

Pension 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 2025. Further information on the National Provident Fund's activities, and commentary on investment markets, is set out in the Chair's letter.

Your Scheme

CROWN GUARANTEE

The Pension 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 (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
Fixed interest (global)	3.83%	4.08%
New Zealand equities	1.95%	1.96%
Overseas equities	9.68%	10.93%

The investment return (after tax and expenses) earned by the Scheme for the year ended 31 March 2025, was 5.30% (2024: 13.28%). In dollar terms, this represents an investment gain of \$23.493 million (2024 investment gain: \$56.671 million).

Annual Report for the year ended 31 March 2025

SUMMARY FINANCIAL STATEMENTS

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

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

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

INVESTMENT PERFORMANCE CONTINUED

Investment returns were buoyed by continued strong returns from global equities, although returns tapered off somewhat in the March quarter as greater geo-political uncertainty made its mark on markets. Market performance was dominated by the very strong returns of a small number of very large technology related companies. The New Zealand equity market struggled somewhat in comparison, while global Interest rates were relatively unchanged over the year.

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.

EARNINGS RATE

The earnings rate declared by the Board for the Scheme for the year ended 31 March 2025 was 4.76% on contributors' total credits as at 1 April 2024 and 1.9% on contributions paid during the year. This is in line with the Board's crediting and reserving policy.

As at 31 March 2025 reserves were 5.8% of contributors' total credits (2024: 4.9%).

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
Pacific Investment Management Company LLC
PGIM, Inc

New Zealand Equity Managers

Devon Funds Management Limited
Harbour Asset Management Limited

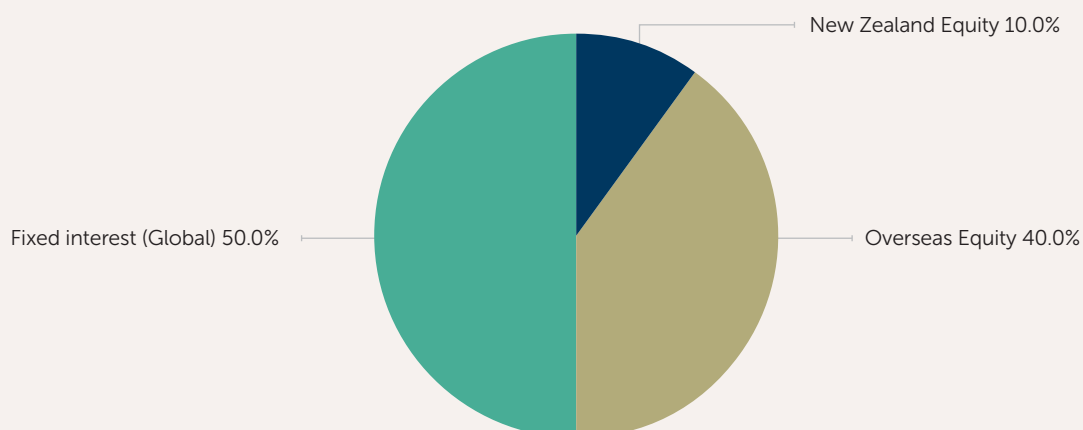
Overseas Equity Managers

Arrowstreet Capital, Limited Partnership
Lazard Asset Management, LLC (terminated 10 September 2024)
Robeco Hong Kong Limited (appointed 26 September 2024)
Russell Investment Management Limited (appointed as transition manager 9 September 2024)
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. There was no change to Scheme's asset allocation strategy during the year. The pie chart shows the Scheme's asset allocation strategy as at 31 March 2024 and 31 March 2025.

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



The Board's SIPSP is reviewed regularly by the Board. During the year the SIPSP was updated and there were no significant changes to the SIPSP relating to the Scheme. See our website, www.npf.co.nz, for more information about your Scheme, including the Board's SIPSP and the Scheme Trust Deed.

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

This is a summary of the Scheme's income and expenses, and membership contributions and payments.		2025 (\$000)	2024 (\$000)
	Investment income	23,493	56,671
	Less operating expenses	(1,093)	(978)
	Net income before tax and membership activities	22,400	55,693
	Income tax credit	268	229
	Net income after tax and before membership activities	22,668	55,922
	Scheme receipts		
	Scheme receipts – Non Locked-in section:		
	Member contributions	2,774	3,135
	Employer contributions	1,219	1,473
	Scheme receipts – Locked-in section:		
	Member contributions	1,200	296
	Employer contributions	91	99
	Member tax credits	12	13
	Total Scheme receipts	5,296	5,016
	Other Scheme receipts – Section 72 Claim	-	84
	Scheme payments		
	Benefit, withdrawal and transfer payments	(47,569)	(30,085)
	Transfers to the NPPS	(14,983)	(15,612)
	Total Scheme payments	(62,552)	(45,697)
	Net membership activities	(57,256)	(40,597)
	(Decrease)/Increase in liability for accrued benefits	(34,588)	15,325
NPPS refers to the National Provident Pension Scheme.			

