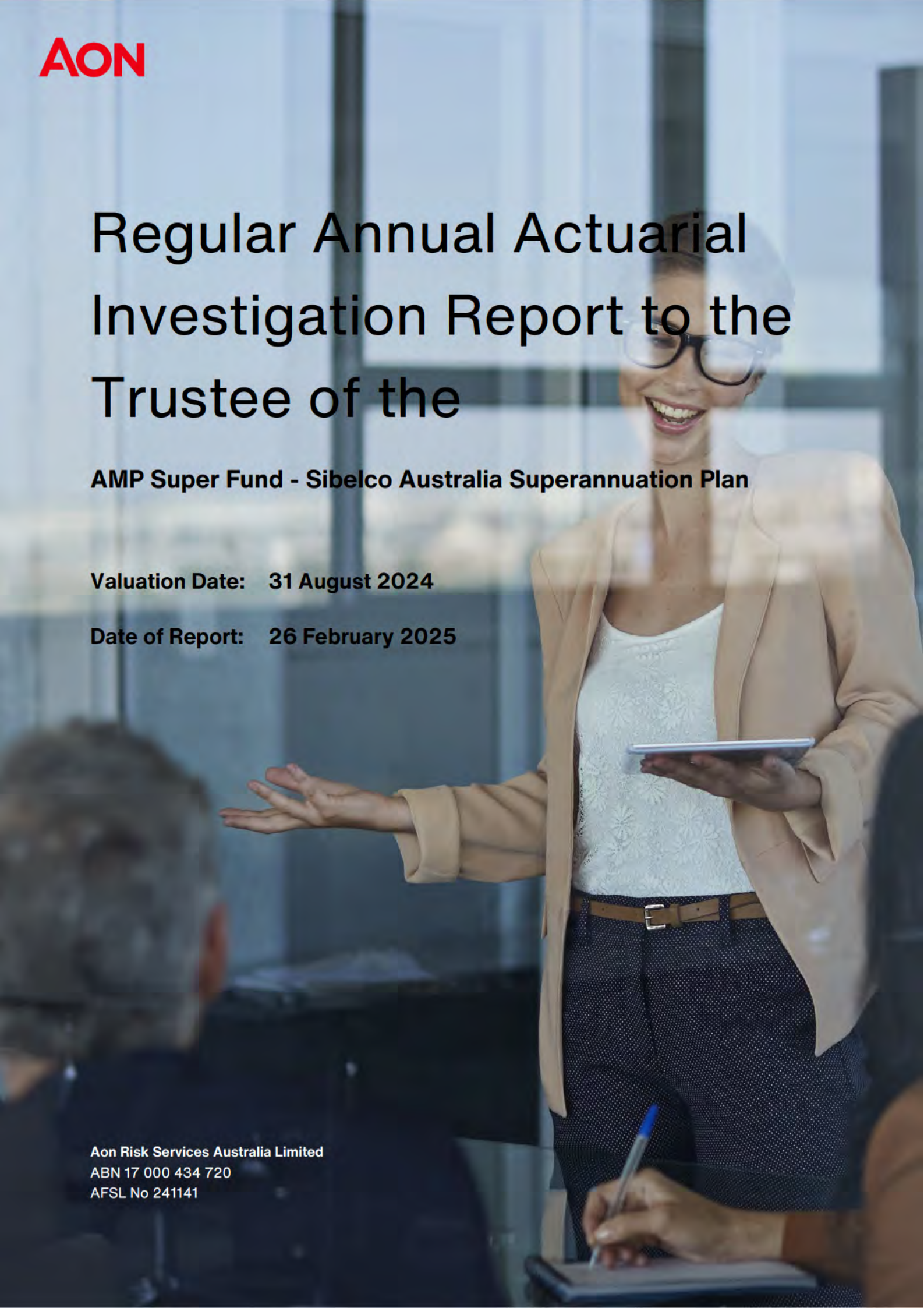
AON

Regular Annual Actuarial Investigation Report to the Trustee of the

AMP Super Fund - Sibelco Australia Superannuation Plan

Valuation Date: 31 August 2024

Date of Report: 26 February 2025



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

AON

Table of Contents

Executive Summary	**3**
Section 1 – Introduction	**7**
Section 2 – Assumptions	**9**
Section 3 – Results of the Valuation	**12**
Section 4 – Immediate Solvency and Funding Indices	**14**
Section 5 – Adequacy of Insurance Arrangements	**17**
Section 6 – Projection of Future Liabilities	**19**
Section 7 – Material Risks	**21**
Section 8 – Recommendations and Actuary's Summary Statement for the Purposes of SPS 160	**23**
Appendix A – Summary of Plan Rules	**26**
Appendix B – Membership	**28**
Appendix C – Accounts and Summary of Assets	**29**
Appendix D – Funding Method	**31**

Executive Summary

N.M. Superannuation Proprietary Limited, the Trustee of the AMP Super Fund - Sibelco Australia Superannuation Plan (the Plan) has requested that the Plan undergo a regular annual actuarial investigation between triennial actuarial investigations due to the Plan paying pensions. The last triennial actuarial investigation was carried out as 31 August 2023 and this is the first regular annual actuarial investigation since that date.

The sponsor of the Plan is Sibelco Australia Pty Limited (the Employer).

Financial Condition

A snapshot of the financial condition of the Plan as at 31 August 2024 is set out below.

	Defined Benefits Only	Total Plan	Comments
Vested Benefits Index	113.6%	107.8%	The Plan remains in a satisfactory financial position. The Plan's Vested Benefit Index for Defined Benefits is above the Shortfall Limit of 96.0%.
Actuarial Value of Accrued Benefits Index	102.8%	101.7%	The Plan is in an adequate financial position. The Plan had a surplus on this basis of $116,414.
Minimum Requisite Benefits Index	n/a^	100.0%	The Plan was solvent in relation to its Minimum Requisite Benefits.

