

DBP Contributors 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 2020. Further information on the National Provident Fund's activities, and commentary on investment markets, is set out in the Review.

Your Scheme

CROWN GUARANTEE

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

INVESTMENT PERFORMANCE

The asset class returns (before tax and expenses) and the comparative performance of the benchmark indices are shown in the table below.

	Return	Index
Cash*	1.87%	1.50%
Fixed interest	2.17%	6.02%
Overseas shares*	(7.85%)	(6.12%)

* The returns shown are for the full year. The Scheme ceased investing in cash on 30 September 2019 and commenced investing in overseas shares on 1 October 2019.

The investment return (after tax and expenses) earned by the Scheme for the year ended 31 March 2020 was -0.95%.

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.

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 2019, the Actuary recommended the employer contribution rate to the Scheme be set at 3.0 times contributors' contributions from 1 April 2020 with further scheduled increases in 2021 and 2022. The recommendation was accepted and endorsed by the Board. Given the reduction in the Scheme's funding position at 31 March 2020, we expect the Actuary will confirm her recommendation of a further increase in the employer contribution rate with effect from 1 April 2021.

Annual Report for the year ended 31 March 2020

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 2020.

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

Members are welcome to contact the Scheme administrator, Datacom (see details on back page), for a free copy of the Scheme's full financial statements.



DBP Contributors Scheme

FUNDING POSITION

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

	2020 (\$000)	2019 (\$000)
Net assets	65,489	90,659
Past service liabilities	(68,262)	(92,450)
Funding level	95.9%	98.1%

* The funding level has been calculated on the funding basis using a discount rate of 2.5% net of tax and expenses (2019: 1.7%). Calculating the funding level on a minimum risk basis (and a discount rate of 0.35% (2019: 1.05%)) would give a funding level of 90.7% (2019: 96.2%).

The value of past service liabilities above is different to the value of vested benefits mentioned in the Covid-19 note overleaf. The value above assumes members continue in the Scheme until their expected retirement date. The value of vested benefits assumes members leave the Scheme on 31 March 2020.

WHO INVESTS YOUR MONEY

Cash

AMP Capital Investors (New Zealand) Limited

ANZ Bank New Zealand Limited (*contract ended 20 April 2020*)

Fixed interest

Ashmore Investment Management Limited (emerging markets) (*contract ended 25 November 2019*)

Brandywine Global Investment Management, LLC

Pacific Investment Management Company LLC

Overseas shares

Arrowstreet Capital, Limited Partnership

Lazard Asset Management, LLC

Marathon Asset Management, LLP (*contract ended 4 March 2020*)

T. Rowe Price Australia Limited (*appointed 24 March 2020*)

Foreign exchange

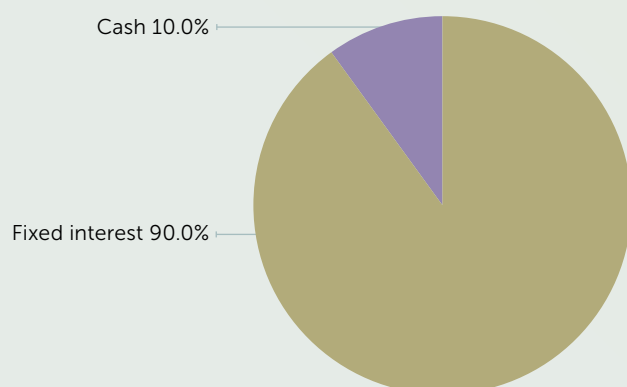
ANZ Bank New Zealand Limited

Bank of New Zealand Limited

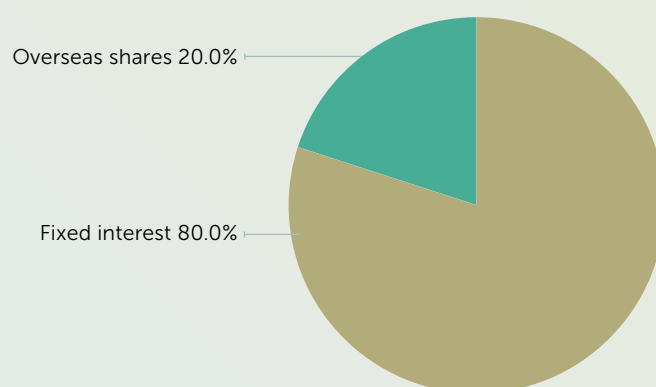
HOW YOUR MONEY IS INVESTED

The Scheme's strategic asset allocation is set by the Board and reviewed regularly. The asset allocation strategy for the Scheme was reviewed during the year. The pie charts show the Scheme's asset allocation strategy effective from 1 June 2011 and the new strategy effective from 1 October 2019.

