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 2026. This is the final report of the Scheme as it was being wound up as at 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 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 had many of the benefits of KiwiSaver schemes, as well as 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 other KiwiSaver schemes. Further details are available on our website – www.npf.co.nz.

INVESTMENT PERFORMANCE

The investment return (after tax and expenses) earned by the Scheme for the year ended 31 March 2026, was 14.60% (2025: 5.30%). In dollar terms, this represents an investment gain of $36.37 million (2025 investment gain: $23.49 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.

As part of the windup the Scheme moved to holding cash from 1 December 2025.

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
Cash	3.59%	3.06%
Fixed interest (global)	2.49%	1.93%
New Zealand equities	0.09%	5.84%
Overseas equities	20.25%	17.02%

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.

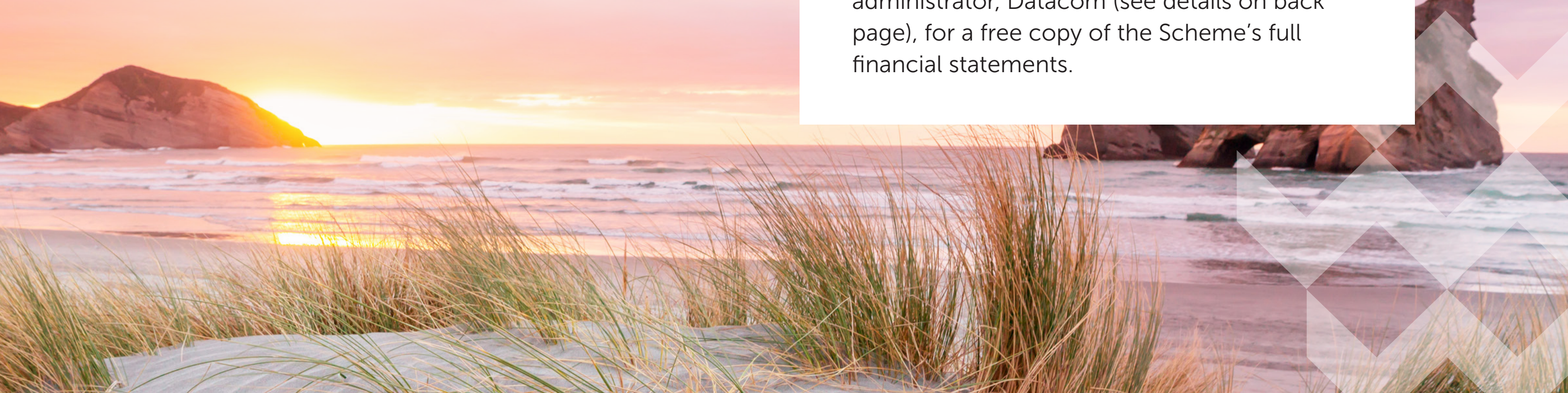
Annual Report for the year ended 31 March 2026

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 13.8% of contributors' total credits (2025: 5.8%).

Given the Scheme was wound up as at 31 March 2026, the minimum earning rate no longer applies from 1 April 2026.

WHO INVESTS YOUR MONEY

As part of the wind up of the Scheme, the investment assets were realised in March 2026. At 31 March 2026 all the assets were held in cash. The following is the list of investment managers for the Scheme during the year.

Cash Manager

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

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 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

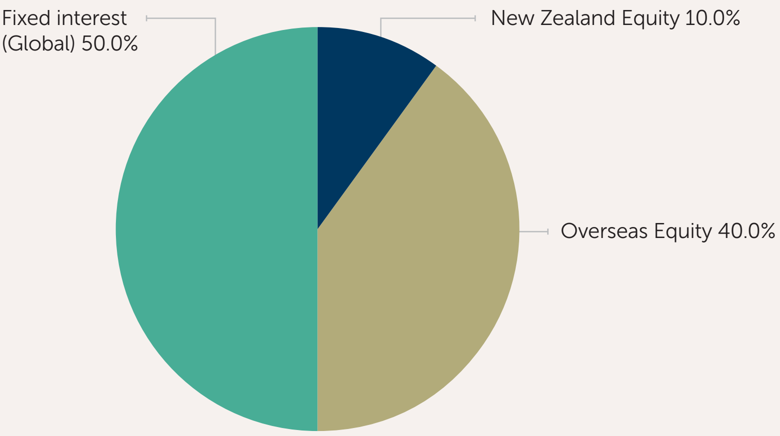
Foreign Exchange Currency Hedging Manager

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, as part of the Scheme windup, the Scheme moved to holding cash only. 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 December 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, other than the changes to asset allocations detailed above. 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, and membership contributions and payments.