^There is no Minimum Requisite Benefits in respect of pension members.

There is also a high degree of probability that the five pensions currently in payment will be able to be paid as required under the Plan's governing rules. This statement has been made considering the Plan's earnings from the date of the regular annual actuarial investigation to 12 February 2025. This statement is made in accordance with Superannuation Prudential Standard (SPS) 160, SIS Regulation 9.31(1) and Professional Standard 410 issued by the Institute of Actuaries of Australia.

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

Significant Changes Since the Prior Regular Triennial Actuarial Investigation

The return on Plan assets over the period was higher than expected due to good performance of investment markets over the period. This has had a positive impact on the value of Plan Assets and therefore, in isolation, on the funding position.

Employer Contribution Recommendations

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

Category of Membership	Contributions
Pension members	Nil monthly contributions
Accumulation members	SG contributions (based on Ordinary Time Earnings)

These amounts are the same as those currently being paid.

The Employer contributions in respect of Accumulation members must be paid by the 28th day of the month following the quarter end or required date as determined by legislation.

Please refer to Section 3 for details.

Shortfall Limit Recommendations

I have reviewed the Shortfall Limit of 96.0 percent and confirm that, in my view, it remains appropriate.

Please refer to Section 4 for details.

Insurance Recommendations

I have reviewed the benefits provided to accumulation members that exceed their account balances that are fully insured and confirm that, in my view, they remain appropriate and the current insurance arrangement should be maintained.

Note that pension members have no insurance cover.

Please refer to Section 5 for details.

Investment Recommendations

The pension benefits are not impacted by the investment return. As a result, the financial position of the Plan and contribution requirements are particularly sensitive to the investment return achieved on the Plan's assets.

Note that regular pension rebalancing is required to ensure that assets supporting pension liabilities are maintained at a similar level, which will be reviewed each year considering experience versus assumptions (particularly investment returns, pension increase rate and longevity or mortality of pensioners and their spouses, if applicable) and the funding position. After considering the financial position at the financial date and investment returns up to 12 February 2025, we recommend that all defined benefit assets for the Plan remain in the Future Directions Balanced non-taxed investment as the assets are close to the current pension liabilities and present value of expected future expenses.

In my opinion, the retention of the current investment strategy is appropriate to meet the long-term pension liabilities of the Plan, being the ongoing income streams of its pension members and their spouses, where reversionary.

Given the satisfactory financial position of the Plan, the Employer may prefer to have the Defined Benefit assets to be invested in a less growth-orientated investment option in order to reduce the fluctuations of assets in volatile investment markets. This would assist in preserving the surplus and reduce potential fluctuations in the recommended contributions, however, it would increase the long-term contributions required to meet pension benefits and expenses.

We can assist the Trustee and Employer to consider the financial impact of a change in investment strategy.

For more information refer to Appendix C.

Crediting Rate Recommendations

I have reviewed the crediting rate policy for the Plan and confirm that, in my view, it remains appropriate and should be maintained. For more information refer to Appendix C.

Monitoring Recommendations

I have reviewed the current practice of carrying out the actuarial investigation on an annual basis and confirm that, in my view, it remains appropriate given the Australian Prudential Regulation Authority's (APRA's) requirements for plans that pay pensions.

Actuarial Assumptions

There have been no changes to the actuarial assumptions since the previous regular triennial actuarial investigation apart from updating the estimate of future expenses. For more information refer to Section 2.

Material Risks

I have reviewed the material risks of the Plan and confirm that, in my view, there are no unusual significant risks that the Trustee needs to be aware of.

Please refer to Section 7 for details.

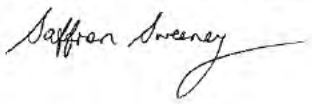
Next Actuarial Investigation

The next regular triennial actuarial investigation of the Plan should be carried out with an effective date of 31 August 2026. A regular annual actuarial investigation will be carried out at each 31 August between triennial investigations as the Plan pays pension benefits.

An interim actuarial investigation may need to be carried out at an earlier date if one or more of the notifiable events within the Funding and Solvency Certificate occur prior to that date as advised by the Trustee/Employer (unless, after reviewing the details of a specific event which would otherwise be classified as a notifiable event, the actuary advises the Trustee in writing that such an event does not constitute a notifiable event).

Disclaimer

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



Saffron Sweeney
Fellow of the Institute of Actuaries of Australia
26 February 2025

Section 1 – Introduction

Purpose of the Regular Annual Actuarial Investigation

The reasons for this regular annual actuarial investigation are:

- to satisfy the requirements of Superannuation Prudential Standard (SPS) 160 which requires a pensioner actuarial investigation to be carried out every year;
- to review the Plan's financial position as at 31 August 2024 (the Effective Date);
- to examine the Plan's immediate solvency and funding indices;
- to recommend appropriate Employer contribution amounts so that the Plan remains in a satisfactory financial position;
- to review the basis for insuring death and disability benefits; and
- to comment on any aspect of the Plan that may assist with improving its objectives.

The main provisions of the Plan that relate to benefits and contributions are set out in Appendix A.

Name of Actuary

This regular annual actuarial investigation was carried out as at 31 August 2024 by Saffron Sweeney, of Aon Risk Services Australia Limited, Fellow of the Institute of Actuaries of Australia. The previous regular triennial actuarial investigation was also completed by Saffron Sweeney as at 31 August 2023. The results are shown in the report dated 23 February 2024.

Compliance with the Standards of the Institute of Actuaries of Australia

This report satisfies the requirements of the Professional Standards (including Professional Standards 400, 402, 404 and 410) and Practice Guidelines 1, 499.08 and 499.09 published by the Institute of Actuaries of Australia and Superannuation Prudential Standard (SPS) 160.

Reliance and Limitations in the Report

There have been no restrictions or limitations placed on me in providing the recommendations in this report.

