National Provident Pension 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 National Provident Pension Scheme is a defined benefit scheme. The benefits payable by your Scheme are guaranteed by the Crown.

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.

Asset Class	Return	Index
New Zealand fixed interest	3.68%	3.71%
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 4.68% (2025: 4.17%). In dollar terms, this represents an investment gain from unit funds of $18.05 million (2025 investment gain: $16.15 million).

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.

INVESTMENT PERFORMANCE CONTINUED

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.

FUNDING POSITION

A summary of the funding level of the Scheme, as at 31 March, was:

	2026 ($000)	2025 ($000)
Net assets	377,787	374,732
Actuarial liabilities	(341,971)	(348,149)
Funding level*	110.50%	107.6%

* The funding levels at 31 March 2026 and 31 March 2025, in the table above, have been calculated on the funding basis using discount rates, which are the Sovereign bond yields, adjusted for tax and investment expenses.

PENSIONS INCREASE

The Board has a financial management framework for the Scheme. In developing the framework, the Board considered the investment strategies that should be pursued depending on the funding level of the Scheme along with the Minimum Funding Level above which consideration will be given by the Board to granting pension increases. In setting the Minimum Funding Level at 108%, the Board acknowledged there will be years when the funding level of the Scheme is below the target and there is insufficient surplus to provide for a pension increase.

The Board will give consideration to granting a pension increase at its Board meeting scheduled for 19 August 2026.

WHO INVESTS YOUR MONEY

Fixed Interest Manager

Harbour Asset Management Limited

New Zealand Equity Manager

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

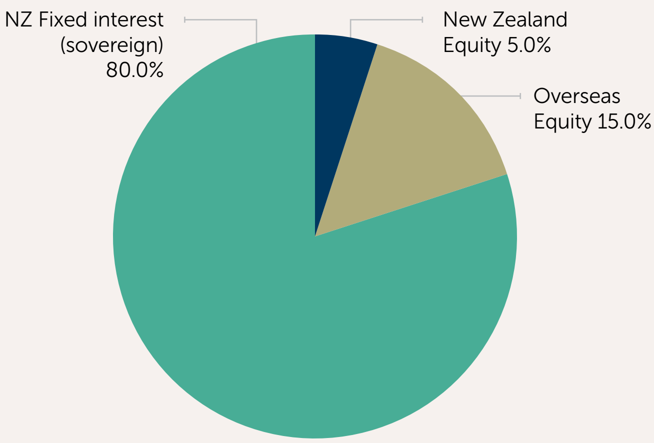
Foreign Exchange Hedging Manager

Bank of New Zealand Limited

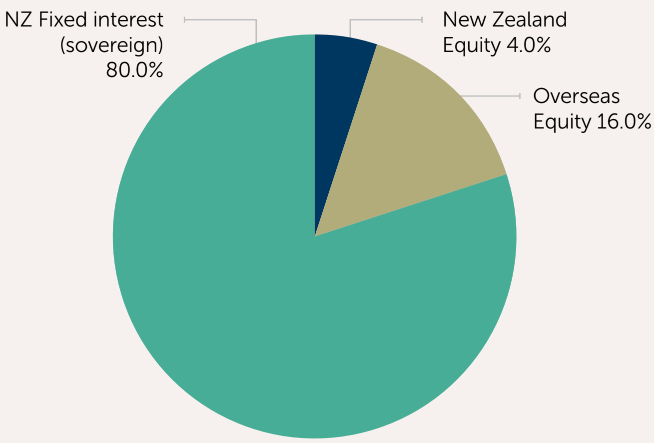
HOW YOUR MONEY IS INVESTED

The Scheme's strategic asset allocation is set by the Board and reviewed regularly. During the year the strategic asset allocation was changed as shown below, effective from September 2025. 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*



* Effective from September 2025

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.

	2026 ($000)	2025 ($000)
Investment income	18,052	16,153
Less operating expenses	(1,117)	(1,071)
Net income before tax and membership activities	16,935	15,082
Income tax credit	286	254
Net income after tax and before membership activities	17,221	15,336
Transfers in from other Contributor schemes	18,717	17,023
Less pension payments	(32,883)	(33,286)
Net membership activities	(14,166)	(16,263)
Increase/(decrease) in net assets for the year	3,055	(927)
Net assets available to pay benefits at beginning of year	374,732	375,659
Net assets available to pay benefits at end of year	377,787	374,732