NPPS refers to the National Provident Pension Scheme.

	2026 ($000)	2025 ($000)
Investment income	36,374	23,493
Less operating expenses	(863)	(1,093)
Net income before tax and membership activities	35,511	22,400
Income tax credit	182	268
Net income after tax and before membership activities	35,693	22,668
Scheme receipts		
Scheme receipts – Non Locked-in section:		
Member contributions	2,208	2,774
Employer contributions	928	1,219
Scheme receipts – Locked-in section:		
Member contributions	196	1,200
Employer contributions	65	91
Member tax credits	2	12
Total Scheme receipts	3,399	5,296
Other Scheme receipts – Section 72 Claim	-	-
Scheme payments		
Benefit, withdrawal and transfer payments	(341,464)	(47,569)
Transfers to the NPPS	(17,337)	(14,983)
Total Scheme payments	(358,801)	(62,552)
Net membership activities	(355,402)	(57,256)
(Decrease) in liability for accrued benefits	(319,709)	(34,588)

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 held during the year included the Scheme's investments in fixed interest (global), 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:		
Cash Unit Fund	103,415	
Fixed Interest Unit Fund	-	236,038
New Zealand Equity Unit Fund	-	41,845
Overseas Equity Unit Fund	-	142,366
Total investment assets	103,415	420,249
Section 72 claim	-	-
Other assets	(817)	1,964
Total assets	102,598	422,213
Less liabilities	(242)	(148)
Net assets available to pay benefits	102,356	422,065
Represented by:		
Liability for accrued benefits		
Allocated to contributors' total credits	89,910	398,851
Unallocated reserves	12,446	23,214
	102,356	422,065

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	1,142	3,953
Net cash flows from operating activities	(355,371)	(57,859)
Net cash flows from investing activities	353,018	55,048
Net (decrease) in cash held	(2,353)	(2,811)
Closing cash carried forward	(1,211)	1,142

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;
  - prepared on an other than going concern basis, as the Scheme is being wound up;
  - authorised for issue by the Board on 26 June 2026; and
  - audited and received an unmodified opinion and included the communication of an emphasis of matter that draws attention to note 18.1 of the full financial statements which explains that subsequent to balance date, the Scheme's assets will be either distributed to members or transferred to the Lump Sum National Scheme;
- 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.

SCHEME WIND UP

The Board resolved, with the approval of the Minister of Finance, to wind up the Scheme as at 31 March 2026. The investment assets held by the Scheme were realised starting from December 2025 and converted to cash.
The Scheme's assets will be distributed to members or transferred to the Lump Sum National Scheme and members will be advised separately.

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		
	Non Locked-in Section	Locked-in Section	Total
Opening membership as at 1 April 2025	1,374	75	1,449
Retirements	(440)	(13)	(453)
Withdrawals	(1)	-	(1)
Transfers	(431)	(51)	(482)
Deaths and disablements	(34)	-	(34)
Joins/rejoins	1	-	1
Extinguished liabilities*	(24)		(24)
Closing membership as at 31 March 2026	445	11	456

* 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 456 members in the Scheme (2025: 1,449), with allocated contributors' total credits of $89.9 million (2025: $398.9 million). These numbers include the members of the Locked-in section.

For the Locked-in section – as at 31 March 2026 there were 11 members (2025: 75) with allocated contributors' total credits of $1.1 million (2025: $11.5 million). During the year, there were 11 retirements and 50 transfers. from the Locked-in-section. The total value of assets withdrawn from the Locked-in section of the Scheme during the year was $13.3 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 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 was greater than the total value of the vested benefits of the Scheme. The amounts are shown in the 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 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 was to facilitate the wind up of the Scheme. The key changes were to:

- Enable any member who is 65 years of age or older to access their retirement benefit regardless of whether they were in continuous employment.
- Allow members to take their retirement benefit as a lump sum.
- Remove the mandatory requirement for certain members to take a pension on windup.

INDEPENDENT AUDITOR'S REPORT

To the members of Pension National Scheme

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 2026, 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 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 an emphasis of matter that draws attention to note 18.1 of the full financial statements which explains that subsequent to balance date, the Scheme's assets will be either distributed to members or transferred to the Lump Sum National Scheme.

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

Directory as at 16 July 2026

TRUSTEE

Board of Trustees of the National Provident Fund

BOARD MEMBERS

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.