

25 September 2025

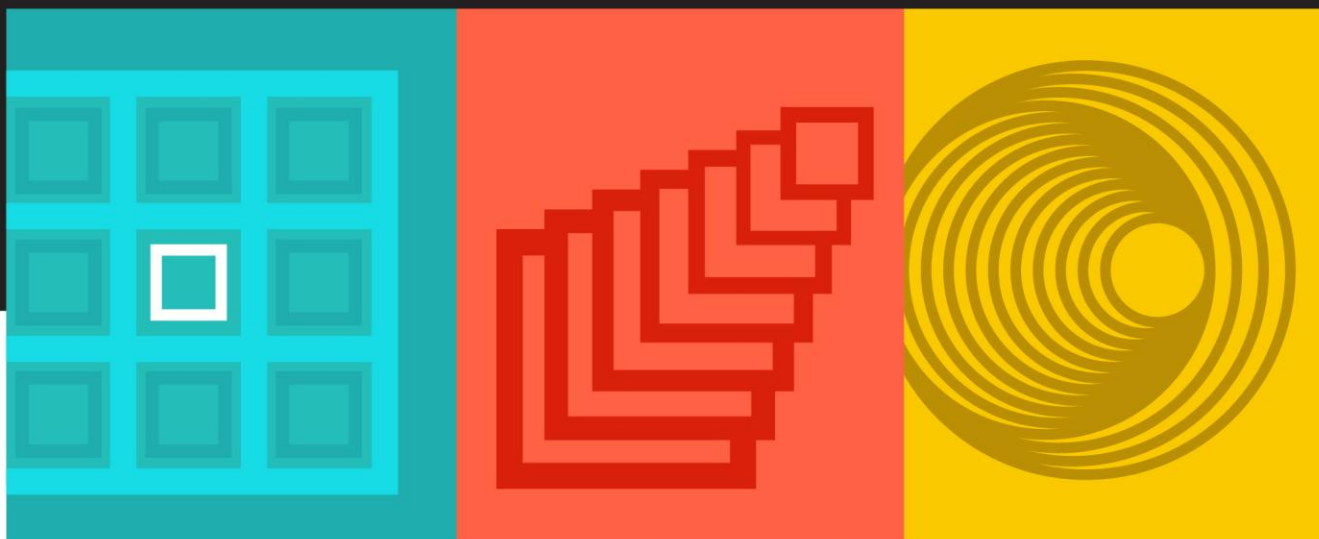


API Executive Superannuation Plan

(A Sub-Plan within AMP's
Super Directions Fund Master Trust)

Actuarial Valuation as at 1 July 2025

Prepared by Doug Drysdale FIAA
25 September 2025



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Foster a culture of strong governance to confidently manage uncertainty.

Foresight

Understand the implications of decisions and the likely outcomes.

Insight

Navigate the regulatory and business environment, and unlock the value of data.

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1 Executive Summary and Recommendations

1.1 Introduction

Since May 2020, The API Executive Superannuation Plan (the Plan) has been a sub-plan of AMP's Super Directions Fund Master Trust with N.M. Superannuation Proprietary Limited as Trustee. Previously it was a sub-plan within the AMP's SignatureSuper Master Trust. The Plan was originally a stand-alone superannuation fund and transferred by a Successor Plan Transfer to the AMP's SignatureSuper Master Trust as at 1 July 2006. The Plan is sponsored by Australian Pharmaceutical Industries Limited (the Company). The previous triennial valuation was conducted as at 1 July 2022 and my report was dated 1 November 2022.

Professional Financial Solutions (PFS) has received membership and asset data from AMP as at 1 July 2025 to conduct this valuation. The Plan has been closed to new entrants for some time. At 1 July 2022 the Plan had only two defined benefit and no accumulation members but at 1 July 2025 there was only one defined benefit members remaining.

My report on the valuation as at 1 July 2022 advised that at the valuation date there was a surplus of \$662,000 between the value of the assets and the actuarial reserves for members' accrued benefits. The report recommended that the Company cease making contributions in respect of defined benefit members. Member contributions have continued to be paid by salary the company under salary sacrifice arrangements.

For the purposes of this valuation, we have only considered defined benefit members and only the defined benefits of those members. The assets supporting those defined benefits are maintained in a separate account by AMP, referred to as the Defined Benefit Reserve. Assets supporting the accumulation benefits of the defined benefit members are maintained separately by AMP.

1.2 Experience of the Plan

The Plan membership has reduced from two Category B defined benefit members at the 1 July 2022 valuation to only one member as at 1 July 2025.

For this remaining member, the average rate of salary increases in the period 1 July 2022 to 1 July 2025 has been 2.9% pa. This is marginally less than the assumption made in the 2022 valuation of 3.0% pa.

In my report on the valuation of the Plan as at 1 July 2022, I recommended that the Company continue its contribution holiday in respect of defined benefit members, and it

could consider ceasing contributions being paid by salary sacrifice by the members, with agreement of the Trustee. I understand that since that time, the 6% member salary sacrifice contributions have continued to be paid into the Plan.