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 New Zealand fixed interest, 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 No 2 Unit Fund	298,618	300,341
New Zealand Equity Unit Fund	12,900	17,422
Overseas Equity Unit Fund	59,848	52,163
Total investment assets	371,366	369,926
Other assets	6,455	4,840
Total assets	377,821	374,766
Less liabilities	(34)	(34)
Net assets available to pay benefits	377,787	374,732

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	4,071	1,227
Net cash flows used in operating activities	(14,496)	(17,144)
Net cash flows from investing activities	16,518	19,988
Net increase in cash held	2,022	2,844
Closing cash carried forward	6,093	4,071

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 summary 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:

	Pensioners
Opening membership as at 1 April 2025	4,009
Pensioner change of beneficiary	34
Deaths	(391)
Transfers in from other NPF schemes	48
Closing membership as at 31 March 2026	3,700

Under the terms of the Scheme Trust Deed, contributions are not required to be made to the Scheme.

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 market value of the net assets of the Scheme exceeded the total value of the vested benefits of the Scheme under the funding basis.

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.

INDEPENDENT AUDITOR'S REPORT

To the members of National Provident Pension Scheme.

The Auditor-General is the auditor of National Provident Pension 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.

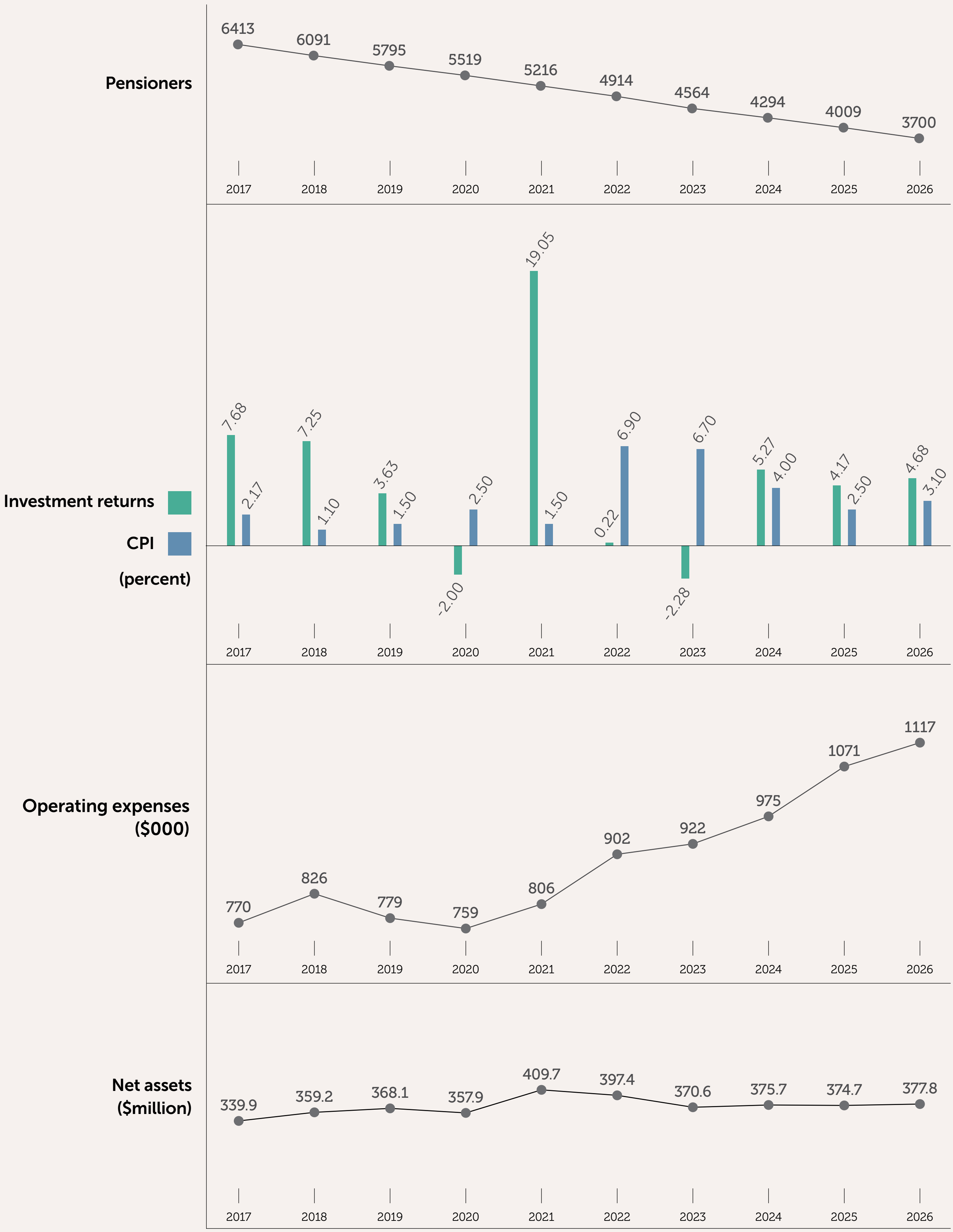
Other than the audit and an assurance engagement for the register of members, we have no relationship with, or interests in, the Scheme.

