

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 2026. 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 2026 was 1.78% (2025: 3.51%). In dollar terms, this represents investment gain of \$0.69 million (2025 investment gain: \$1.35 million).

The asset class return for the year (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	3.59%	3.06%

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 2026

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 2026.

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 2025, the Actuary recommended the employer contribution rate is changed to 5.4 times members' contributions and an additional contribution of \$244,452 p.a. to meet expected administration expenses for the year ending 31 March 2027. 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 2026.

Changes taking effect from 1 April 2027 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 2026 was 100.7% (2025: 100.7%).

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 1.90% to 2.90% over the years 2027 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:

	2026 Sovereign Basis (\$000)	2025 Sovereign Basis (\$000)	2026 Funding Basis (\$000)	2025 Funding Basis (\$000)
Net assets	26,777	30,185	26,777	30,185
Past service liabilities	(28,869)	(33,208)	(29,010)	(33,407)
Funding level	92.8%	90.9%	92.3%	90.4%

WHO INVESTS YOUR MONEY

Cash Manager

Amova Asset Management New Zealand Limited
(formerly Nikko Asset Management New Zealand Limited)

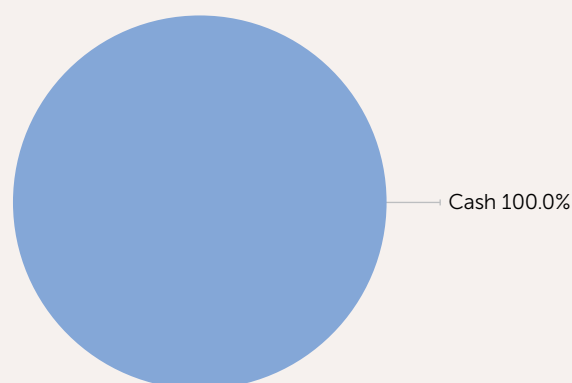
Asset Allocation Strategy as at 31 March 2025 & 31 March 2026

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 2025 and 31 March 2026.

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 2026

This is a summary of the Scheme's income and expenses, membership contributions and payments during the year.		2026 (\$000)	2025 (\$000)
	Investment income	689	1,351
	Less operating expenses	(196)	(207)
	Net income before tax and membership activities	493	1,144
	Income tax (expense)	10	(25)
	Net income after tax and before membership activities	503	1,119
	Contributions	2,304	1,603
	Less pension and transfer payments	(6,215)	(7,322)
	Net membership activities	(3,911)	(5,719)
	(Decrease) in net assets for the year	(3,408)	(4,600)
	Net assets available to pay benefits at beginning of year	30,185	34,785
	Net assets available to pay benefits at end of year	26,777	30,185

SUMMARY STATEMENT OF NET ASSETS AS AT 31 MARCH 2026

This is a summary of the Scheme's assets and liabilities, as at 31 March 2026. Assets include the Scheme's investments in the Cash Unit Fund plus what the Scheme had in the bank and was owed by others. Liabilities are what the Scheme owed to others. Net assets is the money available to pay future entitlements.		2026 (\$000)	2025 (\$000)
	Investment assets		
	Cash Unit Fund	21,862	25,209
	Total investments assets	21,862	25,209
	Other assets	4,923	5,033
	Total assets	26,785	30,242
	Less liabilities	(8)	57
	Net assets available to pay benefits	26,777	30,185

SUMMARY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2026

This is a summary of the cash flows through the Scheme during the year. Cash was received from: - operating activities (being contributions less pension and transfer payments and operating expenses); and - investing activities. The difference between the two cash flows is recorded as an increase or decrease in cash held.		2026 (\$000)	2025 (\$000)
	Opening cash brought forward	5,017	5,364
	Net cash flows from operating activities	(4,039)	(5,690)
	Net cash flows from investing activities	3,877	5,343
	Net (decrease) in cash held	(162)	(347)
	Closing cash carried forward	4,855	5,017

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 2026; 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 2026

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 2025	15
Deaths and disablements	-
Retirement	(1)
Withdrawal	(1)
Transfer to another scheme	(1)
Transfers to another NPF scheme	-
Extinguished liabilities	-
Closing membership as at 31 March 2026	12

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 2026, 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 2025 and 2026 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

The Scheme Trust Deed has not been amended during the financial year. A copy of the Trust Deed is available on request.

INDEPENDENT AUDITOR'S REPORT

To the members of Aircrew Superannuation Scheme

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 2026, 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 2026 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 2026, 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 2026 in our auditor's report dated 26 June 2026. 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.