1.3 Valuation Methodology and Assumptions

In valuing the Plan's liabilities, I have used the Projected Unit Credit (PUC) method to determine the recommended Employer contribution rate. This method is explained in Section 6 and is the method used at the previous valuation. The PUC method determines the surplus/deficit between the assets and the members' actuarial reserves for service up to the valuation date and also the cost to the employer of benefits accruing in future years.

I have used the same financial assumptions of 6.0% p.a. investment return and 3.0% pa salary increases as used in the previous valuation. The assumptions relating to the rates of death, disability, resignation and early retirement are based on tables PFS has developed using the decrement experience of other corporate plans.

1.4 Financial Status of Plan and Recommended Contribution Rates

The Plan had surplus assets as at 1 July 2025 of \$765,582, compared with surplus assets at 1 July 2022 of \$662,544.

I recommend to the Trustee that the Company continue its contribution holiday in respect of the members.

Member contributions continued to be paid by salary sacrifice. The surplus, however, is sufficient that these contributions are no longer required for the financial well-being of the Plan. This change would, however, require the agreement of the Trustee and should be discussed with the member.

I note that this matter was noted in my previous valuation report as at 1 November 2022 but no action has been taken as yet.

1.5 Investments and Insurances

I have reviewed the Plan's investment and insurance arrangements and I consider them to be appropriate. Given the level of the surplus assets, the Company and the Trustee could consider removing or reducing the level of the insurance benefits.

1.6 Funding and Solvency Certificate

The current Funding and Solvency Certificate was issued on 31 October 2022 and covered the period 1 July 2022 to 30 June 2027. A new Funding and Solvency Certificate has been issued as a result of this valuation.

1.7 Next Actuarial Valuation

A valuation is required under superannuation legislation at least once every 3 years and hence the next valuation should be carried out with an effective date no later than 1 July 2028.

Normally, defined benefit funds are set up for relatively large numbers of members and APRA requires at least 50 members for a new defined benefit fund. As the Plan now has only one defined benefit member, the Company should consider whether this form of providing benefits should continue or if alternative arrangements should be implemented.

This report, which has been peer reviewed by Peter May, FIAA, an experienced actuary who is familiar with the Plan, and has been prepared by:

Doug Drysdale

Doug Drysdale BSc FIAA
25 September 2025

2 Background

2.1 Purposes of the Review

The main purposes of this actuarial review are:

- To examine the financial condition of the Plan as at 1 July 2025;
- To examine the experience of the Plan since the previous review as at 1 July 2022;
- To provide advice on the level of contributions required by the Company to meet the continuing benefit obligations of the Plan;
- To consider the appropriateness of the Plan's investment and insurance arrangements; and
- To comply with Regulation 9.29 of the Superannuation Industry (Supervision) Regulations 1994 and APRA Prudential Standard SPS 160 (Defined Benefits). The Regulation and the APRA Prudential Standard require an actuarial investigation of the Fund to be conducted at least every three years.

2.2 Plan History and General Comments

The Plan was established as the API Executive Superannuation Fund by a Trust Deed dated 1 December 1985, to provide benefits to certain employees of the Company. In June 2006 the Fund ceased to operate as a stand-alone superannuation fund and transferred by way of a "Successor Fund Transfer" to a sub-plan within the SignatureSuper Master Trust operated by AMP. The membership and assets of the API Executive Superannuation Fund transferred as at 1 July 2006 to SignatureSuper, without any change to the members' benefits and conditions. In May 2020 the Plan transferred to AMP's Super Directions Fund Master Trust with N.M. Superannuation Proprietary Limited as Trustee.

The benefits of the Plan are provided in lump sum form with the remaining Category B member receiving defined benefits. All benefits are subject to a minimum of the "Minimum Requisite Benefit" as set out in the Plan's Benefit Certificate to enable the Company to meet its obligation under the Superannuation Guarantee (SG) legislation. A summary of the Plan benefits is contained in Appendix A.

As I did at the previous triennial review, I recommend that the Company should review whether it is still appropriate to continue the defined benefit arrangements for a single member.

API Executive Superannuation Plan
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Actuarial Valuation as at 1 July 2025

This report complies with the Actuaries Institute of Australia Professional Standard PS 400
for the valuation of defined benefit superannuation schemes.



3 Membership and Salaries

3.1 Membership Data

Data for this valuation is based on the membership and review data as at 1 July 2022 as provided by AMP, the administrator of the Plan.

3.2 Membership and Salary Details

The details of the membership as at 1 July 2025 are set out in the table below and corresponding figures as at 1 July 2022 are also set out for comparison purposes.