Effective 1 June 2011



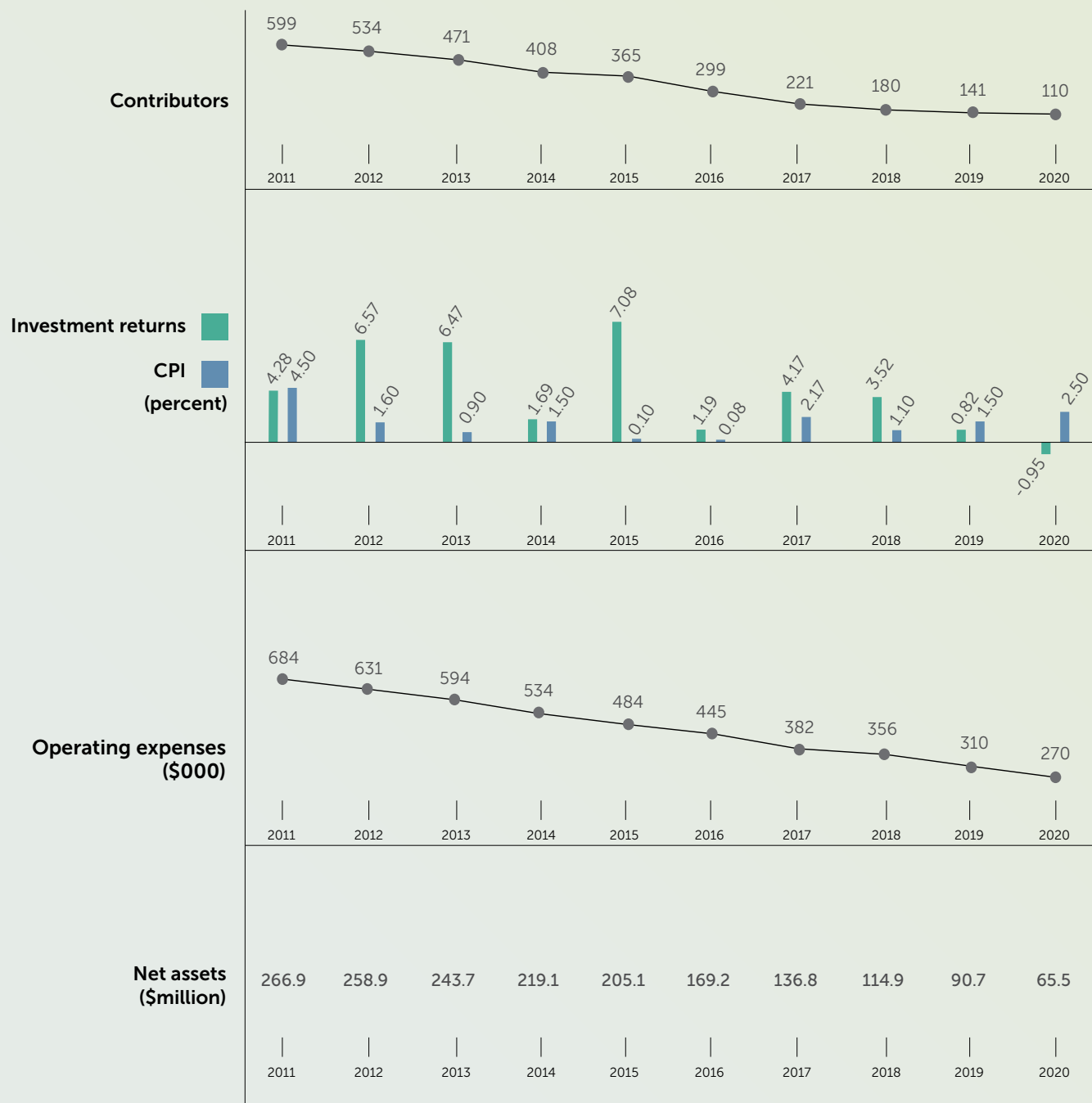
Effective 1 October 2019



The Board's Statement of Investment Policies, Standards and Procedures (**SIPSP**) is reviewed regularly by the Board. There were no significant changes to the SIPSP during the year. See our website, www.npf.co.nz, for more information about your Scheme, including the Board's SIPSP and the Scheme trust deed.

DBP Contributors Scheme

10 year comparison



DBP Contributors Scheme (the Scheme)
Statement of Changes in Net Assets
for the year ended 31 March 2020

	Note	2020 (\$000)	2019 (\$000)
Investment income			
(Loss)/income from unit funds	5	(567)	1,014
Interest received		25	61
Total investment (loss)/ income		(542)	1,075
Operating expenses			
Actuarial fees		80	80
Audit fees		16	17
Bank fees		1	1
Board member expenses	6	25	22
Consultancy fees		-	5
Management expenses	6	148	185
		270	310
Net (Loss)/income before tax and membership activities		(812)	765
Income tax credit	7	68	70
Net (Loss)/income after tax and before membership activities		(744)	835
Scheme receipts	1		
Contributor contributions		717	1,011
Employer contributions		462	-
Total scheme receipts		1,179	1,011
Scheme payments			
Transfers to DBP Annuitants Scheme	4	11,112	17,583
Transfers to other schemes		14,493	8,457
Total scheme payments		25,605	26,040
Net membership activities		(24,426)	(25,029)
(Decrease) in net assets for the year	10	(25,170)	(24,194)
Net assets available to pay benefits at beginning of year		90,659	114,853
Net assets available to pay benefits at end of year		65,489	90,659

The notes to the financial statements on pages 4 to 16 form an integral part of these financial statements.

