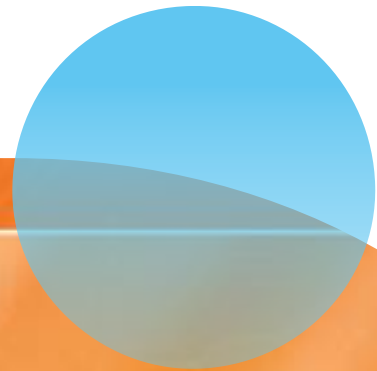


ANNUAL REPORT 2025

Connected by Innovation,
United by Purpose



“ Welcome to Nasfund, where we work today for your tomorrow ”

About this report

The 2025 Annual Report is a summary of Nasfund's operations, activities and financial position for the 12-month period to 31st December 2025.

It has been prepared and issued by National Superannuation Fund Limited (Nasfund), the Trustee of National Superannuation Fund (together, 'Nasfund', 'the Fund', 'we', 'us', or 'our') in this report, unless otherwise stated, references to the financial year ('FY25') refer to the period 1st January 2025 to 31st December 2025.

This annual report was issued in May 2026 and may include general financial advice which doesn't take into account your personal objectives, financial situation or needs. Before making a decision, consider if the information is right for you.

Investment returns aren't guaranteed. Past performance is not a reliable indicator of future returns.

This annual report is available online through the Nasfund website

www.nasfund.com.pg/form-resources/documents/annual-reports.

All care is taken to ensure this information is correct at the date of publication. Any errors or misprints will be corrected by the Trustee in later reports.

Cover Brief: Redefining Member Experience through Digital Innovation.

Connected by Innovation, United by Purpose - reflects Nasfund's commitment to providing seamless member servicing through our digital services for the purpose of retirement readiness.

Members can use our digital services using a laptop, computer or a mobile phone instead of physically visiting a branch.

www.nasfund.com.pg

**HAPPY 50TH INDEPENDENCE
ANNIVERSARY - PAPUA NEW GUINEA**

1975 - 2025

**NASFUND HAS BEEN A PROUD CONTRIBUTOR TOWARDS
NATION BUILDING FOR OVER 20 YEARS**



nasfund 
Ready for tomorrow

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OUR FUND

For over 20 years, we have helped our members build financial security for retirement through trusted services, smart systems and competitive returns.

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CORPORATE STATEMENT

VISION

"Our members trusted superannuation Fund providing quality services and financial security."

MISSION

"We will provide world-class member services using innovative systems and technologies. We will also grow member retirement savings using a balanced fund portfolio to achieve a return above CPI over a rolling five-year period."

VALUES

At the core of our mission is a commitment to connect and foster responsible relationships built on trust and mutual respect while driving growth to inspire all our members and stakeholders.



OUR STORY

Serving Our Members - 50 Years and Beyond!

Hello from Nasfund, where we work today for your tomorrow.

Founded in 1981 and formalized in 1982, the National Provident Fund was established to serve private sector workers. Following the financial reforms led by the late Sir Mekere Morauta in 2000, Nasfund was formed in 2002 as its successor. Today, we are PNG's largest superannuation fund by membership, with over 744,000 member accounts and K9 billion in assets under management.

Our journey has been shaped by the trust of our members, the dedication of our people and a shared vision for national development.

Through global financial shifts, local challenges, and rapid innovation, our mission remains clear:

- Deliver world-class member services
- Grow retirement savings through balanced investments
- Support Papua New Guinea's development.

As Papua New Guinea celebrates its 50th Independence Anniversary, Nasfund reflects on the key milestones that have shaped the financial futures of our members.

Early Beginnings (1981 - 1982)

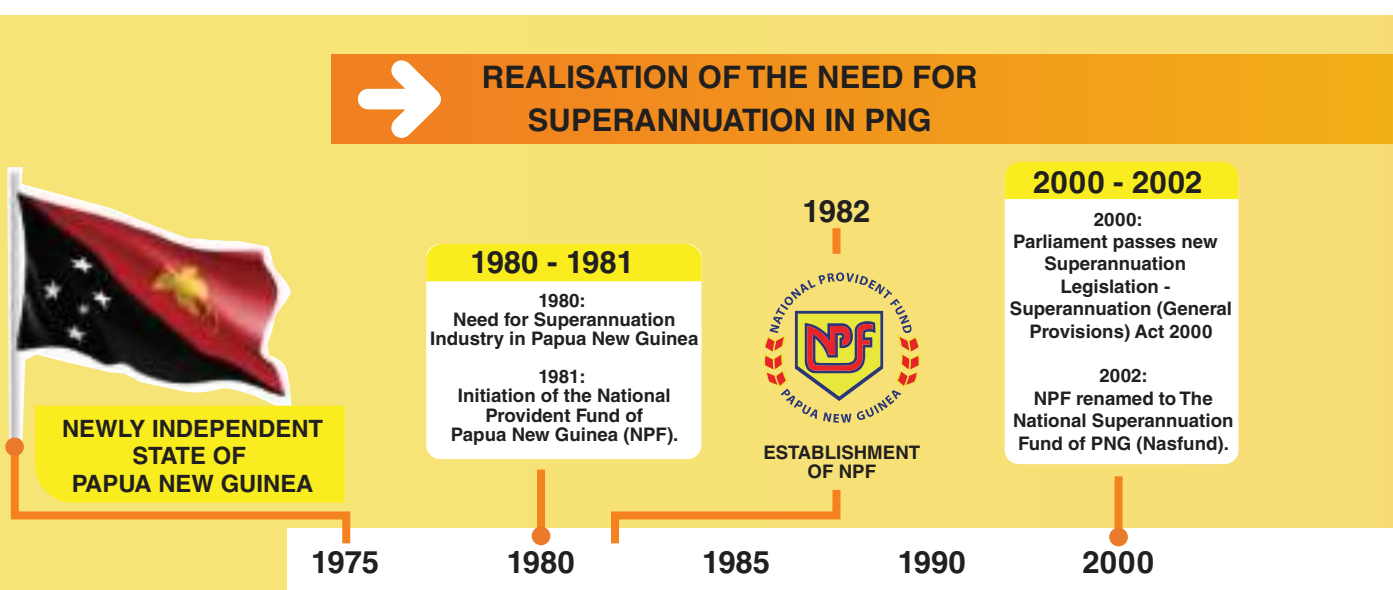
- Establishment of the National Provident Fund (NPF) to serve private sector contributors in Papua New Guinea.

Institutional & Governance Strengthening (2000–2009)

- Credited the highest recorded interest return of 37% to member accounts in 2007.
- Transitioned to a defined contribution scheme, aligning with global best practices.
- Introduced member statements and annual reporting to enhance transparency.

Expansion & Innovation (2010 - 2019)

- Credited an average interest of 7.6% over 10 years.
- Surpassed 500,000 members.
- Launched the TextBal (SMS balance) checks.
- Introduced Eda Supa, a non-compulsory savings product for informal sector workers, SMEs, and non-citizens.



- Rolled out Employer and Member Online Portals.
- Established the Employer Awards to recognize outstanding compliance and responsible practices from our employers.
- Invested in strategic assets, including commercial real estate and equities.
- Launched the first Customer Relationship Management (CRM) system and integrated helpdesk software to enhance member service delivery, streamline enquiry handling, and eliminate operational silos.

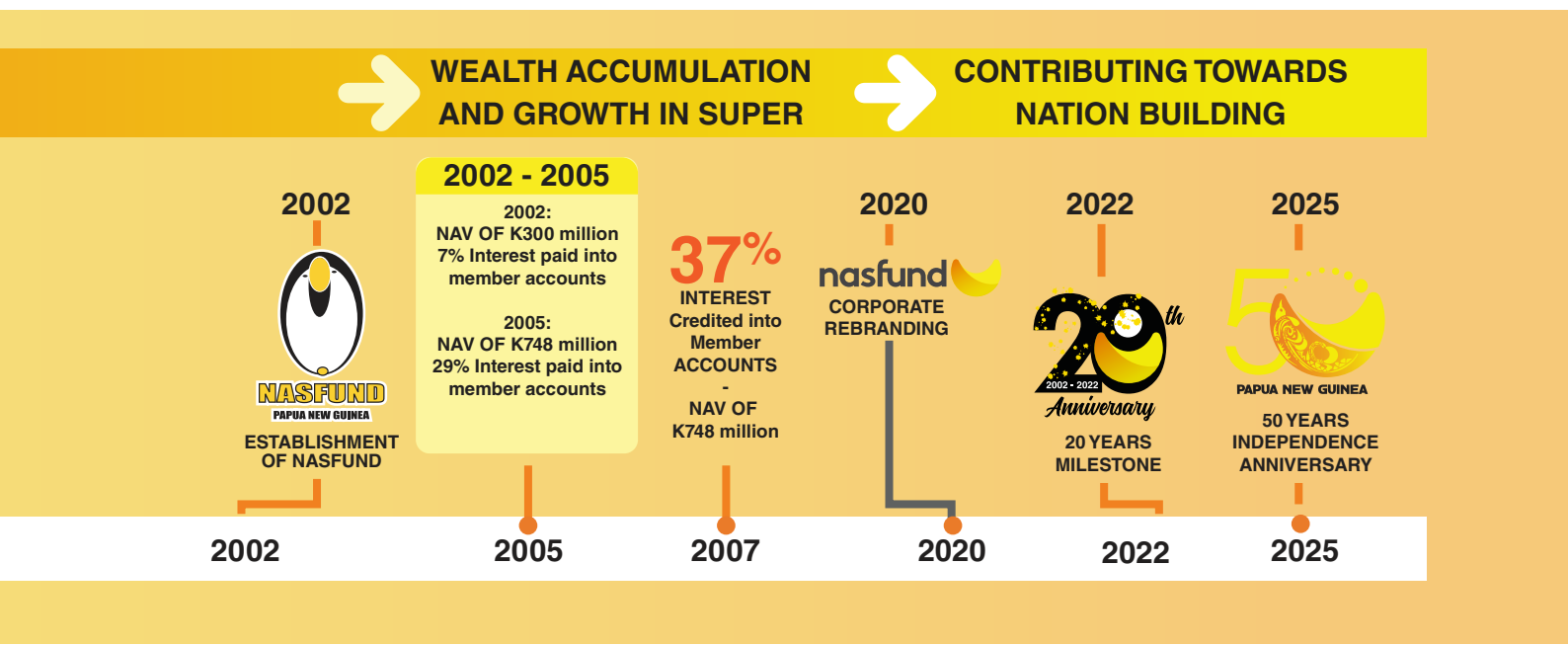
Resilience Amid Challenges (2020–2024)

- Credited an average interest rate of 6.1% over three years to member accounts.
- Hosted PNG’s first nationwide Employer Conference via online webinar during COVID-19.
- Launched the first electronic branch (eBranch) enabling claim processing via email.
- Expanded digital services with WhatsApp ticketing and Qmatic queuing system at the branch.
- Released Superannuation Education content in English and Tok Pisin.

Annual Highlight (2024)

- Achieved K8.1 billion Net Asset Value and K849 million Net Profit After Tax.

- Credited K839 million in interest to member accounts at an Annual Crediting Rate (ACR) of 11.75%.
- Introduced AI-driven initiatives in finance and member services.
- Launched the Employer-to-Employer (E2E) Discount Program.
- Strengthened cybersecurity and IT infrastructure.
- Strategic focus on superannuation education, growth, and data optimization. At Nasfund, we’re committed to protecting and growing our members’ savings. That’s why we consistently credit interest rates that are higher than inflation (CPI), helping members’ funds keep their value and grow over time. We’re also investing in what matters to our members by:
 - Rolling out smarter digital tools for easier access to super services.
 - Expanding Eda Supa to include informal sector workers, non-citizens, and small businesses, making superannuation more accessible and inclusive.
 - Actively working to embed superannuation education into PNG’s national curriculum to build financial awareness from a young age.
 - Investing in infrastructure and assets that support long-term growth.



CHAIRMAN'S STATEMENT

Serving Our Members - 50 Years and Beyond!



Christopher Elphick
Chairman

Dear members, employers and stakeholders,

It is an honour to present my first statement as Chairman of the National Superannuation Fund Limited. Having commenced my journey with Nasfund as a trainee director, I am humbled to now lead the Board of an organisation entrusted with safeguarding the retirement futures of contributors across Papua New Guinea. I take on this role with a deep appreciation of the responsibility it carries and a strong commitment to stewardship, accountability, and the sustainable creation of value for members.

We commenced 2025 with confidence, announcing an interest crediting rate of 11.75% for the 2024 financial year. This outcome reflected disciplined investment strategies, particularly within our offshore portfolio, which delivered strong returns despite a challenging domestic environment. This early achievement set the tone for a year characterised by progress, innovation, and a continued focus on member outcomes.

In respect of the 2025 financial year, the Trustee Board approved the Fund's audited financial statements, which reported a record Net Profit After Tax of K1.08 billion and a Net Asset Value exceeding K9.45 billion, confirming one of the strongest performances achieved by the Fund in many years. Following this outcome, the Board declared an interest crediting rate of 13% for 2025, resulting in more than K1 billion being credited to members' accounts, the highest distribution in Nasfund's history.

Membership and employer participation continued to strengthen throughout the year. The Fund recorded a net increase of 28,340 members, bringing total membership to 744,213, while the employer base also grew, with a net increase of 87 employers, lifting total employers to 2,978. Over the five year period from 2021 to 2025, Nasfund achieved an average annual return of 8.91%, outperforming the national CPI average of 3.56% and delivering real growth of 5.35% above inflation for members.

Beyond financial performance, the Board oversaw a range of initiatives aimed at strengthening engagement, inclusion, and service delivery. Nationwide Employer Conferences and superannuation education campaigns were delivered throughout the year, reinforcing our commitment to improving superannuation literacy. Nasfund was also recognised at the 2025 Innovation PNG Awards, receiving the Large Business Award for the adoption of DeepDelve Invoice AI, demonstrating how technology can enhance efficiency, transparency, and governance outcomes.

