

8 July 2020

**Private and Confidential**

The Directors  
OnePath Custodians Pty Ltd  
Level 13, 347 Kent Street  
Sydney NSW 2000

Dear Directors

**Subject: QBE Super Plan – Retirement Portfolio Service superannuation fund  
Funding and Solvency Certificate**

Please find enclosed a Funding and Solvency Certificate for the QBE Super Plan (“the Plan”) in the Retirement Portfolio Service superannuation fund (which is a successor fund to the QBE Super Plan of the OnePath MasterFund). The purpose of the attached Funding and Solvency Certificate is to certify the ongoing solvency of the Plan.

The Certificate takes effect on 1 July 2020 and expires on 30 June 2025 and has been prepared in accordance with Professional Standard 407 issued by the Institute of Actuaries of Australia. The SIS Regulations require a minimum period of overlap between successive Funding and Solvency Certificates which means that the Certificate should be replaced by 30 June 2024. Should a notifiable event occur, a replacement Certificate may be required earlier. This certificate replaces the previous certificate issued by me dated 27 June 2019 in respect of the Plan.

**Copy to Employers**

A copy of the Certificate should be provided as soon as practicable to each of the employer sponsors of the Plan. We have therefore provided a copy to Michael Poulten at QBE.

**Employer Contributions**

This Certificate specifies a minimum level of contributions that must be paid by the employer to cover Superannuation Guarantee (SG) obligations.

The recommended contributions to the Plan for the defined benefit division will be the contributions expected to secure the Plan’s full benefit liabilities in accordance with the Employer Application Deed (as amended from time to time) and may be greater than those shown in the Certificate.

Jackie Downham BSc (Hons) FIAA

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

### Notifiable Events

As required by the legislation, the Certificate includes a list of Notifiable Events. In general, these are events that may place significant financial strain on the Plan and therefore should prompt a re-evaluation of the Plan's coverage of Minimum Requisite Benefits.

The occurrence of a Notifiable Event does not necessarily indicate that the Plan is in immediate danger of insolvency, but rather that the Plan's financial position should be checked to ensure that appropriate action is taken in response to any potential threat to the Plan's solvency.

Under the legislation, the Certificate expires if a Notifiable Event occurs and a new Certificate must be issued within three months. Thus, it is important for the Trustee to monitor the Plan for the occurrence of any Notifiable Events or other significant event and notify me as soon as possible should such an event occur.

The Notifiable Events are set out in paragraph 6 of the Certificate.

Please call me if you have any questions about the enclosed Certificate.

Yours sincerely



Jackie Downham FIAA

Enclosure: Funding and Solvency Certificate

Copy: Michael Poulten, QBE

D: ZX | TR: JD | CR,ER: JSD

**FUNDING AND SOLVENCY CERTIFICATE*****SUPERANNUATION INDUSTRY (SUPERVISION) ACT 1993******QBE SUPER PLAN – RETIREMENT PORTFOLIO SERVICE SUPERANNUATION FUND***

1. Regulation 9.09(1) of the Superannuation Industry (Supervision) Regulations (the Regulations) requires the trustee of a defined benefit fund to obtain a funding and solvency certificate from an actuary, where the fund is being used by an employer to avoid a charge under the Superannuation Guarantee Charge Act.
2. This Certificate has been prepared at the request of OnePath Custodians Pty Ltd, the Trustee of the Retirement Portfolio Service superannuation fund, pursuant to Regulation 9.09(1), for distribution to employers. This Certificate replaces the previous certificate effective 1 April 2019 and has been prepared as the contributions in respect of the defined benefit division has changed as part of the 1 January 2020 funding valuation.
3. **Name of Regulated Fund to Which This Certificate Relates:**  
QBE Defined Benefit Division – Retirement Portfolio Service superannuation fund\* (“the Plan”)  
\* the Plan transferred from the OnePath MasterFund to the Retirement Portfolio Service superannuation fund on 13 April 2019 by successor fund transfer.