DBP Contributors Scheme (the Scheme)
Statement of Net Assets
as at 31 March 2020

	Note	2020 (\$'000)	2019 (\$'000)
Investment assets at fair value through profit or loss	3		
Units held in:			
Cash Unit Fund		16	8,549
Fixed Interest Unit Fund		53,476	79,446
Overseas Equity Unit Fund		11,013	-
		64,505	87,995
Financial assets at amortised cost			
Cash		952	2,580
Contributions receivable - employers		26	51
Other receivables	9	39	65
Receivable from the Global Asset Trust	8	-	70
		1,017	2,766
Other assets			
Deferred tax asset	7	68	-
		68	-
Total assets		65,590	90,761
Current liabilities at amortised cost			
Other payables		101	102
Total liabilities		101	102
Net assets available to pay benefits		65,489	90,659

Authorised for issue on 29 June 2020

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



Edward J Schuck
Board Chair



Stephen P Ward
Chair
Audit and Risk Review Committee

The notes to the financial statements on pages 4 to 16 form an integral part of these financial statements.

DBP Contributors Scheme (the Scheme)
Statement of Cash Flows
for the year ended 31 March 2020

	Note	2020 (\$000)	2019 (\$000)
Cash flows from operating activities¹			
Cash was provided from:			
Contributor contributions		473	977
Employer contributions		733	-
Interest received		25	61
		1,231	1,038
Cash was applied to:			
Operating expenses		176	277
Transfers paid to DBP Annuitants Scheme		11,113	17,583
Transfers paid to other schemes		14,493	8,719
		25,782	26,579
Net cash flows from operating activities	10	(24,551)	(25,541)
Cash flows from investing activities²			
Cash was provided from sale of units in:			
Cash Unit Fund		8,622	2,593
Fixed Interest Unit Fund		27,462	19,832
Overseas Equity Unit Fund		1,650	-
		37,734	22,425
Cash was applied to purchase units in:			
Cash Unit Fund		22	8
Fixed Interest Unit Fund		221	106
Overseas Equity Unit Fund		14,568	-
		14,811	114
Net cash flows from investing activities		22,923	22,311
Net (decrease) in cash held		(1,628)	(3,230)
Add opening cash brought forward		2,580	5,810
Closing cash carried forward³		952	2,580

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.

**DBP Contributors Scheme (the Scheme)
Notes to the Financial Statements
for the year ended 31 March 2020**

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' current and future benefits, and the value of contributors' future contributions and the market value of the Scheme's net assets.

The Scheme Trust Deed sets out the rates of contributors' contributions. In general, for former contributors to:

- The Local Authorities Standard section of the Scheme, the Fire Service section of the Scheme and the Nursing Services section of the Scheme, contribution rates range from 6% to 11% of the contributor's salary (as defined in the trust deed), depending on the contributor's age of joining the Scheme, and
- The Defined Benefit Plan, the contribution rate is 6.5% of the contributor's salary (as defined in the trust deed).

The Actuary, in her actuarial review as at 31 March 2019 recommended that employer contributions increase to three times contributor contributions from 1 April 2020, then to four times contributors contributions from 1 April 2021 and five times contributors contributions from 1 April 2022, with further review as at 31 March 2020. The recommendation in the examination was accepted and endorsed by the Board with the increase taking effect from 1 April 2020.

2 RELATED PARTIES

Under the terms of the National Provident Fund Restructuring Act 1990 (the Act), 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. The main function of Annuitas is to provide staff who act in management and secretarial roles on behalf of the Board and the Authority. The costs of running Annuitas are shared between the Board and the Authority on an equitable basis, as agreed between the organisations.

Edward J Schuck and Stephen P Ward are the two Board appointed directors of Annuitas.

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 (SAA) Strategy (refer note 3).

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

DBP Contributors Scheme (the Scheme)
Notes to the Financial Statements
for the year ended 31 March 2020

3 STRATEGIC ASSET ALLOCATION (SAA) - INVESTMENT

The Scheme is authorised to invest only in the Global Asset Trust (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, invest in equities, fixed interest and debt instruments.

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 2020 and 31 March 2019 are shown below. The Board agreed some changes to the SAA during the year. These were outside the ranges within the May 2019 SIPSP that was published on the NPF website. In the future, when changes are made to the ranges and SAA, the SIPSP will be published immediately.