The Fund launched a refurbished website featuring the region's first superannuation calculator that factors in expenses and inflation, setting a new benchmark for member tools. Strategic partnerships were expanded through a Memorandum of Understanding with BSP Financial Group, while the Membership Discount Program and Employer to Employer Discount Program continued to grow across the health, construction, and retail sectors designed to serve both members and employers respectively.

June marked the reopening of the Boroko Service Centre, which has since become one of the Fund's strongest performing service hubs. In parallel, plans are underway to establish a permanent site for the Wewak branch in East Sepik Province, alongside additional brick and mortar service locations where needed to better support members nationwide.

Strategically, the year concluded with the acquisition of a 14.98% stake in MiBank. This investment aligns with the Board's long term vision to extend superannuation access to the informal sector while creating additional avenues for sustainable returns.

From a governance perspective, Board capability was further strengthened through the appointment of an Independent Director and a representative of the PNG Trade Union Congress, completing a full Board of 10 directors.

As we look ahead, the Board remains firmly focused on delivering sustainable value for members through prudent investment decisions, innovation, and strong governance anchored in Nasfund's core values. While external uncertainties persist, we are confident in the Fund's strategic direction, resilience, and long term prospects.

On behalf of the Trustee Board, I thank our members for the trust they continue to place in Nasfund. I acknowledge the leadership of my predecessor, Ms Tamzin Wardley, for her contribution during a pivotal period in the Fund's journey. I also commend our Chief Executive Officer, Mr Rajeev Sharma, the executive management team, and all Nasfund staff for their professionalism, dedication, and commitment to delivering these strong outcomes.

The journey ahead may be unknown, but together, **we are ready for tomorrow.**

Sincerely,



Christopher Elphick
Chairman



Chairman Christopher Elphick presenting the CEO's Award certificate to staff Airi Kaipu. [View award listing in page 32.](#)



Nasfund receiving the 2025 Innovation PNG Award for Large Business



Nasfund Boroko Client Service Centre reopened in June 2025



Nasfund and BSP Sign MOU to Improve Member Access to Bank Statements in August 2025.



Nasfund Acquires 14.98% stake at MiBank in November 2025.

CHIEF EXECUTIVE OFFICER'S STATEMENT

Transforming Ordinary into Extraordinary - 50 Years and Beyond!



Rajeev Sharma
Chief Executive Officer

Dear Members,

In 2025, we delivered a strong performance, reflecting our continued commitment to safeguarding and growing members' retirement savings.

Our gross portfolio return was 15%. After accounting for 1.5% in expenses and 0.74% in taxes, the net outcome was a 13% annual crediting rate. This performance was underpinned by stable and diversified revenue streams across the portfolio, including interest income, valuation movements, dividend income, and property rental income, all of which were broadly in line with 2024 outcomes.

Key Financial Highlights for FY2025

- Cash income of K554 million compared to a budget of K544 million (FY24: K499 million)
- Valuation gain of K580 million (FY24: K487 million)
- Foreign currency gain of K141.6 million (FY24: K5.7 million loss)
- Operating expenses of K88 million, in line with budget (FY24: K75 million)
- Net profit after tax of K1.085 billion (FY24: K849 million)
- Total assets of K9.52 billion (FY24: K8.19 billion)
- Net assets of K9.45 billion (FY24: K8.12 billion)

- Contributions received of K856 million, 8% higher than 2024 (FY24: K793 million)
- Member benefit payments of K611 million (FY24: K591 million)
- Interest credited of K1.1 billion (FY24: K839 million), with K17 million already paid to members who exited in 2025.

Strong performance across our major investment holdings contributed positively to returns. Our investment in BSP Financial Group returned 3.4%, Credit Corporation Limited returned 1.6%, and offshore equities returned 3.3%. Collectively, these holdings contributed 8.3% of the gross crediting rate.

A significant driver of improved performance was the offshore portfolio, which produced a foreign exchange gain of K142 million, equivalent to 1.7% of the gross crediting rate, compared to a loss of K5.7 million in 2024. Offshore exposure increased from K1.39 billion to K2.1 billion, elevating international investments to 21.8% of Net Asset Value. This remains comfortably within prudential limits and below the Board approved ceiling of 25%. While the devaluation of the PNG Kina supported FX gains during the year, these gains are expected to moderate as the currency strengthens.

On the cost side, operating expenses reduced gross returns by 1.5%. Of total expenses, 36% represented fixed charges such as fund administration fees, investment manager fees, and Bank of PNG regulatory fees. Staff costs accounted for 35%, while the remaining 28% comprised controllable operational expenses.

Our operational discipline is also evident in our Total Expense Ratio (TER), calculated as Total Expenses divided by Average Net Assets. Nasfund continues to record the lowest TER among PNG superannuation funds, ranging between 1.01% and 1.15% from 2021 to 2025. Even marginal differences in TER can materially affect long term retirement outcomes, reinforcing the importance of our cost control strategy.

During the year, we paid K611 million across 72,268 benefit payment claims. Over the past five years, a total of K2.87 billion has been paid through 407,821 benefit payment claims to members and nominated beneficiaries. This reflects Nasfund's sustained liquidity strength and consistent ability to meet member obligations promptly. Improving contribution allocation accuracy remained a key internal priority in 2025. At the beginning of the year, unallocated contributions totalled K57 million, including K28

million aged more than 12 months. By year end, the total unallocated balance was reduced to K53 million, with aged contributions lowered to K19 million. This improvement reflects strong internal collaboration and more proactive engagement with employers.

Employer compliance remains an ongoing focus area. As of 31 December 2025, 427 employers, representing 14% of active employers, were in default, defined as failing to remit contributions for more than three months. Delayed remittances have a direct impact on members' retirement outcomes, as interest is only calculated once contributions are credited.

In June 2025, we convened in Port Moresby for our Employee Engagement Conference, which also provided an opportunity to collectively celebrate the nation's 50th Independence anniversary. Key initiatives included the launch of the Superannuation Calculator, the introduction of the Nasfund Chatbot, and the rollout of superannuation literacy content. We were recognised with the Large Business Award at the 2025 Innovation PNG Awards for our AI-powered Vendor Invoice Management Automation Solution.

Building on the Memorandum of Understanding signed with the Centre for Excellence in Financial Inclusion (CEFI) in 2024, we progressed the development of our own superannuation education modules and workshopped the integration of superannuation literacy into the Department of Education curricula. In parallel, we conducted dozens of superannuation education sessions in schools across the country.

We signed a Memorandum of Understanding with BSP Financial Group to improve queue lines, acquired shares in MiBank with the intent to expand our reach into rural communities, and increased our Membership Discount Program (MDP) to more than 180 providers nationwide. Employer to Employer (E2E) partnerships continued to deliver improved savings opportunities for businesses with a patronage of over a dozen partners nationwide. In December, we engaged extensively with resource companies at the PNG CORE Investment Conference, deploying a mobile hot desk solution to provide targeted support to members within that sector. Accessibility was

further enhanced through the reopening of our flagship Boroko Service Centre in Port Moresby, and progress continues toward reopening our permanent Wewak branch in 2026. Ongoing improvements to our eBranch platform continue to support efficient digital service delivery.

Ultimately, our mission remains unchanged: to protect and grow the retirement savings of every member. We recognise that behind each account is a family, a livelihood, and a future. Guided by a long-term investment perspective, we remain focused on disciplined investing, responsible cost management, strong partnerships, and innovative solutions that support better outcomes for members and employers alike.

Super Regards,



Rajeev Sharma
Chief Executive Officer



CEO, Rajeev Sharma addressing the staff during the 2025 Nasfund Employee Engagement Conference themed '**Transforming the Ordinary into Extraordinary**' in Hilton Hotel, Port Moresby.

2025 AUDITED RESULTS

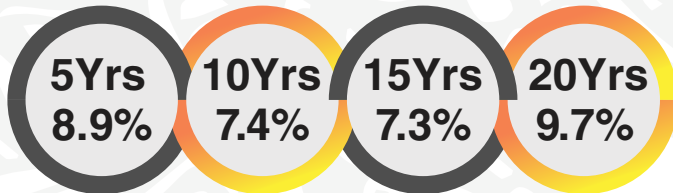
As of 31st December 2025

Growth & Performance Highlights

ANNUAL INTEREST CREDITING RATE

13%

LONG TERM CREDITING RATES



CONTRIBUTING TO THE NATION



1.086
Billion Kina
(2024: 849M)



9.45
Billion Kina
(2024: 8.12 Billion)



1.01%
(2024: 1.02%)



856
Million
(2024: 793M)



611
Million
(2024: 591M)

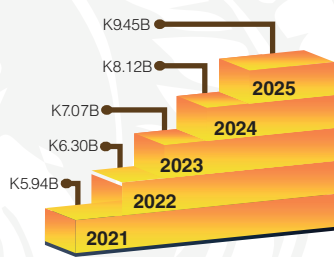


744,213
(2024: 715,873)



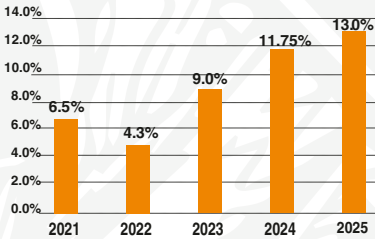
CONSISTENTLY DELIVERING OUTSTANDING GROWTH

Net Assets Value Growth Billion — Total Fund Assets

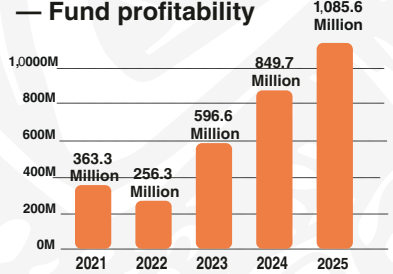


Annual Crediting Rate

% returns credited to members each year

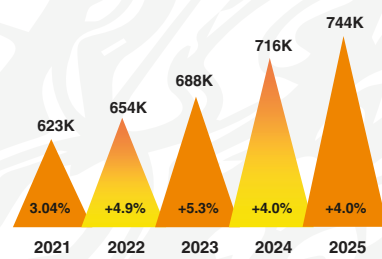


Net Profit After Tax Millions — Fund profitability

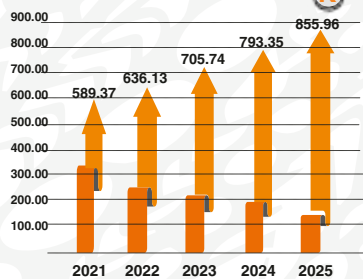


Total Membership Base

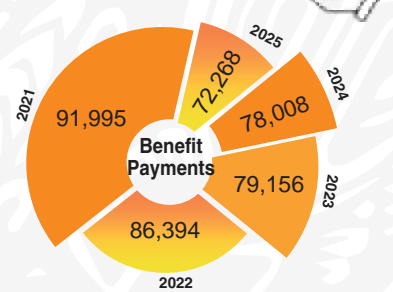
All registered members



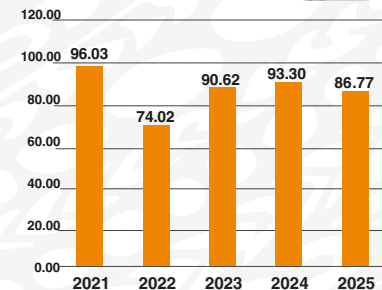
Contributions (Millions)



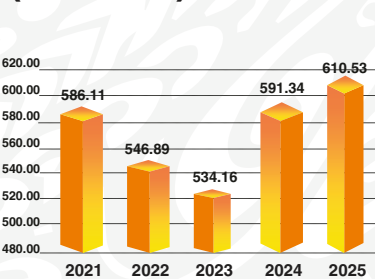
Number of Transactions



Total Taxes paid (Millions)



Withdrawals (Millions)



NASFUND MEMBERS SERVED BY 203 STAFF ACROSS 22 SERVICE POINTS INCLUDING THE E-BRANCH

FIVE (5) YEAR STATISTICAL ANALYSIS

Statistical Information	2025	2024	2023	2022	2021
Assets & Liabilities					
Net Asset Value (NAV -K'000)	9,450,606	8,119,532	7,067,845	6,299,651	5,940,241
Growth Rate (%)	16.39%	15.06%	12.19%	6.05%	6.58%
Profitability					
Total Comprehensive Income (K'000)	1,085,691	849,675	596,618	256,275	363,290
Interest Credited to Members' Accounts	13%	11.75%	9.0%	4.3%	6.5%
Reserves (% NAV)	0.57%	0.69%	0.48%	4.3%	0.17%
Employers & Active Members					
Number of Active Employers	2,978	2,961	3,028	3,020	2,700
Number of Active Members	228,498	219,313	218,744	204,554	191,222
Total Membership Base	744,213	715,873	688,169	653,754	622,938
Expenses					
Total Expenses (K'000)	88,660	75,053	73,814	72,325	62,625
Management Expense Ratio (MER)	1.01%	1.02%	1.10%	1.18%	1.09%
Fund Administrator's Fees (K'000)	12,664	11,224	6,548	9,921	9,199
Investment Manager's Fees (K'000)	8,154	7,653	10,097	6,320	5,673
Number of Full Time Staff	203	172	172	183	163
Cashflows					
Withdrawals (K'000)	610,534	591,341	534,164	546,894	586,114
Contributions (K'000)	855,346	795,616	713,932	648,725	589,376
Number of Members Receiving Benefit Payment	72,268	78,121	79,156	86,394	91,995
Returns against inflation					
Rolling 5-yr avg. crediting rate (%)	8.9%	7.21%	6.12%	6.29%	7.55%
Rolling 5-yr avg. CPI rate (%)	3.56%	5.06%	4.92%	4.31%	6.54%

EMPLOYEE ENGAGEMENT CONFERENCE



PNG - 50TH INDEPENDENCE ANNIVERSARY



GOVERNANCE

Good governance regime means your money is protected/safeguarded.

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OUR BOARD

Our role is to set strategy that grow member returns and support retirement readiness.