Table 1 – Membership Details

	CATEGORY B 1/07/2025	CATEGORY B 1/07/2022
Number of Members	1	2
Average Salaries	\$120,315	\$150,304
Average Age (years)	55.5	54.8
Average Membership (years)	26.1	23.8

The average rate of salary increase over the three years for the one remaining member is equivalent to an annual rate of increase of 2.9% p.a. and this rate is marginally lower than the rate assumed in the previous actuarial investigation of 3.0% pa. I have been maintained 3% pa as an appropriate rate to assume for future increases.

4 Assets and Investments

4.1 Plan Assets

The Plan administrator does not produce financial statements for the Plan, however they were able to provide a total figure for the market value of the assets and a value for the additional accumulation benefits for defined benefit members. We also obtained the returns for the investment options from the calculation of the fund earning rate at the end of each year. The information received is sufficient for our purposes. The table below summarises the value of assets used in this valuation;

Table 2 – Total Plan Asset

	AMOUNT AT 1/07/2025	AMOUNT AT 1/07/2022
Defined Benefit reserve balance	\$1,132,718	\$1,731,760
Interest earned up to 30 June but allotted after 30 June	\$144,251	-\$99,051
Total Plan Assets	\$1,276,969	\$1,632,709

4.2 Asset Allocation

The Plan assets have been invested partly in the AMP Balanced Growth Fund and partly in the AMP Future Directions Balanced Fund. Over the period since 1 July 2019, the proportion in the Balanced Growth Fund has been around 85%. Both of the investment funds have similar benchmark asset allocation, with a weighting to growth assets, as shown overleaf:

ASSET CLASS	BALANCED GROWTH	FUTURE DIRECTIONS BALANCED	COMBINED USING 85:15 MIX
International Shares	35%	33%	35%
Australian Shares	29%	26%	28%
Fixed Interest	27%	19%	26%
Property	5%	6%	5%
Alternatives	4%	10%	5%
Cash	-%	6%	1%
Total	100%	100%	100%

I consider that these investments in primarily growth assets are appropriate given the salary related nature of the liabilities of the Plan.

4.3 Investment Objective and Returns

The investment objective is: "to provide a balance between an appropriate level of returns over the long term to be able to meet benefits when and as they fall due, while maintaining lower short term volatility of returns through a diversified portfolio of assets."

The Plan earning rates are based on the earning rates of the underlying investment funds adjusted for fees. An interim Plan earning rate is determined monthly based on the weighted return of the two underlying investment funds.

This rate is used in determining member's accumulation benefits on exit from the Plan. I consider these policies are appropriate for the Plan.

I have used those calculations to determine annual earning rates for the Plan over the last 3 years.

Actuarial Valuation as at 1 July 2025

Table 3 – Investment Performance

YEAR TO 30 JUNE	PLAN EARNING RATE %
2023	7.68
2024	8.90
2025	10.86

Over the three years to 1 July 2025, the returns have all been higher than the rate of return assumed in the 1 July 2022 valuation of 6.0% pa. The average annual earning rate over the 3 years is 9.1% pa which is in higher than the earning rate assumed in the 1 July 2022 valuation of 6.0% pa.



5 Valuation Method and Assumptions

5.1 Method

For the purposes of this valuation we have only considered defined benefit members and only the defined benefits of those members. The assets supporting the defined benefits are maintained in a separate account by AMP, referred to as the Defined Benefit Reserve. Assets supporting accumulation members and the accumulation benefits of the defined benefit members are maintained separately by AMP.

The results have been prepared using the Projected Unit Credit ("PUC") valuation funding method. The PUC method is the method used in valuations of the Plan that comply with Australian accounting standard AASB 119, as well as in recent triennial valuations. I consider the PUC method appropriate for use in this valuation. This method constructs the Company contribution rate out of two components:

- the "Normal Cost" to the employer of funding future benefits as they accrue, and
- an allowance for the amortisation of any "Surplus" or "Deficit" as at the Valuation Date.

Under the PUC method, the "Normal Cost" is the cost to the Company of sponsoring one year of benefit accruals in respect of existing Plan members, net of any member contributions. Surplus or Deficit is the difference between the level of Plan assets and the liabilities accrued by the membership at the Valuation Date.

The Plan liabilities under the PUC method are calculated by projecting the expected future benefit payments, allowing only for service up to the valuation date, and then calculating the present value of these payments by taking into account the time value of money and the probability of the benefits being paid. We then repeat this projection but allowing for an additional year of service. The result from the first projection provides the value of benefits attributable to service prior to the Valuation Date ("Past Service Liability") and the result of the second valuation less the Past Service Liability provides the Normal Cost.

Because no future service benefit accruals are included in the value of Past Service Liabilities, no future contributions are included in the value of assets. Rather, assets are restricted to the net market value of assets.

5.2 Valuation Assumptions

In order to determine the expected size of future benefits and the value of those future benefits, it is necessary to make assumptions about a wide range of factors. These assumptions include:

- The rate of salary growth,
- The rate of investment return, and
- The chances of members dying, becoming totally and permanently disabled, resigning or retiring from the Plan.

