

Aircrew Scheme

On behalf of the Board of Trustees of the National Provident Fund, set out below is a report on the performance and activities of your Scheme for the year ended 31 March 2025. Further information on the National Provident Fund's activities, and commentary on investment markets, is set out in the Chair's letter.

Your Scheme

CROWN GUARANTEE

The Aircrew Superannuation Scheme is a defined benefit scheme. The benefits payable by your Scheme are guaranteed by the Crown.

INVESTMENT PERFORMANCE

The investment return (after tax and expenses) earned by the Scheme for the year ended 31 March 2025 was 3.51% (2024: 6.54%). In dollar terms, this represents investment gain of \$1,351,000 (2024 investment gain: \$2,360,000).

The asset class return (after investment manager fees, but before tax and other expenses) and the comparative performance of the benchmark index is shown in the table below.

Asset Class	Return	Index
Cash	5.32%	5.16%

See the comparison over the page for the key statistics of your Scheme over the last 10 years. For an overview of the financial performance of the Scheme, refer to the tables on the following pages.

Annual Report for the year ended 31 March 2025

SUMMARY FINANCIAL STATEMENTS

The summary financial statements included in this Annual Report have been extracted from the full financial statements for the year ended 31 March 2025.

The summary financial statements cannot be expected to provide as complete an understanding as the full financial statements.

Members are welcome to view the full financial statements on our website – www.npf.co.nz/members/schemes – or contact the Scheme administrator, Datacom (see details on back page), for a free copy of the Scheme's full financial statements.



EMPLOYER CONTRIBUTION RATE

Each year the Board’s Actuary carries out a review of the Scheme to determine an employer contribution rate sufficient to meet the accrued and future liabilities of the Scheme.

In the actuarial review, completed as at 31 March 2024, the Actuary recommended the employer contribution rate is changed to 6.5 times members’ contributions and an additional contribution of \$236,002 p.a. to meet expected administration expenses for the year ending 31 March 2026. Taking into account changes in the investment markets and Scheme membership the Board recommended, and the Minister of Finance accepted the new employer contribution rate. The changes took effect from 1 April 2025.

Changes taking effect from 1 April 2026 will be published on the NPF website once they have been approved: www.npf.co.nz/members/schemes/aircrew.

TA/TB RATIO AND FUNDING LEVEL

The most relevant measure of the financial health of the Scheme for members is the **TA/TB Ratio** (total assets (TA) as a percentage of accrued retirement benefits (TB)), because members generally elect to receive a transfer value from the Scheme rather than a pension payable from the National Provident Pension Scheme. A member’s transfer benefit is the TA/ TB Ratio times the member’s accrued retirement benefit. The TA/TB Ratio calculated at 31 March 2025 was 100.7% (2024: 101.0%).

The **funding level** of the Scheme is used to determine the employer contribution rate. The funding level is the net assets of the Scheme divided by the past service liabilities. The funding level has been calculated on two bases: an expected return basis (Funding Basis) and on a Sovereign bond curve basis (Sovereign Basis). The Funding Basis used an expected discount rate, being the expected investment return on the assets of the Scheme. The rate ranged from 2.9% to 2.2% over the years 2026 to 2034, net of tax and investment related expenses. The Sovereign Basis, uses Sovereign bond yields net of tax and investment expenses.

The funding levels differ to the TA/TB ratio as the funding levels allow for assumed future increases in salaries and discounting from when the member entitlement is expected to be paid. Neither the funding levels nor the TA/TB ratio allow for the possibility of members electing a pension benefit.

FUNDING POSITION

The Actuary has advised the funding level of the Scheme, as at 31 March, was:

	2025 Sovereign Basis (\$000)	2024 Sovereign Basis (\$000)	2025 Funding Basis (\$000)	2024 Funding Basis (\$000)
Net assets	30,185	34,785	30,185	34,785
Past service liabilities	(33,208)	(38,598)	(33,407)	(38,722)
Funding level	90.9%	90.1%	90.4%	89.8%

WHO INVESTS YOUR MONEY

Cash Manager
Bank of New Zealand Limited (terminated 27 September 2024)
Nikko Asset Management New Zealand Limited (appointed 27 September 2024)