Meet our Board of Directors

OUR BOARD



Mr. Christopher Elphick
Chairman
 (appointed Chairman-
 01 January 2026)

Christopher joined the Board on 01 October 2022 as an Independent Director. He served as chair of the Investment Committee from April 2024 until his election as Chairman on 01 January 2026.

Christopher holds a Bachelor of Science (BSc) in Business Management from the University of

Surrey in the United Kingdom, with majors in Marketing and Management. He is an alumnus of the United World College of South East Asia, Singapore.

Christopher is a proud graduate of the Nasfund Trainee Directorship Program, having been part of the 2014 cohort.

He is also chair of Nasfund Contributors' Savings & Loans Society (NCSL) and a director of Transparency International (PNG) Incorporated.

Outside of Nasfund, Christopher is the Executive Director of his local family business FairPrice Furniture.



Ms. Tamzin Wardley
 LM, MBE
Chairwoman
 (retired 31 December 2025)

Tamzin joined the Board on 01 January 2017 as an Independent Director. She served as Chairwoman from 01 October 2022 until her retirement on 31 December 2025.

Tamzin is a PNG citizen and has over 30 years' experience across a broad range of

commercial enterprises. As a finance and governance professional, she also sits on the board of Westpac PNG, where she serves as Chair, along with committee roles on many sporting and community organisations.

She holds a Bachelor of Arts from the University of

Queensland and is a Chartered Accountant. Tamzin is also a fellow of the PNG Institute of Directors and is a Graduate of the Australian Institute of Company Directors (GAICD).



Mr. Anthony Yaieib
Deputy Chairman

Anthony joined the Board on 24 February 2020 as an Independent Director and was Chair of the Audit and Risk Committee, until February 2024. He was elected Deputy Chairman in October 2022 and currently is a member of the Investment Committee and the Remuneration

and Nominations Committee.

Anthony served as Deputy Secretary for Economic and Fiscal Policy with the Department of Treasury until 2015 and was also the Macroeconomic and Fiscal Policy Advisor with the Office of the Deputy

Prime Minister & Minister for Treasury until 2018.

An economist by profession, Anthony holds degrees in economics from the University of Buckingham and Oxford University, both in the United Kingdom.



Ms. Julienne Leka-Maliaki
Director

Julienne was appointed an Independent Director on 10 September 2020 and serves as Chair of the Remuneration and Nominations Committee and a member of the Audit Committee.

She is a strategist and development practitioner with over 30 years' experience in international development, economic

governance, public policy, trade and investment, and private sector development across the Asia-Pacific.

She is Country Manager PNG for Tetra Tech International Development and has held roles with the Australian High Commission, the Incentive Fund Program and the Investment Promotion Authority.

Julienne is a member of PNG Institute of Directors and the Australian Institute of Company Directors, a Director on the PNG Business Council Board, and a Board Member of the Skills Development Agency.

She holds a Bachelor of Business Management from the University of PNG.



Mr. Leon Buskens
Director

Leon joined the Board on January 1, 2018, and serves as a representative director for the PNG Chamber of Commerce and Industry. He is a current member of both the Membership Committee and the Remuneration and Nominations Committee.

Bringing 30 years of experience in the financial

sector, Leon was the Managing Director of Nambawan Super (formerly POSF) from 2002 to 2011 during its early transformation phase, and has served on the boards of ANZ PNG and Credit Corporation.

He is employed by Santos PNG and holds the position of PNG Country Chair.

Leon graduated from the PNG University of Technology with a Commerce Degree and obtained his Master of Business Administration from the Royal Melbourne Institute of Technology.



Mrs Florence Willie
Director

Florence was appointed on 01 January 2019 and serves as a representative director for the Employers' Federation of PNG (EFPNG).

She is the current chair of the Membership Committee and a member of the Risk and Compliance Committee.

She has over 20 years extensive experience in human resources management, industrial relations and labour and employment law, and is currently the Executive Director of EFPNG, being highly regarded in the private sector from being involved in negotiations

between industry and the unions.

Florence holds a Bachelor of Laws from the University of Papua New Guinea.



Mr. Michael Murphy
Director

Michael was appointed to the Board on the 11th of July 2019 as an Independent Director. He is the Chair of the Audit Committee and a member of the Investment Committee.

He currently runs his own superannuation and actuarial consulting firm.

Michael is a qualified actuary, with over 40 years of superannuation and consulting experience with Aon (most recently as an Asia/Pacific Partner), Mercer and AMP. He also has over 15 years of experience on superannuation trustee boards in both Australia and PNG.

Michael was a Trustee director of the Aon Master Trust in Australia for 14 years from 2003 to 2017 and was also a Trustee director of the Aon Master Trust (PNG) from 2007 to 2018.

OUR BOARD



Mr. Chey Scovell
Director

Chey was appointed on 01 March 2023 and serves as a representative director for the Manufacturer's Council of PNG. He is a member of the Investment Committee and the Risk & Compliance Committee.

His career spans senior roles in business and government across

Australia and PNG, where he has contributed to trade, economic development, infrastructure, sports, standards and conformance, regulatory reform, public sector governance, and the negotiation of international trade agreements on behalf of the PNG government.

Chey is the CEO of the Manufacturer's Council of PNG. He holds a Master of Law (Business), a Bachelor of Asian Studies (Economics and Political Science), Graduate Diplomas in Export Management and Public Finance, and a Level 5 certification in public procurement.



Mr. Andrew Kitum
Independent Director

Andrew joined the Board as an Independent Director on December 16, 2023 and is the Chair of Risk & Compliance Committee and a member of the Membership Committee. He is an IT professional with executive roles across industries including oil and gas, shipping, insurance, and health in

Australia, Papua New Guinea, and the Pacific.

A graduate of the Nasfund Trainee Directorship Program's 2018 cohort, he holds an MBA in Digital Business from the Australian Institute of Business and a Bachelor of Science in Mathematics and Computer Science from the

PNG University of Technology.

Andrew's expertise spans digital transformation, project and change management, cybersecurity, cloud technology, and IT governance. He is Head of Digital Transformation at Green Cloud Consulting in Australia.



Employer representatives attending a Member Maintenance Training conducted by Nasfund in September 2025.

OUR TRAINEE DIRECTORS

We develop young professionals for board roles through our Trainee Directors Program.



Ms Euodia Mosoro
Trainee Director

Euodia joined the Board on 01 January 2024 as a Trainee Director and is an observer on the Membership Committee.

Euodia is currently employed as a Senior Program Manager at the Australian High Commission, where her role focuses on strengthening Papua

New Guinea's subnational development and service delivery, in line with her passion to design, develop, implement, and evaluate, sustainable evidence-based programs for resource-limited settings in PNG.

She holds a Bachelor of Science in Biomedical

Science from University of Western Australia, and a Master of Public Health from the University of Melbourne, specializing in Epidemiology and Program Evaluation.



Ms Maryanne Tusais
Trainee Director

Maryanne joined the Board on 01 January 2024 as a Trainee Director and is an observer on the Investment Committee.

She was previously employed with the law firm Dentons PNG, where she began her legal career in 2015 and worked her way up to the position of Senior

Associate in 2020. Maryanne joined the National Capital District Commission as its principal legal officer from June 2023 to January 2025 before returning to Dentons PNG as a Senior Associate specialising in civil and commercial litigation and dispute advisory work.

Maryanne has a Bachelor of Laws (with Honours) from the University of Papua New Guinea and is a member of the PNG Institute of Directors, PNG Women Lawyers Association and the Young Professionals Network.

YOUNG TRAINEE DIRECTORS PROGRAM

The **Nasfund Trainee Directors Program** was initiated in 2007 to provide young Papua New Guinean professionals with first hand experience in boardroom dynamics, governance, and the role of a director.

The program aims to build the confidence and skills needed for young professionals to contribute and lead at the board level.

Appointees join for a term of 2 years, during which they attend board and committee meetings but do not have voting rights. Since its inception, the program has produced over 20 graduates who have gone to become directors in major organisations across PNG.

OUR EXECUTIVE TEAM

We manage operations of the Fund to ensure members are ready to retire.



Meet our Executive Management



Mr. Rajeev Sharma
Chief Executive Officer

Rajeev is the CEO of Nasfund, appointed on April 1, 2023. He previously served as Chief Operating Officer and joined the Fund in 2014 as Chief Financial Officer.

With over 30 years of experience in major

corporates, multinationals, and financial institutions, Rajeev has held senior roles in PNG since 2002, as well as in India and the Middle East.

He holds a Bachelor of Commerce (Honours) from Delhi University

and is a Chartered Accountant (India) and CPA (Australia and PNG).

Rajeev is a graduate of the Australian Institute of Company Directors and an active member of PNGID and professional bodies.



Ms. Debbie Oli
Chief Financial Officer

Debbie joined Nasfund as Chief Financial Officer in July 2023.

She was previously an Assurance & Advisory Partner at Deloitte Touche Tohmatsu.

Debbie holds a Bachelor's Degree in Accounting and Management from Pacific Adventist University and

has over 16 years of experience in audit and finance.

Her career spans the Pacific Region, Australia, and the UK, across diverse industries in both private and public sectors.

She is a Fellow CPA PNG and a Graduate of the Australian Institute

of Company Directors, actively contributing to professional development within the accounting and governance community.

She is also a CFI accredited Financial Planning and Wealth Management professional.



Ms. Fiona J Nelson
Chief Investment Officer

Fiona joined Nasfund on August 17, 2020, as Joint Chief Investment Officer and became Chief Investment Officer in 2021 to December 2025.

She has over 15 years of experience in financial economics, public policy, and portfolio

management. Before Nasfund, Fiona was General Manager PNG Commercial and Vice President of Oil Search Asset Strategy. She also held senior roles at PacWealth Capital as Head of Investments and Kumul

Consolidated Holdings as Senior Portfolio Manager. Fiona holds a Bachelor's in Business Economics from Massey University, New Zealand, and a Master's in International Economics and Public Policy from Cardiff University, UK.

OUR EXECUTIVE TEAM



Ms. Anne Wilson
Chief Officer Member
& Employer Services

Anne is the Chief Officer, Member & Employer Services, having joined Nasfund on May 18, 2020.

She brings extensive experience in fund administration and leadership, aligning with the Fund's vision of delivering world-class superannuation services.

Before Nasfund, Anne was Head of Superannuation Services at Aon Master Trust and previously led Aon Hewitt Fund Administration, Nasfund's former administrator.

She holds an MBA from the University of PNG, a Bachelor's in Business

from Southern Cross University (IBS affiliate), and a Diploma in Accounting from PNG University of Technology. Anne is a Graduate of the Australian Institute of Company Directors and a member of PNGID.



Mr. Alex Rogea
General Manager
Talent & Culture

Alex Rogea joined Nasfund as General Manager – Talent & Culture in July 2025.

Before joining Nasfund, he held various senior roles with Moni Plus, Newmont Mining Corporation, Deloitte Touche Tohmatsu, BSP Financial Group Ltd and PNG ICC.

He has over 18 years of experience in People & Culture, Talent & Development and Corporate Affairs across Regulated Financial Institutions, Mining, Consulting and Government in PNG including international secondment exposures.

Alex holds a Bachelor's Degree in Arts from University of Papua New Guinea and Master in Business Administration from Divine Word University.

Alex is a Member of the PNG HR Institute, Australian HR Institute and PNG Institute of Directors.



Ms. Jamie-Lee Loh
Company Secretary

Jamie - Lee Loh joined Nasfund in March 2024 as Company Secretary, bringing strong expertise in corporate governance and law. She began her legal career at BSP Financial Group in 2019, progressing to Assistant Company Secretary and Acting Company Secretary in July 2023.

Jamie holds a Bachelor of Laws from the University of Papua New Guinea and completed her legal training at the Legal Training Institute before being admitted to practice in 2019. She has also undertaken management training at

Melbourne Business School, enhancing her leadership and governance skills.

At Nasfund, Jamie-Lee ensures compliance and governance standards, supporting the Fund's integrity and long-term success.



Ms. Doris Gedare
General Manager Legal

Doris was appointed General Manager Legal on January 1, 2024, after serving as Company Secretary since 2020.

She joined Nasfund in 2014 as Manager Legal and brings over 25 years of experience in litigation and commercial law.

Doris began her career with Blake Dawson Waldron (now Ashurst Lawyers) and later worked at Steamships Trading Company for eight years and the Department of Treasury for three years.

She holds a Bachelor of Laws from UPNG, a

Master of Law from Monash University, and an MBA from Divine Word University.

Doris is a PNGID member and has completed management training at Melbourne Business School.



Mr. Arua Taravatu
General Manager Information Technology & Innovation

Arua joined Nasfund on February 4, 2019, as Manager Information Technology and was appointed to General Manager Information Technology & Innovation on August 1, 2022, after a six-month acting period.

He has a strong background in network engineering and solution

architecture, leading technical teams and projects from design to implementation. Arua began his career with Data Nets (now Digicel) and spent eight years at Telikom PNG in leadership roles across ISP Operations, Core IP Services, and Network Architecture. He holds a Diploma in ICT from Waikato Institute of

Technology (NZ), a Bachelor of Management from Divine Word University, and an MBA from the University of Illinois, USA.



Ms. Lisa Costigan
General Manager Risk & Compliance

Lisa joined Nasfund in October 2015 and has held key roles including Manager Risk & Compliance, Manager Finance, and Head of Internal Audit before being appointed General Manager Risk & Compliance in September 2023.

She is an experienced accounting, audit, and risk professional with over 20 years in external and internal audit, risk management, and finance.