This report is intended for the sole use of the Trustee and Employer for the purposes set out in this report. It may not be appropriate for other business purposes. Reliance on information contained in this report by anyone for other reasons than the intended purpose, puts the relying entity at risk of being misled because of confusion or failure to understand applicable assumptions, methodologies, or limitations of the report's conclusions. Accordingly, no person or entity, including the Trustee, should base any representations or warranties in any business agreement on any statements or conclusions contained in this report without the written consent of Aon Risk Services Australia Limited ABN 17 000 434 720 AFSL No 241141 (Aon).

Previous Investigation Results

The results of the previous investigations were as follows:

	Regular Triennial Actuarial Investigation at 31 August 2023
A surplus/(deficit) of Assets over the Actuarial Value of Accrued Benefits	($55,812)
An excess of Assets over the Vested Benefits	$313,379
Summary of the recommended Employer contribution for DB members	Nil monthly contributions

Contributions have been paid in accordance with the above recommendations since the last regular triennial actuarial investigation to the date of this report.

Section 2 – Assumptions

As part of this regular annual actuarial investigation, I have analysed the method and assumptions used in the previous regular triennial actuarial investigation as at 31 August 2023. I have maintained these methods and assumptions apart from the future expense assumption. The actuarial method used is described in Appendix D

Interest/Salary Differential

Active Defined Benefit Members

There are no active defined benefit members remaining in the Plan as at 31 August 2024.

Pension Members

The most significant financial assumptions used for Pension members are the rate of future investment returns and the rate of future pension increases. These rates must also be considered together because of their economic interdependence in the medium to long-term.

We reviewed and considered the gap between expected investment earnings and pension increases taking into account current data and market conditions and concluded that it is still considered appropriate. Therefore, the pension increase and discount rate assumptions will be reviewed at the next regular annual investigation as at 31 August 2025.

For this investigation I have used an Investment Return/Pension Increase Differential assumption as shown in the table below which is the same as in the previous regular triennial actuarial investigation and therefore has no impact on the Actuarial Value of Accrued Benefits.

	Net Investment Return (p.a.)	Pension Increase Rate (p.a.)	Differential (p.a.)
Assumption as at 31 August 2023	6.30%	2.50%	3.80%
Assumption as at 31 August 2024	6.30%	2.50%	3.80%

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

- The investment return assumption was derived using long-term assumptions for each asset class as determined by Aon's global investment team, multiplied by the strategic asset allocation of the Defined Benefit related assets and allowing for correlations of investment returns between asset classes and investment fees as at 31 August 2023;
- We expect that inflation will remain under control at around the RBA target of 2 percent p.a. to 3 percent p.a. We have assumed CPI will be 2.50 percent p.a.;
- The long-term outlook for investment returns being somewhat higher than those earned in the last three years to 31 August 2023; and

- The pension increase rate assumption was chosen based on the provisions of the Plan and considering the CPI increases for the 3 years ending 31 August 2023 as well as the long-term CPI as above.

Demographic Assumptions

There have been no changes to the pensioner mortality assumption used at the last regular triennial actuarial investigation, therefore there is no impact on the Actuarial Value of Accrued Benefits.

Specimen mortality rates for pension members which have been used in this regular annual actuarial investigation and the previous regular triennial actuarial investigation are shown in the table on the following page:

Age	Rates 2023*	
	Males	Females
70	1.27%	0.77%
80	3.69%	2.43%
90	12.32%	9.45%
100	27.09%	26.35%

*Australian Life Tables (ALT) 2015-2017, age rated down by 2 years and allowing for future mortality improvements based on the 25-year improvement factors.

Expenses and Insurance Premiums

The operating expenses of the Plan are met from the Assets of the Plan, and as such, the regular annual actuarial investigation requires a specific allowance to be made to meet these costs. With only pensioner defined benefit members remaining, the present value of expected future expenses is included in the Actuarial Value of Accrued Benefits (but not the Vested Benefits) as the benefits are all 'past benefits' and therefore is preferred that expenses in relation to meeting those liabilities are funded in advance. They are assumed in this investigation to be as follows:

Actuarial and asset administration fees expected over the next year	**$29,178 p.a.**
Fees are assumed to increase at	2.5 percent p.a.

The assumption at the last regular triennial actuarial investigation was $27,094 p.a. increasing at 2.5 percent p.a.

There has been an increase in the expected expenses, and this has resulted in an increase in the Actuarial Value of Accrued Benefits.

Accumulation members' expenses and insurance premiums for Death/TPD and SCI insurance are deducted from members' accounts, therefore no assumptions is required for this or paid by the Employer and therefore the assumptions above do not incorporate the cost associated with Accumulation members' expenses and insurance premiums.

Tax

There have been no changes to our assumptions regarding tax since the last regular triennial actuarial investigation.

As the Plan's assets are all pension assets, no investment tax is expected to be paid. We assume that all relevant taxes relevant to Accumulation members will be deducted from their account balances and have no financial impact on the Plan.

Additional Assumptions Relating to Pensions

There are a number of additional assumptions that relate to pension liabilities and assets. These are the same as the assumptions used in the last regular triennial actuarial investigation and include the following:

- Pension Payment Form - As at 31 August 2024, there are five members with pensions, [redacted] of whom have 50 percent spouse reversions and their spouses are alive. The liabilities for these pension members take into account the actual spouse data. The [redacted] other members are receiving single life pensions.
- Remarriage, separation or divorce –We have assumed that there will be no separation or divorce and that these pensioners will not remarry.

Overall Effect of Changes in Assumptions

The only assumption that changed was the future expenses and this has increased the cost of providing pension benefits to the defined benefit members of the Plan.

Section 3 – Results of the Valuation

I have adopted the actuarial method and assumptions as described in Section 2 and in Appendix D of this report to determine the present value of past liabilities in relation to Defined Benefit members.

The results of the regular annual actuarial investigation are detailed in the following table and both the assets and liabilities include the Accumulation member account balances.