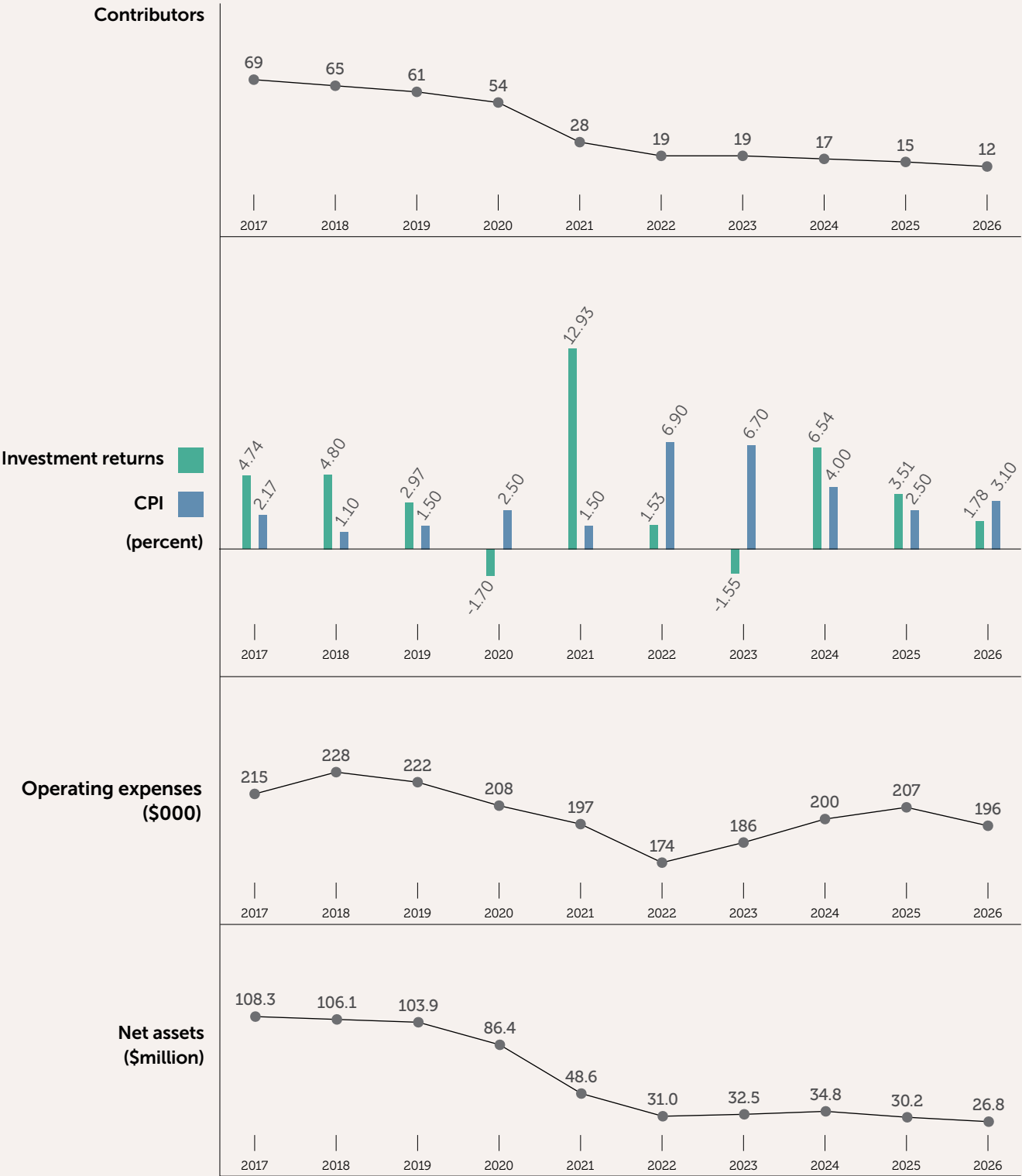
Other than the audit and an assurance engagement for the register of members, we have no relationship with, or interests in, the Scheme.

Pam Thompson

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

16 July 2026

10 YEAR COMPARISON



Aircrew Superannuation Scheme (the Scheme)
Statement of Changes in Net Assets
for the year ended 31 March 2026

	Note	2026 (\$'000)	2025 (\$'000)
Investment income			
Income from unit funds	4	530	1,054
Interest received		159	297
Total investment income		689	1,351
Operating expenses			
Actuarial fees		72	72
Audit fees	6	23	23
Board member expenses	5	42	40
Interest paid		-	9
Legal fees		7	-
Management expenses	5	52	63
Total operating expenses		196	207
Net income before tax and membership activities		493	1,144
Income tax credit/(expense)	7	10	(25)
Net income after tax and before membership activities		503	1,119
Contributions	1		
Contributor contributions		436	478
Employer contributions		1,868	1,125
Total contributions		2,304	1,603
Scheme payments			
Benefits paid		3,230	-
Transfers paid to other Schemes		2,985	7,322
Total scheme payments		6,215	7,322
Net membership activities		(3,911)	(5,719)
(Decrease) in net assets for the year	10	(3,408)	(4,600)
Net assets available to pay benefits at beginning of year		30,185	34,785
Net assets available to pay benefits at end of year		26,777	30,185

The notes to the financial statements on pages 4 to 12 form an integral part of these financial statements.