Lisa holds a Bachelor's Degree in Accounting from Pacific Adventist

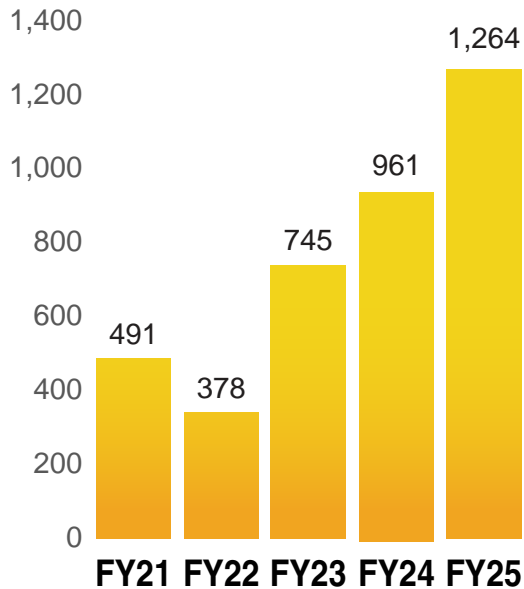
University, is a CPA PNG member, and earned an MBA from Torrens University.

She is also a Graduate of the Australian Institute of Company Directors and a professional member of PNG Institute of Directors.

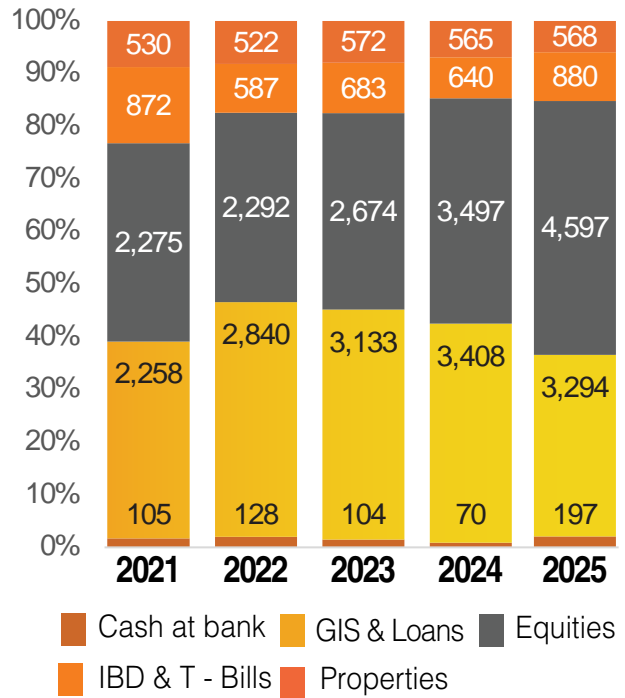
2025 ANNUAL HIGHLIGHTS

Investment

Net Investment Income (K'm)



Investment Portfolio assets (K'm)



Member & Employer Services

744,213

Total Membership

54,605

New Membership

2,978

Total Employers

353,998

Total branch visits by members

24,626

Exited Members

87

New Employers

4

Regional Employer Conference
Kokopo, Lae, Mt.Hagen & POM

2,830

Total Engagements
Visits to employers

Quarter 1 Highlights (Jan-Mar)

- Annual Crediting Rate Announced.
- Renewed Sponsorship for FM100 Talkback.
- Nasfund Strategy Conference 2025

Quarter 2 Highlights (Apr-Jun)

- Nasfund hosts 7th Employer Awards
- Nasfund hosts CEO's Breakfast
- Nasfund wins the 2025 Innovation Award (Large business)
- Nasfund hosts Regional Employer Conferences
- Boroko Service Centre re-opens

Member & Employer Services

E- branch

315,955
Total Calls to Call Centre

296,135
Total IVR Calls
(Interactive Voice Response)

83,685
Auto response by IVR
(Interactive Voice Response)

140,417
Calls answered by staff
Calls answered by staff

3,283
E-withdrawals applications

Membership by age

Status	Active	Balance	Inactive	Balance	Total	Balance
Age Groups	Membership		Membership		Membership	
18-20	478	K0.38M	153	K0.11M	631	K0.49M
21-30	53,611	K231.54M	45,292	K60.36M	98,903	K291.90M
31-40	77,125	K1.40B	119,785	K349.51M	196,910	K1.749B
41-50	48,462	K2.09B	88,145	K490.43M	136,607	K2.587B
51-55	15,638	K973M	30,547	K226.04M	46,185	K1.199B
56-60	10,376	K810M	39,990	K223.06M	50,366	K1.033B
60-65	5,223	K433M	21,562	K168.01M	26,785	K601M
65+	3,462	K229M	35,255	K246.41M	38,717	K476M
Dummy DOB	10,482	K90.7M	138,348	K276.58M	148,830	K367M
					743,934	K8.308B

Membership by gender

Gender	Membership	Balance
Male	525,155	K5.87B
Female	185,876	K2.22B
Unknown	11,924	K15m
Total	743,934	K8.30B

Benefit payments

Unemployment



K67.5m
K66.3m in 2024

Housing Advance



K41.9m
K50.2m in 2024

Retirement



K430.3m
K465m in 2024

Medical Grounds



K10.4m
K6.8m in 2024

Death



K36.5m
K34.8m in 2024

Transfer Out



K7.1m
K9.3m in 2024

Quarter 3 Highlights (Jul-Sep)

- E2E partnership signing with Stakeholders
- Employee Engagement & Strategy Conference
- Nasfund signs MoU with BSP for Statements
- Nasfund attends UPNG & IBSU Career Expo

Quarter 4 Highlights (Oct-Dec)

- Nasfund participates in the 62nd Morobe Show
- Nasfund signs more E2E/MDP MoU
- Nasfund observes Pinktober, Movember and World Aids Day

CORPORATE GOVERNANCE

Setting the long-term vision & strategies, policies and direction of the organization.

Board Composition

Nasfund has a Board of 10 directors, comprised of 6 independent directors and 4 representative directors nominated by the following organizations:

- Employers Federation of PNG
- Manufacturers Council of PNG
- PNG Chamber of Commerce and Industry
- PNG Trade Union Congress

The majority of the Board is comprised of independent directors, in accordance with the Constitution of the Fund and Bank of PNG Prudential Standard 7/2012 on Corporate Governance.

Once appointed to the Board, each director has a duty to act in the best interests of all Nasfund members regardless of their nominating entity.

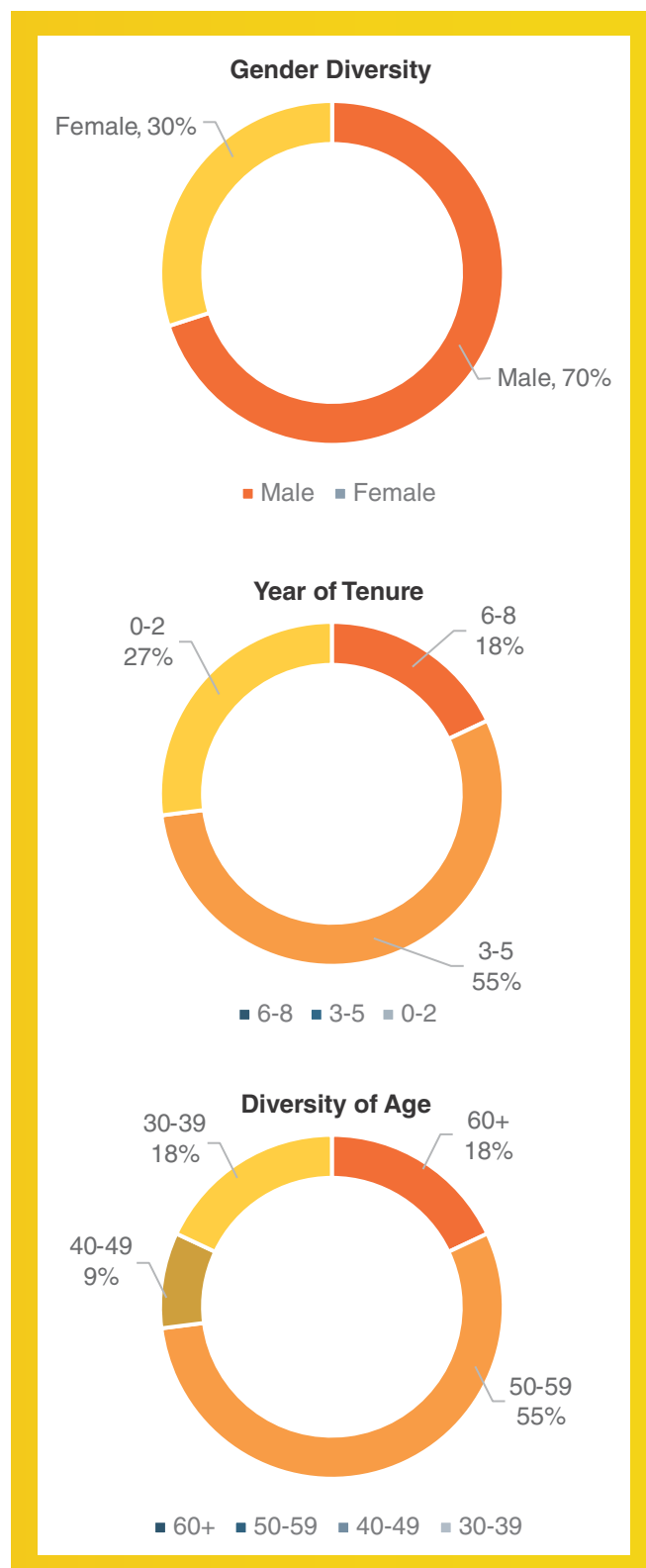
Board Changes during the Year

Within the year, the following changes occurred:

- Tamzin Wardley retired as an Independent Director on 31 December 2025;
- Following Tamzin Wardley's retirement, Christopher Elphick was appointed as Chair, effective 01 January 2026.

Board Performance

The Board has a process where directors are assessed regularly and their performance reviewed independently and through self-assessment.



Ensuring compliance with laws, regulations and ethical standards.

Board Diversity

The Nasfund Board believes that, ultimately, the Fund will make better decisions that take into account the best financial interests of its members, through the use of a broad range of experiences, backgrounds and points of view.

Board Committees

As at 31 December 2025, there are 5 standing Board Committees. Each committee has its own charter as established by the Board. The committees review matters for the Board or make decisions on behalf of the Board.

The 5 Board Committees as at 31 December 2025 are outlined below.

Audit Committee

The role of the Audit Committee is to support the Board in carrying out its corporate governance and supervisory duties as well as:

- overseeing the Fund's financial performance and budgetary process;
- considering financial reports from the Finance Division; and
- considering reports from the Auditors (internal and external);

Risk & Compliance Committee

The Risk & Compliance Committee's primary function is to assist the Board in discharging its statutory, fiduciary, governance and regulatory responsibilities in relation to risk and compliance.

This involves:

- ensuring that appropriate controls are in place to identify and mitigate risks on an ongoing basis;
- ensuring that a strong risk management culture is instilled throughout the Fund; and
- reviewing and adopting various policies within its domain.

Investment Committee

The role of the Investment Committee is to support the management of the Fund's investments.

The main roles and responsibilities of the Investment Committee include:

- making appropriate recommendations to the Board on investment proposals from the Licensed Investment Manager (LIM) and the Fund's internal investment division;
- reviewing the Fund's Investment Framework and Strategic Asset Allocation; and
- ensuring appropriate systems and controls are in place to effectively monitor and evaluate the Fund's investment portfolio on an ongoing basis.

Remuneration & Nomination Committee

The Remuneration & Nomination Committee is responsible for:

- reviewing and approving the Fund's organizational structure;
- appointment and remuneration of the CEO;
- developing the board skills matrix and overseeing the selection and appointment of new directors;
- developing and implementing succession plans for the Board and CEO; and
- Overseeing the implementation of the talent & culture framework.

Membership Committee

The Membership Committee is responsible for:

- all strategies and actions, which are relevant to the delivery of efficient member and employer services, products and benefits; and,
- ensuring that the Licensed Fund Administration Managers performance is in accordance with the Act and the Service Level Agreement.

CORPORATE GOVERNANCE

Directors' Meetings

The following table sets out the number of directors' meetings (including meetings of committees of directors) held in 2025 and the number of meetings attended by each Director (while they were a Director or committee member). Co-opt members and trainee directors are also included.

	Board	Audit	Risk and Compliance	Investment	Remuneration & Nomination	Membership	Workshops
Number of meetings held	7	5	5	8	6	5	2
Christopher Elphick -	7/7			8/8	6/6		1/2
Tamzin Wardley -	6/7						2/2
Anthony Yauiab -	7/7		5/5	8/8			2/2
Leon Buskens -	4/7				5/6	2/5	1/2
Michael Murphy -	7/7	5/5		8/8			2/2
Florence Willie -	7/7	5/5	5/5			5/5	2/2
Julienne Leka-Maliaki -	7/7	5/5			6/6		2/2
Chey Scovell -	6/7			8/8	6/6		1/2
Andrew Kitum -	7/7		5/5			5/5	2/2
Winifred Kula -						3/3	
Pansy Taueni-Sialis -						5/5	
Euodia Mosoro -	4/7					4/5	1/2
Maryanne Tusais -	5/7			4/8			2/2

Note: 1 Winifred Kula resigned as a co-opt member of the Membership Committee on 30 July 2025.

Effective Governance

The Board believes that in order to accomplish our strategic goals, which is ultimately focused on giving our members good retirement outcomes, we must maintain a high standard of corporate governance. The Board is responsible for managing the Fund in accordance with its fiduciary and legal duties and is required to put members' interests first.

Ensuring that an efficient corporate governance framework is in place, that complies with industry best practices is a fundamental part of the Board's purpose.

The Board strives to adopt best practice corporate governance standards that have been recognized within the Papua New Guinean superannuation and financial services industries as well as globally. We've made significant investments in our corporate governance framework, as well as continuing to review and update practices according to industry standards and legal requirements at both national and global level. The governance framework, which promotes and enhances good governance as well as monitoring and reporting on this capability, is a comprehensive set of systems, structures, policies, procedures and controls in the functioning of the Fund's business.

Conflict of Interest & Disclosure

The Fund maintains a register of interest which keeps a record of any shareholding, membership or directorship which a Director or Executive may have with any company (private or public) or organization within PNG or abroad.

