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Report to the Trustee on the Actuarial Investigation as at 30 June 2024

Xavier College sub-Plan of Prime Super

22 October 2024

A business of Marsh McLennan

Contents

1

Key Results and Recommendations

I have prepared this report on the actuarial investigation of the Xavier College sub-Plan of Prime Super (the Plan) as at 30 June 2024 for Prime Super Pty Ltd, as Trustee of the Plan. The Plan is closed to new members.

My report should not be relied upon for any other purpose or by any party other than the Plan's Trustee. 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 Xavier College (the School) who contributes to the Plan. The School may consider obtaining separate actuarial advice on the recommendations contained in the report.

Change in Financial Position

I set out below a summary of the Plan's financial position, at both this and the previous actuarial investigation.

	Position at 30 June 2024		Position at 30 June 2021	
Defined Benefits Only*	**$000**	**Asset Coverage**	**$000**	**Asset Coverage**
Assets	17,909		24,937	
Liability for Vested Benefits	12,174	147.1%	17,796	140.1%
Liability for Actuarial Value of Accrued Benefits	12,092	148.1%	19,097	130.6%
Liability for SG Minimum Benefits	9,377	191.0%	13,299	187.5%

* The above totals exclude additional accumulation balances for Plan members of $4,791,000 as at 30 June 2024 and $5,777,000 as at 30 June 2021.

The coverage levels at 30 June 2024 were higher than the levels at the previous actuarial investigation, due to the following items of positive experience:

- Investment earnings of 3.9% p.a., which were slightly higher than the assumed long-term rate of 3.5% p.a.; and
- During the period under review, there was a reduction in the Plan membership from 49 to 28 members. This means that excess Plan assets are now supporting a smaller liability base and asset coverage of the benefit liabilities (when expressed as a percentage) has increased.

This was partially offset by the following items of negative experience:

- The School's defined benefit contribution holiday (in accordance with the recommendations made at the previous actuarial investigation);
- Salary growth of 3.1% p.a. which was slightly higher than the expected Salary growth of 2.5% p.a.;
- A higher percentage of Plan members are now aged 55 or over, and so are eligible for the higher retirement benefits; and
- Actual expenses being higher than assumed.

Recommended Contribution Rates and Projections

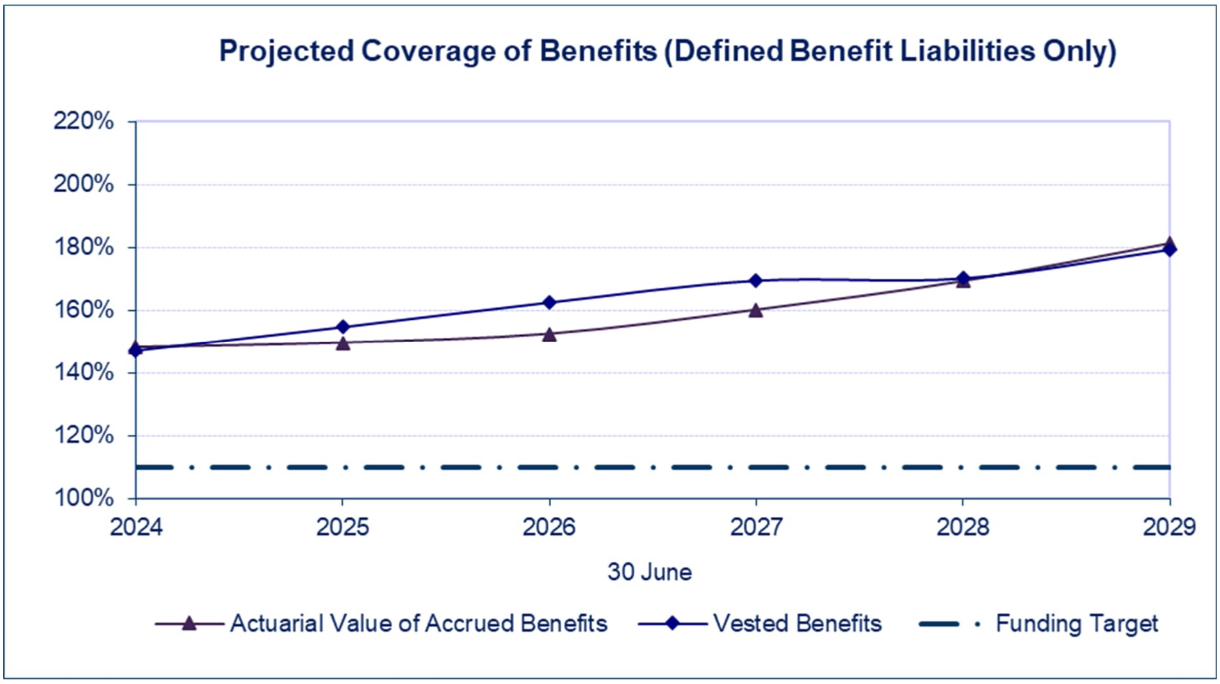
At 30 June 2024, the Plan was in a satisfactory financial position. The 146.5% coverage of the Vested Benefits was above the financing objective of 110% coverage adopted for this investigation.

I recommend the School contributes to the Plan in accordance with the following contribution program based on the financial position at 30 June 2024:

- Continues with its contribution holiday (nil contributions payable) in respect of members under age 65 to finance the members' defined benefit entitlements;
- If it wishes, ceases contributing deemed member contributions from pre-tax salary and that these are instead financed from Plan assets;
- If it wishes, ceases contributing the following additional superannuation contributions which are allocated to Plan members' additional accumulation accounts (i.e. the additional contributions that would have been contributed are instead deemed contributions met from Plan assets):
  - Award contributions of (SG rate less 7%) of Ordinary Time Earnings in respect of members under age 65 who elected to have "Award" contributions made to the Plan;
  - 7% of the excess, if any, of Ordinary Time Earnings over Salary, in respect of members under age 65; and
  - SG Rate of Ordinary Time Earnings, less any amounts paid to other funds, in respect of members when they have attained age 65.

The School should continue to contribute any additional voluntary contributions agreed between the School and a member (e.g. additional salary sacrifice contributions).

I have prepared the following projection of Plan assets and benefit liabilities based on the assumptions adopted for this investigation and the recommended contribution rates, and allowing for any material experience after the investigation date as detailed in this report:



The graph above shows that the recommended contributions are anticipated to result in assets of at least 110% of Vested Benefits (which is the financing objective adopted in this investigation) through the period to 30 June 2027.

Risks

The above projection is based on the assumptions adopted, which represent a single scenario from a range of possibilities. The future is uncertain, and the Plan's actual experience will differ from these 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. The Trustee's monitoring of the experience specified in the Notifiable Events section of the Funding and Solvency Certificate will provide a further means of identifying adverse experience which warrants an immediate review of the Plan's financial position.

Sections 7 and 8 provide illustrations of the impact of investment volatility on the projected coverage of Vested Benefits and shows that a 1% pa reduction in the assumed future investment return would result in a 4.1% increase in the accrued value of liabilities.