Aircrew Superannuation Scheme (the Scheme)
Statement of Net Assets
as at 31 March 2026

	Note	2026 (\$'000)	2025 (\$'000)
Investment assets at fair value through profit or loss	3		
Units held in:			
Cash unit Fund		21,862	25,209
		21,862	25,209
Financial assets at amortised cost			
Cash		4,855	5,017
Other receivables	9	40	16
Receivable from the Global Asset Trust	8	10	-
		4,905	5,033
Other assets at amortised cost			
Income Tax receivable		18	-
		18	-
Total assets		26,785	30,242
Current liabilities at amortised cost			
Accounts payable		8	1
Income tax payable		-	56
		8	57
Total liabilities		8	57
Net assets available to pay benefits		26,777	30,185

Authorised for issue on 26 June 2026

On behalf of the Board of Trustees of the National Provident Fund.



Anne Blackburn
Board Chair



Michelle Tsui
Chair
Audit and Risk Review Committee

Aircrew Superannuation Scheme (the Scheme)
Statement of Cash Flows
for the year ended 31 March 2026

	Note	2026 (\$000)	2025 (\$000)
Cash flows from operating activities¹			
Cash was provided from:			
Contributor contributions		436	478
Employer contributions		1,868	1,125
Interest received		159	297
		2,463	1,900
Cash was applied to:			
Benefits paid		3,230	-
Income tax		83	-
Operating expenses		204	258
Transfers paid to other Schemes		2,985	7,332
		6,502	7,590
Net (outflows) from operating activities	10	(4,039)	(5,690)
Cash flows from investing activities²			
Cash was provided from sale of units in:			
Cash unit fund		4,922	7,199
		4,922	7,199
Cash was applied to purchase units in:			
Cash unit fund		1,045	1,856
		1,045	1,856
Net inflows in investing activities		3,877	5,343
Net (decrease) in cash held		(162)	(347)
Add opening cash brought forward		5,017	5,364
Closing cash carried forward³		4,855	5,017

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- 1 Operating Activities: Includes any activities that are the result of normal business activities not classified as investing activities.
- 2 Investing Activities: Comprises acquisition and disposal of units in the GAT.
- 3 Cash: Comprises cash balances held with banks in New Zealand.

**Aircrew Superannuation Scheme (the Scheme)
Notes to the Financial Statements
for the year ended 31 March 2026**

1 DESCRIPTION OF THE SCHEME AND FUNDING ARRANGEMENTS

The Scheme is a defined benefit scheme, governed by a Trust Deed. The Scheme is deemed to be registered on the register of managed investment schemes under the Financial Markets Conduct Act 2013 (FMCA).

The Scheme is funded on the principle of aggregate funding. Under this principle, the value of the employer's future contributions is the balancing item between the actuarial value of the contributors' entitlements, and the value of contributors' future contributions and the market value of the Scheme's net assets.

The rate of contribution for contributors is set out in the Scheme Trust Deed and ranges from 8.75% to 10% of the contributor's salary (as defined in the Trust Deed), depending on the age of the contributor at commencement of his/her contributory service.

The Actuary, in her actuarial review at 31 March 2025, recommended that the employer contribution rate is reduced to 5.4 times members' contributions and an additional contribution of \$244,452 p.a. to meet expected administration expenses for the year ending 31 March 2027. Taking into account performance of 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 2026.

2 RELATED PARTIES

Under the terms of the National Provident Fund Restructuring Act 1990 (the Act), the Board of Trustees of the National Provident Fund (the Board) is Trustee of the Scheme. Members of the Board are appointed by the Minister of Finance.

The Board and the Government Superannuation Fund Authority (the Authority) have formed a joint venture company, Annuitas Management Limited (Annuitas). Each organisation has entered into a management services agreement with Annuitas.

Until 31 December 2025, Louise Edwards and Sarah Park were the Board's appointed directors of Annuitas. From 1 January 2026 all Board-appointed Directors are Directors of Annuitas. The costs of running Annuitas are shared between the Board and the Authority in accordance with a methodology agreed between the two parties.

The Board is also the Trustee of the Global Asset Trust (the GAT), which holds the assets of all the National Provident Fund Schemes. The GAT is divided into separate unit funds, representing various asset classes, which have issued units to the Board, as Trustee of the Scheme, according to the Strategic Asset Allocation (refer note 3).

There were no transactions between the Board or management, as individuals, and the Scheme.

Aircrew Superannuation Scheme (the Scheme)
Notes to the Financial Statements
for the year ended 31 March 2026

3 STRATEGIC ASSET ALLOCATION (SAA) - INVESTMENT

The Scheme is authorised to invest only in the GAT or in bank deposits. The GAT is divided into separate unit funds representing various asset classes.