SUMMARY STATEMENT OF NET ASSETS AS AT 31 MARCH 2025

This is a summary of the Scheme's assets and liabilities, as at 31 March 2025.		2025 (\$000)	2024 (\$000)
	Investment assets:		
	Fixed Interest Unit Fund	236,038	214,574
	New Zealand Equity Unit Fund	41,845	43,195
	Overseas Equity Unit Fund	142,366	194,162
	Total investment assets	420,249	451,931
	Section 72 claim	-	84
	Other assets	1,964	4,689
	Total assets	422,213	456,704
	Less liabilities	(148)	(51)
	Net assets available to pay benefits	422,065	456,653
	Represented by:		
	Liability for accrued benefits		
	Allocated to contributors' total credits	398,851	435,323
	Unallocated reserves	23,214	21,330
		422,065	456,653
Assets include the Scheme's investments in fixed interest (global), New Zealand shares and overseas shares 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.			

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

This is a summary of the cash flows through the Scheme during the year.		2025 (\$000)	2024 (\$000)
	Opening cash brought forward	3,953	3,688
	Net cash flows from operating activities	(57,859)	(36,408)
	Net cash flows from investing activities	55,048	36,673
	Net increase in cash held	(2,811)	265
	Closing cash carried forward	1,142	3,953
Cash was received from:			
<ul style="list-style-type: none"> 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.			

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

The summary financial statements:

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

SUBSEQUENT EVENTS

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

TRUSTEE'S REPORT

For the year ended 31 March 2025

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 2024	1,518	85	1,603
Retirements	(53)	(9)	(62)
Withdrawals	-	-	-
Transfers	(79)	-	(79)
Deaths and disablements	(33)	(1)	(34)
Joins/rejoins	-	-	-
Reinstated extinguished liabilities*	21	-	21
Closing membership as at 31 March 2025	1,374	75	1,449

* 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 2025, there were 1,449 members in the Scheme (2024: 1,603), with allocated contributors' total credits of \$422.1 million (2024: \$456.7 million). These numbers include the members of the Locked-in section.

For the Locked-in section – as at 31 March 2025 there were 75 members (2024: 85) with net assets amounting to \$11.5 million (2024: \$13.4 million). During the year, there were 9 retirements from the Locked-in-section.

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

The Board, based on the advice of the Actuary, certifies that as at 31 March 2025 the market value of the net assets of the Scheme was greater than the total value of the vested benefits of the Scheme. The amounts are shown in notes to the financial statements.

The Board confirms that, to the best of its knowledge, not more than 10% 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 2024 and 2025 the Scheme administration fees were increased for inflation.

The Board certifies it is satisfied the increase in the administration fees for the Scheme is not unreasonable. The Board is satisfied the total management fees charged to the Scheme are not unreasonable.

TRUST DEED AMENDMENT

The Scheme Trust Deed has not been amended since 25 June 2024, being the date of the Scheme's last annual report. A copy of the Trust Deed is available on request.

INDEPENDENT AUDITOR'S REPORT

To the readers of Pension National Scheme's Summary Financial Statements for the year ended 31 March 2025.

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

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

SUMMARY FINANCIAL STATEMENTS

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

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

THE FULL FINANCIAL STATEMENTS AND OUR AUDIT REPORT THEREON

We expressed an unmodified audit opinion on the full financial statements for the year ended 31 March 2025 in our auditor's report dated 26 June 2025.

