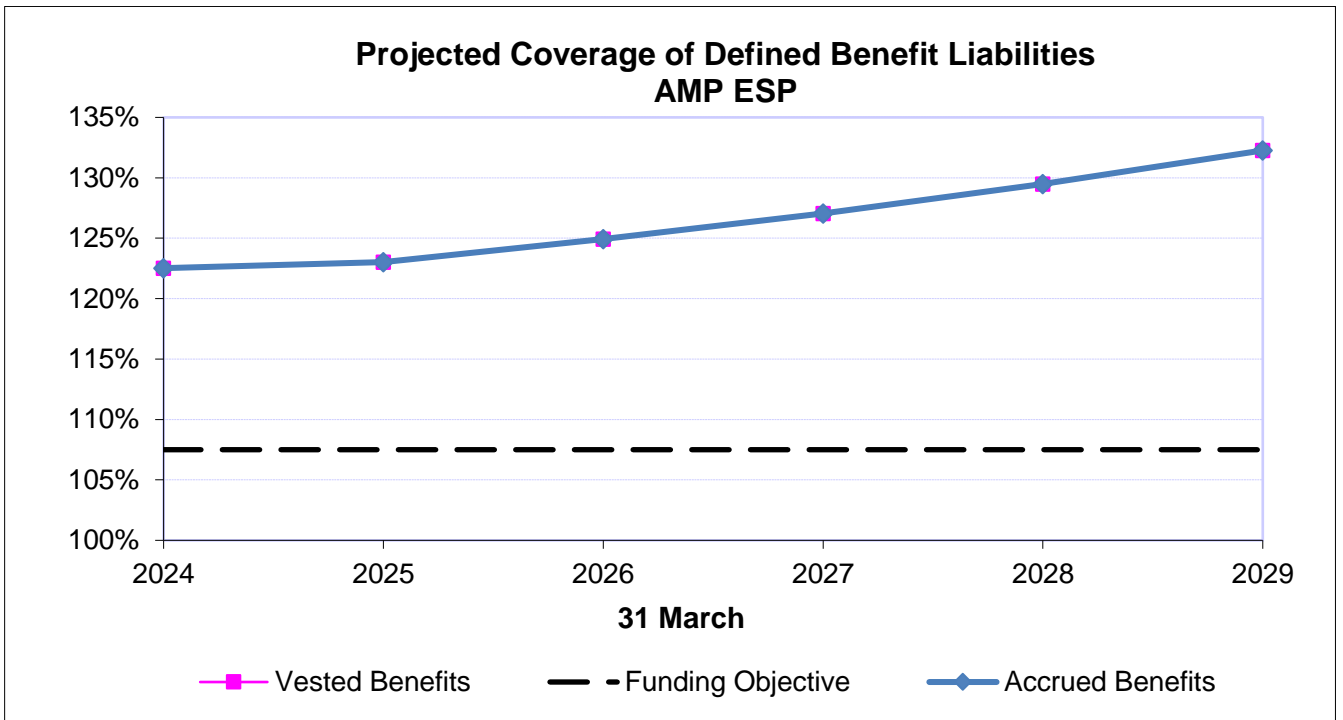


This chart shows that projected AXA DB assets are expected to remain above 107.5% of the Actuarial Value of Accrued Benefits and projected Vested Benefits.

AMP DB



This chart shows that projected AMP DB assets are expected to remain above 107.5% of the Actuarial Value of Accrued Benefits and projected Vested Benefits.



This chart shows that the Plan's assets are expected to remain above 107.5% of the Actuarial Value of Accrued Benefits and projected Vested Benefits for the foreseeable future.

The Trustee should note that these projections are based on the assumptions adopted, which represent a single scenario from the range of possibilities. The future is uncertain and the Plan's actual experience will differ from those assumptions; these differences may be minor in their overall effect, or they may be significant and material. In addition, different sets of assumptions or scenarios may also be within the reasonable range and results based on those alternative assumptions would be different.

Sections 1.8 (below) and 3.6 provide an illustration of the impact of investment volatility on the projected coverage of Vested Benefits.

1.7 Key risks

There are a number of risks relating to the operation of the Plan. The more significant financial risks relating to the defined benefits are:

- **Investment risk** – borne by the Employer. The risk is that investment returns will be lower than assumed and the Employer will need to increase contributions to offset this shortfall.
- **Legislative risk** – borne by the Employer. The risk is that legislative changes could be made which increase the cost of providing the defined benefits – for example an increase in the rate of tax on superannuation funds.
- **Pensioner longevity risk** – borne by the Employer. The risk is that pensioners live longer than is assumed in this valuation, creating a shortfall in coverage of pension liabilities which will have to be funded by the Employer.
- **Pension take-up rates** – borne by the Employer. The risk that retiring members choose to take up a higher than expected proportion of their benefit as a pension rather than a lump sum, increasing the cost of providing the defined benefits.
- **Inflation risk** – borne by the Employer. The risk is that CPI increases, which flow through to pension increases, will be higher than assumed, increasing the cost of providing the defined benefits. This risk is mitigated to some extent as annual increases are capped for most pensions.

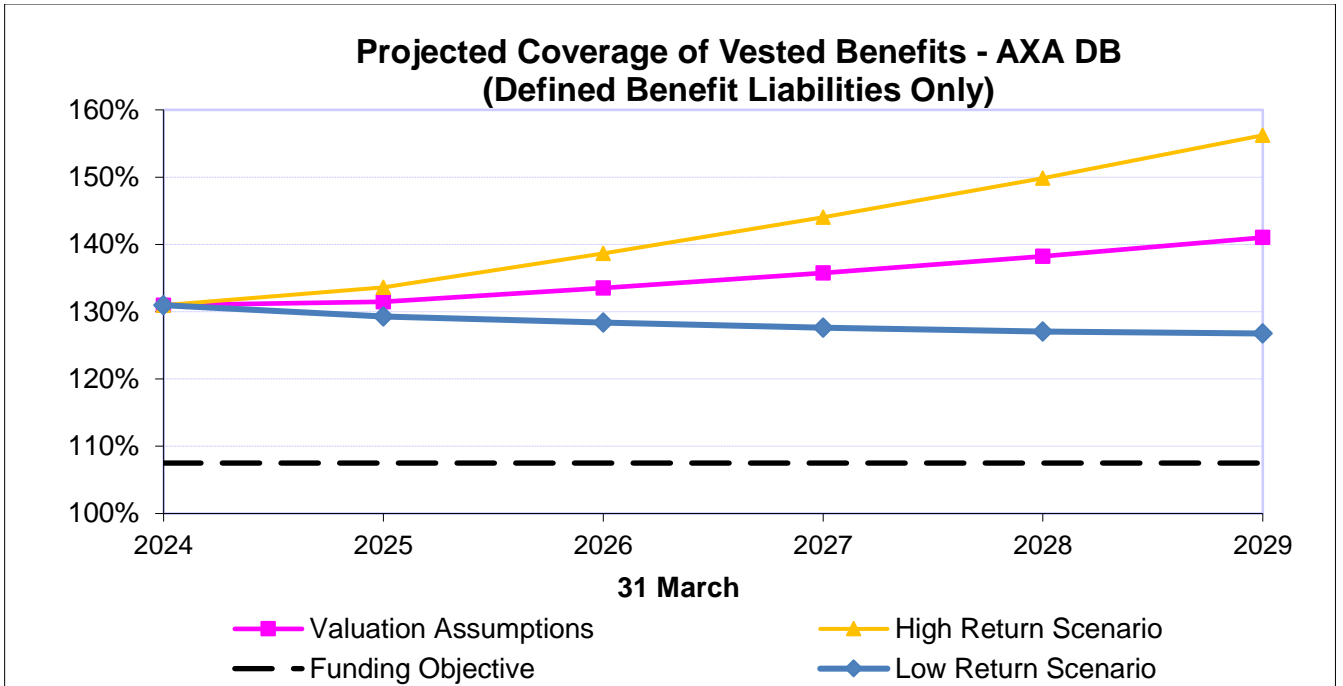
The Plan's Risk Management Statement and Risk Management Plan should identify a full range of risks faced by the Trustee.

1.8 Illustration of potential investment volatility

The Plan's defined benefit assets reflect the investment strategy outlined in Section 4.3 of this report. The value of these assets is likely to display a degree of volatility. The charts below show the projected asset coverage of Vested Benefits for each of the AXA DB and AMP DB sections.