The assumptions adopted for the current valuation are set out in detail in Appendix B. The salary growth and investment return assumptions adopted in the 2019 valuation were 3.0% pa for future salary growth and 6.5% pa for future investment return.

Over the three years since the 2022 valuation the average rate of salary growth has been 2.9% pa which is lower than the rate of 3.0% pa assumed in the 2022 valuation. Given the expectations for wage growth over the next few years, I have maintained the salary increase rate assumed in the current valuation at 3.0% pa.

The investment return over the last three years after fees but allowing for the large plan discount averaged 9.1% pa which was higher than the 6.0% pa assumed in the 1 July 2022 valuation. Given the current uncertain investment outlook, I have maintained the same investment return assumption of 6.0% pa.

The major assumptions used in this valuation therefore are:

- The assumed net long term investment return of 6.0% pa. This return is net of tax and asset based expenses of management and administration, and
- The assumed salary growth rate of 3.0% pa. I have not used a promotional salary scale.

The assumed real rate of return is, therefore, 2.9% p.a. (i.e. $(1.06/1.03) - 1$). This is the same as the assumed real rate of return at the previous valuation.

The probabilities of death, total and permanent disablement, resignation and early retirement are the same as the rates used in the previous valuation. Given there is only member in the Fund, an analysis of the demographic experience since 2022 would not be very meaningful.

I have also assumed that the allowance for Plan expenses, in excess of those deducted from member accounts or the credited interest rate, will be 5.0% of salary. The only expenses covered by this allowance are those arising from actuarial valuations of the Plan, actuarial certificates or other actuarial work requested by the Trustee. This

allowance is based on the member's salary as at 1 July 2025 and the expected average annual expense in future years. The allowance is significantly more than that used at the previous valuation due to the fact that there is only one member left in the Fund. In practise, these expenses are met from the surplus assets.

6 Valuation Results

6.1 Valuation Balance Sheet

The following sets out the results of the valuation of the defined benefit members as at 1 July 2025 and 1 July 2022.

Table 4 – Valuation Balance Sheet

	AMOUNT AT 1/07/2025	AMOUNT AT 1/07/2022
Actuarial reserves for service up to valuation date(a)	\$511,387	\$973,373
Less Surcharge Accounts (b)	\$0	\$3,401
Past service liability (c)=(a) –(b)	\$511,387	\$970,165
Total Plan Assets (d)	\$1,276,969	\$1,632,709
Surplus (d) – (c)	\$765,582	\$662,544

Note: The actuarial reserves above have been subject to a minimum of the vested benefit on an individual member basis. For the sole remaining member, their vested benefit is slightly higher than their actuarial reserve, so the vested benefit minimum applies.

Given the level of surplus assets, it is most unlikely that any further contributions will be required from the Company.

6.2 Change in Surplus Assets

In the report on the 1 July 2022 actuarial valuation, a surplus was shown of \$662,544 over past service actuarial reserves at the valuation date. This has increased over the three years to 30 June 2025 to \$765,582

I have not carried out a full analysis of the increase in the surplus over the 3 years to 30 June 2025. However, the major factors behind the change in the surplus over the three years have been;

- the surplus assets would have increased by over \$190,000 due to the investment returns on those assets since 1 July 2022;
- The additional 3 years of accruing benefits would have reduced the surplus, and

- c) The actual investment return was higher than expected and actual salary growth was also less than expected.

6.3 Company Contribution Rate if no surplus assets

As noted earlier, I am using the PUC method to determine the contribution rate to be paid by the Company.

The table below sets out the calculation of the Normal Cost under this method:

Table 5 – Normal Cost Calculation

CALCULATION OF COMPANY NORMAL COST	CATEGORY B 1/07/2025	CATEGORY B 1/07/2022
Value of benefits arising from service in following year (a)	\$13,072	\$52,932
Total salaries at valuation date (b)	\$120,315	\$300,608
Unadjusted normal cost (a)/(b) %	10.9%	17.6%
(+) Additional allowance for insured benefits	1.2%	1.2%
(+) Allowance for expense	5.0%	1.5%
(-) Member Contribution	6.0%	6.0%
(+) Allowance for tax	0.9%	2.5%
Company Normal Cost	12.0%	16.8%

Notes :

1. The unadjusted normal cost has reduced as a percentage of salary due to the lower age of the remaining member in 2025 compared with the average age of the members in 2022.
2. The allowance for insurance benefits is based on the cost of the premiums for the death benefit, the total and permanent disablement benefit and the salary continuance benefit in 2024-2025, reduced for tax deductions.
3. The allowance for expenses is for other costs, principally actuarial costs, which are paid out of the Plan assets. These costs have been quite small in the last two years but I have allowed for slightly higher costs in the next few years given this triennial valuation.
4. The allowance for tax is grossing up the employer contribution for 15% tax.

The minimum legislated Superannuation Guarantee (SG) contribution by employer is 12.0% as from 1 July 2025.