In this certificate, references to “the Rules” are references to the OnePath MasterFund Employer Application Form between OnePath Custodians Pty Ltd and QBE Management Services Pty Limited, as amended by Employer Application Amending Deed(s), and the Trust Deed of the OnePath MasterFund and Retirement Portfolio Service superannuation fund (unless specified otherwise).

4. **Date of Effect of This Certificate:**  
1 July 2020.
5. **Date this Certificate Ceases to Have Effect:**  
30 June 2025. This certificate must be replaced by 30 June 2024.
6. **Notifiable Events**

The Certificate will also cease to have effect should any of the following events occur, unless the Actuary advises within 3 months of the occurrence of the event that the certificate should not cease to have effect:

- (a) an event described in Regulation 9.12(2) or in a successor Regulation; or
- (b) replacement of this certificate is requested by the Regulator under SIS Regulation 9.09(1A)
- (c) a Notifiable Event occurs as listed below:
  - i. a change is made to the Minimum Requisite Benefits as described in paragraph 7 below; or
  - ii. the Trustee becomes aware of any actual or possible misappropriation of assets of the Plan; or
  - iii. the Trustee becomes aware of any enhanced benefits paid under a discretion from the Plan; or
  - iv. the Trustee becomes aware that the net market value of the Plan's assets is less than 100% of the Plan's vested benefits at the end of any quarter since 1 July 2020; or

- v. any changes are made to the level or method of calculation of the benefits payable from the Plan, whether by amendment of the Rules of the Plan or otherwise, to the extent that the change affects or may affect the level or method of calculation of the benefits payable from the Plan, unless otherwise advised by the Actuary; or
- vi. a significant change to the investment strategy of the Defined Benefit Division (DBD); or
- vii. the Actuary advises the Trustee in writing that the solvency position should be reviewed.

7. **Minimum Requisite Benefits (MRBs)**

The Certificate relates to the Minimum Requisite Benefits described in the Benefit Certificate effective 13 April 2019 and expiring 31 March 2024, issued by myself, Jackie Downham, FIAA, on 27 June 2019.

It is assumed that the MRBs applicable from 31 March 2024 (the expiry date of the Benefit Certificate) are calculated on a basis consistent with that set out in the Benefit Certificate applicable prior to 31 March 2024.

8. The Certificate is based on the benefits, data and assumptions set out in the Report on the Actuarial Investigation of the Plan as at 1 January 2020, dated 4 June 2020, as well as the results of that investigation in relation to contribution rates and the Plan’s projected financial position.

The membership, assets and funding position of the Plan as at 1 July 2020 were also considered.

9. I certify that the Plan was solvent (as defined in Regulation 9.06(2)) as at 1 July 2020, the effective date of the Certificate.

10. I certify that, on the basis set out in this Certificate, I expect that the Plan will be solvent throughout the period to 30 June 2025, the expiry date of the Certificate, should the employer continue to pay contributions at no less than the following levels for the period to 30 June 2025:

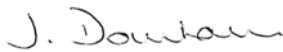
- The following amounts in respect of the DBD membership:

Year ending	Contribution amount
30 June 2021	\$200,000
30 June 2022	\$200,000

- Contributions of at least the Superannuation Guarantee rate of Ordinary Time Earnings (subject to the maximum contribution base) for all Accumulation members, other than:
  - members who have instructed the employer to pay Superannuation Guarantee contributions to another fund, from the effective date of that instruction;
- Employer contributions (including salary sacrifice contributions) credited to the accounts of Accumulation members of the Plan; and
- Any employer related expenses or insurance premiums required to meet the cost of employer provided insurance for Accumulation members.

In respect of defined benefit members, these contributions are in excess of those expected to be required to provide coverage only of the Employer funded component of MRBs.

11. I am not aware of any occurrence between the effective date and the date of signing that would affect the contents of this Certificate.
12. This Certificate has been prepared in accordance with Professional Standard 407 "Solvency Management of Defined Benefit Superannuation Funds" issued by the Institute of Actuaries of Australia in May 2010.



Jackie Downham  
Fellow of the Institute of Actuaries of Australia  
8 July 2019

Towers Watson Australia Pty Ltd  
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SYDNEY NSW 2000