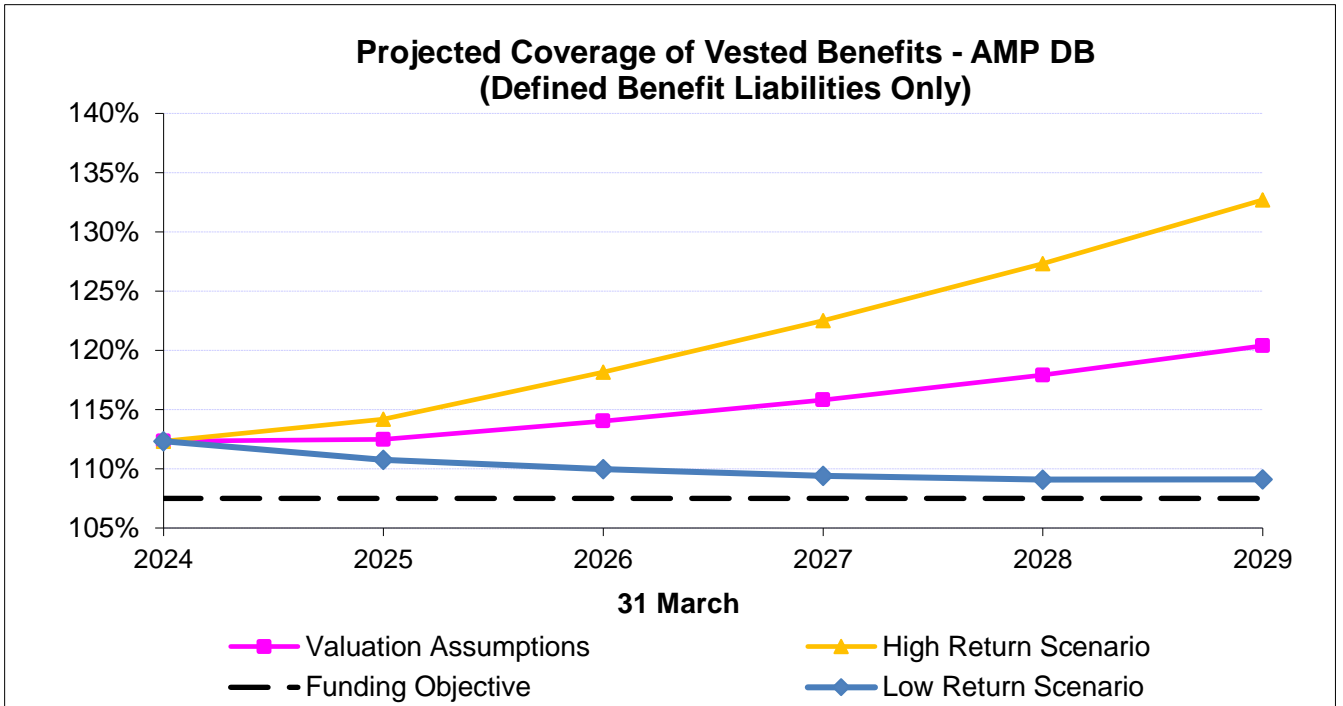
AXA DB

The projection shown below indicates that, by the next triennial investigation at 31 March 2026, there is an 80% chance that coverage of Vested Benefits will be in the range of 139% to 128%. Please refer to Section 3.6 of this report for further details.



AMP DB

The projection shown below indicates that, by the next triennial investigation at 31 March 2026 there is an 80% chance that coverage of Vested Benefits will be in the range of 118% to 110%. Please refer to Section 3.6 of this report for further details.



It will be necessary for the Trustee to monitor experience and coverage levels regularly during the period to the next actuarial investigation so that, in the event of adverse experience, any corrective action considered appropriate can be implemented in a timely manner. Monitoring is currently carried out on a quarterly basis.

Comments on the monitoring process are set out in Section 1.9.5.

1.9 Other statements and recommendations

1.9.1 Investment policy

I have reviewed the Plan’s investment strategy for defined benefit assets taking into account the Plan’s financial position and the nature and term of the Plan’s defined benefit liabilities.

I consider the policy adopted is a suitable investment policy overall.

I note that this policy has the potential for substantial variability in investment returns and that this variability will impact on the Employer contribution requirements. I understand that the Employer recognises and accepts the potential variability in returns and contribution requirements. Should the Employer’s risk tolerance change, it would be appropriate to review the current investment policy.

Please refer to Section 4.3 for further information and commentary.

1.9.2 Crediting Policy

A detailed review of the crediting policy is outside the scope of this investigation. Based on a review of the main features, I consider that the crediting rate policy adopted is generally suitable.

Please see section 4.4 for further details.

1.9.3 Insurance

I consider that the current insurance arrangements are suitable and provide adequate protection for both AXA DB and AMP DB.

Section 4.5 of the report provides further details.

1.9.4 Requirements of SPS 160

APRA has issued a number of Prudential Standards for the superannuation industry, including Prudential Standard SPS 160 relating to the financial management and funding of defined benefit plans. We have commented below on its application.

Shortfall Limit

The Trustee must determine a "Shortfall Limit" for each fund, being "the extent to which the fund can be in an unsatisfactory financial position with the Trustee still being able to reasonably expect that, because of corrections to temporary negative market fluctuations in the value of the fund assets, the fund can be restored to a satisfactory financial position within a year".

We understand that the Plan's Shortfall Limit, determined by the Trustee on the basis of previous actuarial advice, is 100%.

The Shortfall Limit is expressed as a percentage coverage level of defined benefit vested benefits by defined benefit assets, where the Vested Benefits include an assumption for members to take the pension option, and it is appropriate to consider the following:

- the guidance provided in the Actuaries Institute Information Note: Shortfall Limit in Prudential Standard 160 dated June 2013;
- the investment strategy for AXA DB and AMP DB defined benefit assets; and
- the results of this investigation regarding the extent to which the current and projected defined benefit Vested Benefits are not linked to the investment return on defined benefit assets (i.e. salary-based benefits and defined benefit pensions) and the current and projected relativity between Vested Benefits and Minimum Requisite Benefits.

Based on the above, we recommend the Trustee maintains the current Shortfall Limit.

We will reassess the suitability of the adopted Shortfall Limit as part of the next regular actuarial investigation.

Monitoring Process and Interim Actuarial Investigations

SPS 160 also requires the Trustee to determine and implement a process for monitoring the Plan's defined benefit vested benefits coverage against the Shortfall Limit. If this monitoring process indicates that defined benefit vested benefits coverage has (or may have) fallen below the Shortfall Limit, then under SPS 160:

- An "Interim Actuarial Investigation" may be required (depending on the timing of the next regular actuarial investigation).
- A Restoration Plan is required to be put in place if an Interim Actuarial Investigation finds the Plan has breached its Shortfall Limit. The Restoration Plan must be designed to return the Plan to a satisfactory position, so that the Vested Benefits are fully covered, within a reasonable period that must not exceed 3 years and this must be submitted to APRA.

Regular Actuarial Investigation – Unsatisfactory financial position

Under SPS 160, a Restoration Plan is also required to be put in place if the actuary finds in a regular Actuarial Investigation that the Plan:

- Is in an unsatisfactory financial position (whether or not the Shortfall Limit has been breached); or
- Is likely to fall into an unsatisfactory financial position.

The Restoration Plan must be designed to return the Plan to a satisfactory position, so that Vested Benefits are fully covered, within a reasonable period that must not exceed 3 years from the investigation date.

An SPS 160 Restoration Plan is not required if the Plan is technically insolvent (in which case the insolvency rules must be followed). If an SPS 160 Restoration Plan is already in place then any changes to the contribution program (including its period) must be made within the framework of that Restoration Plan.

As indicated by the results in the table in Section 1.2 and the projections in Section 1.6, we consider that:

- The Plan is not in an unsatisfactory financial position; and
- The Plan is not likely to fall into an unsatisfactory financial position.

Hence the special requirements of SPS 160 for funds in an unsatisfactory financial position do not apply at this investigation.

1.9.5 Monitoring of financial position

In practice, actual experience is likely to vary from the actuarial assumptions and hence the future Vested Benefits coverage levels are likely to vary from the projected levels set out in Section 1.6. Section 1.8 illustrates the sensitivity of the projections to the Plan's investment return.

The progress of the Plan's coverage of Vested Benefits and Actuarial Value of Accrued Benefits will be reviewed each year as part of the annual actuarial investigations. Monitoring is also currently carried out on a quarterly basis, which includes comparison of the Plan's defined benefit vested benefits coverage against the Shortfall Limit in accordance with SPS 160.

The Trustee should also continue to monitor the "Notifiable Events" specified in the Plan's Funding and Solvency Certificate and advise the Actuary should any actual or potential Notifiable Events occur.

1.9.6 Actuary's Reporting Requirements

Section 130 of the SIS Act requires that if an actuary forms the opinion that a Plan's financial position may be unsatisfactory, or may be about to become unsatisfactory, and that opinion was formed in performing an actuarial function, the actuary must advise both the Trustee and the regulator (APRA) in writing immediately (an unsatisfactory financial position applies where assets are less than Vested Benefits).

These requirements do not currently apply as I am of the opinion that the financial position of the Plan is not unsatisfactory (or about to become unsatisfactory).