In this valuation the Normal Cost to the Company for the year 2025-2026 is the same as the SG rate of 12.0%. Including the 6% salary sacrifice contribution from Category B members, the Normal Cost is 18.0% of salaries of Category B members.

One of the purposes of this valuation is to recommend a contribution rate for the Company for not just one year, but for the three years until the next valuation due as at 1 July 2028. The Company Normal Cost may increase marginally over the next three years, as the member gets older.

If there were no surplus assets, I would recommend a total contribution rate, including members' contributions by salary sacrifice, of 18.0% for Category B members.

Given the level of surplus assets, however, I recommend that the contribution holiday by the Company continues, and the member salary sacrifice contributions of 6% of salary could also cease. The Company may wish to discuss this with the member and the Trustee.

Given the level of surplus assets, I have not carried out any sensitivity valuations varying the major assumptions.

6.4 Future Company Contribution Rate allowing for surplus assets

As set out in the Table 4, the surplus assets, as at the valuation date, were \$765,582 or almost 150% of the value of the Past Service Liability (68% at 1 July 2022).

The surplus is very large, given that there is now only one member remaining in the Fund. If there were no surplus assets and the Company contributed at the contribution rate of 18.0% of salaries this cost would be \$21,600 in the first year or about \$18,400 net of the 15% contribution tax. Therefore, the surplus assets at 1 July 2025 are equivalent to over 41 years of contributions by the Company, including the 6% member contributions and net of contribution tax.

Therefore, subject to the agreement of the Company, I recommend that the Company continue its contribution holiday for all of its contributions for the next 3 years with the position to be reviewed at the next actuarial valuation of the Plan due as at 1 July 2028. The member salary sacrifice contributions of 6% of salary have continued to be paid as required under the rules of the Fund. The level of surplus assets means that these contributions are not necessary and the Company may wish to discuss with the member and the Trustee the option of ceasing these contributions.

I have issued a new Benefit Certificate and a new Funding and Solvency Certificate with a nil recommended Company contribution rate.

6.5 Future of the Plan

With only one remaining member in the Plan but a significant level of surplus assets, the Company should consider whether it is appropriate to maintain the Plan in its current format. The Company may wish to consider options such as bringing other employees

into the Plan or terminating the Plan. If the Company does want to explore terminating the Plan, then it should seek the views of the Trustee at an early stage. Also, given the surplus assets in the Plan, legal advice on a possible termination should be obtained.

7 Coverage of Vested and Accrued Benefits

7.1 Background

The aim of the indices set out below is to assess the financial state of the Plan as at 1 July 2022 by comparing the total assets of the Plan with members' entitlements according to the Plan rules. Two measures are shown - the Vested Benefits Index and the Accrued Benefits Reserve Index.

7.2 The Vested Benefits Index

The Vested Benefits Index (VBI) tests the ability of the Plan assets to meet members' immediate vested entitlements at the valuation date. Members' vested entitlements are the benefits payable on immediate resignation or early retirement if applicable. The aggregate of vested entitlements is compared with the market value of assets to determine to what extent the Plan's assets cover its vested benefits. The table below shows this figure as at the current and previous actuarial valuation.

Table 6 – VBI

	At 1 Jul 2025	At 1 Jul 2022
	(\$'000s)	(\$'000s)
Assets (a)	\$1,277	\$1,633
Vested Benefits (b)	\$511	\$970
Vested Benefits Index (a)/(b)	250%	168%

Figures for all years are for defined benefits only.

The results above show that for defined benefit members, as at 1 July 2025, the VBI was very comfortably in excess of 100% showing that the assets were well in excess of the amount payable if all members left on that date.

This index value should always be over 100% to show that the Plan is able to meet all immediate benefits on resignation or early retirement. A value less than 100% means that the regulator would regard the Plan as being in an "unsatisfactory financial position" and requiring remedial action. Therefore, it is normally recommended for the funding of superannuation plans to aim at maintaining a margin of around 10% over vested benefits at all times although smaller margins may be reasonable as the number of members in a plan gets very small.

Given the level of the VBI at 1 July 2025, on the valuation assumptions, it is projected to remain at well over 100% by the date of the next valuation due as at 1 July 2028.

7.3 The Accrued Benefits Reserve Index

The Accrued Benefits Reserve Index (ABRI) is a measure of the long-term solvency of the Plan. It is calculated as the market value of the Plan's assets over the Accrued Benefits Reserve (ABR), at the valuation date. The ABR represents the present value of members' accrued benefit entitlements allowing for investment earnings, salary inflation and the probability of benefits becoming payable. The actuarial reserve is subject to a minimum of the vested benefit for each member. The actuarial reserve is subject to a minimum of the vested benefit for each member and this minimum applies for all remaining Category B members. Therefore, the Accrued Benefits Index is identical to the Vested Benefit Index