Actuarial Value of Accrued Benefits (past service)	**Total ($)**
Pensioner liabilities	
• Pensioner benefit payments	[redacted]
• Future defined benefit expenses	[redacted]
• *Total Pensioner Liabilities*	[redacted]
Total of Defined Benefit related liabilities	[redacted]
Accounts for Accumulation members*	[redacted]
Actuarial Value of Accrued Benefits	[redacted]
Assets*	[redacted]
Surplus/(Deficit)	**116,414**

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

Analysis of Changes in Financial Position Since the Last Regular Triennial Actuarial Investigation

The following table quantifies the various impacts on the financial position of the Plan since the last regular triennial actuarial investigation as at 31 August 2023. These figures give an indication of the impact of the factors that affect the final regular annual actuarial investigation result.

	$000's
Previous surplus/(deficit)	**(56)**
Interest on surplus/(deficit)[1]	(4)
Investment gains/(losses)[2]	220
Expense gains/(losses)[3]	1
Change in expense assumption gains/(losses)[4]	(19)
Pensioner mortality gains/(strain)[5]	(38)
Miscellaneous	12
Surplus/(deficit) as at the valuation date	**116**

[1] Interest on deficit over the period.

[2] An investment gain occurs when investment earnings are higher than assumed.

[3] An expense gain arises when expenses are less than assumed.

[4] A loss from a change of basis occurs when the overall set of assumptions becomes more conservative.

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

Use of Excess Reserves

The excess of assets over Actuarial Value of Accrued Benefits equates to the surplus of Assets held by the Plan. It is useful to hold a small surplus to protect the Plan from minor fluctuations in asset values and to ensure Vested Benefits are covered.

Total assets exceeded the Actuarial Value of Accrued Benefits as at 31 August 2024 by $116,414. This is equivalent to 2.8 percent of Defined Benefit liabilities (i.e. excluding accumulation members' benefits). This amount will largely be maintained within the Plan as a small buffer against future adverse experience.

Section 4 – Immediate Solvency and Funding Indices

Immediate Tests on the Adequacy of the Assets

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

- Assets: I have taken the fair value of the net assets provided by the Plan administrator, based on the AMP Super Fund general ledger as the value of assets for Defined Benefit members and the value of Accumulation members' benefits for Accumulation members for the purpose of this regular annual actuarial investigation. The financial statements of the AMP Super Fund as at 30 June 2024 were audited and signed on 25 September 2024. The assets are net of any amount held to meet the Operational Risk Financial Requirement (ORFR). The assets are discussed further in Appendix C.
- Liabilities: Appendix D contains a summary of the method used in the regular annual actuarial investigation to determine the liabilities of the Plan.

The indices described here have been used to assess whether the Assets of the Plan are sufficient to ensure its ongoing solvency and to measure the changes in these indices since the last regular triennial actuarial investigation.

The table below shows the relevant indices calculated by dividing the level of assets by the total of the relevant benefit based on the results of this regular annual actuarial investigation and the previous regular triennial actuarial investigation.

	31 August 2023			31 August 2024			
	Amount	Index[1]	DB Index[2]	Amount	Index[1]	DB Index[2]	
	($)			($)			
Minimum Requisite Benefits[3]	[redacted]	100.0%	n/a	[redacted]	100.0%	n/a	A
Vested Benefits	[redacted]	105.0%	108.4%	[redacted]	107.8%	113.6%	A
Actuarial Value of Accrued Benefits	[redacted]	99.2%	98.6%	[redacted]	101.7%	102.8%	A
Accumulation Benefits	[redacted]			[redacted]			B
Assets[4]	[redacted]			[redacted]			C

[1]Index is C/A.

[2]DB Index is (C – B)/(A – B), i.e. the index excluding accumulation benefits.

[3]The Minimum Requisite Benefits exclude pensioner members' liabilities. As at 31 August 2024 and 31 August 2023 the pensioner liabilities were [redacted] and [redacted] respectively (excluding expected future expenses).

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

The regular annual actuarial investigation results reveal that:

- The Plan remains in a satisfactory financial position.
- The Plan's Vested Benefit Index for Defined Benefits is above the Shortfall Limit of 96.0 percent.
- The Plan is in an adequate financial position on an Actuarial Value of Accrued Benefits basis.
- The Plan was solvent in relation to its Minimum Requisite Benefits

Financial Indices for Pension Members

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

	31 August 2023		31 August 2024	
	Amount ($)	Index	Amount ($)	Index
Vested Benefits	[redacted]	108.4%	[redacted]	113.6%
Actuarial Value of Accrued Benefits^	[redacted]	98.6%	[redacted]	102.8%
Assets	[redacted]		[redacted]	

^ The excess over the Vested Benefits amount is the liability for future pensioner expenses.

Note that regular pension rebalancing is required to ensure that assets supporting pension liabilities are maintained at a similar level, which will be reviewed each year considering experience versus assumptions (particularly investment returns, pension increase rate and longevity or mortality of pensioners and their spouses, if applicable) and the funding position.

After considering the financial position at the financial date and investment returns up to 12 February 2025, we recommend that all defined benefit assets for the Plan remain in the Future Directions Balanced non-taxed investment as the assets are close to the current pension liabilities and present value of expected future expenses.

Shortfall Limit

In accordance with SPS 160, the Trustee has set a Shortfall Limit of 96.0 percent. This is the extent to which the Trustee considers the Plan can be underfunded (on the basis that assets are insufficient to meet all members' Vested Benefits) but retain a reasonable expectation of returning to a funded position within a year, solely due to a correction to temporary negative market fluctuations in the value of the Plan assets.

This Shortfall Limit is to be compared to the Defined Benefit Vested Benefits Index i.e. the ratio of Defined Benefit assets and Defined Benefit Vested Benefit liabilities. Accumulation members' benefits are excluded from the assets and liabilities.

The Defined Benefit Vested Benefit Index at 31 August 2024 was 113.6 percent. Therefore, the Plan has not fallen below the Shortfall Limit at the valuation date.