Sections 8 and 9 discuss other risks associated with the liabilities, including salary increase risk, small plan, expense risk, legislative risk and risks around the provision of insurance benefits within the Plan whereby it is assumed that the Plan will continue, with the current investment policy and the ongoing support of the School sponsor.

Other Findings and Recommendations

Suitability of Policies

I am satisfied that the following current policies for the Plan are suitable:

- Investment policy;
- Crediting rate policy;
- Insurance arrangements;
- Shortfall Limit (for the purposes of SPS 160); and
- Trustee's process for monitoring the Plan's financial position.

Actions Required by the Trustee

The Trustee should:

- Consider this report and confirm its agreement (or otherwise) to the contribution and other recommendations; and
- Seek formal agreement from the School to contribute in line with the recommendations.

2

Introduction

Background of the Plan

The Plan is operated for the benefit of School employees of Xavier College and is a part of Prime Super. Prime Super Pty Ltd as Trustee of Prime Super holds a Registrable Superannuation Entity Licence under the SIS legislation and operates the Plan as required under the Trust Deed.

The Plan is a resident regulated fund and a complying superannuation fund for the purposes of the SIS legislation. The Plan is taxed as a complying superannuation fund. The advice contained in this report is given in the context of Australian law and practice. I have made no allowance for taxation, accountancy or other requirements in any other country.

All Plan members receive lump sum benefits where defined benefits apply on retirement, death, disablement or otherwise leaving service. Appendix A provides a high-level summary of Plan benefits. The governing rules of the Plan are set out in the Trust Deed dated 16 November 1993 (as amended) and a deed of Novation and Benefits Schedule effective from 1 January 2019.

Purpose

I have prepared this report exclusively for the Trustee of the Plan for the following purposes:

- To present the results of an actuarial investigation of the Plan as at 30 June 2024;
- To review Plan experience for the period since the previous actuarial investigation as at 30 June 2021;
- To recommend contributions to be made by the School intended to allow the Plan to meet its benefit obligations in an orderly manner, and to reach and 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; these include the Superannuation Industry (Supervision) Act 1993 and associated regulations (SIS legislation) and SPS 160.

My report satisfies Professional Standard 400 issued by the Actuaries Institute setting out requirements for actuarial investigations of defined benefit superannuation funds.

The previous actuarial investigation was conducted as at 30 June 2021 by me on behalf of Mercer, and the results were contained in my report dated 29 October 2021.

Significant Events since the Investigation Date

I am unaware of any significant events that have occurred since 30 June 2024 which would materially impact on the findings or recommendations in this report.

3

Experience since the Last Investigation

Data Provisions

To prepare this report, I have relied on financial and participant data provided by the Plan's administrator. The data used is summarised in this report. I have not independently verified or audited the data provided but have performed a range of broad "reasonableness" checks and tested for consistency with previous records. I am satisfied that the data is sufficiently accurate for the purposes of this actuarial investigation.

I 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 investigation results may differ significantly from the results that would be obtained with accurate and complete information; this may require a revision of this report.

Membership

Plan membership has reduced materially since 30 June 2021 as follows:

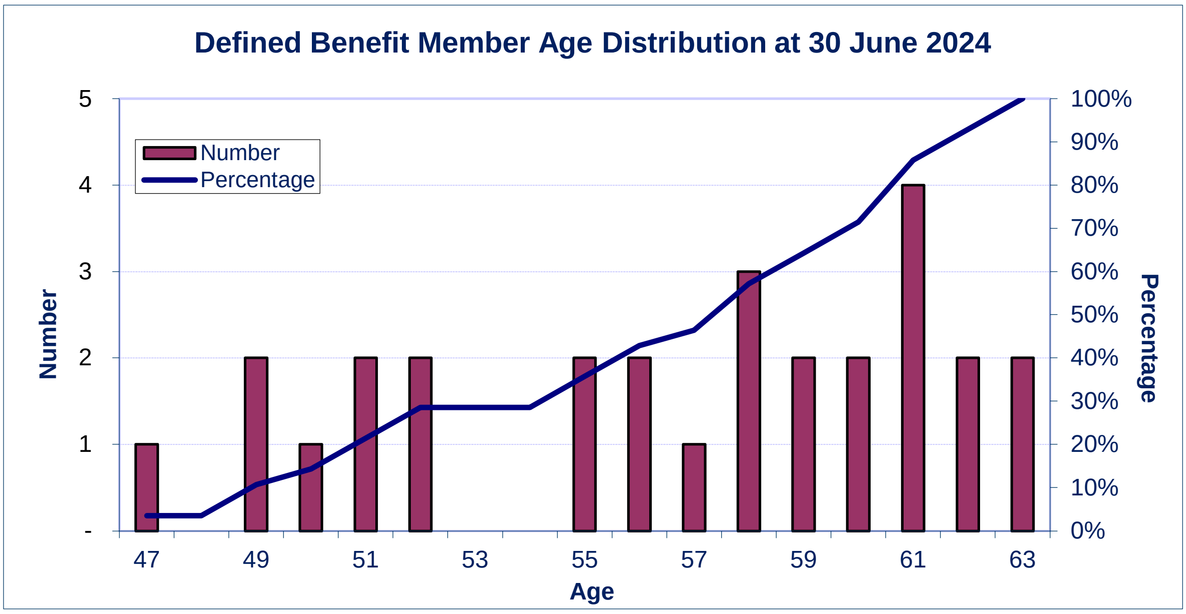
Active members at 30 June 2021	49
Exits	21
Active members at 30 June 2024	28*

Total Salaries at 30 June 2024	**$3,610,000**
Average Salaries at 30 June 2024	**$129,000**
Average age at 30 June 2024	**57.1 years**

* This allows for the exit of one member who left service prior to 30 June 2024 but whose benefits have yet to be processed by the Plan Administrator.

During the period under review the number of Plan members decreased from 49 to 28 members, of which 26 of the remaining Plan members are contributory members. This means that excess Plan assets are now supporting a smaller liability base and that the coverage of the benefit liabilities (when expressed as a percentage) will have increased.

Plan membership split by age at 30 June 2024 is shown in the following graph:



The majority of remaining Plan members are now aged 55 or over and so are eligible for the higher retirement benefits from the Plan.

Investment Returns

The table below shows the rates of investment earnings (after tax, investment fees and asset-based administration fees) for the assets supporting the defined benefits of members over the period since the previous investigation.

Year Ending	Investment Return
30 June 2022	-3.6%
30 June 2023	7.9%
30 June 2024	7.7%
Compound Average	**3.9%**

The average investment return for the three-year period to 30 June 2024 was 3.9% pa compared to the long-term assumption at the last actuarial investigation of 3.5% pa. The slightly higher return than assumed had a positive impact on the Plan's financial position.

Salary Increases

Salaries for the current Plan members increased by an average of 3.1% pa over the period compared to the longer-term assumption at the last actuarial investigation of 2.5% pa. The higher salary increases than assumed had a negative impact on the Plan's financial position.