Investment assets have been designated at fair value through profit or loss upon initial recognition. These are managed and their performance evaluated, on a fair value basis. This is consistent with the Scheme's documented investment strategy. The assets are investments in units in the GAT which, in turn, invests in cash.

The fair value of the units held by the Scheme in the GAT is based on the valuation of the financial instruments held by the GAT. The fair value of these financial instruments is based on exit prices at balance date without any deduction for future selling costs. If the exit price for an instrument is not available on a recognised exchange the fair value is estimated taking into account comparable markets and specialist advice.

The benchmark asset allocations as at 31 March 2026 and 31 March 2025 are the same with 100% investment in the cash unit fund.

4 INCOME FROM UNIT FUNDS

Income from unit funds is derived from the changes in fair value of units held by the GAT and reflects both realised and unrealised gains and losses. The income stated is net of expenses (including investment management and custodial fees) directly related to investment activities. The income per unit fund is as follows:

	2026 (\$000)	2025 (\$000)
Cash unit fund	530	1,054
Income from unit funds	530	1,054

5 MANAGEMENT AND BOARD MEMBER EXPENSES

Management expenses comprise administration fees charged by Datacom Connect Limited and a share of the expenses of the Board. The Board member expenses are split evenly between the schemes.

Aircrew Superannuation Scheme (the Scheme)
Notes to the Financial Statements
for the year ended 31 March 2026

6 FEES PAID TO AUDITOR

	2026 (\$000)	2025 (\$000)
Audit and review of financial statements		
Audit and review of financial statements	21	21
Other services		
Other assurance engagement – members register	2	2
Total other services	2	2
Total fees paid to auditor	23	23

7 INCOME TAX

Income specific to the Scheme is subject to tax at 28%, after allowing for deductible expenses.

The income tax reconciliation is as follows:

	2026 (\$000)	2025 (\$000)
Scheme specific income	159	297
Deductible expenses	(196)	(207)
Expense election to the GAT under section DV2	37	-
Taxable income	-	90
Net income before tax and membership activities	493	1,144
Tax at 28%	138	320
Less Non-taxable gain	(148)	(295)
Income tax (credit)/expense	(10)	25
Represented by:		
Income tax credit on current year income	(10)	25
Income tax (credit)/expense	(10)	25

The current year tax credit results from the benefit of the Scheme electing to transfer surplus deductible expenses to the GAT under section DV2 of the Income Tax Act 2007 (the Tax Act). The GAT is subject to tax at the rate of 28%.

As the Scheme had taxable income for 2025, no surplus deductible expenses were available to transfer to the GAT for 2025.

8 RECEIVABLE FROM THE GAT

The receivable represents the outstanding tax credits, (refer note 7), utilised by the GAT resulting from the transfer of the Scheme's surplus deductible expenses to the GAT under the Tax Act. The Scheme will realise the receivable by investing in units of the GAT, with the remainder being settled by cash (if applicable). In 2025 there was no receivable from the GAT as the Scheme had taxable income for the year.

Aircrew Superannuation Scheme (the Scheme)
Notes to the Financial Statements
for the year ended 31 March 2026

9 OTHER RECEIVABLES

Other receivables consist of:

	2026 (\$000)	2025 (\$000)
Employer Contributions Receivable	-	2
Management fee refund	40	14
Total other receivables	40	16

10 RECONCILIATION OF (DECREASE) IN NET ASSETS FOR THE YEAR TO NET CASH INFLOWS FROM OPERATING ACTIVITIES

	2026 (\$000)	2025 (\$000)
Change in net assets for the year	(3,408)	(4,600)
Movement in working capital		
Change in accounts payable	7	(59)
Change in income tax payable	(74)	25
Change in other receivables	(24)	(2)
	(91)	(36)
(Less)/add non-cash items		
Movement in receivable from the GAT	(10)	-
	(10)	-
Items classified as investing activities		
Income from unit funds	(530)	(1,054)
	(530)	(1,054)
Net cash (outflows) from operating activities	(4,039)	(5,690)

11 GUARANTEED BENEFITS

Under section 60 of the Act, the benefits payable by the Scheme are guaranteed by the Crown.

12 ACTUARIAL EXAMINATION AND REVIEW, FUNDING LEVEL AND VESTED BENEFITS RATIO – 31 MARCH 2026

12.1 ACTUARIAL EXAMINATION AND REVIEW

Every three years, a statutory actuarial examination of the Scheme is prepared in accordance with the National Provident Fund Restructuring Act 1990 and the Financial Markets Conduct Act 2013 (refer note 13). The most recent actuarial examination was carried out as at 31 March 2024 and the results of that examination are summarised in note 13. This examination showed the funding level of the Scheme was 89.8% at 31 March 2024. The funding level is the ratio of the net assets to the value of past service liabilities.