I have reviewed the Shortfall Limit of 96.0 percent and confirm that, in my view, it remains appropriate.

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

Transferring Pensioner Liability to a Third Party

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

The Employer needs to be aware that buying out pension liabilities in the event of winding up the Plan would be more expensive in the open market due to the limited provider options that are currently available. As an indication, a mix of two single life and three reversionary annuities for males aged 70 (and spouse three years younger, if applicable) could cost around 16 percent more than the actuarial liability value (based on annuity rates available on Challenger's website and a general summary document they have provided with impact of annuity variations on price).

This assumes that the pensions can be completely bought out and there would be no requirement for future expenses in relation to the pensioners in future.

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

Section 5 – Adequacy of Insurance Arrangements

The Plan Trustee has taken out insurance to protect the assets against certain contingencies which may have a material adverse effect on the solvency of the Plan.

Death or Total and Permanent Disablement Insurance (Lump Sum)

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

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

Accumulation Members

Insured Amount = 15 percent x Salary x Future service to age 65 (in years and complete months)

When a member's sum insured reduces to 1 x salary, default death cover continues at that level until age 70 whilst TPD cover reduces in accordance with the default formula and ceases at age 65.

Death or Total and Permanent Disablement (TPD) Funding and Insurance

The following table shows the funded and insured portions of the benefit. It identifies the shortfall or excess amount of insurance in the event that all members (excluding pensioners who do not receive insurance) were to die or become totally and permanently disabled.

	31 August 2024 Death and TPD Benefit ($)
Total Sum Insured (A)	[redacted]
Plan Assets excluding pension assets (B)	[redacted]
Available on Death or TPD (A)+(B)=(C)	[redacted]
Total Death or TPD benefits (D)	[redacted]
Excess/(shortfall) (C) - (D)	0

Recommendation

I have reviewed the above formula and confirm that, in my view, it remains appropriate and the current insurance arrangement should be maintained.

Indemnity Insurance

The Trust Deed provides an indemnity to the Trustee against claims which may be made against it. This is secured against the Assets of the AMP Super Fund.

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

Material Issues Arising From Insurance

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

Section 6 – Projection of Future Liabilities

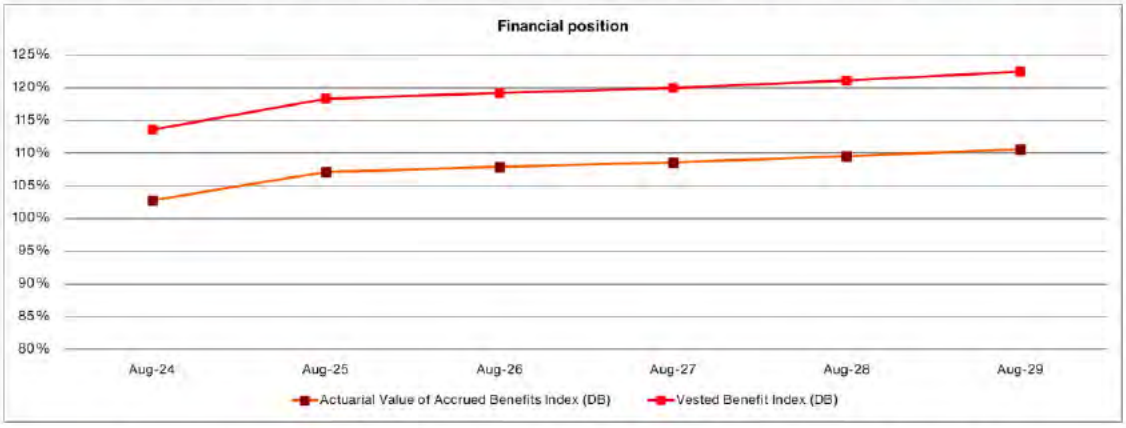
Post Valuation Events

The Plan has earned an investment return of 6.5 percent from the date of the valuation to 12 February 2025. This is significantly higher than the rate assumed for the valuation and has further strengthened the financial position of the Plan. I estimate that coverage of Vested Benefits (exclusive of Accumulation members' benefits) has increased from 113.6 percent at the valuation date to approximately 117.7 percent as at 12 February 2025. This has been taken into account in the continuation of the recommended defined benefit contribution holiday.

As Minimum Requisite Benefits (MRBs) only relate to Accumulation members and are accumulation in nature, they will have moved in line with this investment return. Therefore, the funding position in regards to MRBs is unchanged since the valuation date.

Projection of Future Liabilities

The graph below shows the projected value of Defined Benefit Vested Benefits and Actuarial Value of Accrued Benefits for Defined Benefit members' funding indices over the next five years. These projections have been based on defined benefit liabilities (i.e. pensioners) and assume that the Employer will continue the defined benefit contribution holiday as recommended (refer to Section 7 of this report) and are based on the assumptions used to calculate past service liabilities at each of the future dates. These projections also allow for the post valuation events described above.