Contributions

The School contributions paid since the date of the previous actuarial investigation were as follows:

- Nil in respect of members aged under age 65;

- Deemed member contributions from pre-tax salary - these were not financed from Plan assets;
- The following additional superannuation contributions allocated to Plan members' additional accumulation accounts (i.e. these additional contributions were not deemed contributions met from Plan assets):
  - Award contributions of (SG rate less 7%) of Ordinary Time Earnings in respect of members under age 65 who elected to have "Award" contributions made to the Plan;
  - 7% of the excess, if any, of Ordinary Time Earnings over Salary, in respect of members under age 65;
  - SG Rate of Ordinary Time Earnings, less any amounts paid to other funds, in respect of members who have attained age 65.

As the contribution rates included a defined benefit contribution holiday this has reduced the excess of Plan assets over liabilities.

Expenses

The actual expense experience over the past 3 years was 1.3% p.a. of salaries and $14,000 p.a., this was higher than the 1.0% p.a. of salaries and $12,500 p.a. assumed at the last actuarial investigation. As expenses are paid from Plan assets, this has had a negative impact on the Plan's financial position.

Impact of Experience on the Financial Position

The main experience items affecting the Plan's financial position during the period from 30 June 2021 to 30 June 2024 were as follows:

Item	Assumption at previous review	Plan experience	Comment on effect
Investment returns	3.5% p.a.	3.9% p.a.	Small positive effect – investments grew at a slightly higher rate than assumed
Salary increases	2.5% p.a.	3.1% p.a.	Small negative effect – benefit liabilities grew at a lower rate than assumed
Expenses	1.0% p.a. of Salaries + $12,500 p.a.	1.3% p.a. of Salaries + $14,000 p.a.	Negative effect – expenses were more than assumed and paid from Plan assets
Contributions			Negative effect – School has been on a contribution holiday
Membership changes			Positive effect – Reduction in membership has spread excess assets over smaller membership base. However, more Plan members are now aged 55 or over and so eligible for the higher retirement benefits

The overall impact of this experience was an improvement in the asset coverage of Vested Benefits of 7.0%.

4

Actuarial Assumptions

The ultimate cost to the School of providing the benefits to members is:

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

less

- Members' contributions; and
- The return on investments.

The ultimate cost to the School will not depend on the actuarial assumptions or the methods used to determine the recommended School contribution, 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 School.

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

These assumptions include investment returns, Salary increases, the rates at which members leave the Plan for various reasons, and other factors affecting the financial position of the Plan.

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.

Economic Assumptions

The most significant assumption made in estimating the cost of defined benefits is the difference between:

- The assumed rate of investment earnings; and
- The rate of salary increases used in the projections of future benefit payments.

This difference is commonly referred to as the "gap".

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

	Assumption
Investment returns (after tax, investment and asset based administration fees)	5.5% p.a.
General Salary increases	3.0% p.a.

The assumption for investment returns is based on the expected investment return over a period matching the future duration of the liabilities of the Plan, for the Plan's current benchmark investment mix, calculated using Mercer's assumptions of the means and standard deviations of returns from the various underlying asset classes and the correlations of returns between those asset classes.

The Salary increase assumption is based on long term economic forecasts for future increases in average weekly earnings (AWOTE) and input from the School. A separate allowance for promotional increases is not considered necessary.

Demographic and Decrement Assumptions

The following tables show the assumptions that have been made concerning the rates at which members will leave the Plan for a variety of reasons.

Retirement

I have maintained the same assumptions in relation to rates of retirement as were adopted at the 30 June 2021 actuarial investigation and examples of these rates are set out in Appendix B. It is assumed that School consent is granted for early retirement, where required. Given the small size of the Plan, these rates are based on the experience of similar plans advised by Mercer.

Death and Disablement in Service

I have maintained the same assumptions in relation to death and total and permanent disablement (TPD) as were adopted at the 30 June 2021 actuarial investigation. Examples of these rates are set out in Appendix B. Given the small size of the Plan, these are based on the experience of similar plans advised by Mercer.

Resignation

I have maintained the same assumptions in relation to rates of resignation as were adopted at the 30 June 2021 actuarial investigation and examples of these rates are set out in Appendix B. Given the small size of the Plan, these are based on the experience of similar plans advised by Mercer.

Retrenchment

The retrenchment benefit is the same as the benefit paid on resignation or retirement. I have therefore not made specific allowance for the possibility of future retrenchments.

Other Assumptions

New Members

The Plan is closed to new entrants. No allowance has been made for new members.

Expenses

Administration costs, management expenses plus the net cost of group life insurance for Plan members are deducted from Plan assets. The Trustee has advised that the administration fee levied is a combination of a per member fee and a fixed fee. Based on Plan membership numbers as at 30 June 2024, I have assumed the cost of group life insurance 0.5 % of Plan members’ Salaries. I have made a further $50,000 per annum fixed allowance for administration costs, management expenses and actuarial consulting expenses in my projections.

Tax

I have assumed that the current tax rate of 15% continues to apply to the Plan's assessable income, along with current tax credits and deductions.

All future School and member salary sacrifice 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 contributions tax.

I have made no allowance for:

- Excess contributions tax, as this is payable by the member.
- Additional tax on contributions (including defined benefit notional contributions) for those with incomes above the threshold (currently $250,000), which is also payable by the member.

Impact of the Changes in Assumptions

I have summarised in the table below the changes in assumptions from those used in the previous investigation and the reasons for the changes:

Assumption	Investigation at 30 June 2024	Investigation at 30 June 2021	Reason for change
Investment return	5.5% p.a.	3.5% p.a.	Updated to reflect current investment market outlook
Salary increase	3.0% p.a.	2.5% p.a.	Updated to reflect Salary expectations
Expenses	0.5% p.a. of Plan members' Salaries plus $50,000 p.a.	1.0% p.a. of Plan members' Salaries plus $12,500 p.a.	Updated to reflect Plan experience

The overall impact of the changes in assumptions was to decrease the Actuarial Value of Accrued Benefits at 30 June 2024 by $0.8 million.

5

Assets

Market Value

The net market value of the Plan's assets as at 30 June 2024 was $17,909,000 based on the Plan's unaudited Financial Statements for the period ended 30 June 2024.

Calculation of Plan Assets at 30 June 2024	
Net market value of the Plan's assets as at 30 June 2024*	**$18,423,000**
Less Operational Risk Reserve	$46,000
Less Administration Reserve	$24,000
Less payable benefit payments**	$444,000
Net assets to support the Plan liabilities*	**$17,909,000**

* The above totals exclude additional accumulation balances for Plan members of $4,791,000 as at 30 June 2024.

** The estimated Defined Benefit (excluding additional accumulation balance) payable for a member who left prior to 30 June 2024 whose benefits have yet to be processed by the Plan Administrator.