There is a review each year, which takes into account updated membership information and updated assumptions. The review at 31 March 2026 showed the funding level, using the expected investment returns, had increased to 92.3%. As at 31 March 2025, the funding level was 90.4%. The funding level is also calculated as if the assets were invested in Government bonds. On that basis the funding levels were 92.8% at 31 March 2026 and 90.9% at 31 March 2025.

Aircrew Superannuation Scheme (the Scheme)
Notes to the Financial Statements
for the year ended 31 March 2026

12 ACTUARIAL EXAMINATION AND REVIEW, FUNDING LEVEL AND VESTED BENEFITS RATIO – 31 MARCH 2026 (CONTINUED)

12.1 ACTUARIAL EXAMINATION AND REVIEW (CONTINUED)

The most financially significant assumptions are:

- the rate of future salary increases assumed for pilots. Salaries of pilots are assumed to increase with promotional increases plus general inflation of 2.0% per annum at 31 March 2026 and 3.0% for the first year at 31 March 2025 and 2.0% per annum thereafter. The equivalent assumption at 31 March 2024 was 5.0% per annum in the first year and 2.0% per annum thereafter.
- How long pilots remain in the Scheme before retiring. From age 63, 33% of members are assumed to retire each year.
- Whether retirees take a pension or a lump sum benefit.

While the results are also sensitive to future investment returns, as the Scheme is invested 100% in the Cash unit, there is comparatively little difference between actual and expected future investment returns or variation in future expected investment returns from one year to the next.

12.2 VESTED BENEFITS RATIO – 31 MARCH 2026

The value of vested benefits is the value of the benefits contributors would be entitled to if they left the Scheme on the valuation date. As all contributors in this Scheme are now over 50 years of age, the value of vested benefits of the Scheme is determined by the Actuary as the greater of:

- the lump sum retirement benefit the contributor would have been entitled to, if the contributor had retired.
- the value of the retirement pension the contributor would have been entitled to, if the contributor retired, assuming this pension were purchased from the National Provident Pension Scheme on 31 March 2026.
- the transfer value the contributor would have been entitled to, if the contributor had transferred out of the Scheme.

The vested benefits ratio of the Scheme is the ratio of the net assets available to pay benefits to the value of vested benefits. The vested benefits ratio, as at 31 March, is shown below:

Vested benefits	2026 (\$000)	2025 (\$000)
Present value of -		
Vested benefits	(28,935)	(33,704) ¹
Net assets	26,777	30,185
Deficit	(2,158)	(3,519)
Vested benefits ratio	92.5%	89.6%

¹ The vested benefits amount at 31 March 2025 has been restated as an error in the calculation was identified. Previously the amount was \$31.593 million. This error was also present in the 31 March 2024 calculation and therefore impacts the vested benefit calculation for that year. The error did not have any impact on members' entitlements and employer contribution rates.

This table should be read in conjunction with note 11.

For this calculation, all contributors are assumed to be married with a spouse three years younger. This impacts the value of the retirement pension used and potentially leads to the value of vested benefits being over-estimated.

Aircrew Superannuation Scheme (the Scheme)
Notes to the Financial Statements
for the year ended 31 March 2026

13 STATUTORY ACTUARIAL EXAMINATION – 31 MARCH 2024

Under the National Provident Fund Restructuring Act 1990 and the Financial Markets Conduct Act 2013, a statutory actuarial examination of the Scheme is required every three years.

The most recent statutory actuarial examination was prepared, as at 31 March 2024, by Christine Ormrod FNZSA, the Actuary to the Scheme, and is dated 15 August 2024. It covers the three years 31 March 2021 to 31 March 2024.

The following table shows the summary results of the valuation on the funding basis:

Valuation date	2024 (\$000)	2021 (\$000)
Present Value of -		
Past service liabilities	(38,722)	(46,133)
Net assets	34,785	48,630
Past service (deficit)/surplus	(3,937)	2,497
Future service liabilities	(2,989)	(5,272)
Contributors' future contributions	1,569	2,617
Net future service liability	(1,420)	(2,655)
Total service (deficit)	(5,357)	(158)
Funding level (net assets divided by past service liabilities)	89.8%	105.4%

This table should be read in conjunction with note 11.

The total service deficit is the amount the Scheme is expected to require to meet its liabilities, in addition to contributors' future contributions. It is calculated on the basis future experience is as assumed and the assumptions do not change in the future. Employer Superannuation Contribution Tax would need to be paid in addition.

In the report on the examination the Actuary recommended:

- the employer contribution rate is increased to 6.5 times members' contributions plus \$236,002 pa or \$9,077 per fortnight from 1 April 2025, inclusive of Employer Contribution Withholding Tax.
- there is an actuarial review, with the next actuarial review as at 31 March 2025, to determine the employer contribution rate from 1 April 2026.
- the Board does not amend the trust deed to increase the benefits payable from the Scheme.

The next statutory actuarial examination is due as at 31 March 2027.

