Lump Sum National 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 Lump Sum National Scheme is a defined contribution scheme. The benefits payable by your Scheme are guaranteed by the Crown.

LOCKED-IN SECTION

The Locked-in section of the Scheme was created on 1 July 2007 as an alternative to KiwiSaver schemes. The Locked-in section has many of the benefits of KiwiSaver schemes and also has the Crown guarantee and the 4% pa minimum earnings rate. These two features are hallmarks of the NPF defined contribution schemes and are not available with KiwiSaver schemes. Further details are available on our website – www.npf.co.nz.

INVESTMENT PERFORMANCE

The asset class returns for the year (after investment manager fees, but before tax and other expenses) and the comparative performance of the benchmark indices are shown in the table below. The asset class returns are different from the Schemes actual returns for the year. The Scheme had changes to its asset allocation during the year. The asset allocation changes are summarised in the "How Your Money is Invested" section below.

Asset Class	Return	Index
Fixed interest (global)	2.49%	1.93%
New Zealand fixed interest bond	-0.85%	-0.61%
New Zealand equities	0.09%	5.84%
Overseas equities	20.25%	17.02%

The investment return (after tax and expenses) earned by the Scheme, for the year ended 31 March 2026, was 5.83% (2025: 5.22%). In dollar terms, this represents investment gain of $36.0 million (2025 investment gain: $27.7 million).

Global equities generated modest returns over the year ended 31 March 2026. Artificial intelligence related businesses continued to play an important role in returns. There was increased volatility during the March quarter as investors responded to international conflict and shifting expectations for global growth, inflation, and central banks' policy. Global interest rates remained high over the year, with bond markets influenced by persistent inflation concerns. Bond returns were modestly positive overall. The New Zealand equity market delivered weaker returns than broader global equity markets, reflecting weaker domestic economic conditions, cautious consumer spending and pressure on company earnings across several sectors.

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.

EARNINGS RATE

The earnings rate declared by the Board for the Scheme for the year ended 31 March 2026 was 4.00% on contributors' total credits as at 1 April 2025, and 1.6% on contributions paid during the year. This is in line with the Board's crediting and reserving policy. As at 31 March 2026 reserves were 5.7% of contributors' total credits (2025: 5.6%).

The objective of the Board's crediting and reserving policy is to build the reserves back up to 10% of contributors' total credits. An equitable share of any positive reserves is added to a contributor's total credit on retirement, withdrawal through redundancy or permanent incapacity, or on death before the contributor has commenced receiving a benefit.

WHO INVESTS YOUR MONEY

Fixed Interest Managers

Brandywine Global Investment Management, LLC (terminated 7 January 2026)

Pacific Investment Management Company LLC

PGIM, Inc

Russell Investment Management Limited (appointed as transition manager 20 November 2025, terminated 6 March 2026)

New Zealand Fixed Interest Bond Manager

Amova Asset Management New Zealand Limited (appointed 28 November 2025)

New Zealand Equity Managers

Devon Funds Management Limited

Harbour Asset Management Limited

Overseas Equity Managers

Arrowstreet Capital, Limited Partnership

Bank of New Zealand Limited

Robeco Hong Kong Limited

Russell Investment Management Limited

T. Rowe Price Australia Limited

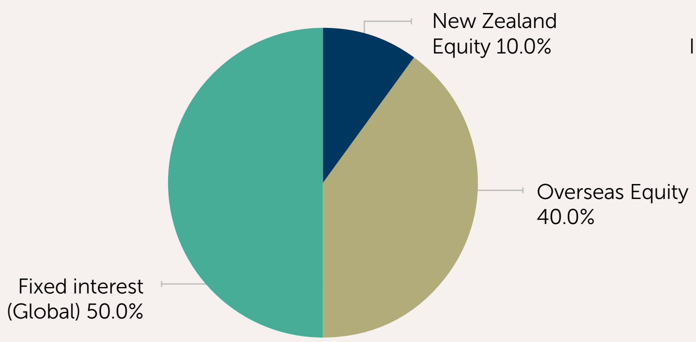
Foreign Exchange Currency Hedging Manager

Bank of New Zealand Limited

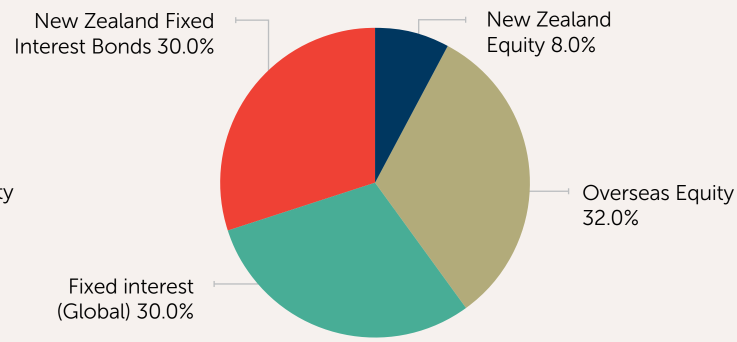
HOW YOUR MONEY IS INVESTED

The Scheme's asset allocation strategy is set by the Board and reviewed regularly. In September 2025 the Scheme's asset allocations were changed from: 50% global fixed interest to 60%; 40% overseas equity to 32%; and 10% New Zealand equity to 8%. In December 2025 the Scheme's asset allocations were changed from: 60% global fixed interest to 30% global fixed interest and 30% New Zealand fixed interest bonds. The pie charts show the Scheme's asset allocation strategy as at 31 March 2025 and 31 March 2026.