Operational Risk Reserves

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

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

Investment Policy

Assets backing Defined Benefit Liabilities

Since 1 July 2019, the Plan's investment strategy is to invest assets supporting Defined Benefit liabilities in a mixture of the MySuper and Conservative Options within Prime Super, with excess assets over Vested Benefits being invested in the Conservative Option. As at 30 June 2024, the investment strategy involves a benchmark exposure of 52% to 'growth' assets (such as equities and parts of the property and alternative assets) and a benchmark exposure of 48% to 'defensive' assets (such as cash, fixed interest and parts of the property and alternative assets). '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 volatility of the Plan's investment returns will affect the financial position of the Plan from year to year as some Plan liabilities are not affected by the investment return on the Plan's assets.

The actual and strategic asset allocations for the assets supporting Plan liabilities are as follows:

Asset Class	Actual Allocation as at 30 June 2024			Plan Strategic Asset Allocation as at 30 June 2024
	MySuper Option	Conservative Option	Plan	
Australian equities	23.2%	7.8%	18.8%	18.8%
Overseas equities	29.2%	10.4%	23.9%	23.7%
Property	19.8%	18.4%	19.4%	19.6%
Fixed interest	14.5%	39.7%	21.7%	21.9%
Alternatives	3.6%	2.6%	3.3%	3.6%
Cash	9.7%	21.1%	12.9%	12.4%
Total	100.0%	100.0%	100.0%	100.0%

I am satisfied that the current investment strategy is appropriate in view of the Plan's financial position and the financial support provided by the School. This conclusion assumes that the School understands the possible variability in future contributions associated with the current investment policy. If the School has a different view, then this policy should be reviewed.

Crediting Rate Policy

The Plan's crediting rate policy (version 10) was adopted in October 2023. Earnings are credited to members' accumulation accounts via weekly crediting rates. The main features of the crediting rate policy as it applies to the additional accumulation accounts of Plan members are summarised briefly below:

- Earnings credited are based on the actual net earning rates (i.e. earnings net of investment costs, asset-based administration fees and provisions for tax) of the members' selected investment options. Net earnings are allocated via weekly crediting rates.
- Though not explicitly mentioned in the crediting rate policy, for members who attain age 65, their normal retirement defined benefit is converted to an accumulation benefit and is invested in the Cash investment option from their 65th birthday until the member selects alternative investment options.

I consider that the crediting rate policy adopted is 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 (e.g. a market shock or sudden downturn in investment markets).

6

The Actuarial Approach

Financing Objective

The financing objective adopted for this investigation is to maintain the value of the Plan's assets at least equal to:

- 100% of additional accumulation account balances; plus
- 110% of Vested Benefits excluding additional accumulation account balances.

Additional accumulation account balances are matched by specific assets and do not require any additional margins. However, most Plan liabilities are linked to salaries and not to the returns on the underlying assets. A margin in excess of 100% coverage of Vested Benefits is therefore desirable to provide some security against adverse experience such as poor investment returns.

This is the same financing objective adopted for the last actuarial investigation of the Plan. It takes into consideration the provisions of the Trust Deed, the Trustee's expectations as set out in its Defined Benefit Policy dated February 2023 and any professional requirements as set out below.

Based on the assumptions adopted for this investigation, achieving the financing objective of 110% of Vested Benefits for Plan members would also result in at least 100% coverage of the Actuarial Value of Accrued Benefits and a satisfactory margin of coverage over 100% of SG Minimum Benefits. Hence, I do not consider it necessary to adopt specific financing objectives in relation to these benefit liability measures.

I have taken into consideration the provisions of the Trust Deed and any professional requirements as set out below.

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 Net 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.

I have set the financing objective on the basis that members' reasonable expectations on termination would be to receive their vested benefit entitlement.

Provisions of the Trust Deed

The rules of the Plan require that:

- The Trustee ensures an actuarial investigation of the Plan is conducted when required by legislation. Accordingly actuarial investigations are carried out at three yearly intervals at a minimum; and
- The School must contribute at the rate determined by the Trustee, after consulting the School, on the advice of the actuary to the Plan, although other provisions of the rules enable the School to notify the Trustee of its intention to reduce, suspend or terminate contributions to the Plan.

Financing Method

There are various financing methods that could be followed in setting the School contribution level. This investigation uses the "Target Funding" method, which was also used at the previous investigation.

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

I consider that the Target Funding method is suitable in the Plan's current circumstances as it allows the recommended contribution rate to be determined specifically to meet the Plan's financing objective.

7

Financial Position of the Plan

Funding Status

Vested Benefits

Vested Benefits are the amounts payable as of right should all active members voluntarily resign or, if eligible, retire at the investigation date.

At 30 June 2024, the Plan assets represented 147.1% of the Vested Benefits and hence the Plan was in a "satisfactory financial position under SIS legislation. The 147.1% coverage of Vested Benefits was significantly above the financing objective of 110% coverage adopted for this investigation.

SG Minimum Benefits

SG Minimum Benefits are the minimum benefits required under SG legislation, as defined in the Benefit Certificate (also referred to as Minimum Requisite Benefits or MRBs).

The Plan assets at 30 June 2024 were 191.0% of MRBs and hence the Plan was "solvent" under SIS legislation.

Actuarial Value of Accrued Benefits

The Actuarial Value of Accrued Benefits is the expected value (as at the investigation date) of all future expected benefit payments, based on membership to date, discounted to the investigation date, considering the probability of payment. This value is calculated using the actuarial assumptions and method outlined in the previous sections. In determining the value, I have not applied a minimum of the Vested Benefits. The Plan assets as 30 June 2024 represented 148.1% of the Actuarial Value of Accrued Benefits. Further details concerning the calculation of the Actuarial Value of Accrued Benefits are set out in Appendix C.

The following table shows these funding measures at both the previous and current investigation dates.

	Position at 30 June 2024		Position at 30 June 2021	
Defined Benefits Only*	**$000**	**Asset Coverage**	**$000**	**Asset Coverage**
Assets	17,909		24,937	
Liability for Vested Benefits	12,174	147.1%	17,796	140.1%
Liability for Actuarial Value of Accrued Benefits	12,092	148.1%	19,097	130.6%
Liability for SG Minimum Benefits	9,377	191.0%	13,299	187.5%

* The above totals exclude additional accumulation balances for Plan members of $4,791,000 as at 30 June 2024 and $5,777,000 as at 30 June 2021.

The coverage levels at 30 June 2024 were higher than the levels at the previous actuarial investigation due to the overall positive experience discussed in Section 3.

School Future Service Cost

Based on the assumptions adopted for this investigation, I estimate that the School's long-term funding cost (i.e. the normal cost of funding the future service defined benefit accruals ignoring any surplus or deficit) is 12.4% of Plan members' salaries. This includes the expected expenses and an allowance for contributions tax but excludes any additional accumulation contributions and member deemed contributions. The assessed long-term costs for future service decreased by 1.3% of salaries since the last investigation due to:

- An increase in the gap between the assumed rate of investment earnings and the rate of salary increases (referred to as the "gap") from 1.0% pa to 2.5% pa; and
- A change in Plan's membership profile.