The ratio of the net assets to the value of past service liabilities is known as the funding level. A funding level of 100% indicates a balance between the net assets and the past service liabilities, as at the date of valuation. The funding level of the Scheme on the funding basis, as at 31 March 2024, was 89.8%. This showed the Scheme did not have sufficient assets, as at that date, to meet its past service liabilities under the valuation assumptions.

The funding level in three years (31 March 2027) was estimated to be 91.7% assuming the experience of the Scheme is in line with the valuation assumptions and the employer contributes at the recommended rate.

The value of net assets as at 31 March 2024 was previously reported as 96.9% of the value of vested benefits. As disclosed in Note 12.2, the vested benefit amounts for prior periods have been restated following the identification of an error in the calculation. This restatement has reduced the vested benefits ratio as at 31 March 2024 to 93.3%.

The most significant actuarial assumptions used by the Actuary were:

- future salary increases for pilots, which are assumed to increase at general salary inflation of 5% for the first year and then 2.0% pa thereafter, plus a promotion adjustment
- future investment returns, being 3.7% for the first year, reducing to 1.8% per annum over the next nine years
- that all contributors elect a lump sum benefit.

The Actuary did not express an opinion on the financial condition of the Scheme.

Aircrew Superannuation Scheme (the Scheme)
Notes to the Financial Statements
for the year ended 31 March 2026

14 FINANCIAL RISK MANAGEMENT

The Scheme invests in units of the GAT based on the SAA determined for the Scheme (see note 3). The unit fund holds 100% cash. These cash instruments are all measured at fair value.

Under *NZ IFRS 13: Fair Value Measurement* (NZ IFRS 13), disclosures for fair value instruments are required using a three-level fair value hierarchy. These tiers reflect the availability of observable market inputs. The Scheme's investment in units of the GAT is classified as a level 2 investment as the unit prices are based on a net asset valuation derived from either quoted prices for similar assets or unquoted but observable inputs.

The Scheme's major risk in relation to its investment in the GAT is the price risk that the value of its units may fluctuate. Other risks, such as market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk, are managed in the GAT.

For more information on the disclosures under NZ IFRS 13 and the risks mentioned above reference should be made to the financial statements of the GAT. A copy of the financial statements of the GAT can be viewed on the National Provident Fund's website (www.npf.co.nz).

The Board manages the other risks by determining a diversified SAA appropriate for the Scheme's liabilities. In addition, the Board selects the investment managers, sets their mandates and monitors performance against those mandates.

The long run investment return for the Scheme after fees and tax is estimated to be 2.6% per annum. The volatility is expected to be 0.8%. This is based on the Scheme's SAA and the long-term rate of return for cash (after investment management, custody fees and tax), and after deducting a provision for the Scheme's operating expenses (after tax).

15 SUBSEQUENT EVENTS

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

16 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently to all periods presented in these financial statements.

16.1 BASIS OF PREPARATION

The financial statements have been prepared under the requirements of clause 59 of the Scheme Trust Deed and in accordance with the FMCA. For a description of the Scheme and its funding arrangements see note 1.

16.2 STATEMENT OF COMPLIANCE

These financial statements comply with the New Zealand Equivalents to IFRS (International Financial Reporting Standards) Accounting Standards (NZ IFRS) and IFRS Accounting Standards (IFRS) as issued by the International Accounting Standards Board, and other applicable financial reporting standards as appropriate for profit-oriented entities.

**Aircrew Superannuation Scheme (the Scheme)
Notes to the Financial Statements
for the year ended 31 March 2026**

16 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

16.3 MEASUREMENT BASE

The measurement base adopted is that of historical cost, except for investment assets which are stated at their fair value as set out below.

16.4 PRESENTATIONAL AND FUNCTIONAL CURRENCY

The financial statements are presented in New Zealand dollars, the Scheme's functional currency, rounded to the nearest thousand dollars (\$000).

16.5 CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In compliance with NZ IFRS, preparation of the financial statements requires judgements, estimates and assumptions to be made that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

Judgement has been applied in the classification and measurement of financial assets. This policy has a material impact on the amounts disclosed in the financial statements.

There are no material assumptions or major sources of estimation uncertainty that have a material risk of causing material adjustments to the carrying amounts of scheme assets at year end. Investment asset values are subject to variation due to market fluctuations and volatility (see Note 14). Receivables have been valued in accordance with NZ IFRS 9. Under this standard the Scheme has adopted the simplified expected credit loss model.

The estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period; or in the period of the revision and future periods, if the revision affects both current and future periods.

The actuarial valuation of the scheme is determined using a number of assumptions. The key assumptions are outlined in Notes 12 and 13.

16.6 FINANCIAL INSTRUMENTS

Financial instruments include both financial assets and financial liabilities.

Financial assets include balances due from contributors, and receivables from related parties (if applicable). Financial liabilities, measured at amortised cost, include accounts payable and bank overdrafts (if applicable).