1.9.7 Statements Required by SPS 160

This section has been prepared to provide statements required to be made under APRA Prudential Standard SPS 160. Values cited relate to the defined benefit liabilities of the Plan. Assets and liabilities relating to accumulation members and the non-defined benefit accumulation accounts of defined benefit members are excluded.

- (i) As at 31 March 2024, the net realisable value of the defined benefit assets of the Plan, based on unaudited information provided by the Trustee, amounted to \$613,632,000. This does not include any Operational Risk Financial Requirement assets. This is also the value of assets used in determining the recommended contribution rates.
- (ii) In my opinion, the Actuarial Value of Accrued Benefits as at 31 March 2024 was \$499,976,000. Hence, I consider that the value of the assets at 31 March 2024 is adequate to meet the value of the accrued benefit liabilities of the Plan as at 31 March 2024. In determining the value, I have not applied a minimum of the Vested Benefits. Assuming that the Employer contributes in accordance with my recommendations, then, based on the assumptions made for this actuarial investigation, I expect that assets will remain sufficient to cover the value of the actuarial value of accrued benefits over the period to 31 March 2027.
- (iii) In my opinion, the total of members' Vested Benefits (i.e. voluntary resignation benefits, or early retirement benefits if eligible as of right), as at 31 March 2024 amounted to \$500,826,000. Hence, I consider that the value of the assets at 31 March 2024 is adequate to meet the value of the Vested Benefit liabilities of the Plan as at 31 March 2024. Assuming that the Employer

contributes in accordance with my recommendations, then, based on the assumptions made for this actuarial investigation, I expect that assets will remain sufficient to cover the value of Vested Benefit liabilities over the period to 31 March 2027. Therefore, I consider that the financial position of the Plan should not be treated as unsatisfactory as defined in SPS 160.

- (iv) In my opinion, the value of the liabilities of the Plan in respect of the minimum benefits of members of the Plan as at 31 March 2024 was \$499,282,000. Hence the Plan was not technically insolvent at 31 March 2024.
- (v) I recommend that the Employer contribute to the Plan at the following rates from 31 March 2024:

AXA DB Members

- Deemed member contributions.

AMP DB Members

- None

Others (Accumulation members)

- At the rates required under the Plan rules.

- (vi) A projection of the likely future financial position of the Plan over the 5-year period following 31 March 2024, based on what I consider to be reasonable expectations for the Plan for the purpose of this projection, is set out in the report.
- (vii) Based on the results of this investigation, I recommend the shortfall limit be maintained at 100%.
- (viii) The Plan is used for Superannuation Guarantee purposes.
 - a. All Funding and Solvency Certificates required under Division 9.3 of the SIS Regulations have been issued for the period from the date of the last investigation to 31 March 2024.
 - b. I expect to be able to certify the solvency of the Plan in any Funding and Solvency Certificates that may be required in the three year period from 31 March 2024.
- (ix) In my opinion, there is not a “high degree of probability”, as at 31 March 2024, that the Plan will be able to meet the pension payments as required under the Plan’s governing rules. This is because the Plan does not currently hold sufficient reserves to meet the “high degree of probability” test and the Actuaries Institute Guidance Note 465 does not allow future employer contributions to be taken into account in the assessment for the “high degree of probability” statement. In practice, it is anticipated that the Employer will provide adequate funding to enable pensions to be paid in full.

1.10 Additional information

Significant events since the investigation date - I am not aware of any significant events that have occurred since 31 March 2024 that have not already been taken into account (e.g. allowance for actual investment returns of the investment options from 1 April 2024 to 30 June 2024) and AMP Section pension indexation of 3.6% as at 1 July 2024, which would have a material impact on the recommendations in this report.

Next actuarial investigation - Required at a date no later than 31 March 2025. At that time, the adequacy of the Employer contribution levels will be reassessed. Note that annual investigations are required due to the Plan paying current pensions (unless an exemption is obtained) and the monitoring process recommended in Section 1.9.5 may lead to an earlier reassessment ahead of the next actuarial investigation.

Next Funding and Solvency Certificate – required at least 12 months before the expiry of the current Funding and Solvency Certificate (31 March 2025).

Next Benefit Certificate – required following the expiry of the current Benefit Certificate (30 June 2024), which will be provided to the Trustee by the legislative date required (14 November 2024).

This certificate is required primarily by the Employer to demonstrate compliance with its Superannuation Guarantee obligations to employees who are members of the Plan. However, the Trustee must ensure the benefits paid from the Plan are not lower than the minimum benefits specified in the Benefit Certificate.

1.11 Action required

The Trustee should seek formal agreement from the Employer to contribute in line with the recommendations (as made in this report or as per subsequent recommendations).

The Trustee should continue to monitor the contribution requirements under the Plan's Funding and Solvency Certificate and seek contributions from the Employer as appropriate.

1.12 Actuary's certifications

Professional standards and scope

This report has been prepared in accordance with generally accepted actuarial principles, Mercer internal standards, and the relevant Professional Standards of the Actuaries Institute, in particular PS400 which applies to "*...actuarial investigations of the financial condition of wholly or partially funded defined benefit superannuation funds.*"

Use of report

This investigation report should not be relied upon for any other purpose or by any party other than the Trustee of the Plan. Mercer is not responsible for the consequences of any other use. This report should be considered in its entirety and not distributed in parts. The Trustee should share this report with the Employer who contributes to the Plan. The Employers may consider obtaining separate actuarial advice on the recommendations contained in the report.

The advice contained in this report is given in the context of Australian law and practice. No allowance has been made for taxation, accountancy or other requirements in any other country.

Actuarial Uncertainty and Assumptions

An actuarial investigation report contains a snapshot of a Plan's financial condition at a particular point in time and projections of the Plan's estimated future financial position based on certain assumptions. It does not provide certainty in relation to a Plan's future financial condition or its ability to pay benefits in the future.

Future funding and **actual** costs relating to the Plan are primarily driven by the Plan's benefit design, the **actual** investment returns, the **actual** rates of salary and price inflation, the benefit options exercised by members and any discretions exercised by the Trustee or the Employer. The Plan's actuary does not directly control or influence any of these factors in the context of an actuarial investigation.

The Plan's future financial position and the recommended Employer contributions depend on a number of factors, including the amount of benefits the Plan pays, the cause and timing of member withdrawals, Plan expenses, the level of taxation and the amount earned on any assets invested to pay the benefits. These amounts and others are uncertain and unknowable at the valuation date, but are predicted to fall within a reasonable range of possibilities.

To prepare this report, assumptions, as described in Section 3, are used to select a single scenario from the range of possibilities. The results of that single scenario are included in this report.

However, the future is uncertain and the Plan's actual experience will differ from those assumptions; these differences may be significant or material. In addition, different assumptions or scenarios may also be within the reasonable range and results based on those assumptions would be different. Actuarial assumptions may also be changed from one valuation to the next because of mandated requirements, Plan experience, changes in expectations about the future and other factors. We did not perform, and thus do not present, an analysis of the potential range of future possibilities and scenarios.

Because actual Plan experience will differ from the assumptions, decisions about benefit changes, investment policy, funding amounts, benefit security and/or benefit related issues should be made only after careful consideration of alternative future financial conditions and scenarios, and not solely on the basis of a set of valuation results.

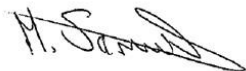
Data and Plan Provisions

To prepare this report, we have relied on financial and participant data provided by the Plan's administrator. The data used is summarised in this report. We have reviewed the financial and participant data for internal consistency and general reasonableness and believe it is suitable for the purpose of this report. We have not verified or audited any of the data or information provided. We have also relied upon the documents, including amendments, governing the Plan as provided by the Trustee. The Trustee is ultimately responsible for the validity, accuracy and comprehensiveness of this information. If the data or Plan provisions are not accurate and complete, the valuation results may differ significantly from the results that would be obtained with accurate and complete information; this may require a revision of this report.

Further Information

If requested, the actuary is available to provide any supplementary information and explanation about the actuarial investigation.

Prepared by:



Mark Samuels
Fellow of the Institute of Actuaries of Australia

30 September 2024

Peer Reviewed by:



Richard Codron
Fellow of the Institute of Actuaries of Australia

2

Membership and Assets

This section provides membership and asset information.

2.1 Membership

The membership data used for this investigation was provided by the Plan Administrator. I have carried out some broad "reasonableness" checks on the data and I am satisfied with the quality of the data and its suitability for this purpose.

AXA DB

Active Members

The following table shows the number of members, average age and total salaries of each class of the active members of the Plan as at 31 March 2024:

Benefit Class	Number of Members	Average Age	Salaries \$000
Defined Benefit			
Original AXASSP FinSuper	5	55.1	367
Original AXASSP Non FinSuper	13	54.5	1,539
Total	18	54.6	1,906

Pensioners

The number of pensioners and their annual pension payments as at 31 March 2024 are summarised in the table below.