However, given the Plan's strong financial position (see above), the School does not need to contribute at the long-term funding cost.

Recommended Contributions

Based on the financial position at 30 June 2024, I recommend that the School:

- Continues with its contribution holiday (nil contributions payable) in respect of members under age 65 to finance the members' defined benefit entitlements;
- If it wishes, ceases contributing deemed member contributions from pre-tax salary and that these are instead financed from Plan assets;
- If it wishes, ceases contributing the following additional superannuation contributions which are allocated to Plan members' additional accumulation accounts (i.e. the additional contributions that would have been contributed are instead deemed contributions met from Plan assets):
  - Award contributions of (SG rate less 7%) of Ordinary Time Earnings in respect of members under age 65 who elected to have "Award" contributions made to the Plan;
  - 7% of the excess, if any, of Ordinary Time Earnings over Salary, in respect of members under age 65; and
  - SG Rate of Ordinary Time Earnings, less any amounts paid to other funds, in respect of members who have attained age 65.

The School should continue to contribute any additional voluntary contributions agreed between the School and a member (e.g. additional salary sacrifice contributions).

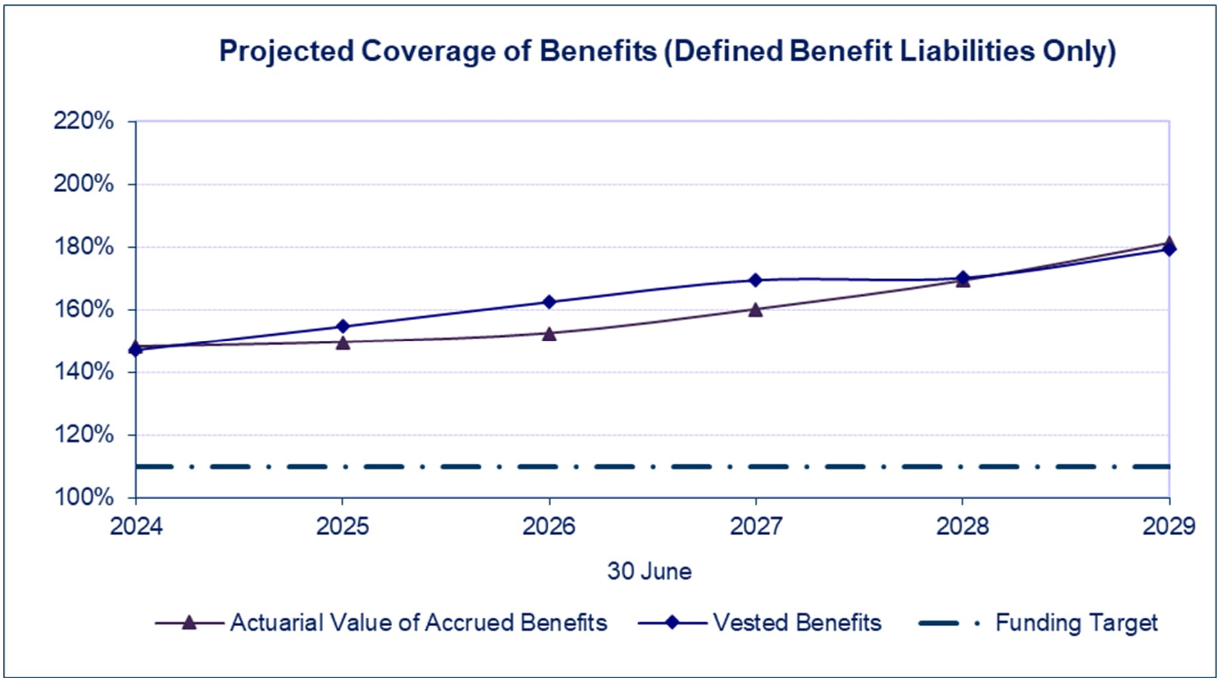
Projected Financial Position

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

- The actuarial assumptions adopted for this investigation; and
- The recommended School contributions.

The projection also considers the effects of any significant changes in Vested Benefits due to members becoming eligible for the early retirement benefit.

The results of the projection are as follows:



This projection is 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, as discussed below.

The projection above shows that the recommended contributions are anticipated to result in assets of at least 110% of Vested Benefits (which represents the financing objective adopted in this investigation) throughout the period to 30 June 2027.

The graph also shows the coverage level of assets compared with the Actuarial Value of Accrued Benefits. The recommended contributions are projected to result in asset coverage of at least 100% of the Actuarial Value of Accrued Benefits (which represents the financing objective adopted in this investigation) throughout the period to 30 June 2027.

Sensitivity Analysis

I have tested the effect of changes to the key assumptions on the value of liabilities and the Plan's net financial position.

The liabilities shown in this report have been calculated using our best estimate assumptions for investment return (5.5% p.a.) and salary growth (3.0% p.a.). As both future investment returns and future salary increases are unknown, it is almost certain that actual experience will differ from these assumptions.

It is the difference between the investment return rate and salary growth rate (commonly referred to as the 'gap') that is crucial rather than the individual assumptions, because the value of the assets move with investment returns while most of your defined benefit liabilities grow with salaries.

To quantify the sensitivity of the net financial position to my assumptions, I have calculated the change in the actuarial value of accrued benefits based on the following scenarios:

- Decrease the long term investment return assumption by 1% pa;
- Increase the Salary growth assumption by 1% pa;

All other assumptions, including the School contribution rates, are assumed to remain the same.

The effects of these changes are shown below, with the impact of the change as a percentage of assets shown in brackets:

Scenario	Accrued Benefits $M	Change in Accrued Benefits $M
Base assumptions as shown previously	12.092	
Decrease investment return by 1% pa	12.585	+0.493
Increase Salary increase by 1% pa	12.489	+0.397

8

Key Risks

Investment Volatility

Vested Benefits for Plan members are fully linked to salaries and not linked to investment returns. Therefore, the Plan's vested benefits coverage is highly sensitive to changes in the investment returns.