Directors and Executives are also required to disclose any conflict or interest in a matter for discussion at Board and Committee meetings. A Director or Executive may be excused from discussions at that matter where necessary.

Refer to Note 22(vi) of the Financial Statements for the full disclosure of interest register for Directors.

Remuneration of Executives

Salaries, superannuation contributions, and allowances make up executive remuneration. Nasfund's Reward Framework is founded on several design tenets, such as the notion that executive compensation should be evidence-based, performance-linked, and focused on long-term member benefits.

The Board sets the compensation for the executive management employees in consultation with the CEO and the Remuneration & Nomination Committee. After reviewing the CEO's compensation, the Remuneration & Nomination Committee recommends to the Board that the CEO's compensation be approved.

Executive remuneration is benchmarked against independent external sources.

Sitting fees and quarterly allowances make up the director's compensation. Directors only receive fees in exchange for their services overseeing the Fund. Director's compensation has no performance-based component.

Director remuneration is benchmarked against independent external sources and reviewed regularly.

Remuneration of Directors

The Board believes that it is crucial to good governance to make sure that individuals with the necessary qualifications and skills are drawn to and kept on the Board, and that they are fairly compensated for their time, effort, and assumed legal liability.

Trustee Remuneration - The following table details the remuneration paid and payable to directors of Nasfund in the 2025 financial year.

	Director/ Member fee (gross)	Board / Committee Meeting sitting fee (gross)	Workshop sitting fee (gross)	Total
Directors				
Tamzin Wardley	K247,448.00	K10,344.00	K3,448.00	K261,240.00
Anthony Yauieb	K218,896.00	K31,034.80	K3,448.00	K253,378.80
Michael Murphy ¹	K209,380.00	K31,035.00	K3,448.00	K243,863.00
Julienne Leka-Maliaki	K209,380.00	K29,310.66	K3,448.00	K242,138.66
Christopher Elphick	K209,380.00	K36,207.08	K1,724.00	K247,311.08
Andrew Kitum	K209,380.00	K29,310.66	K3,448.00	K242,138.66
Florence Willie	K209,380.00	K36,207.22	K3,448.00	K249,035.22
Leon Buskens	K190,344.00	K17,241.54	K1,724.00	K209,309.54
Chey Scovell	K190,344.00	K29,310.52	K1,724.00	K221,378.52
Co-opt Members				
Winifred Kula ²	K26,150.00	K5,172.42		K31,322.42
Pansy Taueni-Sialis	K44,828.00	K8,620.70		K45,690.70
Trainee Directors				
Euodia Mosoro		K6,034.00	K862.00	K6,896.56
Maryanne Tusais		K6,896.70	K1,724.00	K8,620.70

Note:

1 Director Murphy's tax for the director fees is calculated based on the SWT rate for non-residents.

2 Winifred Kula resigned as a co-opt member of the Membership Committee on 30 July 2025.

RISK MANAGEMENT

Nasfund ensures structured risk management for business continuity.

Risk Management Framework (RMF)

At Nasfund, we take a systematic and structured approach to risk management across all our business units and the processes we have place to support the achievement of business and strategic goals, continuity of operations and safeguarding of company assets.

The RMF is the totality of systems, structures, policies, processes, and people within the Trustee's business operations that identify, assess, manage, mitigate, and monitor all internal and external sources of inherent risk that could have a material impact on its business operations or the interests of beneficiaries (material risks). The RMF was reviewed during the reporting period.

The RMF serves as a management tool to enable the Trustee to develop and implement different strategies, policies, and controls to appropriately manage different types of material risks. By giving effect to the RMF, the Trustee ensures that each material risk to the Trustee's business operations is being prudently managed, having regard to the size, business mix and complexity of its operations. The RMF determines Nasfund's risk appetite and risk tolerance which is expressed in the Risk Appetite Statement.

While business units are responsible for their own risk management, the risk management function has ultimate oversight throughout the company to ensure visibility of risks and risk management activities covering all risks from strategic and operational to financial.

The responsibility for overall risk management is vested with the Board. However the Management and staff at all levels have a responsibility and a part to play in the risk management process.

Compliance

Management provides the Risk & Compliance Committee (RCC) with regular updates regarding all compliance matters including compliance with all statutory, regulatory and legal obligations. All investigation and follow up of any fraudulent activities or any non-compliance issues are also reported to RCC.

Management along with the RCC and Board review any findings made by regulatory agencies and respond accordingly.

Internal Audit

In line with Audit Charter, Nasfund's Internal Audit function has direct access to the Audit Committee (AC) and to the full Board. All findings and recommendations made by the internal audit team are reported to the AC and ultimately to the Board, and any significant findings are addressed promptly. The committee monitors and ensures that management responds to recommendations by the internal auditors on a timely basis.

External Audit

This is KPMG's third year as external auditors. KPMG, as a matter of independence do not provide Nasfund with any non-audit services and have provided the required independence declaration which forms part of their audit opinion. The external audit performance and appointment is reviewed on an annual basis.

The lead audit director and partner, both attend the Audit Committee or Board meetings as and when required. As part of independence and good practice the KPMG team also meets with the Committee or Board without the presence of management.

TALENT & CULTURE

Nasfund takes pride in fostering an inclusive and equitable workforce.

Our Nasfund team operates from offices and branches in Port Moresby, Lae and 19 locations around Papua New Guinea.

With over 200 dedicated people, we bring together diversity of backgrounds, skills, experiences and thinking to deliver and serve our members.

Nasfund prides itself in having 6 women holding leadership roles in our executive team.

Employee Health & Wellbeing

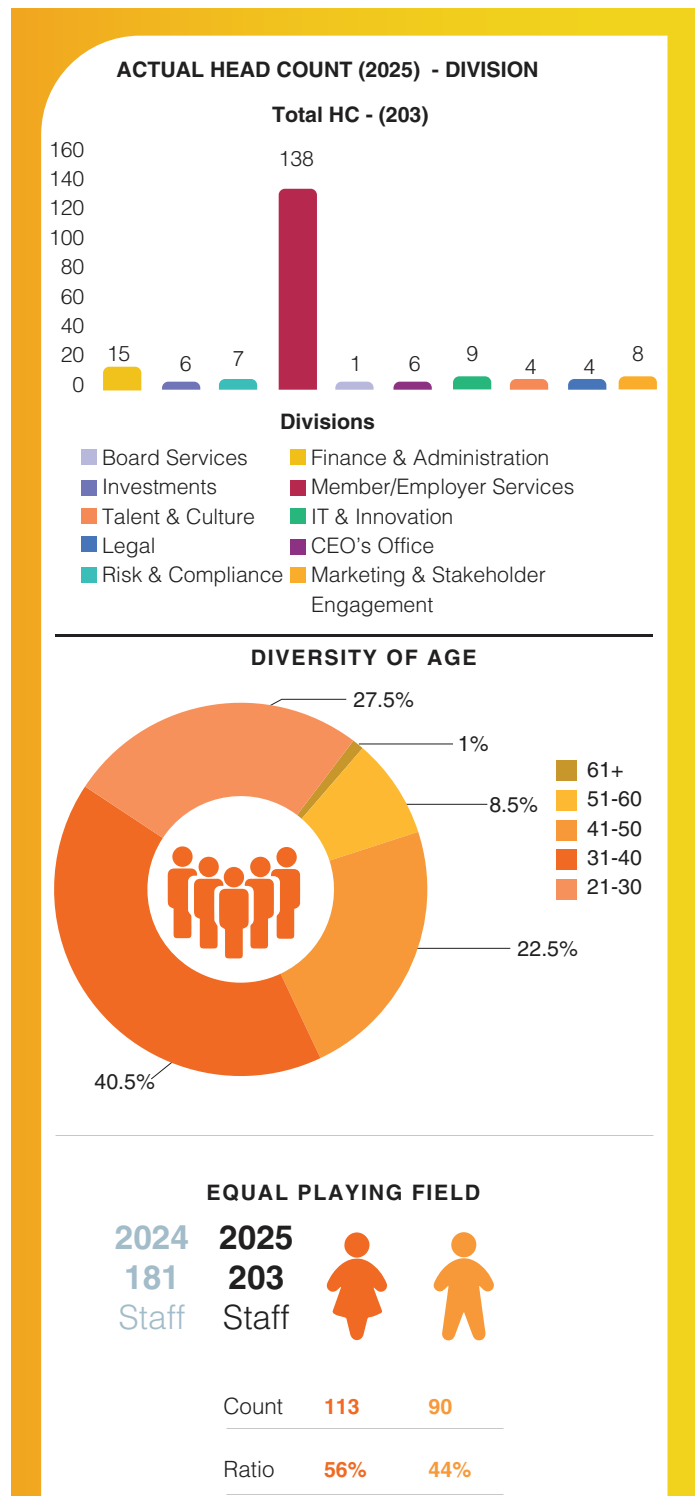
Nasfund went into partnership with SG Performance, a local Fitness Business specializing in Health & Fitness. The Partnership commemorated a series of Health & Wellness programs for our employees including regular exercise habits, nutrition & dietary advice, weight management and tailored fitness programs.

The partnership provided education, awareness and improved health and well-being practices for our employees. Our employees' health and wellbeing are critical to the success of our organization.

Nasfund, through its annual Culture & Wellbeing initiative, delivered various health and well-being activities that are aligned with supporting our Corporate Social Responsibility agenda for our people.

Our weekly CEO's power walks are well received and occur every Thursday between 4-5 pm in head office and across the branches.

Our annual Pinktober and Movember Cancer awareness initiatives were delivered in partnership with the Pacific Internal Hospital (PIH). The Cancer awareness sessions emphasized early cancer detection and screening with pathways for treatments in PNG and abroad. The Movember challenge saw staff participate in awareness and donations which included essential items which were delivered to Port Moresby General Hospital Cancer ward. This initiative was led by our Waigani branch service centre team in Port Moresby.



TALENT & CULTURE

Graduate Development Program

The Graduate Development Program is our foundation to preparing well developed talent and our future leaders. Our Graduate Trainees undergo a 2-year development program with a series of learning, mentoring and on the job rotation exposure to ensure they are equipped with the relevant skills and knowledge in meeting the expectations of industry and the competitive and evolving business environment.

In 2025, the Fund welcomed five (5) Graduate Trainees who will complete their GDP in 2027. Nasfund continues to have collaborations with Tertiary Institutions around PNG in promoting the GDP at the same time providing superannuation education to students through annual career fairs.

Engaged & Communicative Workplace

As part of our continuous efforts in improving an engaged and communicative workplace, Nasfund initiated regular Staff Toksaves to all employees on a weekly basis ranging from selected topics of employee awareness, annual Talent & Culture calendar events, welcoming new employees and celebrating milestones / success.

At Nasfund we believe that having an engaged and communicative workplace enables us to be able to serve our members better.

Long Service to Nasfund

Nasfund celebrated its long service awards, recognizing 21 employees for their dedication and commitment. This included 9 employees with 10 years of service, 7 employees with 15 years, and 5 employees with 20 years, totaling to 190 years of dedication to the Fund. Their experiences have been immense and valuable to the continued growth and success of the Fund.

Nasfund is proud of its employees' loyalty, and will continue to celebrate the success and achievements of our people.

Promoting Employee Wellbeing Through Strategic PIH Health Awareness Sessions

In October and November 2025, Nasfund reinforced its commitment to employee wellbeing by partnering with Pacific International Hospital (PIH) to deliver two major health awareness sessions. These sessions formed part of our ongoing focus on preventative health education

and ensuring all staff, across branches nationwide have access to trusted medical information. While hosted at Head Office in Port Moresby, each session was livestreamed via Zoom to allow full participation.

EAP Partnership with PIH

In June 2025, Nasfund signed a MOU covering Employee Assistance Program (EAP) with Pacific International Hospital. The purpose of the EAP was to support Nasfund employees' mental, emotional and physical wellbeing and to enhance workplace productivity and engagement.

Graduate Trainees - 2025 Cohort



CEO's Power Walk, Port Moresby

The EAP included the following:

- Individual Counselling Services
- Group Counselling & Peer Support
- Nutrition & Lifestyle Guidance
- Specialized Assistance
- Training & Engagement Workshops

At Nasfund, we understand that EAP services are important and they make a huge difference in the way we promote workplace productivity and engagement.

Pinktober: Breast Cancer Awareness 17 October 2025

Our first session, held as part of Pinktober, focused on breast cancer under the theme “Every Story is Unique, Every Journey Matters.” The session was led by PIH Principal Consultant Oncologist and Head of Oncology, Dr. Suresh Raghunath, supported by the PIH Marketing team.

Dr. Raghunath provided critical insights on:

- Breast cancer statistics in Papua New Guinea
 - Common risk and protective factors
 - The importance of early detection
 - Myths and misconceptions that delay treatment
- With more than 3,900 women diagnosed annually in PNG, the session highlighted screening as the most effective tool for improving survival rates. To encourage proactive action, PIH offered:

- Free mammograms for the first 50 female staff
 - Discounted screening packages throughout October.
 - HPV vaccinations for eligible women
- Staff also participated in Pink Fridays throughout the month to raise awareness and show solidarity.

Movember: Men’s Health Awareness 21 November 2025

In alignment with global Movember initiatives, our second session focused on men’s health, again led by Dr. Raghunath. He highlighted key health concerns affecting men in PNG, with emphasis on:

- Prostate cancer
- Lung cancer
- Common symptoms and risk factors
- Early detection and available treatment options

The session underscored the importance of regular screening, particularly in PNG where limited diagnostic access often leads to late detection and poorer health outcomes.

World Aids Day: 01st December 2025

We observed the theme “**Overcoming disruption, transforming the AIDS response?**” This focus highlights the need to fight stigma, and utilize innovative, human-rights-based approaches to reach the international goal of ending AIDS as a public health threat by 2030.

A Year Round Commitment to Staff Wellbeing

Through these awareness sessions, Nasfund demonstrated a sustained commitment to nurturing a well informed and health conscious workforce. Our partnership with PIH continues to create practical opportunities for staff to access expert medical advice, prioritise preventative care, and take early action on critical health issues.