	2020 (\$000)	2019 (\$000)
Cash Unit Fund	-	10.0
Fixed Interest Unit Fund	80.0	90.0
Overseas Equity Unit Fund	20.0	-

4 TRANSFER OF ASSETS TO DBP ANNUITANTS SCHEME

When a contributor, or other beneficiary of the Scheme, elects to be paid a pension, or other retirement benefit, the contributor or other beneficiary becomes a member of the DBP Annuitants Scheme. At the same time, assets with a market value equal to the liability of the DBP Annuitants Scheme to pay the benefit attributable to that person's membership, are transferred from the Scheme to the DBP Annuitants Scheme.

5 INCOME FROM UNIT FUNDS

Income from unit funds is derived from the changes in 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:

	2020 (\$000)	2019 (\$000)
Cash Unit Fund	66	172
Fixed Interest Unit Fund	1,272	842
Overseas Equity Unit Fund	(1,905)	-
Income from unit funds*	(567)	1,014

* The income from unit funds is received tax paid.

DBP Contributors Scheme (the Scheme)
Notes to the Financial Statements
for the year ended 31 March 2020

6 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

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:

	2020 (\$000)	2019 (\$000)
Scheme specific income	25	61
Deductible expenses	(270)	(310)
Expense election to the GAT under section DV 2	245	249
Taxable income	-	-
Net (loss)/ income before tax and membership activities	(811)	765
Tax at 28%	(227)	214
Adjusted for tax effect of:		
Non-assessable income	159	(284)
Income tax credit	(68)	(70)
Represented by:		
Income tax credit on current year income	(68)	(70)
Prior year adjustment	-	-
Income tax credit	(68)	(70)
Movement in deferred taxation		
Opening balance	-	-
Prior period adjustment	-	-
Current year movement	68	-
Deferred tax asset	68	-

The deferred tax asset is a result of tax losses available to carry forward. The tax losses consist of surplus deductible expenses which the Scheme will transfer to the GAT under section DV 2 of the Income Tax Act 2007 in a future income year. The GAT is subject to tax at the rate of 28%.

The loss of (\$567,000) (2019: Income \$1,014,000) from unit funds, shown on the Statement of Changes in Net Assets, is all received tax paid.

8 RECEIVABLE FROM THE GAT

This receivable represents the 2019 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 section DV 2 of the Income Tax Act 2007. The Scheme realised the receivable by investing in unit funds of the GAT, with the remainder being settled by cash (if applicable).

DBP Contributors Scheme (the Scheme)
Notes to the Financial Statements
for the year ended 31 March 2020

9 OTHER RECEIVABLES

Other receivables consist of:

	2020 (\$000)	2019 (\$000)
Management fee refund	<u>39</u>	<u>65</u>
Total other receivables	<u>39</u>	<u>65</u>

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

	2020 (\$000)	2019 (\$000)
(Decrease) in net assets for the year	(25,170)	(24,194)
Movement in working capital		
Change in accounts payable	(1)	(266)
Change in other receivables	26	(42)
Change in contributions receivable	<u>25</u>	<u>(33)</u>
	50	(341)
Add non-cash items		
Movement in receivable from the GAT	<u>70</u>	<u>8</u>
Movement in deferred tax	<u>(68)</u>	<u>-</u>
	2	8
Items classified as investing activities		
Loss/(income) from unit funds	<u>567</u>	<u>(1,014)</u>
	567	(1,014)
Net cash flows used in operating activities	<u>(24,551)</u>	<u>(25,541)</u>

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 2020

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 2018.

In addition, an actuarial review of the Scheme is undertaken annually. Provisional figures from the actuarial review of the Scheme as at 31 March 2020 are set out below for the funding level and vested benefits ratio. The assumptions and methodology used to value the liabilities as at 31 March 2020 are those currently intended to be used for the actuarial review of the Scheme as at 31 March 2020.

DBP Contributors Scheme (the Scheme)
Notes to the Financial Statements
for the year ended 31 March 2020

12 ACTUARIAL EXAMINATION AND REVIEW, FUNDING LEVEL AND VESTED BENEFITS RATIO – 31 MARCH 2020 (CONTINUED)

12.2 FUNDING LEVEL – 31 MARCH 2020

The funding level of the Scheme is the ratio of the net assets available to pay benefits to the value of the past service liabilities. For the purposes of this note, the value of the past service liabilities and hence the funding level is calculated on two bases:

- **Funding basis:** Under the funding basis, the present value is calculated using expected actual investment returns. However, there is a risk that these investment returns will not be achieved in practice. This is the basis used to determine the employer subsidy rate to the Scheme.
- **Minimum risk basis:** Under the minimum risk basis the value of the liabilities is the present value of the estimated benefit payments, assuming investment returns are the same as can be earned on a portfolio of New Zealand Government bonds with the same average duration as the liabilities. New Zealand Government bonds are chosen for this purpose as they represent the least risk that future investment returns will not be as expected over the relevant duration. This basis is provided for information purposes only.