Table 7 – ABRI

	At 1 Jul 2025 (\$'000s)	At 1 Jul 2022 (\$'000s)
Assets (a)	\$1,277	\$1,633
Actuarial Reserves (b)	\$511	\$970
ABRI (a)/(b)	250%	168%

An ABRI should be in excess of 100% to be considered adequate to cover future benefit obligations. In the valuation, the actuarial reserve is subject to a minimum of the vested benefit. In this case, the accrued benefits are very well covered by the assets

7.4 Coverage of Retrenchment and Termination Entitlements

On leaving service for any reason other than retirement, death or Total and Permanent Disablement, the Trustee has discretion to increase the benefit payable to the early retirement benefit. This discretion has been exercised in the past where members have been retrenched. However, the resignation benefits are actually higher than the early retirement benefits and therefore coverage of retrenchment benefits is the same as for vested benefits.

On termination of the Plan the assets of the Plan are to be allocated to the members in such shares and proportions as the Trustee considers equitable. Therefore, coverage of members' entitlements on termination of the Plan is 100%.

8 Insurance

As part of the valuation the level and appropriateness of benefits payable under the Plan's insurance policies have been investigated.

The amount insured for the three members is the death benefit less the leaving service benefit.

Considering the defined benefit component of death and total and permanent disablement benefits, the figures are:

Table 8 – Insurance Arrangement

	AMOUNT AT 1 Jul 2025	AMOUNT AT 1 Jul 2022
Total sum insured	\$129,000	\$537,000
Assets for defined benefit members	\$1,277,000	\$1,633,000
Total available to support death and TPD benefits	\$1,406,000	\$2,199,000
Total death and TPD benefits	\$641,000	\$1,507,000
Surplus/(Deficit)	\$765,000	\$663,000

This table shows that death and TPD benefits are well more than fully covered by the sum insured plus the available assets. In fact, the total death and TPD benefits for the member is less than the amount of the assets available as at 30 June 2025.

Therefore, the death and TPD benefit insured with AMP could be removed. I recommend that the Trustee and the Company should consider the removal of insurance for Death and TPD benefits for the remaining member.

The group salary continuance benefit provided for members of the Plan is fully insured by AMP. Therefore, any claims for this benefit will not impact on the financial position of the Plan.

9 APRA Prudential Standards

As noted in the report on the previous valuation, from 1 July 2013 APRA Prudential Standard SPS 160 Defined Benefit Matters came into effect.

It is a requirement of this Standard that the Trustee set a shortfall limit. This shortfall limit is the minimum level to which the ratio of assets to vested benefits may fall before it becomes necessary to take immediate action to restore the Fund to a satisfactory financial position.

We understand that the Trustee has set a shortfall limit of 100% for this Plan.

At this time, the likelihood of the Fund falling into an unsatisfactory financial position is very low.

10 Material Risks

Professional Standard PS 400 issued by the Institute of Actuaries of Australia for investigations of defined benefit superannuation funds, requires the actuary to consider and document any material risks to the fund.

The API Plan is subject to a number of risks that could have an impact on the funding status or the liquidity of the Fund and consequently the Fund's ability to secure accrued benefits and to meet benefit payments in a timely manner. The particular risks are:

1. Significant adverse variations in future experience of investment returns and salary increases for defined benefit members;
2. A number of benefits becoming payable when there are insufficient liquid assets to meet those payments; and
3. The inability (or refusal) of the Company to pay the contributions as recommended.

I believe that the chosen financial assumptions are reasonable and the Plan is currently in a very strong financial position with significant surplus assets

I am satisfied that there is sufficient liquidity in the Plan to meet benefits and other payments as and when they arise.

Given that this report recommends that the Company continues not making contributions and using the current surplus assets to cover those contributions, I do not see a material risk to the Plan of the Company ceasing to contribute, or limiting contributions.

Given the small number of members, it is possible that the Company may at some stage investigate termination of the defined benefit section of the Plan, but this issue has not been discussed with the Actuary by the Trustee or by the Company in recent years. This same comment was made in our report on the 2022 valuation.

There are other risks associated with the Plan, such as the possibility of increasing expenses and insurance premiums, but I do not consider those risks to be material at this time.

11 Cash Flow and Vested Benefit Projections

Professional Standard PS 400 issued by the Institute of Actuaries of Australia for investigations of defined benefit superannuation funds, requires the actuary to project the vested benefits and assets of a fund for at least the next three years.

I have carried out projections of the future assets and vested benefits of the Plan over the next 3 years assuming that the Company does not make contributions and the experience is in line with the assumptions used in this valuation. Member salary sacrifice contributions are assumed to continue. This shows the surplus gradually decreasing as the Company is not contributing but the Vested Benefit Index is still over 230 by 2028, and well above the level of 100% necessary if all members left the Plan.

The results up to 2028 of the projections of this index are:

	30 June 2026	30 June 2027	30 June 2028
VBI	244%	238%	233%
Satisfactory	100%	100%	100%



Appendix A. Summary of Benefits and Contributions

Full details of the benefit and contribution provisions of the Plan are contained in the Plan Summary issued by the Trustee. A summary of these provisions for defined benefit members is set out below.