16.7 RECOGNITION

The Scheme recognises financial assets and financial liabilities on the date the Scheme becomes a contractual party to the financial instruments.

16.8 MEASUREMENT

Financial assets that are classified at fair value through profit or loss are measured at fair value where all resulting gains or losses are recorded in the Statement of Changes in Net Assets.

Financial assets and financial liabilities are recorded at amortised cost using the effective interest rate method, less any impairment losses. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument to the net carrying amount of the financial asset or liability.

Aircrew Superannuation Scheme (the Scheme)
Notes to the Financial Statements
for the year ended 31 March 2026

16 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

16.9 DERECOGNITION

The Scheme derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or the Scheme transfers the financial asset and the transfer qualifies for derecognition. A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

16.10 CONTRIBUTIONS

Contributions are recognised in the Statement of Changes in Net Assets when they become receivable.

16.11 BENEFITS AND PENSIONS

Benefits and pensions are recognised in the Statement of Changes in Net Assets when a request for payment is made and all relevant criteria for payment has been met.

16.12 INVESTMENT INCOME RECOGNITION

Interest income is recognised using the effective interest rate of the instrument. Changes in the fair value on GAT unit funds are recognised in the Statement of Changes in Net Assets. Interest income on financial assets classified at fair value through profit or loss, is accrued at balance date.

16.13 TAXATION

Any income or loss arising from the movement in the fair value of the unit funds of the GAT is received by the Scheme tax paid (if any). The Scheme's deductible operating expenses are offset against the Scheme's interest received to result in net assessable income. For years where there are surplus deductible operating expenses, these are transferred to the GAT under the Tax Act in the current or future income years (refer notes 7 and 8).

The Scheme takes a responsible and transparent approach to tax which follows the spirit of the law in addition to the pure interpretation of the law.

16.14 STANDARDS ISSUED BUT NOT EFFECTIVE

Certain new accounting standards and interpretations have been issued that are not mandatory for 31 March 2026 reporting periods and have not been adopted early by the Board.

In May 2024, the External Reporting Board (XRB) introduced NZ IFRS 18 Presentation and Disclosure in Financial Statements, effective for annual reporting periods beginning on or after 1 January 2027. This standard replaces NZ IAS 1 Presentation of Financial Statements and introduces new requirements for the presentation of management-defined performance measures and enhanced guidance on aggregation and disaggregation of information in the financial statements. The Scheme has not early adopted NZ IFRS 18 and is yet to assess its impacts.

17 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

There have been no changes in accounting policies or disclosures. New standards and interpretations that are mandatory for 31 March 2026 reporting periods have been adopted with no material impact on the financial statements.

**Aircrew Superannuation Scheme (the Scheme)
Trustee's Report
for the year ended 31 March 2026**

18 OTHER INFORMATION

The Board, as Trustee of the Scheme, provides members with the following information:

18.1 SCHEME MEMBERSHIP

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

	Contributors
Opening membership as at 1 April 2025	15
Joins/Rejoin	-
Deaths and disablements	-
Retirement	(1)
Transfer to another scheme	(1)
Transfer to another NPF scheme	-
Withdrawal	(1)
Closing membership as at 31 March 2026	12

18.2 CONTRIBUTIONS RECEIVED AND BENEFITS PAID

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.

18.3 VESTED BENEFITS

The Board, based on the advice of the Actuary, certifies the net market value of the Scheme's assets was less than the total value of the vested benefits of the Scheme, as at 31 March 2026 (refer note 12 to the financial statements).

**Aircrew Superannuation Scheme (the Scheme)
Trustee's Report
for the year ended 31 March 2026**

18 OTHER INFORMATION (CONTINUED)

18.4 INVESTMENT WITH PARTIES TO THE SCHEME

The Board confirms that, to the best of its knowledge, not more than 10% of the net market value of the Scheme assets were invested with the employer, or associated entities, either directly or indirectly, who are parties to the Scheme.

18.5 TRUST DEED

The Scheme Trust Deed has not been amended during this financial year.

18.6 DIRECTORY

Trustee	Board of Trustees of the National Provident Fund Members of the Board are: Anne Blackburn (Board Chair, appointed 01/01/2026) Graham Ansell (Term ended 31/12/2025) Tracey Berry (Term ended 31/12/2025) Murray Brown (Appointed 01/01/2026) Louise Edwards (Deputy Chair, term as Board Chair ended 31/12/2025) Lloyd Kavanagh (Term ended 19/07/2025) Sarah Park (Term as Deputy Chair ended 31/12/2025) Hugh Stevens (Appointed 01/01/2026) Rebekah Swan (Appointed 01/01/2026) Michelle Tsui
Administration manager	Datacom Connect Limited
Investment managers	Cash Managers Amova Asset Management New Zealand Limited (Formerly Nikko Asset Management NZ Limited)
Actuary	Christine Ormrod, PricewaterhouseCoopers Consulting (New Zealand) LP
Auditor	Pam Thompson, Deloitte Limited (on behalf of the Auditor-General)
Solicitor	DLA Piper New Zealand
Bank	Bank of New Zealand
Custodian	JP Morgan Chase Bank