The results of the calculations, as at 31 March, are shown below:

Funding level – funding basis	2020 (\$000)	2019 (\$000)
Present value of –		
Past service liabilities	(68,262)	(92,450)
Net assets	65,489	90,659
Deficit	(2,773)	(1,792)
Funding level	95.9%	98.1%

The figures were rounded and so may not appear to add exactly.
This table should be read in conjunction with note 11.

Funding level – minimum risk basis	2020 (\$000)	2019 (\$000)
Present value of –		
Past service liabilities	(72,237)	(94,236)
Net assets	65,489	90,659
Deficit	(6,748)	(3,577)
Funding level	90.7%	96.2%

The most financially significant assumptions are:

- The difference between the rate of investment return and the rate of CPI inflation assumed when calculating future factors for transfers from this Scheme to the DBP Annuitants Scheme (0.6% per annum to 31 March 2030 and 1.2% per annum thereafter, as at 31 March 2020; 0.4% per annum to 31 March 2029 and 1.5% per annum thereafter, as at 31 March 2019)
- The pensioner mortality assumptions assumed when calculating future factors for transfers from this Scheme to DBP Annuitants Scheme, which are based on the results of a recent pensioners' mortality investigation and include an allowance for improving mortality.

DBP Contributors Scheme (the Scheme)
Notes to the Financial Statements
for the year ended 31 March 2020

12 ACTUARIAL EXAMINATION AND REVIEW, FUNDING LEVEL AND VESTED BENEFITS RATIO – 31 MARCH 2020 (CONTINUED)

12.2 FUNDING LEVEL – 31 MARCH 2020 (CONTINUED)

- Funding basis: the future investment returns for the Scheme over the next ten years (2.5% per annum as at 31 March 2020; 1.7% per annum for the funding basis, as at 31 March 2019).
- Minimum risk basis: the discount rate assumed when determining the present value (0.35% per annum as at 31 March 2020; 1.05% per annum, as at 31 March 2019).

12.3 VESTED BENEFITS RATIO – 31 MARCH 2020

The vested benefits are the benefits contributors would have been entitled to if they left the Scheme on the valuation date.

The total value of vested benefits is determined by the Actuary as the sum of the greater of, for each contributor:

- The value of the benefits to which the contributor would have been entitled, had the contributor resigned from his or her contributing employer (resignation basis), as at 31 March 2020 assuming:
 - immediate pension for those entitled to an immediate pension or deferred pension for those entitled to a deferred pension but not to an immediate pension; the value of pension benefits is taken as the amount which would have been transferred to the DBP Annuitants Scheme. Contributors are assumed to commute 15% of the pension for a cash lump sum.
 - Lumpsum entitlement based on a refund of contributions with interest, and
- The transfer value the contributor would have received if the contributor had transferred out of the Scheme (transfer basis) on 31 March 2020.

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 – funding basis	2020 (\$000)	2019 (\$000)
Present value of -		
Vested benefits	(72,342)	(99,038)
Net assets	65,489	90,659
Deficit	(6,853)	(8,379)
Vested benefits ratio	90.5%	91.5%

This table should be read in conjunction with note 11.

The most financially significant assumptions are the same as shown above.

DBP Contributors Scheme (the Scheme)
Notes to the Financial Statements
for the year ended 31 March 2020

13 STATUTORY ACTUARIAL EXAMINATION – 31 MARCH 2018

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

The most recent statutory actuarial examination was prepared, as at 31 March 2018, by Christine Ormrod FNZSA, the Actuary to the Scheme, and is dated 11 June 2018. It covers the three years 31 March 2015 to 31 March 2018.

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

Valuation date	2018 (\$000)	2015 (\$000)
Present value of -		
Past service liabilities	(116,766)	(184,184)
Net assets	114,853	205,127
Past service (deficit)/surplus	(1,913)	20,943
Future service liabilities	(8,686)	(17,197)
Contributors' future contributions	3,297	7,580
Net future service liability	(5,389)	(9,617)
Total service (deficit)/surplus	(7,302)	11,327
Funding level (net assets divided by past service liabilities)	98.4%	111.4%
Employer contribution rate (future service), as a multiple of contributor contributions	2.4	1.9
Employer contribution rate (total service), as a multiple of contributor contributions	3.3	0.0

The above figures are rounded and so may not appear to add exactly.

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, indicating the valuation shows that a future employer contribution of \$10.9 million will be required (\$7.3 million plus \$3.6 million tax). This is equivalent to an employer contribution rate of 3.3 times contributors' contributions.

The total service surplus at 31 March 2015 indicated that, at that time, no future contributions were expected to be required from the employer.