Pensioner Type	Number of Pensioners	Average Age	Annual Pensions \$000
Retirement	283	72.4	15,216
Spouse / Child	49	79.9	1,809
Disablement	10	56.6	407
Total	342	69.6	17,432

Deferred Members

The number of deferred members and their account balance details as at 31 March 2024 are summarised in the table below.

As at 31 March 2024	
Number of members	229
Retained Defined Benefit Accounts (\$000)*	38,441

* Excludes additional balances.

AMP DBActive Members

There are no remaining active members.

Pensioners

There were 259 pensioners as at 31 March 2024 with an average age of 78.6 years and total annual pension amounts of \$18,035,700. This excludes the 3.6% indexation which was applied as at 1 July 2024.

Deferred Members

The number of deferred members and their account balance details as at 31 March 2024 are summarised in the table below.

As at 31 March 2024	
Number of members	39
Retained Defined Benefit Accounts (\$000)*	23,010

* Excludes additional balances.

The amount of Retained Defined Benefit Accounts shown relates to the Pensionable Component of the account balance only.

2.2 Assets

AXA DB

The net market value of the assets as at 31 March 2024 amounted to \$358,812,000 (based on the unaudited data provided by the Plan's administrator). This amount excludes assets relating to additional accumulation accounts for defined benefit members and accounts for pure accumulation members. This value has been used for the purposes of the investigation.

The assets were invested as follows:

Assets	31 March 2024 (\$000)
DB Reserve	
• Future Directions Balanced (SAFB)	143,447
Less additional balances	(3,231)
Total DB Reserve	140,216
Pension Reserve Account	
• Future Directions Balanced (NAFB)	218,596
Total Pension Reserve	218,596
Total	358,812

It is recommended that the Trustee transfer an amount from the AXA pension reserve currently held under the AXA Section of the Plan to the AXA Section defined benefit reserve. This rebalancing should occur so that following the transfer the AXA pension reserve should be equal to the current pensioner liabilities as at 31 March 2024 (i.e. transfer the current value of the AXA pension reserve minus \$213.7m). If the value of the AXA pension reserve is now below \$213.7m then no transfer is required.

AMP DB

The net market value of the assets supporting AMP DB as at 31 March 2024 amounted to \$254,820,000 (based on the unaudited data provided by the Plan's administrator). This amount excludes assets relating to additional accumulation accounts for defined benefit members and accounts for accumulation members. This value has been used for the purposes of the investigation.

The assets were invested as follows:

Assets	31 March 2024 (\$000)
DB Reserve	
• Future Directions Balanced (SAFB)	18,879
Total DB Reserve	18,879
Pension Reserve Account	
• Future Directions Balanced (NAFB)	212,931
Total Pension Reserve	212,931
Pensionable Investment Choice Balances of Deferred Benefit members	23,010
Total	254,820

It is recommended that the Trustee transfer an amount from the AMP pension reserve currently held under the AMP Section of the Plan to an AMP Section defined benefit reserve. This rebalancing should occur so that following the transfer the AMP pension reserve should be equal to the current pensioner liabilities as at 31 March 2024 (i.e. transfer the current value of the AMP pension reserve minus \$200.9m). If the value of the AMP pension reserve is now below \$200.9m then no transfer is required.

2.3 Operational risk reserves

The assets to meet the Operational Risk Financial Requirement (ORFR) are held separately to the assets of the Plan.

The scope of this Investigation does not include a review of the adequacy of assets held to meet the ORFR or the ORFR strategy.

3

Valuation methodology, assumptions and results

This section sets out the considerations, methods and assumptions involved in performing the actuarial projections of future experience and shows the results of those projections.

The actuarial process includes projections of possible future Plan assets and benefit liabilities on the basis of actuarial assumptions about future experience.

These assumptions include investment returns, salary increases, crediting rates, rates at which members cease service for different reasons, and various other factors affecting the financial position of the Plan. Material assumptions are set out in Section 3.3.

It is not expected that these assumptions will be precisely borne out in practice, but rather that in combination they will produce a model of possible future experience that is considered a suitable basis for setting contribution rates.

3.1 Funding Requirements

3.1.1 Provisions of the Trust Deed and Rules

The rules of the Plan include requirements that:

- the Trustee ensures an actuarial investigation of the Plan is conducted when required by legislation (annually for funds paying pension unless an exemption is obtained);
- the AMP Defined Benefit Assets and the AXA Defined Benefit Assets be separately maintained; and
- the actuarial investigation reports separately on the financial position and recommended contributions relating to the ex-AXASSP defined benefit liabilities.

3.1.2 Professional requirements

Under Professional Standard 400 issued by the Actuaries Institute, the funding method selected by the actuary *“must aim to provide that:*

- (a) members' benefit entitlements (including any pension increases provided by the Trust Deed or in accordance with either precedent or the intentions of the Trustee and/or Fund Sponsor) are fully funded before the members retire; and*
- (b) the assets of the Fund from time to time, after making full provision for the entitlements of any beneficiaries or members who have ceased to be employed, exceed the aggregate of benefits which employed members would reasonably expect to be payable to them on termination of membership, including the expenses of paying those benefits, and having regard to the provisions of the Trust Deed and the likely exercise of any Options or Discretions.” (Paragraph 5.5.4 of PS400).*

Accordingly the actuary needs to be satisfied that any funding program is expected to provide a level of assets which meets or exceeds immediate benefit entitlements based on members' reasonable expectations.

Should assets fall below that level, the funding program needs to aim to lift assets to at least the required level over a reasonable time period and to maintain assets at or above the required level thereafter.

The financing objective (refer Section 1.3) has been set on the basis that active and deferred members' reasonable expectations on termination would be to receive the greater of their Vested Benefit entitlement and the Actuarial Value of their Accrued Benefits (including the pension entitlement for non-pensioner members) and, in the case of current pensioners, the lump sum value of their pension, on the actuarial assumptions adopted for this investigation.

3.2 Financing the benefits

3.2.1 Ultimate cost of providing Plan benefits

The ultimate cost to the Employer of providing Plan benefits is:

- the amount of benefits paid out; plus
- the expenses of running the Plan, including tax;

less

- members' contributions; and
- the return on investments.

The ultimate cost to the Employer will not depend on the actuarial investigation assumptions or methods used to determine the recommended Employer contribution rate, but on the actual experience of the Plan. The financing method and actuarial assumptions adopted will however affect the timing of the contribution requirements from the Employer.

3.2.2 Financing method

There are various financing methods that could be followed in setting the Employer contribution level. This investigation uses the "Attained Age Normal" method.

Under this method, the "normal cost" is the estimated level rate of Employer contributions required to provide benefits in respect of future service (i.e. service after the investigation date) for existing members. The normal cost ignores any surplus or deficiency of assets over accrued liabilities.

The recommended Employer contribution rate may then be set above or below the normal cost for a suitable period of time to amortise any surplus/deficiency and to take into account the Plan's financing objectives.

Under this method of financing, the level of the Employer contributions may vary from time to time to ensure that the Plan remains on course towards its financing objectives.

It is noted that, as the defined benefits are closed to new members and (on the assumptions adopted) the cost of future service benefits increases with age, the normal cost is expected to gradually increase as the defined benefit membership ages.

I consider that the Attained Age Normal method is suitable in the Plan's current circumstances as the normal cost reflects the expected (on the assumptions adopted) employer cost of future service benefits and the recommended contribution rate can be varied around the normal cost to take into account the projected financial position as compared with the financing objective.

The Attained Age Normal method was also used at the previous investigation.

3.3 Actuarial assumptions

3.3.1 Economic assumptions

The key economic long term assumptions adopted for this investigation are:

	Main Assumptions	
	AXA DB	AMP DB
Investment returns for current non-pensioners (after tax and investment fees)		
• pre-retirement	6.0% pa	6.0% pa
• post retirement	7.0% pa	7.0% pa
Investment returns for current pensioners (after investment fees)	7.0% pa	7.0% pa
Salary increases	2.75% pa plus promotional scale	n/a
Cash Crediting Rate	4.0% pa	n/a
Pension (CPI) increase rate	3.5% in the first year and 2.5% pa thereafter	3.5% in July 2025 and 2.5% pa thereafter*

* 3.6% actual pension indexation as at 1 July 2024 has already been included in the membership data.

The assumptions for investment returns are based on the expected investment return for the current benchmark asset allocation associated with the relevant investment strategy (i.e. Future Directions Balanced investment option), calculated using Mercer's capital market assumptions of the means and standard deviations of returns from the various underlying asset classes and the correlations of returns between those asset classes, and taking into account the expected term of the relevant liabilities.

The general salary increase assumption is based on economic forecasts for future increases in average weekly earnings (AWOTE) and discussions with the Employer. Promotional increase rates for AXA DB are also assumed as shown in Section 3.3.2.

Pension increases are based on short and long term CPI forecasts.

The Cash Crediting Rate applied to the Retained Defined Benefit Accounts of Deferred Benefit Members is based on economic forecasts for bank bill rates, less 15% tax.