A.1 Membership Categories and Contributions

There are two categories of defined benefit membership, Category A and Category B, and all members contribute 6% of salary by salary sacrifice contributions. There are no longer any Category A members.

A.2 Normal Retirement

The Normal Retirement Date is the member's 65th birthday.

The benefit on retirement at the Normal Retirement Date for Category A and B members is a lump sum equal to a multiple of the member's Final Average Salary.

Final Average Salary (FAS) is one third of the total salary received by the member in the 36 months prior to the member's date of retirement or early retirement.

The multiple is calculated as follows:

Category A members – 23 1/3rd % for each year of membership,

Category B members – 15.0% for each year of membership.

Membership is the number of years and months from the date of joining the Plan to the member's 65th birthday with a maximum of 40 years.

A maximum benefit of 7 times final average salary applies.

The benefit after normal retirement is an accumulation of the normal retirement benefit with SG contributions and interest.

A.3 Early Retirement Benefit

Defined benefit members may retire after age 60 or, with the consent of the employer, after age 55.

The benefit then payable is calculated in the same manner as for normal retirement, but only counting membership completed at the date of early retirement. The benefit is

reduced further by 1/400th for each complete month (if any) by which the early retirement date precedes age 60. The 1/400th can be removed at the employer's discretion.

A maximum benefit of 7 times Final Average Salary applies.

A.4 Death and Total and Permanent Disablement Benefits

An amount equal to the benefit the member would have received at normal retirement assuming they had continued at the salary they were on at the review date prior to the date of death or permanent disablement.

A.5 Salary Continuance Benefit

The benefit is payable after 90 days absence from work and is a monthly income equal to 75% of salary for up to two years. A maximum benefit of \$6,000 per month applies.

A.6 Resignation Benefit

An amount equal to the member's contributions with interest increased by 10% for each complete year of Plan membership subject to a maximum increase of 100% after 10 years membership.

The employer has discretion to increase this benefit to an early retirement benefit with the 1/400th per month reduction applying from the date of withdrawal to the member's 60th birthday.

A.7 Superannuation Guarantee Benefits

All benefits are subject to the minimum requisite benefits as set out in the Plan's Benefit Certificate to ensure that the Plan enables the Company to meet its Superannuation Guarantee obligations.

A.8 Company Contributions

The Company contributes the balance of the cost of the benefits.

A.9 Additional Accounts

The following accounts are payable in addition to the above benefits:

Rollover Account

Member Additional Account

Transfer Value Account

API Executive Superannuation Plan
(A Sub-Plan within AMP's
Super Directions Fund Master Trust)

Actuarial Valuation as at 1 July 2025

If applicable, a surcharge account is deducted from any benefit payable from the Plan.



Appendix B. Actuarial Assumptions

In order to carry out the valuation it is necessary to make certain assumptions about the size of the future cash flows into and out of the Plan and the likelihood of these cash flows occurring. The assumptions made in this valuation can be divided into two types, financial and demographic assumptions.

B.1 Financial Assumptions

B.1.1 Real Rate of Investment Return

The most significant assumption made in an actuarial valuation is the long term future real rate of investment return. This is the excess of the assumed future rate of investment return over the assumed rate of salary increase. The assumed future investment return, salary growth and also the real rate of return are as set out below

	At 1 Jul 2025	At 1 Jul 2022
	%pa	%pa
Investment return (a)	6.0%	6.0%
Salary Inflation (b)	3.0%	3.0%
Real rate of return(a)/(b)	2.9%	2.9%

B.1.2 Administration Expenses

In the previous valuation, the assumption on the level of future expenses, in excess of those deducted from members' accounts, was 1.5% pa of members' salaries. Due mainly to the reduction in members I have increased this assumption to 5.0% of member's salaries in the current valuation.

B.1.3 Investment and Tax Expenses

The assumed investment return has been determined after allowance for investment expenses and tax on investment income and hence no specific allowance has been included for this item.

B.2 Demographic Assumptions

In order to evaluate the cost of future benefits, I have used assumptions as to rates of mortality, withdrawals and early retirements. The rates used are the same as those used in the previous actuarial valuation of the Plan in 2022.

Actuarial Valuation as at 1 July 2025

The table below provides a sample of the rates used.

Exits per 10,000 Members

AGE	DEATH & TPD	RETIREMENT	RESIGNATION
20	6	-	1,850
30	4	-	1,150
40	10	-	580
50	35	-	130
51	40	-	130
55	67	1,000	
56	75	1,000	
57	87	1,000	
58	99	1,000	
59	114	1,000	
60	130	1,000	-
61	151	1,000	-
62	168	1,000	-
63	191	1,000	-
64	220	1,000	-
65	-	10,000	-

Appendix C. Other Actuarial Documents

There are a number of other documents that must be provided by the actuary of a defined benefit superannuation fund. Brief details are provided in this Appendix.