BOARD OF TRUSTEES' RESPONSIBILITY FOR THE SUMMARY FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

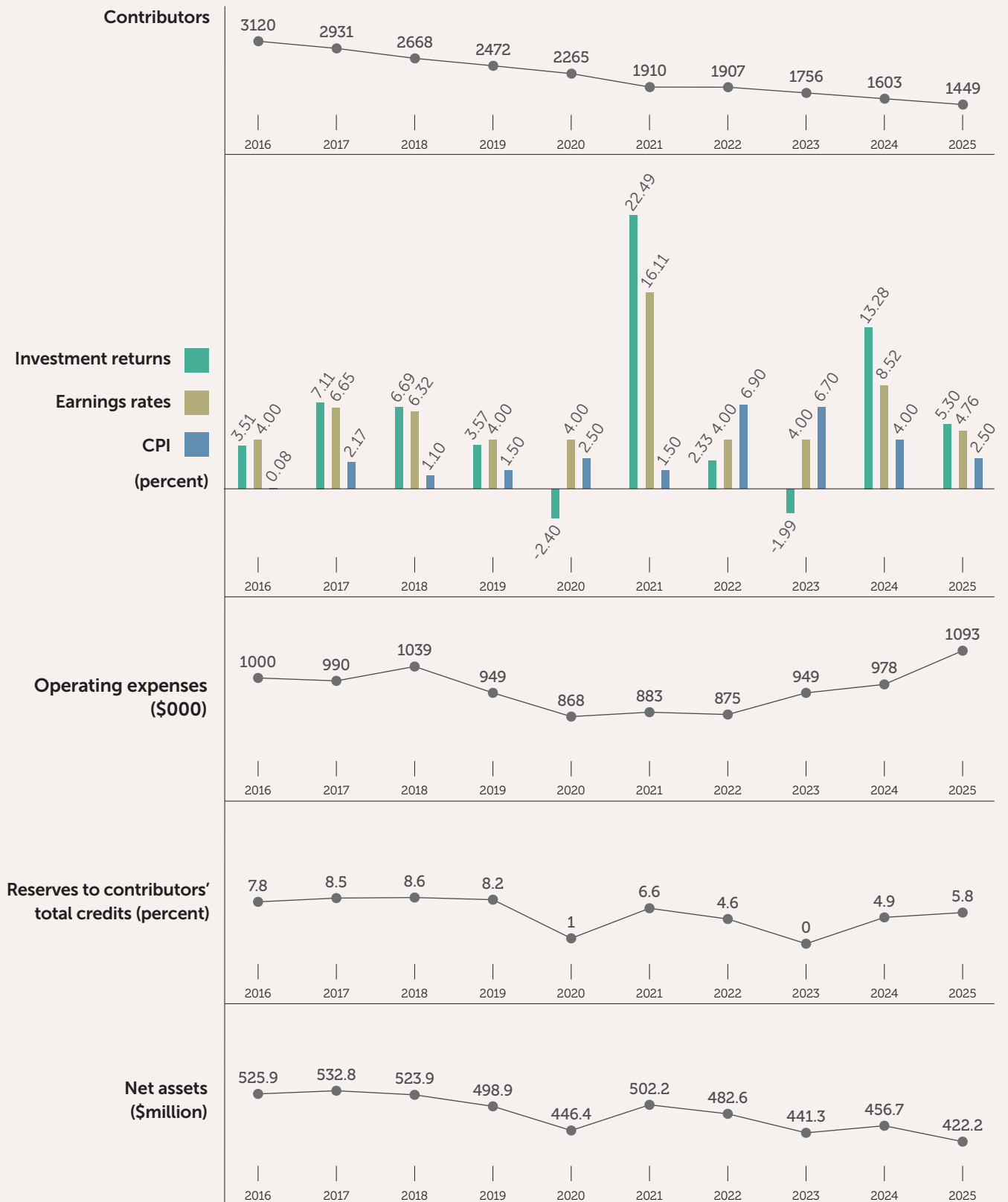
Other than the audit and an assurance engagement for the register of members, we have no relationship with, or interests in, the Scheme.

Pam Thompson

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

9 July 2025

10 YEAR COMPARISON



Directory as at 9 July 2025

TRUSTEE

Board of Trustees of the National Provident Fund

BOARD MEMBERS

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

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

Graham Ansell – appointed 12 July 2021

Tracey Berry – appointed 1 July 2022

Lloyd Kavanagh – appointed 1 July 2022

Michelle Tsui – appointed 1 July 2024

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

MANAGEMENT

Tim Mitchell

Chief Executive and Acting Chief Investment Officer

Fiona Morgan

Chief Financial Officer

Hadyn Hunt

Chief Risk Officer

Ireen Muir

General Manager – Schemes

DATACOM

ADMINISTRATION

Datacom Connect Limited is the administrator of the NPF Schemes.

CONTACT DETAILS

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

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

Please quote your identity number when contacting Datacom.

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

Phone: (04) 381 0600

Post to:

The Manager
National Provident Fund Administration
Datacom Connect Limited

P O Box 1036
WELLINGTON 6140

Email: npf@fundadmin.nz

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

You may contact the Board by writing to:

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

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

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

Bank: Bank of New Zealand Limited

Custodian: JPMorgan Chase Bank, N.A.

Solicitor: DLA Piper New Zealand

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