The crediting rate applied to additional accumulation balances is assumed to be the same as the actual net earning rate on the relevant assets.

3.3.2 Other assumptions

AXA DB

Salary Continuance Claims

Funding of future claims (via insurance or self-insurance or a combination) is assumed to equate to a cost of 1.7% of defined benefit members' salaries, based on the current overall cost estimated using external insurance premium rates.

The provision for salary continuance claimants who have been assessed as Totally and Permanently Disabled (TPD) is included in the pensioner liability assessment (TPD Pensioners).

For current self-insured temporary disablement claims, the provision made assumes a benefit accrual cost of 23% of the income benefit payable to the member and 5 years of future payments for claims with durations of more than one year (all current claims). A more sophisticated provisioning basis is considered unnecessary having regard to the size of the provision as compared with total defined benefit liabilities.

Expenses

Operational expenses are assumed to equal \$80,000 pa increasing at 2.75% pa.

Promotional Salary Increases

Allowance is made for promotional salary increases in addition to general inflationary increases according to an age-related scale. Promotional increase rates based on the Plan's experience are:

Age Last Birthday	Promotional Increases pa
46-50	0.5%
51-65	-

Death in Service

Examples of the assumed death rates for current employee members are set out below. We understand these are consistent with the premium rates payable under the Plan's group life insurance policy:

Age Last Birthday	Death (pa per 10,000 members)
45	8.8
50	16.8
55	29.5
60	56.4

Active Member Retirements

The rates at which members are assumed to leave the Plan due to retirement are set out below. These take into account the Plan's experience and the experience of similar plans administered or advised by Mercer.

Age Last Birthday	Retirement pa
55-60	15%
61	20%
62	25%
63	35%
64	40%
65	100%

Resignation

Not required as all remaining active members are now aged 45+.

Marital Status of Active and Deferred Section Members

Of the members who take a pension benefit, 80% of the males and 70% of the females are assumed to be married.

Exit and Pension Take-up Rates – Current Deferred Benefit Members

We have retained our assumption on the exit and pension take up rates from the previous actuarial investigation.

Age	Exit Rate pa	Pension	Lump Sum
45-49	2%	Nil	100%
50-54	1%	Nil	100%
55-59	15%	70%	30%
60-64	30%	70%	30%
65	100%	70%	30%

Pension Take-up Rates – Active Members Leaving Service

We have retained our assumption on the pension take up rates for active members from the previous actuarial investigation.

The following table sets out the assumptions used for the proportion of eligible benefits to be taken as an immediate pension on leaving service on or after age 55 or on leaving service before age 55 to be taken as a deferred benefit, which is assumed to be converted to a pension on reaching age 60.

Age	Pre-1995 Members	Post-1994 Members
46	54%	8%
47	58%	16%
48	62%	24%
49	66%	32%
50	70%	40%
51	74%	44%
52	78%	48%
53	82%	52%
54	86%	56%
55 or more	90%	60%

AMP DB**Expenses**

Operational expenses are assumed to be paid out of the AXA Section defined benefit reserve.

Retirement

The rates at which deferred members are assumed to leave the Plan due to retirement are set out below. These take into account the Plan's experience and the experience of similar plans administered or advised by Mercer.

Age Last Birthday	Deferred Members' Retirement Rates	Pension Take-Up Rates
55-60	15%	60%
61	20%	60%
62	20%	60%
63	20%	60%
64	20%	60%
65	40%	60%
66	20%	60%
67	20%	60%
68	20%	60%
69	20%	60%
70	20%	60%
71	20%	60%
72	40%	60%
73	60%	60%
74	80%	60%
75	100%	60%

Marital Status of Deferred Members

Of the members who take a pension benefit, 90% of the males and 60% of the females are assumed to be married.

AXA DB and AMP DB

New members

The Plan's defined benefit section is closed to new entrants. No allowance has been made for new members.

Tax

It is assumed that the current tax rate of 15% continues to apply to the Plan's assessable income, along with current tax credits and other concessions.

All future Employer contributions are assumed to be subject to 15% contribution tax, after deduction of any insurance premiums and administration and management costs. All contribution recommendations quoted in this report are gross of contribution tax.

No allowance has been made for any surcharge liability as members' benefits will be reduced by a surcharge offset amount equal to the surcharge payments made, accumulated at the Plan crediting rate. Surcharge was abolished with effect from 1 July 2005.

No allowance has been made for excess contributions tax or Division 293 tax, as this is payable by the member.

Pensioner Mortality

The Plan is not large enough to obtain meaningful experience in relation to pensioner mortality.

We have used the following assumptions, based on Mercer's analysis of public sector pensioner mortality:

Pensioner Type	Mortality Assumption
Primary Pensioners	Mercer 2017-22 Retirement Pensioner Mortality (See sample rates below)
Reversionary Pensioners	Mercer 2017-22 Retirement Pensioner Mortality
Disablement Pensioners	As for other pensioners above, with 5 years added to the age of the pensioner
Mortality Improvements Assumed	Mercer pensioner mortality tables (updated). Average of the future improvement factors published by the ALT 2015-2017 over the last 25 and 125 years,

Mercer has conducted a review of its mortality assumptions based on the pensioner experience of Australian public sector schemes for the period 1 July 2017 to 30 June 2022. One of the key findings was that the rate of pensioner mortality improvement rates have declined for the general population and the Public sector schemes. Our previous assumption was that pensioner mortality would improve at the 25-year improvement factors from ALT 2015-17. Due to the slowing of the improvement in mortality rates, I have adopted improvement factors based on the average of the 25-year and 125-year mortality improvement factors which has lowered the pension liabilities. Whilst there has also been some updating of the base mortality assumptions, the impact of this change in isolation is not significant.

Retrenchment

No specific allowance is made for the possibility of future retrenchments. The retrenchment benefit is the same as the standard leaving service benefit.

Superannuation Guarantee (SG) rate

The SG rate is 11.5% p.a. from 1 July 2024 and will increase by 0.5% p.a. until it reaches 12.0% p.a. from 1 July 2025. For the purpose of determining projected minimum benefits for defined benefit members, this investigation assumes that the legislated SG rates will apply in future years.

Value of Assets

For the purpose of the investigation, the values placed on the assets were determined as set out in Section 2.2.

3.3.3 Changes in assumptions since the previous valuation

The following tables sets out the changes in assumptions from those used in the previous investigation and the reasons for the changes:

AXA DB

Assumption	31 March 2024 Investigation	31 March 2023 Investigation	Reason for Change
Cash crediting rate	4.0% pa	3.2% pa	Change in market outlook
Mortality Table	Mercer Standard Retiree Pensioner Mortality Rates 2017-2022	Mercer Standard Retiree Pensioner Mortality Rates 2012-2017	Based on Mercer's updated pensioner mortality study
Mortality Improvements	Average of the 25 year and 125 year improvement factors from ALT 2015-2017	25 year improvement factors from ALT 2010-12	Based on Mercer's updated pensioner mortality study

The overall impact of the changes in assumptions was to decrease the Actuarial Value of Accrued Benefits by \$1.8m (0.7%).

AMP DB

Assumption	31 March 2024 Investigation	31 March 2023 Investigation	Reason for Change
Mortality Table	Mercer Standard Retiree Pensioner Mortality Rates 2017-2022	Mercer Standard Retiree Pensioner Mortality Rates 2012-2017	Based on Mercer's updated pensioner mortality study
Mortality Improvements	Average of the 25 year and 125 year improvement factors from ALT 2015-2017	25 year improvement factors from ALT 2010-12	Based on Mercer's updated pensioner mortality study

The overall impact of the changes in assumptions was to decrease the Actuarial Value of Accrued Benefits by \$3.1m (1.4%).

3.4 Summary of Method of Attributing Benefits to Past Membership

The calculation of the Actuarial Value of Accrued Benefits has been carried out using a method of apportionment of benefits between past and future membership that satisfies the requirements of Professional Standard No. 402 of the Actuaries Institute and is acceptable for Australian Accounting Standard AASB 1056 purposes.

Defined Benefits

The past membership components of all defined benefits payable in the future from the Plan in respect of current membership are projected forward allowing for future salary increases and credited interest rates and are then discounted back to the investigation date at the investment return rate assumed for the investigation.

The past membership component for each type of benefit (retirement, resignation and death and disablement) is based on the member's accrued benefit multiple at the investigation date.

In determining the value of the past membership components, I have not applied a minimum of the Vested Benefit at the individual member level.

The weighted average term of the accrued benefit liabilities is 10 years for AXA DB and 8 years for AMP DB.

Changes in Methodology

The method used for the determination of Accrued Benefits is the same as that used at the previous investigation.