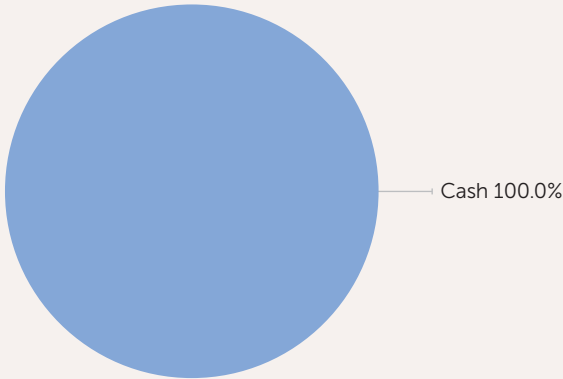
Asset Allocation Strategy as at
31 March 2024 & 31 March 2025

HOW YOUR MONEY IS INVESTED

The Scheme’s asset allocation strategy is set by the Board and reviewed regularly. There was no change to Scheme’s asset allocation strategy during the year. The pie chart shows the Scheme’s asset allocation as at 31 March 2024 and 31 March 2025.

The Board’s Statement of Investment Policies, Standards and Procedures (SIPSP) is reviewed regularly by the Board. During the year the SIPSP was updated and there were no significant changes to the SIPSP relating to the Scheme.

See our website, www.npf.co.nz, for more information about your Scheme, including the Board’s SIPSP and the Scheme Trust Deed.



SUMMARY STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2025

<p>This is a summary of the Scheme's income and expenses, and membership contributions and payments during the year.</p>		2025 (\$000)	2024 (\$000)
	Investment income	1,351	2,360
	Less operating expenses	(207)	(200)
	Net income before tax and membership activities	1,144	2,160
	Income tax (expense)	(25)	(31)
	Net income after tax and before membership activities	1,119	2,129
	Contributions	1,603	2,168
	Less pension and transfer payments	(7,322)	(1,970)
	Net membership activities	(5,719)	198
	(Decrease)/Increase in net assets for the year	(4,600)	2,327
	Net assets available to pay benefits at beginning of year	34,785	32,458
	Net assets available to pay benefits at end of year	30,185	34,785

SUMMARY STATEMENT OF NET ASSETS AS AT 31 MARCH 2025

<p>This is a summary of the Scheme's assets and liabilities, as at 31 March 2025.</p> <p>Assets include the Scheme's investments in the Cash Unit Fund plus what the Scheme had in the bank and was owed by others.</p> <p>Liabilities are what the Scheme owed to others.</p> <p>Net assets is the money available to pay future entitlements.</p>		2025 (\$000)	2024 (\$000)
	Investment assets		
	Cash Unit Fund	25,209	29,498
	Total investments assets	25,209	29,498
	Other assets	5,033	5,378
	Total assets	30,242	34,876
	Less liabilities	(57)	(91)
	Net assets available to pay benefits	30,185	34,785

SUMMARY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

<p>This is a summary of the cash flows through the Scheme during the year.</p> <p>Cash was received from:</p> <ul style="list-style-type: none"> operating activities (being contributions less pension and transfer payments and operating expenses); and investing activities. <p>The difference between the two cash flows is recorded as an increase or decrease in cash held.</p>		2025 (\$000)	2024 (\$000)
	Opening cash brought forward	5,364	5,304
	Net cash flows from operating activities	(5,690)	263
	Net cash flows from investing activities	5,343	(203)
	Net decrease in cash held	(347)	60
	Closing cash carried forward	5,017	5,364

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

The summary financial statements:

- have been extracted from the full financial statements which were:
 - prepared in accordance with, and comply with, the New Zealand Equivalents to International Financial Reporting Standards;
 - authorised for issue by the Board on 26 June 2025; and
 - audited and received an unmodified opinion;
- cannot be expected to provide as complete an understanding as provided by the full financial statements;
- are reported in New Zealand dollars, rounded to the nearest thousand;
- are for a profit-oriented entity; and
- comply with Financial Reporting Standard 43: Summary Financial Statements.

SUBSEQUENT EVENTS

There were no material events subsequent to balance date requiring amendments to these financial statements.

TRUSTEE'S REPORT

For the year ended 31 March 2025

The Board of Trustees of the National Provident Fund, as trustee of the Scheme, provides members with the following information in respect of the Scheme.

Changes in the Scheme membership numbers during the year were as follows:

	Contributors
Opening membership as at 1 April 2024	17
Deaths and disablements	-
Retirement	-
Transfer to another scheme	-
Transfers to another NPF scheme	(3)
Extinguished liabilities	1
Closing membership as at 31 March 2025	15

On the basis of evidence available, the Board believes that all contributions required to be made to the Scheme, in accordance with the terms of the Scheme Trust Deed, have been made.

The Board certifies that, to the best of its knowledge, all benefits required to be paid from the Scheme were paid in accordance with the terms of the Scheme Trust Deed.