For Nasfund, employee wellbeing is not a one off initiative—it is a year round responsibility and a key pillar of our broader organisational wellness strategy.



Cancer Awareness with PIH



CEO STAR AWARDS

CEO's STAR AWARD

Honouring Employees Who Go Beyond the Expected.

The CEO's Awards program recognizes outstanding employees who consistently go beyond business-as-usual expectations to deliver exceptional results.

Each month, the program highlights outstanding team members whose actions or service significantly contribute to the organisation's success.

Nominations come from staff across the business and nominees are evaluated against our core values of Connect, Trust, Responsible, Growth, and Inspire, which form the basis of the judging criteria.

Launched in March 2025, the CEO's Awards have been widely embraced across the organization.


Staff continue to commend the initiative, expressing enthusiasm and motivation to elevate their performance for the opportunity to be nominated.

CONGRATULATIONS to the CEO's Awards winners of 2025 and hoping for a bigger and better 2026.

2025 CEO'S STAR AWARDEES



Israel Boteng
CSO - Tabubil
APRIL




Lincoln Raka
Call Centre Officer
MAY



Benny Livinai
CSO - Mt. Hagen
OCTOBER



Martin Numan
BOIC - Buka
OCTOBER



Marison Ovia
CSO - Waigani
DECEMBER

Our Values:


■ Connect	■ Growth
■ Trust	■ Inspire
■ Responsible	



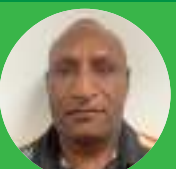
Melisha Sindiwan
RTL - Marketing
MARCH




Simon Soho
CSO-Branch
MARCH



Deanilishar Aitsi
Finance Officer
MARCH




Gibson Gip
Management Accountant
MARCH




Lillian Sewelu
Financial Analyst
MARCH




Hilda Jonathan
BOIC - Tabubil
MAY




Tony Deilala
Manager Special Projects
JULY



Benjamin David
Brand Experience Partner
JULY




Melanie Lavaki
Head of M&SE
JULY



Joshua Kamilo
Team Leader - Member Maintenance
JULY

We live & Breathe Our Core Values



Meslyn Topal
Compliance Officer
JULY



Lillian Sewelu
Financial Analyst
JULY



Rhaymoly Alphones
Employer Engagement Officer
OCTOBER



Philomina Nagari
Manager Legal
OCTOBER



Jenny Karogo
ESO/Account Manager
OCTOBER



Benjamin David
Brand Experience Partner
OCTOBER




Kimorly Pigaram
Benefits Payment Officer
NOVEMBER



Alex Maxading
CSO
NOVEMBER



Barney Konehe
CSO
NOVEMBER



Moses Kawi
OIC- Popondetta
NOVEMBER




Hilda Jacob
Contributions Officer
NOVEMBER



Ken Aron
Team Leader - Talent & Cluture
NOVEMBER



Raela Wari
RTL - Southern
MAY



Martin Numan
BOIC - Buka
JUNE



Julius Tuckayo
Manager Data & Digital
JULY



Airi Kaiyu
Project Lead - Scanning & Archiving
OCTOBER



Anne Lahui
E-branch Officer
OCTOBER



Archie Kingsford
Data Analyst
DECEMBER

CORPORATE, SOCIAL RESPONSIBILITY

Building Communities Through Sustained Support

Outside our role as Trustees of retirement savings for our members, Nasfund recognises the importance of supporting the communities and institutions that contribute to Papua New Guinea's social and economic development.

As part of this commitment, Nasfund provides long term institutional support through free or subsidised office space to four national organisations. This support enables them to direct more of their resources toward literacy, governance, leadership, and sector coordination.

Buk bilong Pikinini (supported by Nasfund members since 2007)

Buk bilong Pikinini is an independent not for profit organisation dedicated to improving literacy rates in Papua New Guinea. It operates children's library learning centres, delivers early childhood literacy programs, publishes children's books, and trains teachers to strengthen early learning outcomes nationwide.

Institute of National Affairs (supported by Nasfund members since 2012)

The Institute of National Affairs (INA) is Papua New Guinea's independent public policy think tank. Established in 1976, INA conducts research on economic and social policy, provides analysis to government and the private sector, and facilitates dialogue across public, private, and civil society stakeholders through the Consultative Implementation and Monitoring Council.

PNG Institute of Directors (supported by Nasfund members since 2014)

The Papua New Guinea Institute of Directors (PNGID) is the country's professional body for directors and senior executives. It delivers governance training, director development programs, and networking opportunities to strengthen ethical leadership, board effectiveness, and high standard governance practices across PNG organisations.

Association of Superannuation Funds of PNG (**ASFPNG**) Secretariat (supported by Nasfund members since 2021)

The Association of Superannuation Funds of Papua New Guinea (ASFPNG) represents all licensed superannuation funds and advocates on policy, regulatory, and industry issues. The Secretariat coordinates sector collaboration, industry submissions, and engagement with regulators to support the development and stability of PNG's superannuation system.

Nasfund is proud to support these organisations and remains committed to playing its part as a responsible corporate citizen of Papua New Guinea.



Organisations that Nasfund has supported as part of the Corporate & Social Responsibilities program

Industry Governance on the National and Regional scene

Nasfund continued to play a central role in strengthening superannuation governance at both the national and regional levels through its active participation in the **Association of Superannuation Funds of Papua New Guinea (ASFPNG)** and the **Pacific Islands Investment Forum (PIIF)**.

ASFPNG is the peak body representing Papua New Guinea's licensed superannuation funds, it includes licensed investment managers, fund administrators, and associated partners. Collectively, the industry manages billions in retirement savings for more than 900,000 members across the public and private sectors. As ASFPNG's president, Nasfund CEO Mr Rajeev Sharma provides leadership in policy coordination, regulatory engagement, and sector advocacy. ASFPNG's core functions include representing the interests of member funds, providing industry input into national policy and regulatory matters, and advancing governance standards within the superannuation system.

At the regional level, Nasfund through its CEO Mr Rajeev Sharma continued contributing to the development of Pacific-wide superannuation governance through the Pacific Islands Investment Forum (PIIF),

the primary platform for collaboration among superannuation and sovereign funds across the Pacific. Following a prior term as Forum Chair, Mr Sharma now holds the role of Treasurer, supporting the financial governance and operational direction of the organisation. PIIF enables regional funds to share expertise, strengthen investment governance, and coordinate responses to long-term issues including demographic shifts, economic pressures, and climate-related risks.

Together, Nasfund's leadership roles in ASFPNG and PIIF reinforce the Fund's commitment to strong governance, industry collaboration, and the long-term sustainability of retirement systems in Papua New Guinea and the broader Pacific region.

PIIF Breaking Barriers: Women in Super Initiative

In 2025, Nasfund continued its leadership role in advancing gender equality and superannuation inclusion across the Pacific through the Pacific Islands Investment Forum (PIIF) Women in Super Initiative, chaired by Nasfund's Member Experience Manager, Ms. Melisha Sindiwan.



Nasfund CEO and outgoing PIIF Chairman, Rajeev Sharma (second from left), pictured with the newly appointed chairman - Viliame Vodonaivalu and new committee members. Mr. Sharma now assumes the role of Treasurer.



Nasfund's Women in Super representative, Ms. Melisha Sindiwan (third from left) with colleagues and outgoing PIIF Chairman Rajeev Sharma during the 2025 PIIF Conference in Fiji.

WIP new appointments will be in March 2026.

GSE (GOVERNANCE, SOCIAL & ENVIRONMENT)

At the 2025 PIIF CEO Forum in Nadi, Fiji, Ms. Sindiwan led the Women in Super session and presented the second annual Women in Super Survey, capturing progress made since the 2023 adoption of the three regional resolutions on (1) sex-disaggregated data, (2) inclusion of informal economy workers, and (3) strengthening retirement literacy for women.

Survey findings highlighted strong regional progress: 100% (12/12) of participating funds now maintain sex-disaggregated data; 91% expect to publish their findings; 83% have implemented measures to expand membership and contributions from informal sectors; and funds delivering retirement literacy programs increased from 55% in 2023 to 58% in 2025. The Forum also launched the Women in Super Manual.

Nasfund CEO Mr. Rajeev Sharma, in his role as Chairman of the PIIF CEO Forum, emphasized coordinated and measurable actions to advance gender equality, data transparency, and regional collaboration.

Superannuation Literacy for Members, Workers, and the Next Generation

In 2025 Nasfund expanded its national Superannuation Literacy Program to improve understanding among students, employees, employers, and members across Papua New Guinea. Delivered through a structured set of learning modules, the program reached more than 5,000 students nationwide and supported workplaces and project sites across multiple industries.

The program is built around practical modules (M1–M13) tailored to the needs of:

- Future members: students in secondary, technical, and tertiary institutions
- Current members and employees: across workplaces throughout PNG
- Retirees and pre retirees: preparing for withdrawal and estate planning

Topics covered across these modules include understanding superannuation contributions, compound interest, voluntary contributions, Housing Advance eligibility, digital service access (Nasfund App, Member Online Portal, TextBal, WhatsApp scheduling, Superannuation

Calculator), Member and Employer obligations, Women & Super, and Eda Supa. Sessions are delivered either onsite or via webinar.

Across workplaces and project sites, these engagements strengthened member understanding, supported employer compliance, and improved access to superannuation tools and services.

Nasfund also continued providing retirement focused education to members nearing the end of their working lives. These sessions addressed withdrawal eligibility, required documentation and processing timelines, tax considerations, estate management using the Will Kit, options to continue contributing and the importance of maintaining updated member details. This support ensures members transition smoothly into retirement and understand the steps involved in accessing their benefits.

The combined reach of Nasfund's student, workplace, and pre retirement education initiatives demonstrates the Fund's commitment to improving financial wellbeing for all member groups.



Student is AROB learning about Nasfund, Buka 2025

Artificial Intelligence Automation Initiative

Nasfund strengthened its governance and operational resilience by introducing an AI-powered Vendor Invoice Management and Three-Way Automation Solution, developed with ZeonAI. The system enhances internal controls, improves processing accuracy, and supports stronger risk management—key pillars of responsible superannuation governance.

The solution automates the full invoice lifecycle using Generative AI, Large Language Models, and document-intelligence technology. Processing times have been reduced by 70%, data-extraction accuracy has exceeded 97%, and the Fund’s ability to identify anomalies and maintain consistency across high-volume transactions has significantly improved.

Fully integrated with Nasfund’s enterprise platforms, the system enhances transparency, reduces manual dependency, and supports business continuity during operational pressure. Nasfund’s leadership in AI-enabled automation was recognised at the Innovation PNG 2025 Conference with the Large Business Award. This is following an earlier recognition at the PNG CORE Awards presentation for Outstanding Service In Finance & Banking Sector.

Complementing this transformation, upgraded support channels—including a modernised call centre and expanded e-Withdrawals—continue to strengthen service reliability for over 700,000 members.

2025 Innovation PNG Award Recipient

For the use of Artificial Intelligence (AI) to automate the processing of invoices from suppliers.



2024 PNG CORE Award Recipient

For Outstanding Service In Finance & Banking Sector

We have improved our member servicing experience

Members can connect with us through various digital platforms



Secure Member Portal

- Secure login
- Access real-time membership data
- Download member balance statement
- Check Housing Advance Eligibility



Mobile App

- Accessed by over 64,000 members
- Estimated MAU range: 9,000 – 22,000
- Similar finance apps typically retain 15–35%



Contact Centre

- Over 315,995 phone conversations
- 83,685 calls - auto responded by IVR (Interactive Voice Response)
- More than 62,603 emails handled



Website

- 50.6K visits in 2025
- Chat-bot online support
- Online Superannuation projection calculator

GSE (GOVERNANCE, SOCIAL & ENVIRONMENT)

Supporting Members and Employers through our Discount Programs

Strengthening its commitment to supporting the financial wellbeing of members and employers, Nasfund continued expanding the Membership Discount Program (MDP) and Employer to Employer (E2E) Discount Program. These initiatives help alleviate everyday costs and improve access to essential services for families and businesses across Papua New Guinea.

Membership Discount Program (MDP)

Nasfund's Membership Discount Program continued to grow in 2025, giving members access to exclusive discounts across key areas such as healthcare, retail, education, hospitality, hardware, ICT, and travel. Members simply present their NASFUND Member ID to enjoy savings at participating partner businesses.

Practical Member Savings (Examples from partner listings):

- City Pharmacy Group Ltd: 15% off on prescriptions + 10% off on general items.
- Brian Bell: 15% discount for members (up to 30% during double discounts campaigns)
- BNBM hardware: 2%–15% on building materials and hardware supplies.
- PIH: 5%–10% off on selected health services
- Crown Hotel: 10%–15% off on accommodation, dining, and venue hire.
- Airways Hotel: 10%–15% off on accommodation, dining, and venue hire

How this benefits members:

These discounts translate into real, practical savings such as:

- K15–K30 off basic medication purchases
- K20–K80 savings on weekly household or retail buys
- Hundreds of kina saved during hotel stays, conferences, or medical appointments

These everyday savings help members manage rising living costs and improve financial resilience for families across PNG.

Employer to Employer Discount Program (E2E)

The E2E Program extends Nasfund's value creation to employers by offering exclusive business-to-business discounts. Registered and contributing employers receive a free E2E ID card that unlocks discounts across a growing network of corporate partners.

Examples of Employer Savings (from verified partner offers):

- Lamana Hotel – 20% discount
 - Airways Hotel – 15% discount
 - Niugini Steel – 10% off construction materials
 - Theodist – 5% discount on office supplies
 - Monier Limited – 10% off key construction products
- How this helps employers:
These discounts directly reduce operational costs for businesses in areas like:
- Office supplies
 - ICT equipment
 - Corporate travel and accommodation
 - Training and professional services
 - Building and construction materials

For many SMEs, savings in these categories free up resources that can be reinvested into:

- Staff development
- Workplace improvements
- Health and safety initiatives
- Employee engagement programs



George Constantinou Jnr of Monier Limited with CEO, Rajeev Sharma.