3.5 Contribution requirements

AXA DB - future service benefit costs

Based on the assumptions adopted for this investigation, I estimate that the Employer's long-term defined benefit funding costs (i.e. the normal cost of funding future service defined benefit accruals for each category, determined as set out in Section 3.2.2 above) are as follows:

- 10.4% of Finsuper members' salaries; plus
- 13.9% of Non-Finsuper members' salaries; plus
- deemed member contributions.

The average rate for current members is 13.2% of salaries (13.2% of salaries at the previous investigation).

There is no change in the long-term funding cost since the last actuarial investigation.

AMP DB - future service benefit costs

There are no active members remaining in the AMP DB section of the Plan.

Recommended contribution rates

Please refer to Section 1.5.

3.6 Investment volatility

I have considered the impact of investment volatility on the Plan's financial position over the next few years using a "high return" and a "low return" scenario. The returns under both scenarios have been derived from assumptions about the likely risk attached to the Plan's defined benefit investment strategy.

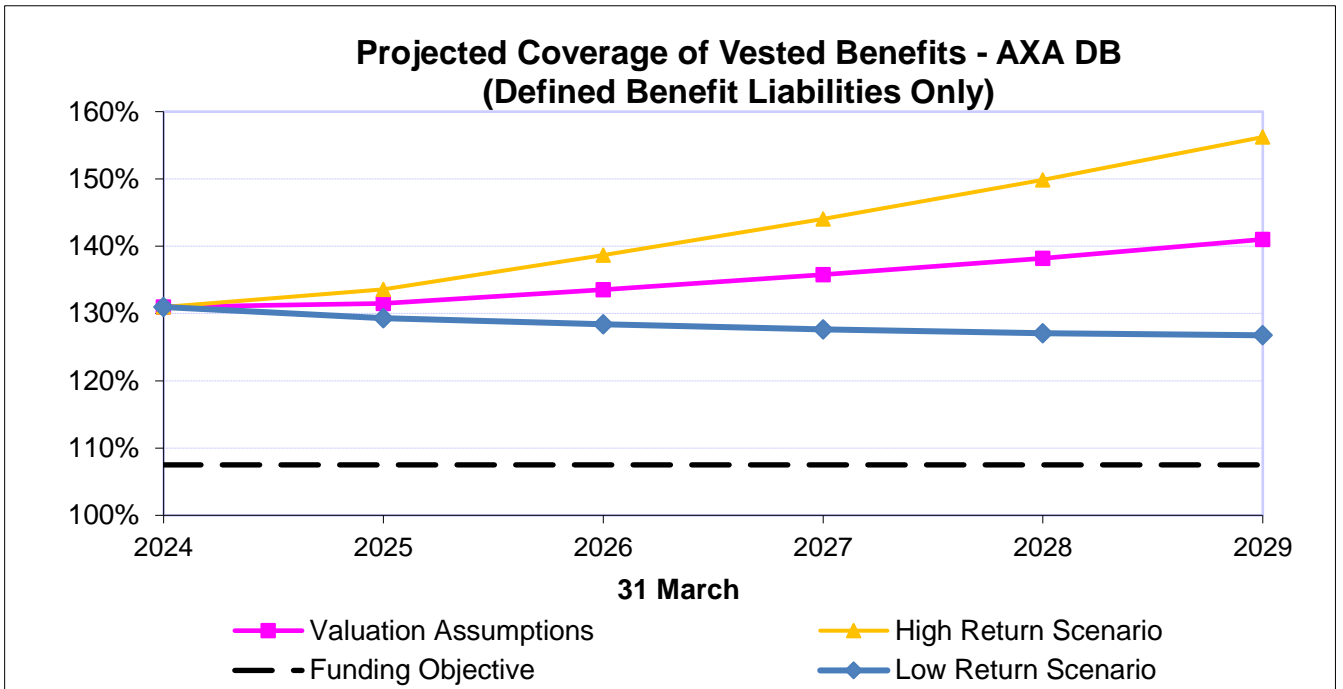
- Using the investment return model and assumptions adopted, there is approximately only a 10% chance of the Plan's cumulative investment return being less than the "low return" scenario. Similarly, there is approximately only a 10% chance of the Plan's cumulative investment return being greater than the "high return" scenario.
- Allowance has been made for the actual return on assets of 0.2% from 31 March 2024 to 30 June 2024 for assets supporting the active and pension sections of AXA DB.
- Allowance has been made for the actual return on assets of 0.2% from 31 March 2024 to 30 June 2024 for assets supporting the pension sections of AMP DB.

AXA DB

1 April 2024 to 31 March	Assumed Cumulative Investment Return (%)		
	"Low Return"	Valuation	"High Return"
2025	3.6%	5.3%	6.9%
2026	8.4%	12.5%	16.5%
2027	13.4%	20.2%	27.0%
2028	18.6%	28.4%	38.5%
2029	24.1%	37.2%	51.0%

The cumulative investment return is the total weighted return from 1 April 2024 up to 31 March in the year shown. The extent of variation allowed for in these projections reflects the Plan's asset mix and Mercer's views on potential variability in investment returns in various investment sectors.

The graph below shows the effect on the projected ratio of assets to Vested Benefits for defined benefit members under the "high return" and "low return" scenarios, with all other investigation assumptions remaining unchanged.



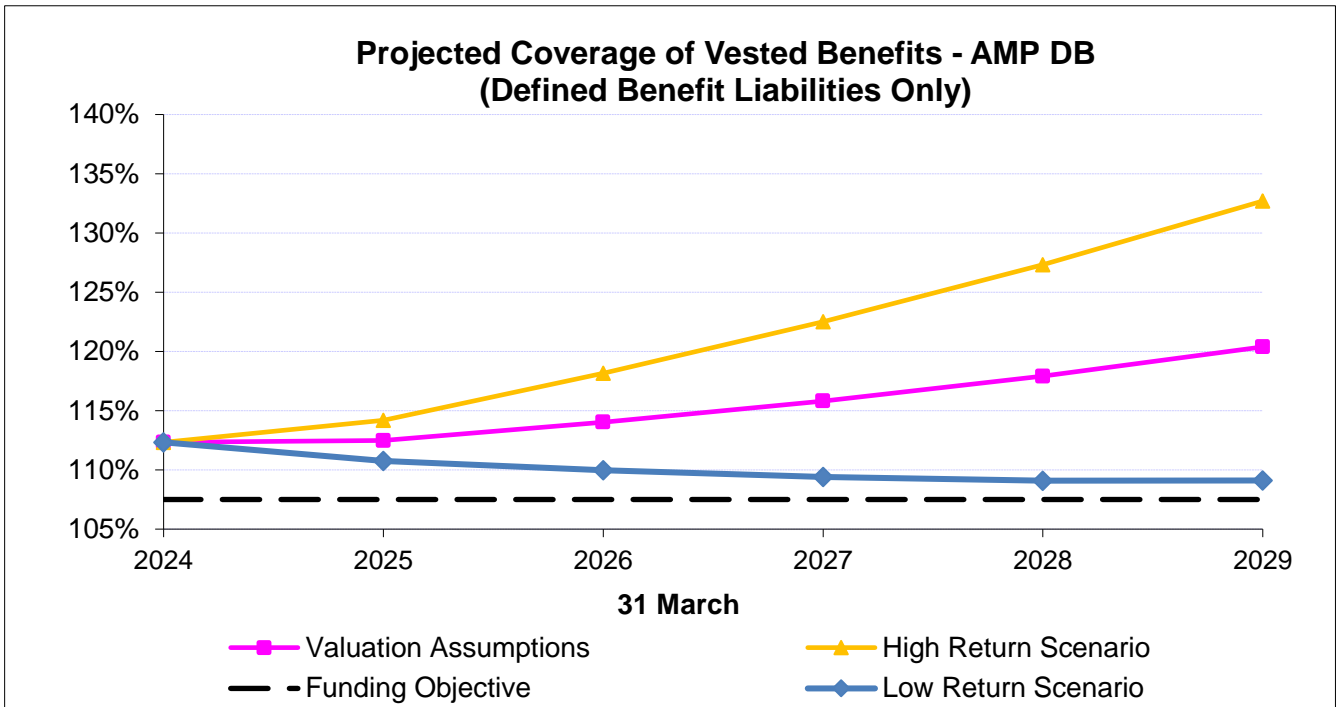
The AXA DB Vested Benefits coverage is sensitive to changes in the investment returns. Based on fluctuations in investment returns only, and assuming other experience is in line with the assumptions adopted for this investigation, there is approximately an 80% chance that the coverage of assets over Vested Benefits at the next triennial investigation at 31 March 2026 will fall in the range from 128% to 139%.

AMP DB

1 April 2024 to 31 March	Assumed Cumulative Investment Return (%)		
	"Low Return"	Valuation	"High Return"
2025	3.7%	5.4%	7.1%
2026	8.5%	12.7%	17.0%
2027	13.6%	20.6%	27.9%
2028	18.9%	29.0%	39.8%
2029	24.5%	38.1%	52.8%

The cumulative investment return is the total return from 1 April 2024 up to 31 March in the year shown. The extent of variation allowed for in these projections reflects the Plan's asset and Mercer's views on potential variability in investment returns in various investment sectors.