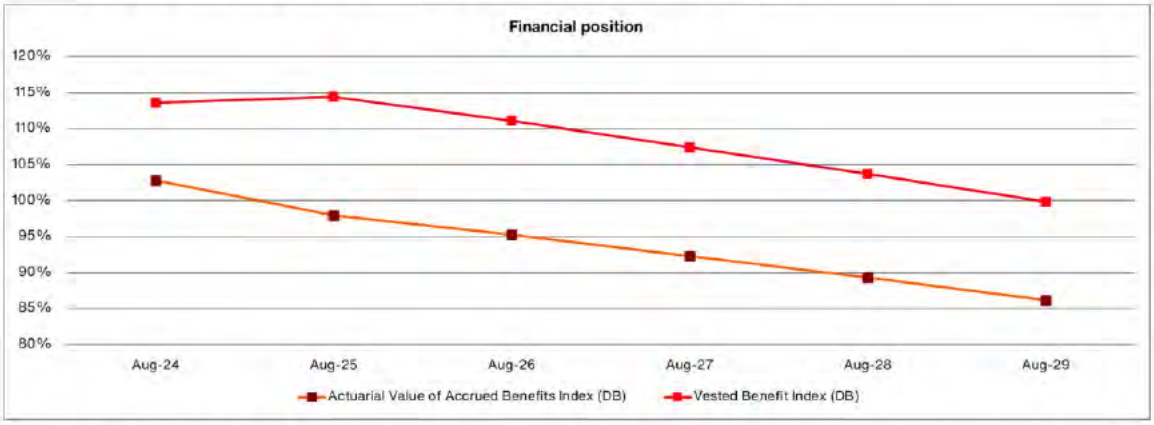


The graph shows that on these assumptions, the Plan is expected to remain in a satisfactory financial position on both a Vested Benefit and an Actuarial Value of Accrued Benefits basis from 31 August 2024; i.e., the indices are at least 100 percent from 31 August 2024 to 31 August 2029.

The above projections assume a percentage of the membership survives each year. However, with only five pensioners remaining (and with three of them having spouse reversions), this creates a situation where the projections have part of a person surviving. As the pensions will continue until the death of the pensioners and their spouses and there are no special payments on death, there can be a large range of financial position outcomes depending on pensioner mortality.

If some or all of the pensioners and their spouses pass away earlier than expected, there would be a larger surplus arising at that time. Alternatively, the pensioners and their spouses could live longer than expected, and even beyond the maximum lifetime of the Australian Life Tables of age 109.

As such, I have also considered the projections assuming all the pensioners and their spouses survive (i.e. no mortality assumptions) at each future projection year.



This graph shows that on this conservative assumption of no pensioner (or spouse, where relevant) deaths in the 5-year projection period and assuming the Employer continues the defined benefit contribution holiday, the Plan's financial position is expected to slightly worsen but remain satisfactory on a Vested Benefit basis from 31 August 2024 until 31 August 2029. If the pensioners and their spouses continue to survive beyond 31 August 2029, the contribution arrangements will need to be revisited.

The graph above shows the Plan is expected to fall below a 100 percent funding level on an Actuarial Value of Accrued Benefits basis. However, we note that the Actuarial Value of Accrued Benefits basis is a more conservative measure of liability than Vested Benefits, as it includes provision for future expenses. While 100 percent funding is desirable, I do not consider it a requirement for meeting benefits purposes, as long as expenses can be paid when they fall due as well as meeting pension benefits.

Assuming the Employer continues the defined benefit contribution holiday which I have recommended, I expect that on the assumptions, methods and asset values adopted in the valuation, that the Assets will remain sufficient to cover the value of the pensioner liabilities and expenses during the period up to 31 August 2029 based on valuation assumptions and the funding position will be reviewed each year to take into account experience versus these assumptions.

Section 7 – Material Risks

Financial Risk

The items that have the greatest impact on the financial position of the Plan are the pensioner mortality (discussed in Section 6 and below) and the differences between the assumed and actual long-term investment return. If there are lower than assumed investment returns, the assets of the Plan would be reduced compared to the assets expected and may then be insufficient to cover members' benefits. This may then require larger contributions to be made by the Employer. If the Employer is willing and able to make these contributions and accept the volatility involved, a deterioration in the financial position can be managed.

Another strategy to mitigate investment risk is to change the asset allocation on the Defined Benefit related assets to a less risky strategy (note that this would generally increase the long-term cost to the Employer but provide lower contribution volatility).

Employer Financial Viability

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

Plan Specific Risks

Longevity Risk

As at the valuation date, the remaining five DB members of the Plan are pensioners and their average age as at 31 August 2024 was [redacted] years.

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

Please note that the valuation results are based on best estimate assumptions and therefore represent a "business as usual" approach. The Employer also needs to be aware that buying out these pension liabilities in the event of winding up the Plan would be more expensive in the open market due to the limited provider options that are currently available and the risk, expense and profit margins a provider will require. As an indication, a mix of [redacted] single life and [redacted] reversionary annuities for males aged 70 (and spouse three years younger, where applicable) could cost around 16 percent more than the current actuarial liability value (based on annuity rates available on Challenger's website and a general summary document they have provided with impact of annuity variations on price).

This assumes that the pensions can be completely bought out and there would be no requirement for future expenses in relation to the pensioners in future.

Size of the Plan

The defined benefit section of the Plan has 5 pensioner members and [redacted] of defined benefit related assets remaining. As a result, the Plan is exposed to additional risks than when it was larger. In particular, given the number of members remaining the "law of averages" may no longer hold and actual experience of the remaining few members may be significantly different to the assumptions adopted for funding calculations. This can result in a more volatile funding position, with the experience of just one member now having a proportionately larger impact.

Other risks that the Plan is exposed to as a result of its smaller size include:

- Many costs are not directly linked to the number of members or asset value of the Plan. Therefore, the expenses will have a greater impact on the funding position and/or the Employer contributions required. Similarly, any cost associated with legislative or other changes will also impact the funding position.
- As member numbers decline, so too can the remaining lifetime of the Plan. The assumptions adopted for funding purposes and in setting the investment strategy may have considered a longer time horizon and now may need to change to reflect the shorter timeframe.

Investment Policy

As mentioned above, market risk is a key driver in the financial position of the Plan. However, there are other investment risks to consider. These include:

- **Liquidity Risk** – the risk that illiquid assets or large cashflows from the Plan cause the payment of benefits to be delayed or assets to be sold at reduced values to meet liability obligations.

  The Trustee has a liquidity policy in place to assess that the Plan holds sufficient cash balances and other liquid assets to meet anticipated benefit payments and expenses as they fall due.

- **Concentration Risk** – the risk that investments are concentrated in one particular asset class, country or manager, the poor performance of which could cause a material effect on the investment return.