**Aircrew Superannuation Scheme (the Scheme)
Trustee's Report
for the year ended 31 March 2026**

18 OTHER INFORMATION (CONTINUED)

18.7 CORRESPONDENCE

All correspondence relating to the Scheme should be addressed to:

The Manager
National Provident Fund Administration
Datacom Connect Limited
PO Box 1036
WELLINGTON 6140

OR

The Chief Executive
Annuitas Management Limited
On behalf of the Board of Trustees of the National Provident Fund
PO Box 3390
WELLINGTON 6140

For and on behalf of the Board of Trustees of the National Provident Fund.



Anne Blackburn
Board Chair

26 June 2026

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AIRCREW SUPERANNUATION SCHEME

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 financial statements of the Scheme on his behalf.

Opinion

We have audited the financial statements of the Scheme on pages 1 to 12, that comprise the Statement of Net Assets as at 31 March 2026, the Statement of Changes in Net Assets and Statement of Cash Flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the Scheme on pages 1 to 12:

- present fairly, in all material respects:
 - its net assets as at 31 March 2026; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with with New Zealand Equivalents to IFRS Accounting Standards ('NZ IFRS') and IFRS Accounting Standards ('IFRS').

Our audit was completed on 26 June 2026. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Trustees and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit 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. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in informing our audit opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

How our audit addressed the key audit matter

Actuarial deficit and valuation of the promised retirement liabilities (Note 12)

On 4 June 2026, the Scheme obtained an interim update letter as at 31 March 2026 from its actuary which showed vested benefits of \$28.9 million (prior year restated from \$31.6 million to \$33.7 million). This compared to the net assets of \$26.8 million results in a Scheme actuarial deficit of \$2.1 million.

The interim update letter uses the triennial valuation as at 31 March 2024 as a base and certain assumptions were updated with latest available information.

The interim update letter is inherently subjective and is affected by use of assumptions such as:

- The rate of future salary increases;
- Future investment returns; and
- That all contributors elect a lump sum benefit.

As noted in Note 11 under section 60 of the Act, the benefits payable by the Scheme are guaranteed by the Crown.

Our audit procedures included the following:

- Testing the underlying data provided to the actuary and confirming that these agree to underlying records.
- Evaluating the competence and objectivity and relevant experience of the Scheme's actuary.
- Engaging our internal actuarial specialist to independently understand, challenge and evaluate:
 - The work and findings of the Scheme's actuary.
 - The actuarial methods and assumptions employed, specifically, the rate of future salary increases assumed for pilots, future investment returns, and that all contributors elect a lump sum benefit.
- Evaluating the related disclosures about the Scheme's vested benefits and promised retirement liabilities, and the risks attached to them which is included in Note 12 to the Scheme's financial statements.
- Assessing the related disclosures concerning the Scheme's vested benefits deficit and any guarantee by the Crown to fund benefit payments as they fall due.

Responsibilities of the Board of Trustees for the financial statements

The Board of Trustees is responsible on behalf of the Scheme for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Board of Trustees is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Trustees is responsible on behalf of the Schemes for assessing the Schemes's ability to continue as a going concern. The Board of Trustees is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to wind-up the Scheme or to cease operations, or there is no realistic alternative but to do so.

The Board of Trustees' responsibilities arise from the Financial Markets Conduct Act 2013 and clause 59 of the Scheme's Trust Deed.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

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

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Scheme's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Scheme to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Board of Trustees is responsible for the other information. The other information comprises the information included on pages 14 to 15, but does not include the financial statements, and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Scheme in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1)* issued by the New Zealand Auditing and Assurance Standards Board.

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

Directory as at 16 July 2026

TRUSTEE

Board of Trustees of the National Provident Fund

BOARD MEMBERS

Anne Blackburn – Chair – appointed to the Board and Chair from 1 January 2026

Louise Edwards – Deputy Chair – appointed 1 July 2019 and Deputy Chair from 1 January 2026 (term as Board Chair ended 31 December 2025)

Murray Brown – appointed 1 January 2026

Sarah Park – appointed 1 February 2020

Hugh Stevens – appointed 1 January 2026

Rebekah Swan – appointed 1 January 2026

Michelle Tsui – appointed 1 July 2024

Graham Ansell – term ended 31 December 2025

Tracey Berry – term ended 31 December 2025

Lloyd Kavanagh – term ended 19 July 2025

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

MANAGEMENT

Tim Mitchell

Chief Executive

Fiona Morgan

Chief Financial Officer

Will Durham

Chief Investment Officer

Hadyn Hunt

Chief Risk Officer

Ireen Muir

General Manager – Schemes

DATAKOM

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, 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.