This indicates there has been a significant deterioration in the financial position of the Scheme over the three years; almost half of this occurred in the last year.

In the report on the examination the Actuary recommended:

- The Board advises the Minister the level of contributions being made to the Scheme is, on the information available to the Board, unlikely to be sufficient to provide for the liabilities of the Scheme.

DBP Contributors Scheme (the Scheme)
Notes to the Financial Statements
for the year ended 31 March 2020

13 STATUTORY ACTUARIAL EXAMINATION – 31 MARCH 2018 (CONTINUED)

- The employer contribution increase to one times contributors' contributions as soon as practicable.
- There is an actuarial review, with the next actuarial review as at 31 March 2019, to review the employer contribution rate recommendation.
- The Board does not amend the trust deed to increase the benefits payable from the Scheme.
- The Board reviews the investment strategy of the Scheme at least every five years, ie before or during 2023.

The Actuary commented indications at the time were that the employer contribution would need to increase in the following year, potentially quite significantly. The deficit had been driven largely by the reduction in the expected future investment returns assumed for the transfer of assets to the DBPA Scheme and to a lesser extent by the increase in provision for the future expenses and lower future investment return expected for the Scheme. The funding position at future valuations will depend largely on future investment returns assumed for the transfer to the DBPA Scheme could. This means the funding level of the Scheme could change significantly in the future. Increases in the future investment returns assumed for the transfer of assets to the DBPA Scheme could potentially eliminate the deficit. For this reason, the Actuary considered it was appropriate to not reflect the full employer contribution rate increase indicated by the funding assumption until there is more certainty that the future investment returns assumptions for the transfer of assets to the DBPA Scheme will not increase in 2019.

The introduction of an employer contribution may change contributors' decisions as to whether to stay in the Scheme or transfer out. The implications of this for the Scheme are hard to predict.

The Board accepted the recommendations of the actuary and the increase in employer contribution was implemented with effect from 1 April 2019.

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 of the Scheme, as at the date of valuation. The funding level of the Scheme on the funding basis, as at 31 March 2018, was 98.4%. This showed that the Scheme did not have sufficient assets, as at that date, to meet its past service liabilities under the valuation assumptions.

The funding level was expected to decrease to 95% by 31 March 2021. This assumed the experience of the Scheme was in line with the valuation assumptions and that employer contributions are one times contributor contributions from 1 April 2019. However:

- As contributors can elect a transfer benefit in lieu of their pension entitlement, the financial position of the Scheme tends to deteriorate each year at a faster rate than is projected by the funding assumptions, which are based on the pension entitlements. As the funding level is now less than 100% this may have less impact.
- The funding level is influenced greatly by the expected future investment returns assumed for the transfer of assets to the DBPA Scheme. These are reviewed on an annual basis, an increase in the expected investment return will improve the funding level and reduction will cause the funding level to reduce further.
- The experience of the Scheme will inevitably be different to the assumptions to a greater or lesser extent.

DBP Contributors Scheme (the Scheme)
Notes to the Financial Statements
for the year ended 31 March 2020

13 STATUTORY ACTUARIAL EXAMINATION – 31 MARCH 2018 (CONTINUED)

- The employer contribution is to be reviewed on an annual basis and so may change over the next three years.

Consequently the actual future funding level is difficult to predict.

The value of net assets was 99.9% of the value of vested benefits, as at 31 March 2018.

The sum of the value of benefits on the transfer basis is designed to equal the net assets of the Scheme. As the value of vested benefits is calculated for each contributor as the greater of the transfer basis and the resignation basis, the total value of the vested benefits is expected to continue to be greater than the net assets of the Scheme.

The most significant actuarial assumptions used by the Actuary were:

- The difference (-0.3% per annum to 31 March 2028 and 1.8% per annum thereafter) between the investment return and the rate of CPI inflation assumed when calculating future factors for the transfers from the Scheme to the DBPA Scheme.
- The pensioner mortality assumptions, which are based on the results of recent pensioners' mortality investigation and include an allowance for improving mortality.
- The future investment returns assumed over the next ten years (1.1% per annum).

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

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 equity, fixed interest and debt instruments. These 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.

**DBP Contributors Scheme (the Scheme)
Notes to the Financial Statements
for the year ended 31 March 2020**

14 FINANCIAL RISK MANAGEMENT (CONTINUED)

Based on the Scheme's asset allocation and the long term rate of return for each asset class (after investment management and custody fees, and after tax), and after deducting a provision for the Scheme's operating expenses (after tax), the long run investment return for the Scheme is estimated to be 1.8% per annum.

If the long-term rates of return for all the asset classes in the SAA are scaled by 1.10 this would increase the investment return from 1.8% to 2.0% per annum. Similarly, if the long-term rates of return for all asset classes decreased by a factor of 1.10, the investment return would decrease to 1.6% per annum. This would increase or decrease the profit by approximately \$129,000.