Pam Thompson

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

16 July 2026

10 YEAR COMPARISON



National Provident Pension 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	**17,958**	15,989
Interest received		**94**	164
Total investment income		**18,052**	16,153
Operating expenses			
Actuarial fees		**78**	66
Audit fees	6	**24**	23
Bank fees		**2**	3
Board member expenses	5	**41**	39
Management expenses	5	**972**	940
Total operating expenses		**1,117**	1,071
Net income before tax and membership activities		**16,935**	15,082
Income tax credit	7	**286**	254
Net income after tax and before membership activities		**17,221**	15,336
Scheme receipts	1		
Transfers from Contributor Schemes		**18,717**	17,023
Total scheme receipts		**18,717**	17,023
Scheme payments			
Pensions paid		**32,883**	33,286
Total scheme payments		**32,883**	33,286
Net membership activities		**(14,166)**	(16,263)
Increase/(decrease) in net assets for the year	10	**3,055**	(927)
Net assets available to pay benefits at beginning of year		**374,732**	375,659
Net assets available to pay benefits at end of year		**377,787**	374,732

National Provident Pension 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		
Fixed Interest No 2 unit fund		**298,618**	300,341
New Zealand Equity unit fund		**12,900**	17,422
Overseas Equity unit fund		**59,848**	52,163
		371,366	369,926
Financial assets at amortised cost			
Cash		**6,093**	4,071
Other receivables	9	**76**	121
Receivable from the Global Asset Trust	8	**286**	648
		6,455	4,840
Total assets		**377,821**	374,766
Current liabilities at amortised cost			
Accounts payable		**34**	34
Total liabilities		**34**	34
Net assets available to pay benefits		**377,787**	374,732

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

National Provident Pension Scheme (the Scheme)
Statement of Cash Flows
for the year ended 31 March 2026

	Note	**2026 ($000)**	2025 ($000)
Cash flows from operating activities[1]			
Cash was provided from:			
Income Tax credit received from the GAT		**362**	-
Interest received		**94**	164
Transfers from Contributor Schemes		**18,717**	17,023
		19,173	17,187
Cash was applied to:			
Operating expenses		**783**	1,041
Pensions paid		**32,886**	33,290
		33,669	34,331
Net cash flows used in operating activities	10	**(14,496)**	(17,144)
Cash flows from investing activities[2]			
Cash was provided from sale of units in:			
Fixed Interest No 2 unit fund		**12,751**	3,856
New Zealand Equity unit fund		**5,089**	2,736
Overseas Equity unit fund		**4,418**	14,562
		22,258	21,154
Cash was applied to purchase units in:			
Fixed Interest No 2 unit fund		**3,245**	51
New Zealand Equity unit fund		**349**	1,105
Overseas Equity unit fund		**2,146**	10
		5,740	1,166
Net cash flows from investing activities		**16,518**	19,988
Net increase in cash held		**2,022**	2,844
Add opening cash brought forward		**4,071**	1,227
Closing cash carried forward[3]		**6,093**	4,071

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 and Australia.

1 DESCRIPTION OF THE SCHEME AND FUNDING ARRANGEMENTS

The Scheme was established in accordance with section 17 of the National Provident Fund Restructuring Amendment Act 1997, for the purpose of paying pensions which arise from the membership of the National Provident Fund defined contribution schemes and such other NPF schemes as the Board of Trustees of the National Provident Fund (the Board) may determine from time to time.

The Scheme is deemed to be registered on the register of managed investment schemes under the Financial Markets Conduct Act 2013 (FMCA).

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.

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 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 Strategy (refer note 3).

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

3 STRATEGIC ASSET ALLOCATION (SAA) – INVESTMENT

The Scheme is authorised to invest 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, 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 an 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.

3 STRATEGIC ASSET ALLOCATION (SAA) – INVESTMENT (CONTINUED)

The benchmark asset allocations as at 31 March 2026 and at 31 March 2025 are shown below.