The Board based on the advice of the Actuary certifies that, as at 31 March 2025, the net market value of the Scheme's assets was less than the total value of the vested benefits of the Scheme.

FEES

Scheme administration fees are apportioned on fee per member and fee per transaction bases and are charged to the Scheme as a whole. As at 1 April 2024 and 2025 the scheme administration fees were increased for inflation. The Board certifies it is satisfied the increase in the administration fees for the Scheme is not unreasonable. The Board is satisfied the total management fees charged to the Scheme are not unreasonable.

TRUST DEED AMENDMENT

There have been no amendments to the Scheme Trust Deed since 25 June 2024, being the date of the Scheme's last annual report. A copy of the Trust Deed is available on request.

INDEPENDENT AUDITOR'S REPORT

To the readers of Aircrew Superannuation Scheme's summary financial statements for the year ended 31 March 2025.

The Auditor-General is the auditor of Aircrew Superannuation Scheme (the Scheme). The Auditor-General has appointed me, Pam Thompson, using the staff and resources of Deloitte Limited, to carry out the audit of the summary financial statements of the Scheme on his behalf.

OPINION

The summary financial statements of the Scheme that comprise the summary statement of net assets as at 31 March 2025, the summary statement of changes in net assets, and the summary statement of cash flows for the year ended on that date, and related notes, are derived from the full financial statements for the year ended 31 March 2025 that we have audited.

In our opinion, the summary financial statements are consistent, in all material respects, with the full financial statements for the year ended 31 March 2025, in accordance with FRS-43: Summary Financial Statements issued by the New Zealand Accounting Standards Board.

SUMMARY FINANCIAL STATEMENTS

The summary financial statements do not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the full financial statements and the auditor's report thereon.

The summary financial statements do not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full financial statements.

THE FULL FINANCIAL STATEMENTS AND OUR AUDIT REPORT THEREON

We expressed an unmodified audit opinion on the full financial statements for the year ended 31 March 2025 in our auditor's report dated 26 June 2025. That report also includes the communication of key audit matters.

BOARD OF TRUSTEES' RESPONSIBILITY FOR THE SUMMARY FINANCIAL STATEMENTS

The Board of Trustees is responsible on behalf of the Scheme for the preparation of the summary financial statements in accordance with FRS-43: Summary Financial Statements.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the full audited financial statements of the Scheme, based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

We did not evaluate the security and controls over the electronic publication of the summary financial statements.

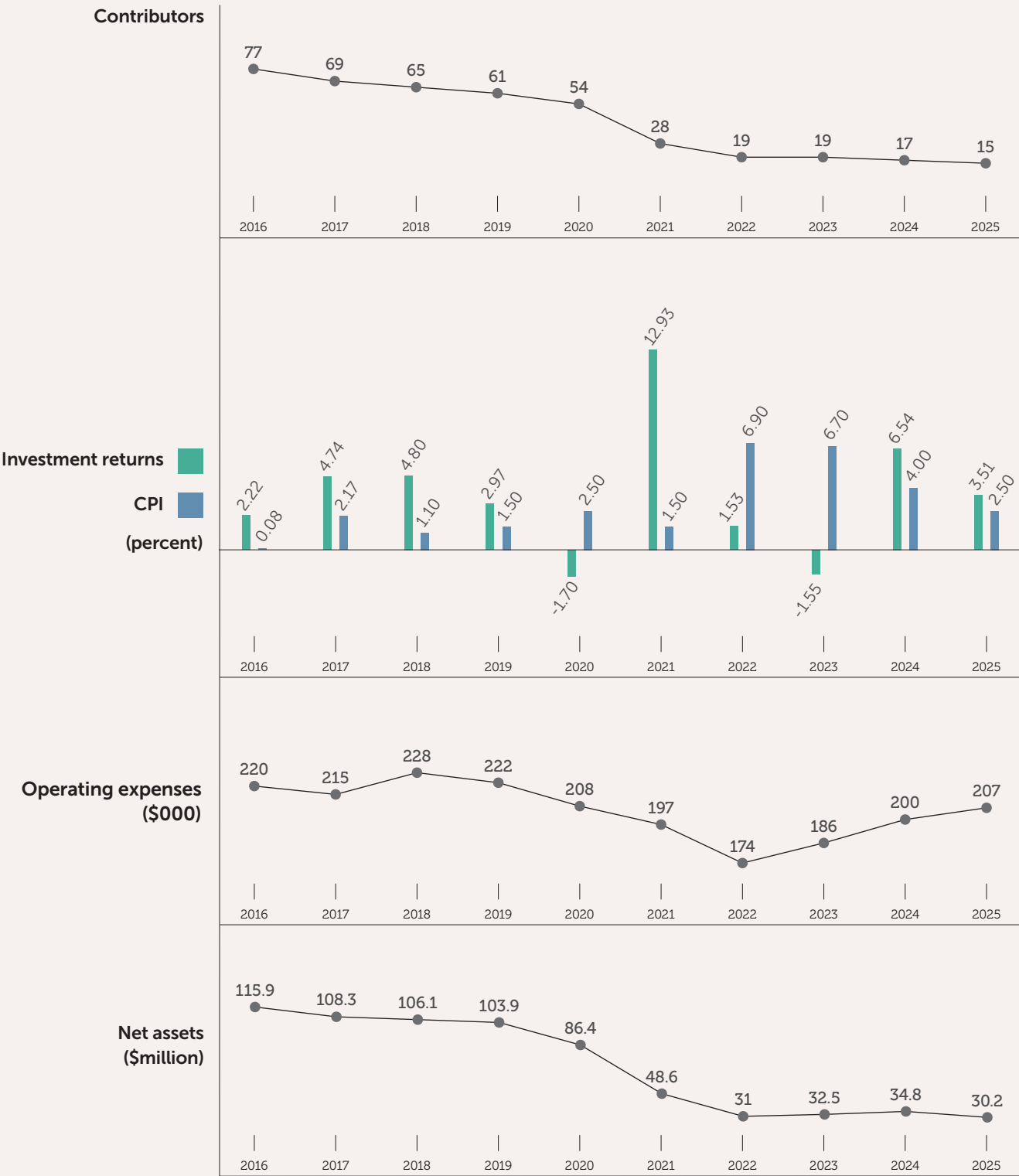
Other than the audit and an assurance engagement for the register of members, we have no relationship with, or interests in, the Scheme.