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

Section 8 – Recommendations and Actuary's Summary Statement for the Purposes of SPS 160

Recommendations

Future Contribution Recommendations

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

Category of Membership	Contributions
Pension members	Nil monthly contributions
Accumulation members	SG contributions (based on Ordinary Time Earnings)

These contributions are the same as those currently being paid.

The Employer contributions in respect of Accumulation members must be paid by the 28th day of the month following the quarter end or required date as determined by legislation.

The recommended contributions will need to be reviewed prior to the next regular annual actuarial investigation due with an effective date of 31 August 2025 if one or more of the notifiable events within the Funding and Solvency Certificate occur prior to that date as advised by the Trustee/Employer (unless, after reviewing the details of a specific event which would otherwise be classified as a notifiable event, the Actuary advises the Trustee in writing that such an event does not constitute a notifiable event).

Shortfall Limit Recommendations

I have reviewed the Shortfall Limit of 96.0 percent (see Section 4) and confirm that, in my view, it remains appropriate. This will need to be reviewed if the Trustee changes the investment strategy.

Insurance Recommendations

I have reviewed this formula (see Section 5) and confirm that, in my view, it remains appropriate.

Investment Recommendations

The pension benefits are not impacted by the investment return. As a result, the financial position of the Plan and contribution requirements are particularly sensitive to the investment return achieved on the Plan's assets.

Note that regular pension rebalancing is required to ensure that assets supporting pension liabilities are maintained at a similar level, which will be reviewed each year considering experience versus assumptions (particularly investment returns, pension increase rate and longevity or mortality of pensioners and their spouses, if applicable) and the funding position.

After considering the financial position at the financial date and investment returns up to 12 February 2025, we recommend that all defined benefit assets for the Plan remain in the Future Directions Balanced non-taxed investment as the assets are now close to the current pension liabilities and present value of expected future expenses.

In my opinion the investment strategy is appropriate to meet the long-term liabilities of the Plan, being the ongoing income streams of the Plan's pension members and their spouses, where reversionary.

The Employer may prefer to have the Defined Benefit assets to be invested in a less growth orientated investment in order to minimise the fluctuations of assets in volatile investment markets. This may increase the long-term costs of running the Plan but will reduce fluctuations in the contributions in the short-term. If required, we can consider the financial impact of such a change.

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

Crediting Rate Recommendations

I have reviewed the crediting rate policy for the Plan and confirm that, in my view, it remains appropriate and should be maintained. For more information refer to Appendix C.

Monitoring Recommendations

I have reviewed the current practice of carrying out the actuarial investigation on an annual basis and confirm that, in my view, it remains appropriate given the Australian Prudential Regulation Authority's (APRA's) requirements for plans that pay pensions.

Disclaimer

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

Actuary's Statement for the Purposes of SPS 160

I have conducted a regular annual actuarial investigation of the AMP Super Fund - Sibelco Australia Superannuation Plan (the Plan) as at 31 August 2024 covering the one-year period to that date.

In my opinion:

1) As at 31 August 2024, the fair value of the net Assets of the Plan for Defined Benefit members, based the general ledger for the Plan plus the Accumulation members' benefits for Accumulation member assets, was [redacted] and this is the value of assets used to determine the Employer contribution amount with an allowance for investment returns for the period from 31 August 2024 to 12 February 2025.

2) The value of the Assets of the Plan was adequate to meet the value of liabilities of the Plan in respect of the Actuarial Value of Accrued Benefits of [redacted] as at 31 August 2024. This amount was not used for the purposes of Australian Accounting Standard AASB1056. The Trustee has determined to use an approximate method for the AASB1056 Defined Benefit member liabilities to ensure timely disclosure in AMP Super Fund financial statements.

3) The value of the Assets of the Plan was adequate to meet the value of liabilities of the Plan in respect of the Minimum Requisite Benefits as at 31 August 2024.

4) The investigation disclosed the Plan was in a satisfactory financial position as at 31 August 2024. The Plan's financial condition has not fallen below the Shortfall Limit set by the Trustee at the valuation date.

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

6) There is also a high degree of probability that the five pensions currently in payment will be able to be paid as required under the Plan's governing rules. This statement has been made considering the Plan's earnings from the date of the regular annual actuarial investigation to 12 February 2025. This statement is made in accordance with Superannuation Prudential Standard (SPS) 160, SIS Regulation 9.31(1) and Professional Standard 410 issued by the Institute of Actuaries of Australia.

7) I have recommended contributions to ensure that the assets will continue to be adequate to meet the liabilities of the Plan and I expect the Plan to remain in a satisfactory financial position as defined in the SIS Regulations.

8) All Funding and Solvency Certificates required to be obtained during the period of investigation were provided. I expect that an actuary will be able to certify the solvency of the Plan in any Funding and Solvency Certificate required during the three-year period following the valuation date.

Saffron Sweeney

Saffron Sweeney
Fellow of the Institute of Actuaries of Australia
Aon Risk Services Australia Limited

26 February 2025

Appendix A – Summary of Plan Rules

Eligibility

There are five pension members where three elected to include a 50 percent reversionary pension (i.e., have spouses who are eligible for pension benefits from the Plan).

Plan Structure

The Unimin Australia Superannuation Plan (the former fund) is a superannuation plan with a Defined Benefit section and is constituted by a Trust Deed originally dated 1 July 1987 (as amended from time to time). It was transferred into the AMP Signature Super Master Trust to become the Unimin Australia Superannuation Plan within the Master Trust on a successor fund basis effective from 1 April 2006. The Plan was renamed the Sibelco Australia Superannuation Plan in 2010. All members' benefits in the 'SignatureSuper' product were transferred from the AMP Superannuation Savings Trust by way of a successor fund transfer to N.M. Superannuation Proprietary Limited as trustee of the AMP Super Fund on 15 May 2020.

The main provisions of the Plan relating to benefits are set out below. The Plan is a complying fund for the purposes of the Superannuation Industry (Supervision) Act 1993. This results in the Plan being taxed at the favourable rate of 15 percent on income net of allowable deductions.