15 COVID-19 IMPACT

Since 31 March 2020 the continued spread of COVID-19 and related global responses have caused material disruptions to businesses around the world, leading to an economic slowdown. Global markets have also experienced significant volatility.

The subsequent quarantine measures and travel restrictions imposed by the New Zealand government have caused disruption to businesses and economic activity. As the scheme is an essential service, operations have been able to continue remotely during the Government alert levels.

Governments and central banks have reacted with monetary and fiscal interventions designed to stabilise economic conditions, however, the duration and extent of the impact of Covid-19 outbreak, as well as the effectiveness of the bank's responses, remain unclear at this time.

The Scheme has recorded a loss from unit funds of \$0.567 million for the year ended 31 March 2020. In addition, the Scheme has obtained an interim update letter to its triennial actuarial valuation and certain assumptions were updated with latest available information (see Note 12). The vested benefits of the Scheme of \$72.342 million is higher than the net assets of \$65.489 million, resulting in a deficit of \$6.853 million. However, the deficit has to be read in conjunction with Note 11, that the benefits payable by the Scheme are guaranteed by the Crown under Section 60 of the National Provident Fund Restructuring Act 1990.

As at 30 April 2020, one month after the reporting date of these financial statements, the fair value of the schemes Investment Assets had increased by \$1.310 million. It is expected that the volatility in local and global markets affecting the investment assets will continue in foreseeable future and will continue to have an impact on the value of the investment assets. These are considered to be non-adjusting subsequent events and therefore there is no change in value reflected in these financial statements. The Board is monitoring the impact of the movements in the market on an ongoing basis.

16 SUMMARY OF SIGNIFICANT 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 F32 of the Scheme Trust Deed and in accordance with the FMCA. For a description of the Scheme and its funding arrangements see note 1.

**DBP Contributors Scheme (the Scheme)
Notes to the Financial Statements
for the year ended 31 March 2020**

16 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

16.2 STATEMENT OF COMPLIANCE

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

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 significant impact on the amounts disclosed in the financial statements.

There are no material assumptions or major sources of estimation uncertainty that have a significant 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. 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.

16.6 STANDARDS ISSUED BUT NOT EFFECTIVE

Certain new accounting standards and interpretations have been issued that are not mandatory for 31 March 2020 reporting periods and have not been adopted early by the Board. None of these standards are likely to have a material impact on the Scheme when they are adopted. All standards will be adopted in the period in which they become mandatory.

DBP Contributors Scheme (the Scheme)
Notes to the Financial Statements
for the year ended 31 March 2020

16 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

16.7 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).

16.8 RECOGNITION

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

16.9 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.

16.10 IMPAIRMENT

Financial assets which are recorded at amortised cost are reviewed at each financial statement date to determine whether there is objective evidence of impairment.

16.11 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.

16.12 CASH AND CASH EQUIVALENTS

Cash comprises current deposits with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, where there is an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term cash commitments.

16.13 CONTRIBUTIONS

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

16.14 BENEFITS AND PENSIONS

Benefits 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

16.15 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.

16.16 EXPENSES

All expenses are recognised in the Statement of Changes in Net Assets on an accrual basis.

16.17 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. The Scheme's deductible operating expenses are offset against the Scheme's interest received to result in nil assessable income.

Any surplus deductible operating expenses are transferred to the GAT under section DV 2 of the Income Tax Act 2007 (refer notes 7 and 8).

17 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

There have been no material changes to accounting policies during the year.

**DBP Contributors Scheme (the Scheme)
Trustee's Report
for the year ended 31 March 2020**

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 2019*	141
Deaths and disablements	-
Extinguished liabilities ⁺	-
Transfer to DBP Annuitants Scheme	(13)
Transfers	(18)
Withdrawals	-
Closing membership as at 31 March 2020	110

* Following a trust deed amendment on 1 July 2005, once reasonable efforts have been made to locate a member, who has been missing for at least five years, the Board may extinguish the liabilities to that member.

⁺ Where a person re-establishes contact with the Board within 15 years of the liabilities to that person being extinguished, the person is reinstated as a member of the Scheme.

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 that 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 2020 (refer note 12 to the financial statements).

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 employers (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 since 25 June 2019, being the date of the Scheme's last annual report.