C.1 AAS1056 “Superannuation Entities”

This standard governs preparation of financial statements for defined benefit superannuation funds. It includes specifications for the calculation and disclosure of the “accrued benefits” of the Plan.

The Actuaries Institute of Australia has issued Guidance Note 454 dealing with the provision of AAS 1056 advice by actuaries.

This statement is contained in Appendix D of this report.

C.2 Benefit Certificate

This is a certificate provided by the actuary as evidence that the Plan benefits specified in the Trust Deed are adequate to meet the requirements of the Superannuation Guarantee Legislation.

This certificate is typically updated once every four or five years or when the Plan benefits are altered. The Institute of Actuaries of Australia has issued Professional Standard 403 dealing with the Benefit Certificates.

The previous Benefit Certificate Benefit Certificate was issued on 14 October 2022 and expires on 30 June 2027. I have issued a new Certificate dated 1 October 2025 as part of this valuation

C.3 Funding and Solvency Certificate

This is a certificate that the Trustee must, under the Superannuation Industry (Supervision) Act 1993, obtain from the Plan actuary. It serves three primary purposes:

- It certifies the immediate solvency of the Plan with respect to Superannuation Guarantee benefits,
- It sets minimum Company contribution rates necessary to ensure that the Plan continues to be able to provide Superannuation Guarantee benefits, and
- It sets limits for the Plan experience – any events outside these boundaries require a new certificate to be issued.

This certificate would typically be updated every three years as part of the actuarial valuation. However, it must be updated where the Plan experience falls outside certain boundaries. The Actuaries Institute of Australia has issued Guidance Note 461 dealing with the Funding and Solvency Certificates.

The previous certificate was issued on 31 October 2022 covers the period 1 July 2022 to 30 June 2027. I have issued a new Funding & Certificate dated 1 October 2025 which covers the period 1 July 2025 to 30 June 2030 and provides for no Company contributions.

C.4 Short Report for Members

Regulation 2.41 of the Superannuation Industry (Supervision) Act 1993 requires that a copy of the most recent "actuarial report" be provided to a member on request.

Regulation 9.31 specifies that this "actuarial report" must contain:

- A statement of the value of assets of the Plan at the Valuation Date,
- A statement of the actuary's opinion on whether, at the Valuation Date, "...the value of the assets of the Plan is adequate to meet the value of the liabilities of the Plan in respect of accrued benefits...",
- A statement recommending Company contribution rates,
- A statement about whether the financial position of the Plan is "unsatisfactory" – ie whether vested benefits are covered by assets, and
- A statement that:
 - all necessary Funding and Solvency Certificates have been obtained, and
 - a statement about the projected solvency of the Plan over the next three years.

This short report is set out as Appendix D.

Appendix D. AAS 1056

AAS 1056 REPORTING OF "ACCRUED BENEFITS" AS AT 1 July 2025

This statement has been prepared for the purposes of complying with AAS 1056 and has been completed at the request of the Trustee of the API Executive Superannuation Plan.

For the purposes of AAS 1056 the following amounts have been determined as at the Valuation Date, 1 July 2025.

	At 1 Jul 2025
	\$(000)s
Value of vested benefits	511
Value of Accrued benefits	511
Net market value of assets	1,277

Accrued Benefits are the total present values of expected future benefits payments which have accrued prior to the Valuation Date. The assumptions used include a discount rate of 6.0% pa and salary growth of 3.0% pa. The discount rate has been determined using the "return on assets" approach described in Guidance Note 454 issued by the Actuaries Institute of Australia. The decrement assumptions for retirement, resignation, death and disability are based on overall experience of similar corporate funds.

The Accrued Benefits for each member have been calculated subject to a minimum of the member's vested benefit.

Vested Benefits are the total benefits payable on the Valuation Date if all members voluntarily exited the Plan.

The value of Accrued Benefits and the value of Vested Benefits do not include any value for accumulation member accounts nor for voluntary accumulation accounts of defined benefit members.



Doug Drysdale BSc FIAA
25 September 2025



Appendix E. Short Report for Members

I, Doug Drysdale, have carried out an actuarial valuation of the API Executive Superannuation Plan as at 1 July 2025 and hereby certify the following:

- The value of Plan assets as at 1 July 2025 was \$1,277,000,
- The value of Plan assets was adequate to meet the liabilities of the Plan in respect of members' vested benefits,
- The value of the Plan assets was adequate to meet the value of the liabilities in the Plan in respect of accrued benefits,
- Given the level of surplus assets, I recommend that the Company continue making no contributions for the remaining Category B defined benefit member. A new Benefit Certificate and a new Funding and Solvency Certificate have been issued for the Plan, and
- I expect the Plan to remain able to meet members' vested benefits over the period from 1 July 2025 to 30 June 2028.

Doug Drysdale

Doug Drysdale BSc FIAA
25 September 2025

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