Pam Thompson

Pam Thompson
for Deloitte Limited
On behalf of the Auditor-General
Wellington, New Zealand

9 July 2025

10 YEAR COMPARISON



Directory as at 9 July 2025

TRUSTEE

Board of Trustees of the National Provident Fund

BOARD MEMBERS

Louise Edwards – Chair – appointed 1 July 2019 and Chair from 1 July 2024

Sarah Park – Deputy Chair – appointed 1 February 2020 and Deputy Chair from 1 July 2022

Graham Ansell – appointed 12 July 2021

Tracey Berry – appointed 1 July 2022

Lloyd Kavanagh – appointed 1 July 2022

Michelle Tsui – appointed 1 July 2024

Further information on the Board members is provided on our website – www.npf.co.nz.

MANAGEMENT

Tim Mitchell

Chief Executive and Acting Chief Investment Officer

Fiona Morgan

Chief Financial Officer

Hadyn Hunt

Chief Risk Officer

Ireen Muir

General Manager – Schemes

DATACOM

ADMINISTRATION

Datacom Connect Limited is the administrator of the NPF Schemes.

CONTACT DETAILS

You are welcome to contact Datacom if you have any specific questions about the information in this report or to enquire about your Scheme membership in general. If you would like to receive a free printed copy of this report or the full financial statements in the mail please contact Datacom.

The Trust Deed and actuarial valuation is available on NPF's website (www.npf.co.nz/members/schemes/). You can also purchase a printed copy of the Trust Deed (\$10) or actuarial valuation (\$10) by contacting Datacom.

Please quote your identity number when contacting Datacom.

Free phone: 0800 628 776 between 8.30 am and 5.00 pm, Monday to Friday.

Phone: (04) 381 0600

Post to:

The Manager
National Provident Fund Administration
Datacom Connect Limited

P O Box 1036
WELLINGTON 6140

Email: npf@fundadmin.nz

If you would like to know more about NPF in general, or if you would like to view or download a copy of the Scheme's full financial statements rather than receive a copy in the mail, please visit our website – www.npf.co.nz.

You may contact the Board by writing to:

The Secretary
Board of Trustees of the National Provident Fund
PO Box 3390, Wellington 6140, or
Level 12, The Todd Building
95 Customhouse Quay
WELLINGTON 6011

Auditor: Pam Thompson, Deloitte Limited,
on behalf of the Auditor-General

Actuary: Christine D Ormrod,
PricewaterhouseCoopers Consulting
(New Zealand) LP

Bank: Bank of New Zealand Limited

Custodian: JPMorgan Chase Bank, N.A.

Solicitor: DLA Piper New Zealand

There were no changes to the Actuary, Bank, Custodian or Solicitor during the year.