	2026 (%)	2025 (%)
Fixed Interest No 2 unit fund	**80.0**	80.0
New Zealand Equity unit fund	**4.0**	5.0
Overseas Equity unit fund	**16.0**	15.0

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)
Fixed Interest No 2 unit fund	**7,783**	10,078
New Zealand Equity unit fund	**218**	313
Overseas Equity unit fund	**9,957**	5,598
Income from unit funds	**17,958**	15,989

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.

6 FEES PAID TO AUDITOR

	2026 ($000)	2025 ($000)
Audit and review of financial statements		
Audit and review of financial statements	**22**	21
Other services		
Other assurance services – members register	**2**	2
Total other services	**2**	2
Total fees paid to auditor	**24**	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	**94**	164
Deductible expenses	**(1,117)**	(1,071)
Expense election to the GAT under section DV 2	**1,023**	907
Taxable income	**-**	-
Net income before tax and membership activities	**16,935**	15,082
Tax at 28%	**4,742**	4,223
Adjusted for tax effect of:		
(Non-assessable income)	**(5,028)**	(4,477)
Income tax credit	**(286)**	(254)
Represented by:		
Income tax credit on current year (loss)	**(286)**	(254)
Income tax credit	**(286)**	(254)
Movements in deferred taxation		
Opening balance	**-**	394
Prior period adjustment	**-**	-
Current year movement	**286**	254
Transfer of deductible expenses	**(286)**	(648)
Deferred tax asset	**-**	-

The prior year opening deferred tax asset was a result of tax losses available to carry forward.

The 2025 and 2026 tax credit results from the benefit of the Schemes electing to transfer surplus deductible expenses to the GAT under DV 2 of the Income Tax Act 2007. The GAT is subject to tax at the rate of 28%.

8 RECEIVABLE FROM THE GAT

The 2025 and 2026 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 unit funds of the GAT or by settling the units in cash.

9 OTHER RECEIVABLES

Other receivables consist of:

	2026 ($000)	2025 ($000)
Management fee refund	**29**	77
Sundry receivables	**47**	44
Total other receivables	**76**	121

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

	2026 ($000)	2025 ($000)
Increase/(decrease) in net assets for the year	**3,055**	(927)
Movement in working capital		
Change in accounts payable	**-**	(39)
Change in other receivables	**45**	1
	45	(38)
Add/(less) non-cash items		
Movement in receivable from the GAT	**362**	(584)
Movement in deferred tax	**-**	394
	362	(190)
Items classified as investing activities		
(Income) from unit funds	**(17,958)**	(15,989)
	(17,958)	(15,989)
Net cash flows used in operating activities	**(14,496)**	(17,144)

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. In addition, an actuarial review of the Scheme is undertaken annually.

The results of the most recent actuarial review of the Scheme, as at 31 March 2026, are set out below for the funding level and vested benefits ratio. For this Scheme, the value of the vested benefits is equal to the value of the liabilities, as all benefits payable from the Scheme are fully vested.

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

12.2 FUNDING LEVEL AND VESTED BENEFITS RATIO – 31 MARCH 2026

The funding level (funding ratio) of the Scheme is the ratio of the value of net assets available to pay benefits to the value of the total liabilities. For this Scheme, the value of the vested benefits is equal to the value of the liabilities. The funding level and vested benefits calculated by the Actuary, as at 31 March, are shown below.

Funding level and vested benefits	**2026 ($000)**	2025 ($000)
Present value of -		
Liabilities/vested benefits	**(341,971)**	(348,149)
Net assets	**377,787**	374,732
Surplus	**35,816**	26,583
Funding level	**110.5%**	107.6%

This table should be read in conjunction with note 11.

The most financially significant assumptions are:

- discount rates, which are Sovereign bond yields, adjusted for tax and investment expenses.
- allowance for future administration expenses through to 31 March 2054, equal to a continuation of administration expenses at the rate experienced in the previous year increasing at 2.4% pa, less tax at 28%.
- pensioner mortality assumptions, which are based on the results of recent pensioners' mortality investigations and include an allowance for improving mortality. Compared to 31 March 2025, the mortality assumptions have increased overall for males, decreased for younger females and increased for older females.