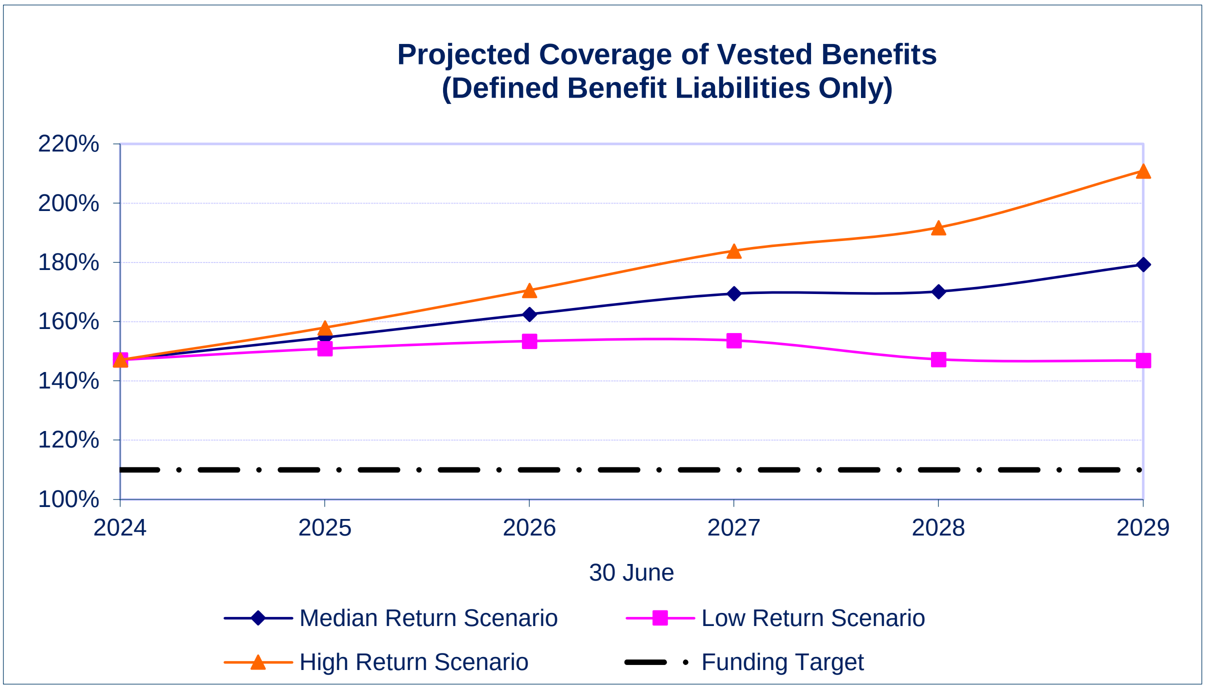
I have considered the impact of investment volatility on the Plan's financial position over the next few years using a "high return" and a "low return" scenario. The returns under both scenarios have been derived from assumptions about the likely risk attached to the Plan's defined benefit investment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

Using the investment return model and assumptions adopted, there is approximately a 10% chance of the Plan's cumulative investment return being less than the "low return" scenario over the next 5 years. Similarly, there is approximately only a 10% chance of the Plan's cumulative investment return being greater than the "high return" scenario over the next 5 years. I included an allowance for the actual return on assets of 2.1% during the 2-month period immediately following 30 June 2024.

1 July 2024 to 30 June	Assumed Cumulative Investment Return (%)		
	"Low Return"	Valuation	"High Return"
2025	4.2%	6.8%	9.0%
2026	6.7%	12.7%	17.9%
2027	9.3%	18.8%	27.6%
2028	11.9%	25.4%	38.0%
2029	14.6%	32.3%	49.3%

The cumulative investment return is the total return from 1 July up to 30 June 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 results in various investment sectors.

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



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 30 June 2027 will fall in the range from 154% to 184%.

The “low return” scenario and the “high return” scenario shown above are illustrations only and show what may occur under assumed future experiences that differ from my 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 fact, there is a 1 in 20 chance that the investment return could be less than -10.0% in any year based on the current Plan asset allocation.

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

Salary Growth Risk

The risk is that Salaries (on which future benefit amounts will be based) will rise more rapidly than assumed, increasing benefit amounts and thereby requiring additional School contributions. This risk is borne by the School.

For example, if the assumed future Salary increase rate was increased by 1% pa with no change in other assumptions, then:

- The Actuarial Value of Accrued Benefits would increase by $397,000 (School funding cost impact $397,000/0.85 = $467,000), with a resulting reduction in the coverage of the Actuarial Value of Accrued Benefits from 148.1% to 143.4%, and
- The estimated cost of future service benefits to the School would increase from 12.4% to 13.0% of members’ Salaries under this scenario.

The actual rate of future salary increases may vary (positively or negatively) from the rate assumed at this investigation by much more than the (positive) 1% pa illustrated in the example above.

Legislative Risk

This risk is that the Commonwealth Government could make legislative changes that increase the cost of providing the defined benefits – for example, an increase in the rate of tax on superannuation funds. This risk is borne by the School and is a real risk with the current level of government debt and interest rates.

Small Plan Risk

This risk relates to supporting a defined benefit plan where there are few remaining defined benefit members meaning the law of averages no longer applies and the time horizon of the defined benefit liabilities may have become short. Issues that may require consideration include:

(i) Funding may have previously been based on the Plan continuing in the longer-term, which may no longer hold. Therefore, greater focus is required on the funding of benefits immediately payable to members (e.g. Vested Benefits);

(ii) With few remaining members, the experience of a single member or event will have a proportionately larger impact on the financial position. Therefore, more frequent monitoring of the financial position will be required;

(iii) Contributions required to finance any shortfalls, specifically as a percentage of salary roll of defined benefit members, can become significant;

(iv) The investment strategy may have been set based on the Defined Benefit liabilities continuing in the longer-term, which may no longer hold. Therefore, the strategy may need to be revised to reflect the shorter term of the liabilities;

(v) Fees in respect of the Plan, particularly relative to the number of defined benefit members and salary roll, can become significant. Most actuarial tasks are essentially the same whether there are one or 100 defined benefit members. As defined benefit funds reduce in membership, the actuarial fees may, in fact, increase because of additional monitoring being required. Industry changes such as the SG rate increase can also result in additional fees; and

(vi) The expected wind-down of the remaining Plan membership.

9

Insurance Risks

Insurance

The Plan is not permitted to self-insure.

The death and total and permanent disablement (TPD) insurance arrangements are underwritten by TAL Life Limited (the insurer) and outlined in a policy between the Trustee and the insurer dated 21 September 2022 (as amended). The purpose of the insurance policy is to protect the Plan against unexpectedly large pay-outs on the death or disablement of members.

For the Plan's members, the group life sum insured formula currently in use for both lump sum death and TPD benefits is:

Death Benefit – Accrued Retirement Multiple x Salary

The definition of TPD in the Plan's insurance policy is also used to establish a member's eligibility for the benefit under the Plan's governing rules, thus avoiding any definition mis-match risk.

The total amount insured should cover the excess of the death/TPD benefits over the Plan's assets, unless there is a funding shortfall. Based on the formula in use at the investigation date, the coverage of death/TPD risk as at 30 June 2024 for the Plan was as follows.

	Plan members	$000
	Death/Disablement Benefits	18,644
Less	Sum Insured	6,470
Less	Assets	17,909
	Uncovered Death/Disablement Benefits	(5,735)

The formula has resulted in insurance being more than sufficient to provide full protection due to the excess of Plan assets over Vested Benefits, reflecting the current financial position.

In my opinion, the current group life insurance arrangements, including the sum insured formula for Plan members, are appropriate and provide adequate protection for the Plan. However, whilst the current arrangements protect the Plan from insurance risks, subject to regulatory considerations, there is scope for the Trustee to reduce the level of insurance cover if it wishes.