Scan for full discount partner listing on the website:



Community Care Driven by Staff-Led Programs

In 2025, Nasfund closed the year with meaningful staff led community engagements that reflected the organisation's commitment to social responsibility and service beyond superannuation. These initiatives, coordinated voluntarily by employees across the organisation, focused on providing practical support to health facilities and families receiving care at Port Moresby General Hospital.

In mid December, staff visited Ward 3A of the Port Moresby General Hospital to provide essential support to patients and hospital personnel. During the visit, it was identified that the ward had been without a functional hot water urn for more than two years an item required for preparing medication, meals, and warm drinks. To help improve daily operations for both patients and clinical staff, Nasfund employees donated a new 10 litre urn. The gesture reinforced the value of small, practical interventions in enhancing service environments.

A second engagement took place on Christmas Eve, where staff prepared care packs for families in the Neonatal Care Unit. Approximately 30 newborns were receiving specialised care at the time, and the packs sourced entirely from staff contributions were distributed to mothers and carers. This activity aimed to provide comfort and support to families during a period often spent away from home and familiar routines. The Fund supported this initiative by providing Christmas cookies for the health workers, putting a smile on hardworking faces.

Although the two engagements addressed different needs, they shared a common purpose: demonstrating care, responsibility, and unity through staff driven action. These activities underscored Nasfund's commitment to fostering a workplace culture where employees actively contribute to the wellbeing of the communities the Fund serves.

Planning is already underway for a continued donation program to support hospital services in 2026, reflecting Nasfund's focus on sustained community engagement and practical, needs based support.



Nasfund staff donating gift bags with baby care products to the Neonatal Care unit at the Port Moresby General Hospital.



Nasfund staff visited Ward 3A and presented sanitary care products as well as a 10 litre urn.

INDUSTRY ENGAGEMENTS

Supporting the Inclusion of Superannuation in the 2027 National Curriculum

Nasfund continued its efforts in 2025 to support the inclusion of superannuation in Papua New Guinea's formal school curriculum. Through ongoing engagement with the Centre for Excellence in Financial Inclusion (CEFI) and the Department of Education, Nasfund contributed subject matter expertise to ensure that superannuation concepts are accurately represented within the revised national curriculum planned for implementation in 2027.

CEFI has confirmed that superannuation content has been incorporated into the current draft and is undergoing the required review stages ahead of piloting and final approval. These steps form part of the national curriculum development process, which will see financial inclusion and retirement savings awareness introduced to students across the country.

As part of this national transition, the National Training Council (NTC) advised that registration arrangements for in-house training providers remain under review. Organisations delivering their own training including Nasfund were advised to continue their programs while this process is finalised. Nasfund's internal superannuation education modules will be submitted for vetting once the formal registration pathway is finalised.

The progression of superannuation into the 2027 curriculum is a significant milestone for financial literacy in Papua New Guinea. It ensures that future generations will enter the workforce with a clearer understanding of retirement savings, contributions, and long-term financial planning. Nasfund remains committed to supporting this work and contributing expertise to strengthen national financial awareness initiatives.

Strengthening National Dialogue Through Our Renewed FM100 Partnership

Nasfund renewed the naming-rights partnership for the Nasfund-FM100 Talkback Show, reinforcing our commitment to one of Papua New Guinea's most enduring communication platforms.

The relaunch, officiated by Prime Minister Hon. James Marape, highlighted the Show's national significance as the country moves toward its 50th Independence anniversary and continues adapting to a rapidly changing social and economic environment.

For more than 20 years, the FM100 Talkback Show has been a cornerstone of Nasfund's communication strategy, providing members with essential superannuation information, enabling open public dialogue, and reaching communities beyond digital access.

Over this period, it has delivered more than 12,000 hours of live conversation—one of our longest-running investments in national engagement.

Throughout the year, the Show connected citizens, government agencies, and institutions, supporting discussions on economic shifts, policies, employment matters, and everyday issues. It also amplified key Nasfund programs, extending Employer Conference insights to thousands nationwide.



Prime Minister Hon. James Marape officially launched the 2025 - Nasfund/FM100 Talkback show as CEO Rajeev Sharma looks on. PC: DPM & NEC

Nasfund & BSP Streamlining Bank Statements

Nasfund and BSP Financial Group Limited formalised a Memorandum of Understanding to streamline access to bank statements for superannuation withdrawals. The agreement allows both organisations to securely share bank-statement information, with member consent, removing the need for members to visit BSP branches solely to obtain statements when lodging withdrawal applications.

The new process aims to reduce queues at Nasfund and BSP branches and improve overall customer experience. Instead of requiring a full statement, BSP will provide a simple yes/no confirmation on whether a nominated account is active and able to receive payments, while maintaining strong privacy and data-protection standards.

The MOU sets clear guidelines for safeguarding member information and was implemented immediately, reinforcing Nasfund's commitment to simplifying member processes.



BSP Group GM Retail – Ronesh Dayal and Nasfund CEO - Rajeev Sharma with the signed MoA instrument.

MiBank Shareholding Advancing Financial Inclusion

Nasfund acquired a 14.98% shareholding in MiBank, Papua New Guinea's largest microbank, strengthening its long-term commitment to financial inclusion and improving superannuation access for underserved communities. With this investment, more than 700,000 Nasfund members now collectively hold an ownership interest in MiBank, supporting a shared vision of expanding financial access nationwide.

MiBank operates 16 branches and over 350 agents, managing K150 million in deposits and a K90 million loan portfolio. Its focus on technology and community-based services aligns with Nasfund's goal of reaching informal workers, SMEs, and rural populations.

The partnership enhances efforts to extend superannuation coverage to people with limited access to formal financial services. Integrated Eda Supa services will be deployed across MiBank's network in March 2026, offering more convenient retirement-saving options and supporting broader financial literacy and inclusive economic growth.



Nasfund CEO, Rajeev Sharma with MiBank chairman Peter Aitsi concluding the purchase as CEO, Trudi Egi looks on.

INDUSTRY ENGAGEMENTS

Papua New Guinea Investment Week: Strengthening Sector Partnerships

Nasfund attended the Papua New Guinea Investment Week, held from 8–11 December 2025 at the International Convention Centre in Sydney, Australia. The event, hosted by PNG CORE, brought together government representatives, resource sector leaders, and international investors to discuss opportunities for economic growth and investment in Papua New Guinea.

Throughout the week, the Chief Executive Officer, supported by Nasfund representatives, met with executives from major resource companies to discuss strategic collaboration. A key focus of these discussions was Nasfund’s proposed Hot Desk Initiative, which would position Nasfund officers at selected mine sites to support workers in remote locations. The initiative received strong industry interest and positive feedback from the companies engaged.

On the socio economic front, the CEO held discussions with key government leaders, including Hon. Richard Maru, Minister for International Trade & Investment, to explore areas of alignment between government priorities and Nasfund’s efforts to strengthen member outcomes.

In addition to strategic meetings, the event provided an opportunity for Nasfund staff to support members living and working in Australia. Over the course of the week, the team assisted members with:

- Account statements
- Biodata updates
- Superannuation Calculator uses
- Housing Advances
- Membership ID card printing
- Member Online registrations

These engagements reinforced Nasfund’s commitment to accessibility and service delivery, ensuring members receive support regardless of their location. The Fund’s participation in PNG Investment Week continues to strengthen sector partnerships and supports broader national development goals.



Nasfund team engaging with business leaders at the PNG Investment Week Conference in Sydney.



Onsite publication of Nasfund Membership ID Card at the PNG Resource Week Conference in Port Moresby.

MEMBER & EMPLOYER ENGAGEMENTS

Boroko Client Service Centre Reopening

In June 2025, Nasfund officially reopened its Boroko Client Service Centre in Port Moresby, marking the return of one of the Fund's most established and widely recognised service locations. The facility has been rebuilt into a modern, inclusive, and member focused centre designed to enhance comfort, efficiency, and accessibility for the thousands of members who rely on it each year.

The upgraded facility includes disability friendly access and amenities to ensure all members, including those with mobility or accessibility needs, can receive services comfortably and safely. It also features a spacious member chamber with capacity for up to 180 people, eight service counters, private interview rooms, and an internal conference area to support operational coordination.

The branch is now equipped with upgraded electrical and IT systems, enabling it to function as a backup operations site to Head Office when required. This investment reflects Nasfund's long term commitment to improving service quality and ensuring uninterrupted access to core superannuation services.

The reopening of Boroko not only restores a key branch within the National Capital District but also strengthens Nasfund's overall national service footprint. As a major urban hub, Boroko eases demand on other Port Moresby service centres and improves member flow, helping reduce processing times.



Former Chairwoman Tamzin Wardley, MBE, LM, officially cutting the ribbon and handing over the keys of the new office to Miriam Nalo - Service Centre Supervisor and Jocelyn Poraporo - longest serving staff.

Boroko Client Service Centre seating capacity can cater for 200 members



MEMBER & EMPLOYER ENGAGEMENTS

Nasfund Employees Celebrate PNG's 50th Independence Anniversary at the 2025 Staff Conference

Nasfund brought together employees from across Papua New Guinea for the annual Staff Engagement Conference at the Hilton Port Moresby. Held as the nation prepared to mark 50 years of Independence, the conference created an important opportunity for staff to unite, reflect on the Fund's journey, and acknowledge Nasfund's contribution to national development over the past five decades.

The conference focused on strengthening organisational alignment and reinforcing the values that guide Nasfund's service to more than 700,000 members in Papua New Guinea. A key highlight of the program was a presentation by guest speaker Sir Mahesh Patel, who encouraged staff to anchor their work in three core principles:

1. Purpose over position, recognising the value of every role.
2. Collaboration over competition, emphasising the strength of working together; and
3. Progress over perfection, encouraging continuous improvement and innovation.

These themes framed the day's discussions and were reflected throughout the team activities and presentations.

The conference also marked the launch of Nasfund's first official staff greeting and farewell, developed through an internal campaign where employees submitted suggested phrases. The selected greeting, "Hello and welcome to Nasfund, where we work today for your tomorrow" and farewell "Thank you for choosing Nasfund, we hope you have a Supa day" were unveiled to staff, reinforcing a unified service identity and consistent member experience across all locations.

A central message of the conference was the acknowledgement of Nasfund's evolution as a resilient, independent institution shaped alongside the country's own national progress.

Staff reflected on Nasfund's role in strengthening financial inclusion, supporting long term savings culture, and contributing to national development as custodian of members' retirement futures. The event reinforced the importance of every employee's role in advancing the Fund's mission and, by extension, supporting the nation's broader aspirations.

The conference concluded with a renewed sense of unity, pride, and shared responsibility. As employees returned to their respective locations across the country, they carried a strengthened commitment to service excellence celebrating not only 50 years of national independence but also Nasfund's ongoing role in building a stronger and more secure future for its members.



2025 Engagements Bringing Services to Members Nationwide

Throughout 2025, Nasfund delivered frontline services at major events such as the PNG CORE Conference and the Morobe Show, where members received assistance with ID cards, balance statements, Housing Advance queries, contribution updates, and general account support. In Bougainville, Nasfund reached over 660 students and teachers and served more than 600 festival attendees, including printing 280 ID cards at the Bougainville Chocolate Festival strengthening access for rural communities and young people preparing to enter the workforce.

Workplace engagements continued with tailored education sessions delivered to employers such as the Royal Papua Yacht Club, NCSL, and the Central Cement Lime Project in Kido Village. These sessions supported staff with ID processing, TextBal registrations, voluntary contributions, payroll clarifications, and digital service onboarding. Nasfund also deployed a dedicated service team to the New Porgera Mine, supporting more than 300 employees in a remote region with no branch presence.

Across all regions, Member & Employer Services teams also conducted shopfloor and employer driven activations. These engagements provided members with convenient access to superannuation services while reducing travel costs and time for both employees and employers.

In addition to face to face engagements, Nasfund delivered substantial support through its operational service channels. The Fund handled more than 62,000 service emails in 2025, completing 38,906 tickets and maintaining high completion rates throughout the year. The Call Centre processed 315,955 calls, with an average of 500 calls and 200 emails handled daily, supported by digital tools such as IVR, callback systems, and Nasfund's growing online platforms.

Employer engagement also remained strong, with the team completing 2,830 employer interactions for the year. These included support for Member Details Update Forms (MDUF), Eda Supa registrations, contribution schedules, ID processing, payroll reconciliations, exit and onboarding support, and new business enquiries.

Collectively, these national initiatives demonstrate Nasfund's commitment to accessible, member centred service delivery. By taking services to members in urban, rural, and remote locations and by scaling support through its call centre, email channels, and employer servicing programs Nasfund strengthened financial understanding, improved digital adoption, and supported long term savings readiness across Papua New Guinea.



School students from Buka posing for a photo shoot after the superannuation awareness session.



Nasfund staff making awareness to Students in Buka

MEMBER & EMPLOYER ENGAGEMENTS

Digital Transformation Tools Launched at the 2025 Staff Conference

As part of Nasfund's ongoing digital transformation, several major digital tools were launched in the Employee Engagement Conference in 2025 to make superannuation information more accessible and improve the way members interact with the Fund. These tools were introduced during the staff conference and rolled out nationally to strengthen service delivery, superannuation literacy, and long term planning.

The upgraded digital suite includes:

- Redesigned Nasfund website – simplified navigation, clearer content, and improved access to forms and services.
- AI enabled chatbot – provides quick responses, directs members to key resources, and supports after hours assistance.
- Superannuation Calculator – a projection tool that forecasts retirement balances using contributions, inflation, and living expense modelling.