13 STATUTORY ACTUARIAL EXAMINATION – 31 MARCH 2024

Under the National Provident Fund Restructuring Act 1990 (the Act) 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**	2021
Present value of -	**($000)**	($000)
Liabilities	**(339,834)**	(345,088)
Net assets	**375,659**	409,734
Surplus	**35,825**	64,646
Funding level (net assets/total liabilities)	**110.5%**	118.7%

The ratio of the net assets to the value of total liabilities is known as the funding level. A funding level of 100% indicates a balance between the net assets and liabilities of the Scheme at the date of the valuation. The funding level of the Scheme at 31 March 2024 was 110.5%. This shows that the Scheme had sufficient assets, as at that date, to meet its liabilities under the valuation assumptions. Under section 60 of the Act, the benefits payable by the Scheme are guaranteed by the Crown.

13 STATUTORY ACTUARIAL EXAMINATION – 31 MARCH 2024 (CONTINUED)

For this Scheme, the value of vested benefits is equal to the value of the total liabilities and hence the ratio of net assets to the value of vested benefits is the same as the funding level, i.e. 110.5% at 31 March 2024.

If the actuarial assumptions are borne out in practice, then the funding level and vested benefits ratio are expected to increase gradually over the next three years.

The most significant actuarial assumptions used by the Actuary were:

- discount rates, which are Sovereign bond yields, adjusted for tax and investment expenses.
- allowance for future administration expenses through to 31 March 2053, equal to a continuation of administration expenses at the rate experienced in the previous year increasing at 2.4% pa, less tax at 28%.
- pensioner mortality assumptions, which were based on the results of the 2023 pensioners' mortality investigation and included an allowance for improving mortality.

Recommendations

In the report on the examination the Actuary recommended:

- the Board implement a process to review the projected future expenses of the Scheme on an annual basis, prior to the 31 March valuations, and investigate ways to minimise costs.
- the next statutory actuarial examination be carried out as at 31 March 2027, unless the quarterly reviews of the funding levels indicate an earlier examination is appropriate.

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

The Board accepted the recommendations of the Actuary.

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 funds hold quoted 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.

More information on the disclosures under NZ IFRS 13 and the risks mentioned above is provided in 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 Strategy appropriate for the Scheme's liabilities. In addition, the Board selects the investment managers, sets their mandates and monitors performance against those mandates.

14 FINANCIAL RISK MANAGEMENT (CONTINUED)

The long run investment return for the Scheme after fees and tax is estimated to be 3.9% per annum. The volatility is expected to be 3.2%. This is based on the Scheme's SAA and the long term rate of return for each asset class (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 29 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.

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 PRESENTATION 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.

16 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

16.5 CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

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. Asset values are subject to variation due to market fluctuations and volatility (see Notes 14 and 15). 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 Note 12 and 13.

16.6 FINANCIAL INSTRUMENTS

Financial instruments include both financial assets and financial liabilities.

Financial assets include receivables from related parties and other receivables (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 the 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.

16.9 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 PENSIONS

Pensions are recognised in the Statement of Changes in Net Assets when a request for payment is made.

16 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

16.11 INVESTMENT INCOME RECOGNITION

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

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

16.13 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.

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:

	Pensioners
Opening membership as at 1 April 2025	**4,009**
Pensioner Change of Beneficiary	34
Deaths	(391)
Joins/Rejoins	-
Retirement	-
Transfers in from another NPF scheme	48
Transfer to another NPF scheme	-
Closing membership as at 31 March 2026	**3,700**

18.2 CONTRIBUTIONS RECEIVED AND BENEFITS PAID

Under the terms of the Scheme Trust Deed, contributions are not required to be made to the Scheme.

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 ADMINISTRATION 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 1 April 2026 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.

18.4 VESTED BENEFITS

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, under the funding basis (see note 12).

18.5 TRUST DEED

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

18 OTHER INFORMATION (CONTINUED)

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	**Fixed Interest Managers** Harbour Asset Management Limited **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 Hedging Manager** Bank of New Zealand 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

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

Deloitte.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NATIONAL PROVIDENT PENSION SCHEME

The Auditor-General is the auditor of National Provident Pension 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 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 Board of 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.

Deloitte.

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

Valuation of the promised retirement liabilities (Note 12)
 	
On 28 May 2026, the Scheme obtained the valuation letter as at 31 March 2026 from its actuary which showed vested benefits of $342.0 million. This compared to the net assets of $377.8 million results in a Scheme actuarial surplus of $35.8 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 discount rate;
• Allowance for costs and increases in these costs; and
• Pensioner mortality.
 	
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 discount rate, allowance for costs and increases in these costs, and pensioner mortality.
	• 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 Trustees are responsible on behalf of the Scheme for assessing the Scheme's ability to continue as a going concern. The Trustees are 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 29 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 13 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 for the register of members, we have no relationship with, or interests in, the Scheme.

Pam Thompson

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

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.