10

Prudential Standards

The prudential regulator (APRA) has issued several Prudential Standards for the superannuation industry, including SPS 160 relating to the financial management and funding of defined benefit plans. I comment below on several requirements arising from SPS 160.

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”.

I understand that the Plan’s Shortfall Limit, determined by the Trustee on the basis of previous actuarial advice, is **98%**.

The Shortfall Limit is expressed as the coverage level of the defined benefit Vested Benefits by the defined benefit assets. It is appropriate to consider the following factors when determining if the Shortfall Limit remains appropriate:

- The guidance provided in the relevant Actuaries Institute Practice Guideline 499.08: Shortfall Limit Required under APRA Prudential Standard 160 dated March 2023;
- The investment strategy for defined benefit assets, particularly the overall benchmark exposure of 52% to “growth” assets;
- The results of this investigation regarding the extent to which the current and projected Vested Benefits are not linked to the investment return on defined benefit assets (i.e. salary-based benefits) and the current and projected relativity between Vested Benefits and Minimum Requisite Benefits.

Based on the above, I recommend the Trustee maintain the current Shortfall Limit.

The projections also indicate that the level of Minimum Requisite Benefits is not expected to be a constraint in determining the Shortfall Limit. I will reassess the suitability of the adopted Shortfall Limit as part of the next regular actuarial investigation. The Shortfall Limit should be reviewed earlier if there is a significant change to the investment strategy for Plan assets – in particular a change to a more defensive strategy which has a benchmark allocation to “growth” assets of less than 35% – or if the Trustee otherwise considers it appropriate to do so.

Monitoring Process

SPS 160 also requires the Trustee to determine and implement a process for monitoring Vested Benefits coverage against the Shortfall Limit for each plan. If this monitoring process indicates that the 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); and
- 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 financial 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.

I understand that the Trustee has adopted a monitoring process which includes a report produced on at least an annual basis on the status of the Plan, covering:

- Overall experience of the Plan compared with its expectations during the relevant period;
- Risk assessment of the Plan if it has either entered into or is likely to enter an unsatisfactory financial position, and associated actions;
- A summary of key events and developments affecting the Plan;
- Progress of required actuarial tasks for the Plan;
- Closer monitoring of the Plan if it is in, or is approaching, an unsatisfactory financial position; and
- Current and potential issues that may affect the Plan, such as new legislation or standards.

I consider that the adopted monitoring process is appropriate.

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.

Requirements due to Unsatisfactory Financial Position

Restoration Plan

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

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

The Restoration Plan must be designed to return the plan to a “satisfactory financial 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 financial position and the projections, I 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.

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 prudential 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 Plan's financial position is not unsatisfactory (or about to become unsatisfactory).

Statements Required by SPS 160

This section provides statements required to be made under APRA Prudential Standard SPS 160. Values cited relate to the Plan as a whole (inclusive of all additional accumulation accounts).

(a) The value of the Plan's assets as at 30 June 2024 was $22,724,000. This value excludes assets held to meet the Operational Risk Financial Requirement and benefit payable for the member who left prior to 30 June 2024 whose benefits have yet to be processed by the Plan Administrator, but inclusive of the additional accumulation accounts and the Administrative Reserve.

(b) In my opinion, the value of the liabilities of the Plan in respect of accrued benefits as at 30 June 2024 was $16,883,000 (inclusive of the members' additional accumulation accounts of $4,791,000). Hence, I consider that the value of the assets at 30 June 2024 is adequate to meet the value of the accrued benefit liabilities of the Plan as at 30 June 2024. Taking into account the circumstances of the Plan, the details of the membership and the assets, the benefit structure of the Plan and the industry within which the School operates, I consider that the assumptions and valuation methodology used are appropriate in relation to the determination of the accrued benefit liabilities for the purposes of this report. Further comments on the assumptions and valuation methodology are set out in Sections 4 and 6 of this report. Assuming that the School contributes in accordance with my recommendations based on the assumptions used for this actuarial investigation, I expect that assets will remain sufficient to cover the value of accrued benefit liabilities over the period to 30 June 2027.

(c) In my opinion, the value of the liabilities of the Plan in respect of vested benefits as at 30 June 2024 was $16,965,000 (inclusive of the members' additional accumulation accounts of $4,791,000). Hence I consider that the value of the assets at 30 June 2024 is adequate to meet the value of the vested benefit liabilities of the Plan as at 30 June 2024. Assuming that the School contributes in accordance with my recommendations 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 30 June 2027. Hence I consider that the financial position of the Plan should not be treated as unsatisfactory as defined in SPS 160.

(d) In my opinion, the value of the liabilities of the Plan in respect of the minimum benefits of the members of the Plan as at 30 June 2024 was $14,169,000 (inclusive of the members' additional accumulation accounts of $4,791,000). Hence the Plan was not technically insolvent at 30 June 2024.

(e) A projection of the likely future financial position of the Plan over the 3-year period following 30 June 2024, based on what I consider to be reasonable expectations for the Plan for the purpose of this projection, is set out in Section 7 of this report,

(f) Based on the results of this investigation, I consider that the Shortfall Limit does not require review. Comments are set out earlier in this section.

(g) In respect of the 3-year period following 30 June 2024, I recommend that the School contribute to the Plan at least:

- Continues with its contribution holiday (nil contributions payable) in respect of members under age 65 to finance the members' defined benefit entitlements;
- If it wishes, ceases contributing deemed member contributions from pre-tax salary and that these are instead financed from Plan assets;
- If it wishes, ceases contributing the following additional superannuation contributions which are allocated to Plan members' additional accumulation accounts (i.e. the additional contributions that would have been contributed are instead deemed contributions met from Plan assets):
  - Award contributions of (SG rate less 7%) of Ordinary Time Earnings in respect of members under age 65 who elected to have "Award" contributions made to the Plan;
  - 7% of the excess, if any, of Ordinary Time Earnings over Salary, in respect of members under age 65;
  - SG Rate of Ordinary Time Earnings, less any amounts paid to other funds, in respect of members who have attained age 65.
- Continues to contribute any additional voluntary contributions agreed between the School and a member (e.g. additional salary sacrifice contributions).

(h) The Plan is used for Superannuation Guarantee purposes:

- 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 30 June 2024;
- 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 30 June 2024.

11

Actuarial Certification

Actuary’s Certifications

Professional Standards and Scope

I have prepared this report in accordance with generally accepted actuarial principles, Mercer’s 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 School who contributes to the Plan. The School 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. I have made no allowance 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 rate of salary growth, and any discretions exercised by the Trustee or the School. 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 School contributions depend on a number of factors, including the amount of benefits the Plan pays, the cause and timing of member withdrawals, plan expense, 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 investigation date, but are predicted to fall within a reasonable range of possibilities.

To prepare this report, assumptions 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. For this reason, this report shows the impact on the Plan's financial position if alternative assumptions were to be adopted.