The graph below shows the effect on the projected ratio of assets to Vested Benefits for defined benefit members under the "high return" and "low return" scenarios, with all other investigation assumptions remaining unchanged.



The AMP DB Vested Benefits coverage is highly sensitive to changes in the investment returns. Based on fluctuations in investment returns only, and assuming other experience is in line with the assumptions adopted for this investigation, there is approximately an 80% chance that the coverage of assets over Vested Benefits at the next triennial investigation at 31 March 2026 will fall in the range from 110% to 118%.

Please note that the Low Return Scenario and the High Return Scenario shown above are illustrations only, and show what may occur under assumed future experiences which differ from our baseline assumptions. These scenarios do not constitute upper or lower bounds and the actual future coverage of Vested Benefits may differ significantly from the range shown above, depending on actual future experience.

In my view, the Trustee should be satisfied with the expected level of security over the next few years if the Employer contributes at the recommended levels.

Given the sensitivity of the Plan's financial position to future experience for both the AXA DB and AMP DB sections, quarterly monitoring of the Plan's experience and financial position is undertaken to ascertain whether an adjustment to the recommended contribution program is required prior to the next complete investigation.

4

Plan Design and Policies

This section outlines the main characteristics of the Plan, including the design of the defined benefits, investment policy, crediting policy and insurance arrangements.

4.1 Background information

The AMP Employees' Superannuation Plan (ESP) forms part of the AMP Super Fund (the Trust) and is operated for the benefit of employees of AMP Life Limited and associated companies. The Trustee of the Trust, N.M. Superannuation Proprietary Limited, holds a Registrable Superannuation Entity Licence under the SIS legislation and operates the Plan as required under the Trust Deed. This report is provided for the Trustee and presents the results of the actuarial investigation of the Plan as at 31 March 2024.

The ESP defined benefit liabilities include the AXA defined benefit liabilities formerly held within the AXA Australia Staff Superannuation Plan (AXASSP). The AXASSP assets and liabilities were transferred into the ESP effective 1 December 2011.

The Plan was part of a successor fund transfer from the AMP Superannuation Savings Trust to the Super Directions Fund effective from 15 May 2020. All assets and liabilities were transferred into the Super Directions Fund as part of the successor fund transfer. The Super Directions Fund was then rebranded the AMP Super Fund in late 2021. We have been informed by the Trustee that the Plan rules and benefit design remain exactly the same in the AMP Super Fund as per the AMP Superannuation Savings Trust.

This report has been prepared in accordance with the requirements of the Trust Deed, the SIS legislation and Professional Standard 400 of the Actuaries Institute.

The previous actuarial investigation of the Plan was conducted as at 31 March 2023 by me, on behalf of Mercer, and the results are contained in a report dated 27 September 2023.

The Trust is a resident regulated fund and a complying superannuation fund for the purposes of the SIS legislation. The Trust is taxed as a complying superannuation fund.

The advice contained in this report is given in the context of Australian law and practice. No allowance has been made for taxation, accountancy or other requirements in any other country.

4.2 Summary of benefits

The governing rules of the Plan are set out in the AMP Superannuation Savings Trust deed dated 1 July 1998, the Deed of Amendment for Plan Rules No. 2 (2011) and rules made pursuant to that Trust Deed, as amended from time to time, as well as a Participation agreement and Plan Rules. Summaries of the main benefit provisions in respect of defined benefit members for the AXA and AMP Sections are set out below. Reference should be made to the formal governing documents for definitive statements.

AXA DB

Broad summaries of the main benefit provisions applicable to each of the main defined benefit categories are set out below, with the "original AXASSP" categories (Pre-1995, Post-1994 and Post-1996 Members under the ESP rules) and Ex-NMHI Plan categories (AXA-T under the ESP rules) dealt with in turn.

Original AXASSP Members

Normal Retirement Date

The normal retirement date is the member's 65th birthday.

Retirement Benefit and Leaving Service Benefit

The lump sum benefit on leaving service is equal to:

Final Average Salary x Accrued Benefit Multiple x Leaving Service Factor

- 'Final average salary' is calculated as the average salary over the preceding 12 months.
- Accrued Benefit Multiple is calculated as a Benefit Percentage for each year of membership. Currently the Benefit Percentage is related to the member contribution rate as follows:

Member Contribution Rate % Salary	Benefit Percentage Finsuper Members Pre/Post 1 July 2003*	Benefit Percentage Non-Finsuper Members Pre/Post 1 July 2003*
3.0	10.5%/12.0%	14.0%/15.5%
6.0	14.0%/15.5%	17.5%/19.0%
9.0	17.5%/19.0%	21.0%/22.5%

* Benefit Percentages increased by 1.5% effective 1 July 2003, subject to completion of 10 years of Plan membership

- For members who joined the Plan prior to 1 January 1995, an Accrued Benefit Multiple at 31 December 1994 was calculated. This multiple was based on service and Plan Benefit percentages up to 31 December 1994. Future benefits accrue for these members at the above rates.

- The Leaving Service Factor is 0.7 on joining the Plan and increases by 0.015 for each year of service to a maximum service factor of 1 after 20 years of service. For members who joined before 1 January 1992, only service from this date applies.

For members who joined the Plan prior to 1 January 1997, the greater of the Leaving Service Factor and an Age Factor applies. The Age Factor is 0.7 to age 35 and increases by 0.015 each year to a maximum age factor of 1 at age 55.

- The lump sum benefit upon retiring after age 55 is equal to:

Final Average Salary x Accrued Benefit Multiple

If a member retires on or after attaining age 55 and has completed at least 10 years of membership the member can elect to convert the pre-1 July 2003 component of the lump sum defined benefit to a pension.

For members joining prior to 1 January 1995, \$10.50 lump sum can be exchanged for \$1 of pension per annum at age 65. For members joining the Plan after 1 January 1995, \$12.50 lump sum can be exchanged for \$1 of pension per annum at age 65. Different conversion factors apply prior to age 65.

For members who elect to receive a pension on retirement, a spouse's pension of 60% of the member's pension is payable on death.

Pensions are indexed to CPI, subject to a maximum of 5% per annum each year. The Trustee and the Employer may agree to apply a higher rate.

Death in Service Benefit

On death prior to normal retirement, the lump sum amount payable is equal to the retirement benefit that would have been granted had the member remained in service with unaltered salary until normal retirement. A pension option also applies.

Disablement Benefit

A pension is payable on Disablement. The pension payable is 75% of the member's salary at date of disablement until age 65. At age 65, the member is entitled to their retirement benefit. Pensions are indexed to CPI, subject to a maximum of 5% pa each year. The Trustee and the Employer may agree to apply a higher rate.

Superannuation Guarantee Minimum Benefit

Benefits for all active members of the Plan are subjected to a minimum of the Minimum Requisite Benefit specified in the Plan's Benefit Certificate.

Contribution by Members

Members can contribute at 3%, 6% or 9% of salaries. Some members may have a portion of their member contributions paid by the Employer.

AMP DB

Deferred defined benefit members - Categories DA, DHA, D2 (pension) and DH2 (pension)

Withdrawal Benefit

On withdrawal from the ESP, members are entitled a lump sum equal to the balance of their account. Category DA, DHA, D2 (pension) and DH2 (pension) members are entitled to take part or all of their lump sum benefit as a pension.

Pension options

Members are able to convert the pensionable component of their account balance into a pension on or after age 55.

Annual Rate of Pension (Category DA and DHA)

The annual rate of pension in lieu of each \$1,000 lump sum exchanged is as follows:

Permanent Disablements

Age in Years	Executives \$	Other Members \$
All ages	100	95

Retirements

Age in Years	Executives	Other Members
	\$	\$
55	85	80
56	88	83
57	91	86
58	94	89
59	97	92
60	100	95
61	102	97
62	104	99
63	106	101
64	108	103
65 and over	110	105

Annual Pension Increases

The annual rate of pension payable to a member is increased each 1 July by 100% of the first 5% change in CPI (over the year ending on the previous 31 March) and 75% of the next 5% change in CPI, but subject to a maximum increase of 8.75%.

Pension Guarantee

On the death of a Member pensioner within 4 years of the pension commencement, there is a lump sum paid equal to the difference between 4 years' pension payments and the total amount of pension actually paid. This is in addition to any spouse pension payable.

Spouses' and Children are also entitled to reversionary pensions following the death in service or in retirement of a member.

Annual Rate of Pension (Category D2 (pension) and DH2 (pension))

For Category D2 (pension) and DH2 (pension) members, the annual rate of pension in lieu of each \$1,000 lump sum exchanged is as follows:

Males aged 55-59	\$80 reduced by \$0.1622 for each month under age 60
Females aged 55-60 and males aged 60	\$80
Age 60 plus	\$80 increased by \$0.1622 for each month over age 60

Pensions for Category D2 (pension) and DH2 (pension) members are lifetime pensions with a two-thirds reversionary pension payable to the member's spouse on the death of the member. The annual rate of pension payable to a member is increased each 1 July by 100% of the change in CPI (over the year ending on the previous 31 March).