Defined Benefits

Payment Frequency

The pension is payable monthly.

Default Pension Payment Form

The pension is payable for a guaranteed period of 5 years and until the last monthly instalment prior to the death of the Member.

Reversionary Dependant's Pension

The member had the option of reducing their annual pension to 85 percent of their standard annual pension to include a reversionary pension of 50 percent of the Member's pension at the date of the Member's death payable until the death of the spouse.

Pension Increase Date

Annually at 1 September.

Pension Increase Rate

The lesser of 2.5 percent p.a. and the annual percentage change in the All-Groups Consumer Price Index prior to each 1 September increase date.

Accumulation Members

All benefits on termination or leaving the Plan are the sum of the account balances in the member's name plus any insurance that is relevant to the member and relates to the benefit being paid.

Appendix B – Membership

Membership Characteristics as at 31 August 2024

The main characteristics of the Plan's Defined Benefit membership at 31 August 2024 is summarised in the following table. For comparison, figures from the previous triennial actuarial investigation (31 August 2023) are also shown.

[redacted]

Quality of Data

Member data was received electronically and was in good order for the purposes of preparing this Report. Defined benefit individual membership data as well as asset information was reconciled to the last regular triennial actuarial investigation data.

Accumulation members' cash flow information was not available from the Plan administrator and therefore a full reconciliation on accumulation members' assets was not carried out.

We have relied on the asset information provided by the Plan administrator as at 31 August 2024 as audited financial statements for the Plan at that date are not available, however we understand that the financial statements for the AMP Super Fund as at 30 June 2024 have been audited and signed on 25 September 2024.

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

Administration

No significant variations were detected between the method of calculation of benefits on the administration system and our calculations. The data received was adequate and appropriate for the purposes of the regular annual actuarial investigation. Data checking included indexation of pension payments indexed according to the agreed methodology.

Appendix C – Accounts and Summary of Assets

Accounts

The following is a summary of the cash flows provided by the Plan administrator for the regular annual actuarial investigation period 1 September 2023 to 31 August 2024. The final accounts of the AMP Super Fund for 30 June 2024 have received audit clearance.

	1 September 2023 to 31 August 2024 ($)
Plan Assets at start of period (A)	[redacted]
Accumulation accounts at start of period* (B)	[redacted]
Defined Benefit related Plan Assets at start of period (C) = (A) – (B)	[redacted]
Plus	
Employer contributions	[redacted]
Investment income (including capital appreciation/depreciation)	[redacted]
Less	
Benefits (net of insurance recoveries)	[redacted]
Administration and other charges	[redacted]
Income tax	[redacted]
Defined Benefit related Plan Assets at end of period (D)	[redacted]
Accumulation accounts at end of period* (E)	[redacted]
Plan Assets at end of period (F) = (D) + (E)	[redacted]

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

The Defined Benefit related Plan assets are the assets backing pension liabilities. These assets are in a separate investment option and therefore receive favourable tax treatment.

Summary of Assets

Accumulation members may invest their account balances in any option. Where an investment option is not chosen by Accumulation members account balances are invested in the default AMP Super Fund MySuper option.

Pensioner assets are separately invested in the tax-free Future Directions Balanced Portfolio.

The benchmark asset allocation of the Future Directions Balanced portfolio is as follows:

By Asset Class (based on benchmark asset allocation)	31 August 2023 (%)	31 August 2024 (%)
Australian Shares	27.0	27.8
International Shares	32.0	31.2
Property	14.0	14.0
Alternatives Asset – growth	2.0	1.0
Alternatives Asset – defensive	2.0	1.0
Australian Fixed Interest	8.0	8.5
International Fixed Interest	9.0	10.5
Cash	6.0	6.0
Total	**100.0**	**100.0**

The asset valuation method is in accordance with Professional Standard 404 published by the Institute of Actuaries of Australia. There were no material qualifications identified in the latest audit report that have an impact on the value of assets.

Crediting Rate Policy

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

Investment Return on Pension Assets

The investment return for the year to 31 August 2024 based on unit price returns of the tax-free Future Directions Balanced Portfolio was 12.4 percent.

Appendix D – Funding Method

Funding Method

The value of defined benefit liabilities is determined as the present value of expected future cashflows.

This is the same method as was used at the last regular triennial actuarial investigation.

Summary of Method of Attributing Benefits to Past Membership

The total benefit is attributable to past service since DB members have terminated service and are receiving a pension.

The present value of expected future expenses is also allowed for in the past benefit component of the Actuarial Value of Accrued Benefits.

Adjustments

Accumulation members' vested benefits have been added to the past membership liability at their face value.

Contact Information

Saffron Sweeney
Partner & Senior Actuary - Head of Wealth Solutions, Pacific; Chief Actuary Wealth Solutions APAC
Aon Risk Services Australia Limited
Wealth Solutions
+61 2 9253 7790
saffron.sweeney@aon.com

Aon Risk Services Australia Limited
ABN 17 000 434 720
AFSL No 241141
Level 33
201 Kent Street
Sydney NSW 2000
Australia

About Aon

Aon plc (NYSE: AON) exists to shape decisions for the better — to protect and enrich the lives of people around the world. Through actionable analytic insight, globally integrated Risk Capital and Human Capital expertise, and locally relevant solutions, our colleagues in over 120 countries and sovereignties provide our clients with the clarity and confidence to make better risk and people decisions that help protect and grow their businesses.

Follow Aon on LinkedIn, X, Facebook and Instagram. Stay up-to-date by visiting Aon's newsroom and sign up for news alerts here.

© 2025 Aon Risk Services Australia Limited ABN 17 000 434 720 AFSL No 241141 (Aon)

Aon has taken care in the production of this document and the information contained in it has been obtained from sources that Aon believes to be reliable. Aon does not make any representation as to the accuracy of the information received from third parties and is unable to accept liability for any loss incurred by anyone who relies on it. The recipient of this document is responsible for their use of it.