Actuarial assumptions may also be changed from one investigation to the next because of mandated requirements, Plan experience, changes in expectations about the future and other factors. I did not perform, and thus do not present, an analysis of the potential range of all future possibilities and scenarios.

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

Additional Information

The next **actuarial investigation** is required at a date no later than 30 June 2027. At that time, the adequacy of the School contribution levels will be reassessed. Note that the monitoring process recommended may lead to an earlier reassessment ahead of the next full actuarial investigation.

The next **Funding and Solvency Certificate** is required at least 12 months before the expiry of the current Funding and Solvency Certificate (which expires on 30 June 2026).

The next **Benefit Certificate** is required following the expiry of the current Benefit Certificate (which expires 30 June 2028). The current Benefit Certificate is designed to accommodate changes to the legislated Superannuation Guarantee schedule.

Further Information

Please contact me to provide any supplementary information or explanations about this actuarial investigation as may be required.

....

Timothy Simon Jenkins
Fellow of the Institute of Actuaries of Australia

22 October 2024

I have reviewed this report under Mercer's professional Peer Review Policy. I am satisfied that it complies with the applicable professional standards and uses assumptions and methods that are suitable for the purpose.

....

Clement Cheung
Fellow of the Institute of Actuaries of Australia

Appendix A

Plan Design

Summary of Benefits

A summary of the main benefit provisions in respect of Plan members is set out below, noting all remaining Plan members are contributory members. Reference should be made to the formal governing documents for definitive statements.

Members' Contributions (% of Salary)	5% for Contributory Members and nil for Non-Contributory Members
Accrued Multiple	17% for each year of Membership as a Contributory Member + 7% for each year of Membership as a Non-Contributory Member
Final Average Salary (FAS)	Average of the member's Salary over the last 3 years
Normal Retirement Age	65
Early Retirement Age	From age 55
Retirement Benefit	Accrued Multiple x FAS
Death/Total and Permanent Disability Benefit	As if retired at age 65, but based on projected FAS
Resignation Benefit	10% of Salary for each year of Membership as a Contributory Member + 6% of Salary for each year of Membership as a Non-Contributory member

Neither the Trustee nor the School has a right within the Trust Deed to review benefits or member contribution rates.

Benefits on leaving service for any reason are subject to a minimum Superannuation Guarantee benefit described in the Plan's Benefit Certificate. These benefits are also defined benefit in nature.

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.

Under legislation the SG rate is 11.5% and will increase to 12% on 1 July 2025.

Appendix B

Data and Decrement Assumptions

Data

I have relied on financial and participant data provided by the Plan's administrator when preparing this report. This data used is summarised in this report. I have not independently verified or audited the data provided but have performed a range of broad "reasonableness" checks and tested for consistency with previous records. I am satisfied that the data is sufficiently accurate for the purposes of this actuarial investigation.

I 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 investigation results may differ significantly from the results that would be obtained with accurate and complete information; this may require a revision of this report.

Decrement Assumptions

The following tables show the assumptions that have been made concerning the rates at which members will leave the Plan for a variety of reasons.

Retirement

Age Last Birthday	Percentage of members age x at beginning of year assumed to leave the Plan during the year on account of early retirement
x	%
55	20
56	5
57	5
58	5
59	5
60	20
61	15
62	15
63	20
64	50
65	100

Death and Disablement

Age Last Birthday x	Percentage of members age x at beginning of year assumed to leave the Plan during the year on account of: % Death	 % Disablement
45	0.14	0.08
50	0.24	0.18
55	0.40	0.39
60	0.68	0.83
65	0.06	0.01

Resignation

Age Last Birthday x	Percentage of members age x at beginning of year assumed to leave the Plan during the year on account of resignation Male %	 Female %
45	2.8	2.0
50	1.7	0.0
55	0.0	0.0
60	0.0	0.0
65	0.0	0.0

Appendix C

Calculation of the Actuarial Value of Accrued Benefits

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. The information required for AASB 1056 is in Appendix D.

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 assumed future salary increases 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 is:

Retirement and Resignation: based on the member’s accrued benefit multiple at the investigation date

Death and Disablement: calculated by adjusting the total expected benefit in proportion to the accrued benefit multiple at the investigation date divided by the accrued benefit multiple at the projected date of death or disablement

The weighted average term of the accrued benefit liabilities is 4.6 years.

Accumulation Benefits

The value of additional accumulation benefits has been taken as the sum of the balances held in accumulation accounts at the date of the investigation.

Methodology of Calculating the Actuarial Value of Accrued Benefits

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

Appendix D

Information for AASB 1056 Purposes

Xavier College sub-Plan of Prime Super

The following information has been prepared for the purposes of Australian Accounting Standard AASB 1056 to enable the calculation of Member Liabilities at the specified reporting dates for inclusion in the relevant financial statements of Prime Super. The information is current as at the date specified below, but is subject to change if circumstances change.

Based on the Adopted Assumptions specified, I confirm that in my opinion, a reasonable approximation of the value of Defined Benefit Member Liabilities (DB Member Liabilities) at 30 June 2025, 2026 and 2027 can be calculated as:

DB Member Liabilities = K x DB Vested Benefits

Where:

- K is the Adopted Assumptions K Factor specified below
- DB Vested Benefits is the total defined benefit component of vested benefits (i.e. excluding additional account balances, if any) for DB members under age 65 at the relevant date, as determined by the Fund Administrator

Total Member Liabilities would then be determined as

DB Member Liabilities *plus* total additional account balances of DB Members *plus* total account balances of Members who have attained age 65, all calculated at the relevant date

In my opinion, a reasonable approximation of the defined benefit Member Liabilities at 30 June 2025, 2026 and 2027 on other reasonably possible key assumptions can be calculated as:

DB Member Liabilities = K x DB Vested Benefits

Where:

- K is the relevant K Factor specified in the table below for the relevant specified change in a key assumption

	30 June 2025	30 June 2026	30 June 2027
Adopted Assumptions			
Investment return p.a.	5.5%	5.5%	5.5%
General salary increases p.a.	3.0%	3.0%	3.0%
Adopted Assumptions K factor	1.034	1.066	1.058
Sensitivity Factors			
K factor 1% p.a. lower investment return	1.076	1.110	1.101
K factor 1% p.a. higher investment return	0.995	1.026	1.018
K factor 1% p.a. lower salary increases	1.002	1.033	1.026
K factor 1% p.a. higher salary increases	1.068	1.101	1.093

I confirm that the investment return assumption is based on the Plan's investment strategy.

I confirm that paragraph 26 of AASB 1056 is not relevant to the Plan.

Prior to using the above factors for calculations at 30 June 2025, 30 June 2026 and 30 June 2027, the Trustee should check with the Plan actuary whether there have been changes in economic conditions or other circumstances which have occurred since these factors were determined that, in the opinion of the actuary, would require a change in the Adopted Assumptions and/or a re-calculation of the factors.

Timothy Simon Jenkins
Fellow of the Institute of Actuaries of Australia

22 October 2024

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