Current Pensioner members

Lifetime pensions are payable to former Category A, DA, DHA, D2 and DH2 who selected to receive a pension benefit.

Spouses and Children are also entitled to reversionary pensions following the death in retirement of a lifetime pensioner.

The Superannuation Guarantee (Administration) Act 1992

This Act requires employers to provide minimum superannuation benefits that are fully vested in their employees within a complying superannuation fund.

The contribution rates recommended in this report and the projected financial positions allow for benefits being augmented as necessary to meet the minimum Superannuation Guarantee (SG) benefit described in the Plan's current Benefit Certificate.

The SG rate is 11.5% p.a. from 1 July 2024 and will increase by 0.5% p.a. until it reaches 12.0% p.a. from 1 July 2025. For the purpose of determining projected minimum benefits for defined benefit members, this investigation assumes that the legislated SG rates will apply in future years (i.e. increasing to 12.0% from 1 July 2025).

4.3 Investment policy

The Plan investment strategy was changed as at 24 March 2023 following an extensive review process and due to the investment options simplification completed by the Trustee. All of the Plan assets are now invested in the Future Directions Balanced investment option.

The Future Directions Balanced investment option has a significant strategic asset allocation to 'growth' assets, approximately 75%. Growth assets are expected to earn higher returns over the long term compared to 'defensive' assets, but at the same time to exhibit more variation in returns from year to year.

The bulk of the defined benefit liabilities are not affected by the investment return on the Plan's assets. The volatility of the Plan's investment returns will therefore affect the financial position of the Plan from year to year (refer illustrations in section 3.6) and is likely to impact on the required level of Employer contributions.

Given that it is not known when members will take their benefit with certainty, or for how long pensions will be paid, the exact term of the Plan's liabilities is unknown. However, despite the defined benefits being closed to new members, the projections carried out as part of this actuarial investigation indicate that it is expected to be a considerable number of years before the defined benefit assets start to wind down because there are significant pension liabilities. The expected term of the Plan's liabilities is therefore such that the Plan is expected to benefit from the higher returns expected from 'growth' assets over the long term.

The Plan's investments are expected to provide a high level of liquidity in normal circumstances.

I have reviewed the Plan's defined benefit investment policy taking into account the Plan's financial position and the nature and term of the Plan's defined benefit liabilities and confirm I consider that the investment policy adopted is a suitable policy overall.

This conclusion takes into account my understanding that the Employer understands and accepts the contribution variability associated with the current investment policy. Should the Employer's risk tolerance change, it would be appropriate to review the current investment policy.

4.4 Crediting Policy

AXA DB

The main features of the crediting policy in relation to defined benefits are summarised briefly below:

- The "Cash Crediting Rate" applies to most Deferred Benefit accounts, some late retirement benefit accounts of active members and for crediting interest to leaving service benefits for the period from date of leaving service to date of payment (or transfer to a Deferred Benefit account). The Cash Crediting Rate is currently set based on the 90 Day Bank Bill Swap Reference Rate, less allowance for 15% investment tax.

Comment: There is a mismatching risk, given that the associated Plan assets are not invested in cash-type assets. It is noted that the bulk of these liabilities are effectively deferred pension liabilities.

Conclusion

The Plan's crediting policies and related procedures are documented. A detailed review of the crediting policies is outside the scope of this investigation. Based on a review of the main features, I consider that the crediting policies adopted are generally suitable taking into consideration the principles of equity between different generations of members and any material risks which may have a significant impact on the Plan (i.e. a market shock or sudden downturn in investment markets).

4.5 Insurance

AXA DB

The bulk of death and disablement risks are underwritten by AMP Life Limited. The purpose of the insurance policy is to protect the Plan against unexpectedly large payouts on the death or disablement of members.

For defined benefit members, the Group Life Sum Insured (GLSI) formula currently in use (for both death and total and permanent disablement (TPD) benefits) is:

The lesser of:

1. the Death/TPD benefit minus the Vested Benefit; and
2. the Automatic Acceptance Limit (currently \$1,500,000)

Any excess of (1) over (2) is self-insured.

For Defined Benefit members, the disability income benefit is also insured up to the Income Automatic Acceptance Limit (IAAL), currently \$12,500 per month, with any excess over the IAAL self-insured.

Self-insurance arrangements

Self-insured Death/TPD benefits are relatively minor (less than \$0.1m in total across all AXA members for death and nil for TPD as at 31 March 2024).

The self-insured disability income benefits total around \$0.1m per annum at 31 March 2024 (including the estimated cost of benefit accruals provided during the disablement period).

As the defined benefits are closed to new members, the self-insured risks have reduced significantly in recent years and are expected to continue to gradually reduce due to member exits.

There have been no self-insured death or TPD claims and relatively small numbers of new disability claims in the period since December 2011 when the AXA DB members joined the Plan.

The actuarial oversight of the self-insurance arrangements consists of:

- an annual review of the level of self-insurance claims as part of the annual actuarial investigation; and
- a more detailed review of claims experience and the provision for incurred claims, either as part of the triennial actuarial investigation or separately. A full self-insurance review is currently being carried out as at 31 March 2024.

In my opinion, the AXA DB Plan is of sufficient size to self-insure the uninsured component of death and disablement benefits. Variations in the claims experience are unlikely to have a major impact on the Plan's financial position in the absence of a catastrophe and even catastrophe risk is limited due to the main self-insurance risk being in respect of disability income benefits.

The financial impact of variations in claims experience will continue to be reviewed as part of the annual review of the Plan and, more formally, at each triennial self-insurance review. However, should the number of claims incurred be significantly greater than assumed, for example as the result of a catastrophe, the Trustee should seek actuarial advice on more immediate actions.

I confirm that, in my opinion, the current group life insurance arrangements and the sum insured formulae remain appropriate and provide adequate protection for the Plan.

5

Glossary

AASB 1056	Australian Accounting Standard AASB 1056
Actuarial Value of Accrued Benefits	The actuarial value (as at the valuation date) of all future expected benefit payments, attributable to membership to date, discounted to the valuation date, taking into account the probability of payment. These benefits are calculated using actuarial methods and assumptions. This value is consistent with Accrued Benefits for the purposes of AASB 1056.
APRA	Australian Prudential Regulation Authority
Benefit Certificate	Actuarial certificate specifying the SG value of the minimum benefits (see MRBs) provided by a fund; used by employer to meet SG obligations; trustee must ensure benefits paid from the fund are at least equal to the MRB.
Deficit	The amount of the shortfall where net assets are lower than a benefit liability measure.
Funding and Solvency Certificate	Actuarial certificate specifying the minimum employer contributions required to fund the MRBs. Makes other certifications regarding the solvency of the fund for the period of the certificate given certain assumptions about future experience and employer contributions at the minimum level specified.
Insolvent Financial Position	Where assets are less than MRBs.
MRBs/Minimum Requisite Benefits	The minimum benefits required under SG legislation, as defined in the Benefit Certificate (also referred to as SG Minimum Benefits).
Operational Risk Financial Requirement	APRA Prudential Standard SPS 114 <i>Operational Risk Financial Requirement</i> requires trustees to maintain adequate financial resources to address operational risk events that may affect its business operations.
Professional Standard 400	Professional Standard issued by the Actuaries Institute setting out requirements for actuarial investigations of defined benefit superannuation funds under SIS.
Satisfactory Financial Position	Where assets are greater than Vested Benefits.
SG (Superannuation Guarantee)	Legislation imposing a charge on employers who do not provide a minimum level of employer support, currently 11.5% pa increasing to 12.0% pa of OTE Base from 2024 to 2025, for their employees.

SG Minimum Benefits	Another term for MRBs (Minimum Requisite Benefits).
Shortfall Limit	Defined in SPS 160 as "the extent to which the fund can be in an unsatisfactory financial position with the trustee still being able to reasonable expect that, because of corrections to temporary negative market fluctuations in the value of the fund assets, the fund can be restored to a satisfactory financial position within a year." An interim actuarial investigation may be required if the coverage of defined benefit Vested Benefits falls below the shortfall limit set by the trustee.
SIS	Superannuation Industry (Supervision) Act 1993 and associated regulations.
Solvent Financial Position	Where assets are greater than MRBs.
Surplus	The amount of the excess where net assets are greater than a benefit liability measure.
Unsatisfactory Financial Position	Where assets are less than Vested Benefits (as defined in SIS legislation).
Vested Benefits	The benefits payable as of right if all members resigned or, if eligible, retired at the valuation date. Calculated as the withdrawal benefit with allowance for the pension option for active and deferred benefit members plus the actuarial value of current pension liabilities.

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