**DBP Contributors Scheme (the Scheme)
Trustee's Report
for the year ended 31 March 2020**

18 OTHER INFORMATION (CONTINUED)

18.6 DIRECTORY

Trustee Board of Trustees of the National Provident Fund

Members of the Board are:
Edward J Schuck (Chair)
Louise M Edwards (*Appointed 01 July 2019*)
Catherine M McDowell (*Retired 30 June 2019*)
Graeme R Mitchell (*Retired 30 June 2019*)
Daniel J Mussett
Sarah N Park (*Appointed 01 February 2020*)
Wayne L Stechman
Stephen P Ward (Deputy Chair)

Administration manager Datacom Connect Limited

Investment managers

Cash Managers (see note 3)

AMP Capital Investors (NZ) Limited
ANZ Bank NZ Limited

Fixed Interest Managers

Ashmore Investment Management Limited (*terminated 25 November 2019*)
Brandywine Global Investment Management, LLC
Pacific Investment Management Company, LLC

Overseas Equity Managers

Arrowstreet Capital, Limited Partnership
Lazard Asset Management, LLC
Marathon Asset Management, LLP
T Rowe Price Australia Limited (*appointed 12 March 2020*)

Foreign Exchange Hedging Managers

ANZ Bank New Zealand Limited
Bank of New Zealand Limited

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

Auditor Silvio Bruinsma, Deloitte Limited (on behalf of the Auditor-General)

Solicitor DLA Piper New Zealand

Bank Bank of New Zealand

Custodian JP Morgan Chase Bank

**DBP Contributors Scheme (the Scheme)
Trustee's Report
for the year ended 31 March 2020**

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 Secretary
Board of Trustees of the National Provident Fund
P O Box 3390
WELLINGTON 6140

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



Edward J Schuck
Board Chair

29 June 2020

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DBP CONTRIBUTORS SCHEME

The Auditor-General is the auditor of DBP Contributors Scheme (the Scheme). The Auditor-General has appointed me, Silvio Bruinsma, 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 16, that comprise the Statement of Net Assets as at 31 March 2020, 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 16:

- present fairly, in all material respects:
 - its net assets as at 31 March 2020; 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 New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS).

Our audit was completed on 29 June 2020. 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 Board of Trustees and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Emphasis of matter – Covid-19

Without modifying our opinion, we draw attention to note 15 to the financial statements, which explains the impact of the Covid-19 pandemic on the Scheme.

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 significant 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 promised retirement liabilities (Note 11)

On 29 May 2020 the Scheme obtained an interim update letter as at 31 March 2020 from its actuary which showed vested benefits of \$68.3 million. This compared to the net assets of \$65.5 million resulting in a Scheme deficit of \$2.8 million.

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

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

- The discount rates and the rate of future pension increases; and
- The assumed mortality rate of the pensioners.

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

We have included the actuarial deficit and valuation of the Scheme's liabilities as a key audit matter due to the significance of the disclosures to the financial statements and the subjectivity of the assumptions inherent in estimating the amount.

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 discount rate, the rate of future pension increases and the assumed mortality rates of the pensioners, including the reasonableness of significant changes made to these assumptions in the current year.
- Evaluating the related disclosures about the Scheme's vested benefits, 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 actuarial deficit and any plan 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 are 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 are 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 are responsible on behalf of the Scheme for assessing the Scheme's ability to continue as a going concern. The Board of Trustees are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Trustees intend to wind-up the Scheme or to cease operations, or have no realistic alternative but to do so.

The Board of Trustees' responsibilities arise from the Financial Markets Conduct Act 2013 and section F32 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 members 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 Board of Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of 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 17 to 19, 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 (Revised): *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the Scheme.

A handwritten signature in black ink, reading "Silvio Bruinsma". The signature is written in a cursive, flowing style.

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

DBP Contributors Scheme

Directory as at 29 June 2020

BOARD MEMBERS

Edward Schuck PhD, MBA (appointed 2015 and Chair from 1 September 2017)

Louise M Edwards (appointed 1 July 2019)

Catherine McDowell (retired 30 June 2019)

Graeme Mitchell BA, CA, FCA (retired 30 June 2019)

Daniel Mussett (appointed 2016)

Sarah N Park (appointed 1 February 2020)

Wayne Stechman (appointed 2012)

Stephen Ward (appointed 2016 and Deputy Chair from 1 February 2020)

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

MANAGEMENT

Simon Tyler

Chief Executive

Fiona Morgan

Chief Financial Officer

Philippa Drury

General Manager – Schemes

Janet Shirley

Manager – Schemes

Paul Bevin

General Manager – Investments

Nicky Rumsey

Manager – Investments

Peter McCaffrey

Manager – Equities and Alternatives

Keith Poore

Manager – Portfolio Strategy and Risk

There were no changes to Management during the year.

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 package, if you would like to receive a free copy of the full financial statements in the mail, to purchase a copy of the trust deed (\$10) or the actuarial valuation (\$10), or to enquire about your Scheme membership in general.

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: npfenquiries@datacom.co.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 Chief Executive

Board of Trustees of the National Provident Fund

Level 12, The Todd Building

95 Customhouse Quay

WELLINGTON 6011

Auditor: Silvio Bruinsma, 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

The Auditor last year was Michael Wilkes, also of Deloitte Limited, on behalf of the Auditor-General. There were no changes to the Actuary, Bank, Custodian or Solicitor during the year.