Asset Allocation Strategy as at 31 March 2025



Asset Allocation Strategy as at 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 other than the changes to asset allocations detailed above, 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.

NPPS refers to the National Provident Pension Scheme.

	2026 ($000)	2025 ($000)
Investment income	36,030	27,717
Less operating expenses	(1,488)	(1,248)
Net income before tax and membership activities	34,542	26,469
Income tax credit	327	302
Net income after tax and before membership activities	34,869	26,771
Scheme receipts		
Scheme receipts – Non Locked-in section:		
Member contributions *	191,726	6,113
Employer contributions	1,566	1,751
Scheme receipts – Locked-in section:		
Member contributions	11,397	426
Employer contributions	137	155
Member tax credits	5	17
Total Scheme receipts	204,831	8,462
Scheme payments		
Benefit, withdrawal and transfer payments	(55,815)	(48,468)
Transfers to the NPPS	(1,303)	(1,826)
Total Scheme payments	(57,118)	(50,294)
Net membership activities	147,713	(41,832)
Other receipts – Section 72 claim	-	-
Increase /(decrease) in liability for accrued benefits	182,582	(15,061)

* During the year the Scheme received transfers from the Pension National Scheme which was wound up as at 31 March 2026.

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 fixed interest (global), New Zealand fixed interest bonds, New Zealand equities and overseas equities 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		
Fixed Interest Unit Fund	227,119	287,520
New Zealand Equity Unit Fund	48,095	50,984
New Zealand Fixed Interest Bond Unit Fund	195,401	-
Overseas Equity Unit Fund	182,407	174,397
Total investment assets	653,022	512,901
Section 72 Claim	-	-
Other assets	59,366	6,573
Total assets	712,388	519,474
Less liabilities	(379)	(856)
Net assets available to pay benefits	712,009	518,618
Represented by:		
Liability for accrued benefits		
Allocated to contributors' total credits	673,597	491,000
Unallocated reserves	38,412	27,618
	712,009	518,618

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 benefit 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	5,586	3,248
Net cash flows from operating activities	146,983	(41,948)
Net cash flows from investing activities	(104,460)	44,286
Net increase in cash held	42,523	2,338
Meat Industry Scheme Balances Transferred	10,809	-
Closing cash carried forward	58,918	5,586

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.

MEMBERSHIP

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

	Contributors		Total
	Non Locked-in Section	Locked-in Section	
Opening membership as at 1 April 2025	1,588	110	1,698
Retirements	(122)	(10)	(132)
Withdrawals	(1)	-	(1)
Transfers	(19)	-	(19)
Deaths and disablements	(13)	-	(13)
Joins/rejoins	388	46	434
Reinstated extinguished liabilities*	-	-	-
Closing membership as at 31 March 2026	1,821	146	1,967

* Following a Trust Deed amendment on 5 April 2001, 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.

CONTRIBUTIONS AND BENEFIT PAYMENTS

As at 31 March 2026, there were 1,967 members in the Scheme (2025: 1,698), with allocated contributors' total credits of $673.6 million (2025: $491.0 million). These numbers include the members of the Locked-in section and those that transferred in from the Pension Nation Scheme, which was wound up on 31 March 2026.

For the Locked-in section, as at 31 March 2026 there were 146 members (2025: 110) with allocated contributors' total credits of $29.4 million (2025: $19.3 million). There were 10 retirements from the Locked-in section during the year to 31 March 2026. The total value of assets withdrawn from the Locked-in section of the Scheme during the year was $2.0 million.

On the basis of evidence available, the Board believes 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, 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 market value of the net assets of the Scheme exceeded the total value of the vested benefits of the Scheme. The amounts are shown in notes to the financial statements.

The Board confirms, to the best of its knowledge, not more than 10 percent of the net market value of the Scheme's assets were invested with employers (or associated entities), either directly or indirectly, who are parties to 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 was last amended on 6 October 2025.
The amendment is to accommodate the transfer of NPF's Pension National Scheme members into the Scheme.

INDEPENDENT AUDITOR'S REPORT

To the members of Lump Sum National Scheme

The Auditor-General is the auditor of Lump Sum National 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.

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.

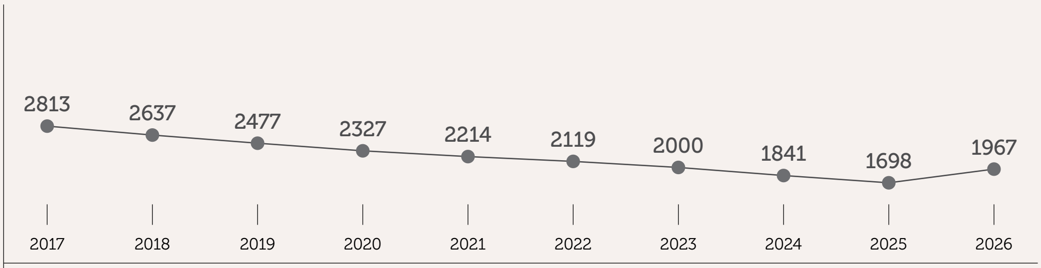
Pam Thompson

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

16 July 2026

10 YEAR COMPARISON

Contributors



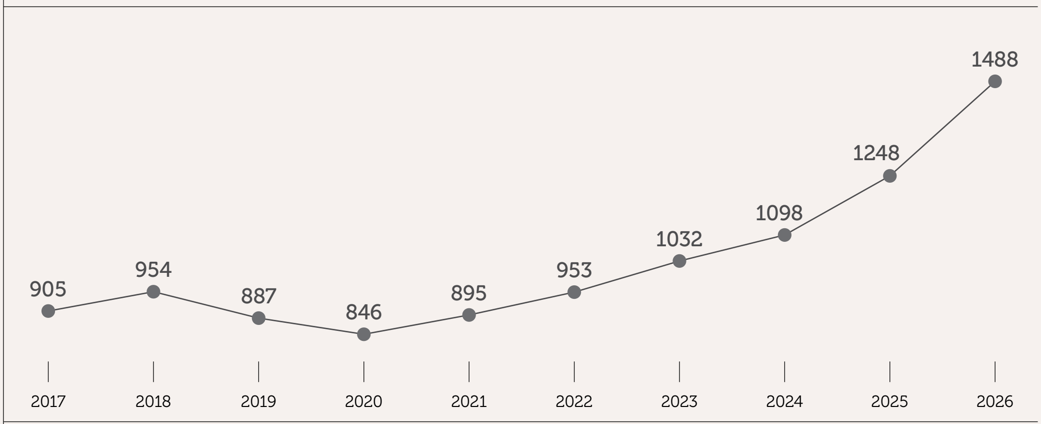
Investment returns

Earnings rates

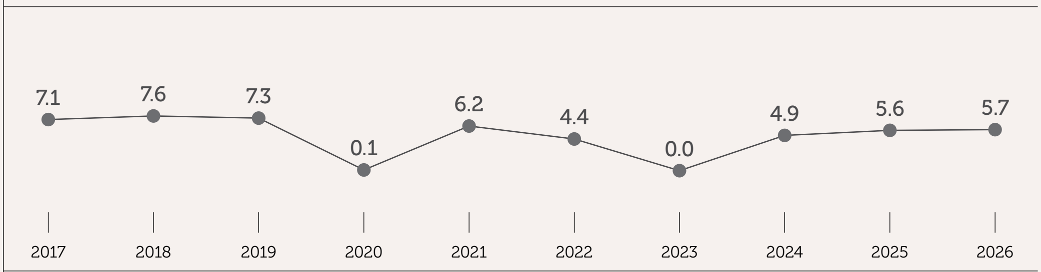
CPI

(percent)

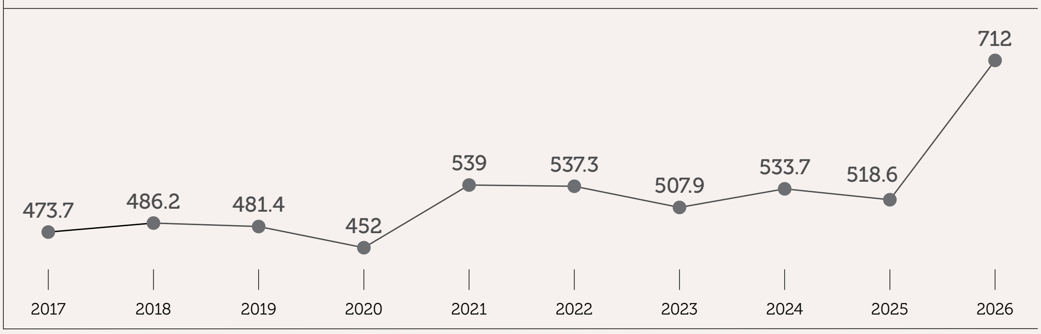
Operating expenses ($000)



Reserves to contributors' total credits (percent)



Net assets ($million)



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

DATACOM

ADMINISTRATION

Datacom Connect Limited is the administrator of the NPF Schemes.

CONTACT DETAILS

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

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

Please quote your identity number when contacting Datacom.

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

Phone: (04) 381 0600

Post to:

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

Email: npf@fundadmin.nz

If you would like to know more about NPF in general, or if you would like to view or download a copy of the Scheme's full financial statements, 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.