How to Use the Superannuation Calculator

The Nasfund Superannuation Calculator is designed to be simple and practical. Members follow four easy steps:

1. Enter Personal Details

Members start by entering:

- Age
- Salary
- Current superannuation balance
- Planned retirement age

2. Adjust Contribution Settings

Members can then adjust:

- Employer contribution rate
- Employee voluntary contribution rate
- Optional one off contributions
- Salary Increments
- Crediting Rate

3. Add Living Expenses

Members can enter current expenses in categories such as:

- Housing
- Transport
- Food and groceries
- Healthcare
- Personal and miscellaneous

The calculator automatically adjusts expenses for inflation to show how costs may increase by retirement.

4. Review Results

The calculator then displays:

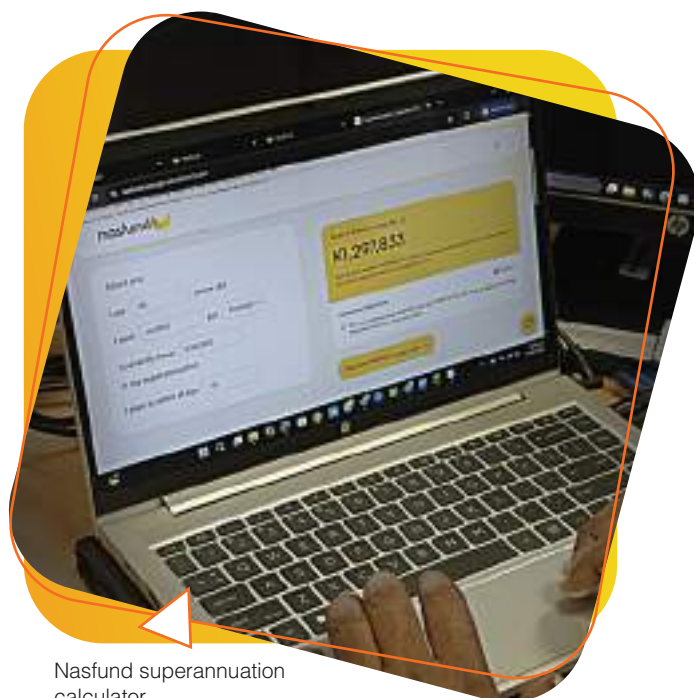
- Projected superannuation balance at retirement
- Breakdown of employer contributions, voluntary contributions, and total interest earned
- A “retirement readiness” indicator
- Estimated run out age based on current spending pattern
- A downloadable PDF report for planning purposes.

All results are estimates only and depend on assumptions about inflation, investment returns, and income growth.

This tool helps members:

- Understand how contributions grow over time
- See the impact of inflation on future living costs
- Plan voluntary contributions more effectively
- Assess how prepared they are for retirement
- Make informed, proactive decisions about their long term savings.

Importantly, Nasfund is the first and only superannuation fund in the South Pacific to offer a calculator of this depth, combining contribution modelling, inflation adjusted living expenses, and retirement readiness indicators in one tool.



Nasfund superannuation calculator.

2024 EMPLOYER AWARDS



INTRODUCING THE AWARDS AND CATEGORIES

1. Most Compliant Employer in Mandatory Contributions

- Purpose: Recognizes employers with outstanding compliance to the Superannuation Act.
- Criteria: Timely remittance and allocation of contributions, and minimal unallocated contributions.

2. Best Employer with Employer Voluntary Contributions

- Purpose: Acknowledges employers with significant voluntary contributions.
- Criteria: Increase in voluntary contributions by 20%, timely remittance, and allocation of contributions.

3. Best Employer with Member Voluntary Contributions

- Purpose: Recognizes employers encouraging member voluntary contributions.
- Criteria: Increase in member contributions by 10%, timely remittance, and allocation of contributions.

4. Most Compliant Employer in Account Maintenance

- Purpose: Awards employers maintaining accurate member accounts.

- Criteria: Low number of accounts with missing information and high percentage of updated member data.

5. Best Non - Mandatory Contribution Employer

- Purpose: Recognizes voluntarily contributing employers.
- Criteria: Consistent contributions, updated member details, and membership growth.

6. Chairperson's Award – BEST Overall Employer

- Purpose: Overall recognition for outstanding compliance in all areas.
- Criteria: Highest score based on compliance and performance metrics.

Category A Criteria:

- Employers contributing more than K100,000 in allocated receipts per month.
- An active member base of 300 or more members in the respective calendar year.

Category B Criteria:

- Employers contributing between K50,000 and K100,000 in allocated receipts per month.
- An active member base of between 100 and 300 members in the respective calendar year.

Category C Criteria:

- Employers contributing less than K50,000 in allocated receipts per month.
- An active member base of fewer than 100 members in the respective calendar year.



OUR WINNERS OF THE NASFUND ANNUAL EMPLOYER AWARDS - 2024



1. Most Compliant Employer in Mandatory Contributions - Category A:
SANTOS (PNG) LIMITED



1. Most Compliant Employer in Mandatory Contributions - Category B:
GOBE FREIGHT SERVICES LTD



1. Most Compliant Employer in Mandatory Contributions - Category C:
CHURCH OF THE FOUR-SQUARE GOSPEL IN PNG INC.



2. Best Employer With Employer Voluntary Contributions - Category A:
STARWEST CONSTRUCTION LIMITED



2. Best Employer With Employer Voluntary Contributions - Category B:
COFFEE INDUSTRY CORPORATION LIMITED



2. Best Employer With Employer Voluntary Contributions - Category C:
LAE GOLF CLUB INC



3. Best Employer With Member Voluntary Contributions - Category A:
CHRISTIAN HEALTH SERVICE PNG INC



3. Best Employer With Member Voluntary Contributions - Category B:
KPMG CHARTERED ACCOUNTANTS



3. Best Employer With Member Voluntary Contributions - Category C:
TOTAL OIL ASIA PACIFIC PTE LTD - PNG



4. Most Compliant Employer In Account Maintenance - Category A:
OK TEDI MINING LIMITED -TABUBIL



4. Most Compliant Employer In Account Maintenance - Category B:
FUBILAN CATERING SERVICE LIMITED



4. Most Compliant Employer In Account Maintenance - Category C:
WORKERS MUTUAL INSURANCE (PNG) LTD



5. Best Non - Mandatory Contribution Employers
LAHANI FINANCE and JOJO ENTERPRISE LIMITED



Employer of the Year Category A:
SANTOS (PNG) LIMITED



Employer of the Year Category B:
GOBE FREIGHT SERVICES LTD



Employer of the Year Category C:
CHURCH OF THE FOURSQUARE GOSPEL IN PAPUA NEW GUINEA INC.

INVESTMENTS & MANDATED SERVICES

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OUR INVESTMENTS

Nasfund drives strategic investments to deliver long-term member value.

Market Review

The 2025 financial year was a case of resilience defined by an “everything rally” where almost every major asset class globally delivered positive returns despite turbulent political and economic headwinds. Artificial Intelligence (AI) sustained its dominant performance throughout the financial year significantly catalysing the communication services and information technology sectors to outperform the broader market. Despite the sharp correction from Trump’s “reciprocal tariffs” earlier in the year, markets recovered as many policies were negotiated or delayed. Emerging markets were the top-performing equity market in the subject year, marking it their first year of significant outperformance against the S&P500 in nearly a decade. This is largely driven by the South Korean, Taiwanese and Chinese equity market uptick, strongly reflecting the AI enthusiasm.

In the commodities space, precious metals reiterated the “everything rally”, observing at year’s end a +140% in silver, primarily due to its dual demand as a safe haven and a key industrial component in AI data centres, gold maintained its flight-to-safety traits with a +60% through the year, and copper observed a +40% return mainly from the increased demand for Electric Vehicle (EV) infrastructure and renewable energy technologies. Crude oil, however, returned negatively due to an increasing supply and slowing in global industrial growth. Cocoa prices exhibited a “once-in-a-generation” run, spending much of 2025 in a state of high-altitude turbulence.

In 2025, infrastructure transitioned from a monotonous defensive play to a high growth cornerstone of the global economy. This shift was fuelled by the urgent need to power the AI revolution and a massive pivot toward “near-shoring” industrial capacity.

Translations of global market movements into the domestic economy saw an increase in capital services FX orders compared to prior periods, as domestic investors were looking at partaking in the AI frenzy abroad. Record-level non-essential orders were filled partly due to the central bank’s FX intervention of inflows into the market but more

sustainably maintained by the beneficial high cocoa prices and the inflows from local exporters therein. New infrastructure domestically has stagnated, all hopes pegged on the upcoming resource projects. Leading indicators show the priming of the property and the hospitality & tourism sectors, in anticipation for the oncoming specialised labour force coincident with the impending construction phase.

Investment Portfolio & Performance

As the Fund aspires towards a more balanced portfolio, the year has seen a 31.4% increase in our international asset class exposure from 16.7% to 21.9% at the year’s end, favourably timely with the rally observed in the international stock market and the FX availability domestically in the course of 2025. This has led to a decrease in the yielding illiquid asset class from 67.9% of total portfolio down to 61.3%, representing a year-on-year decline of 9.7%, primarily attributable to a shift in Nasfund’s weighting away from Government Inscribed Stocks (GIS) – coming down to 31.2% from 37.5% of total assets. The Fund’s increased access to FX has proven invaluable to the pivot in the portfolio composition with the international asset class returning 27.4% in FY25.

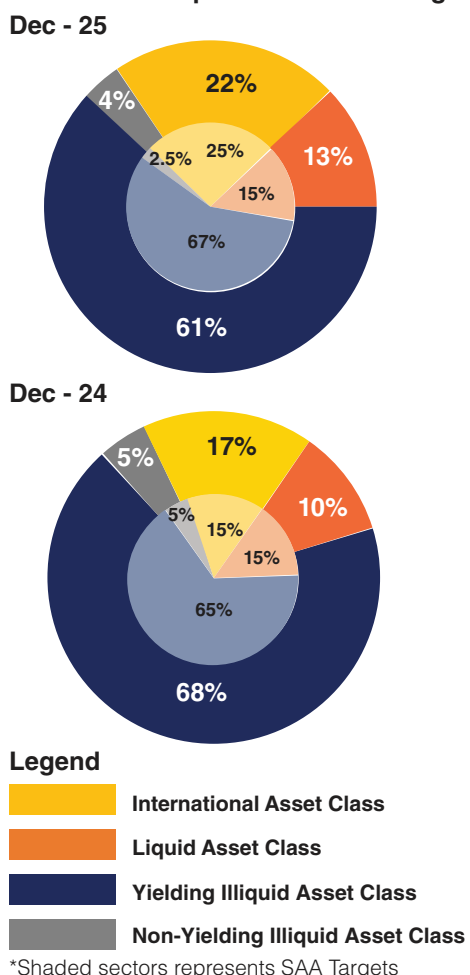
The reduction in the Fund’s exposure to the domestic fixed income sub asset class in GIS, was reinforced in two parts, firstly being from the increased FX outflows throughout the year and secondly due to the decrease in the rates on offer from the facility – opening the year with an average coupon rate of 9.3% and closing the year with an average coupon rate of 8.9% on all series offered. This indicates the Government’s push to reduced reliance on domestic debt, with the aid from the International Monetary Fund (IMF) program and cheaper international debt. On the Treasury Bills (T-Bills) front, we observed a more volatile market, holding steady at an average interest rate of 8.3% through three quarters of the year; before a decline in the last quarter, that saw a week-on-week average decrease of 20bps to close the year at 5.3%. Despite the dip in Q4, the much higher

OUR INVESTMENTS

sustained interest rates through most of the year generated for the portfolio an annual return of 7.1% as at December 2025, much improved compared to 3.6% earned from the previous corresponding period (pcp).

The yielding illiquid asset class, continues to deliver for the portfolio, generating through the year a return of 14.5%, mainly off the back of BSP Financial Group Limited's (BSP) sustained performance and the capital gains driven by Credit Corporation (PNG) Limited. Returns from GIS remained steady at 9.1%, a slight 2.0% decrease year-on-year, in comparison to 9.3% from the pcp.

Figure1. Portfolio Composition vs SAA Targets



We continue to monitor and assert our intent to divest the non-performing assets within the Fund's portfolio. The non-yielding illiquid asset class represent 4.0% of total assets as at 31 December 2025, observing a decrease by 13.3% from the pcp when it made up 4.6% of the total portfolio – the decline is attributable

primarily to capital losses. Efforts to divest the distressed assets are ongoing with relevant stakeholders. 2025, marking the year where major headway in negotiations for eventual divestitures were achieved, reiterating our strategic aim for a much more optimized portfolio. Continued dialogue will likely bring in the coming financial year divestments that will reduce the Fund's non-yielding asset class exposure, reinforcing our mandate to continue to deliver superior returns for our members.

Overall, total investment income is PGK1.26 billion, consisting of 45.0% in cash income and 55.0% in fair value movements and FX gains. Compared to pcp, we observed in cash income an aggregate increase in absolute terms: with a 14.1% improvement in interest income to end the year at PGK350.2 million; a 5.2% increase in dividend income to come to PGK159.3 million; and a 23.3% increase in rental income to finish the year with PGK56.8 million. Income composition in percentage terms remain largely aligned with the results observed last year, with the exception of a notable positive variance in the net foreign exchange gain, finishing the year at PGK141.6 million. Despite the gradual decline in the PGK/USD throughout the year, the increased availability of FX for remittance offshore coupled with the generally stronger faring of the AUD/USD and the AUD/PGK throughout the fiscal year had played favourably with the already performing equity markets where the Fund's offshore assets are held.

Net assets as at 31 December 2025 is at PGK9.5 billion, observing a 16.4% increase over the course of 12 months. Total investment assets sit at PGK9.7 billion, a 16.5% increase from the pcp, driven mainly by a 31.4% increase in equity investments and a 37.5% increase in interest bearing deposits and treasury notes. Investment properties remain largely aligned with the pcp, observing only a 0.5% increase to end the year at PGK567.6m.

Investment Highlights

The Fund continues to maintain its different asset class exposures within the bounds of the prescribed Strategic Asset Allocation (SAA). Our disciplined approach has generated improved returns year-on-year, soaking in the highs of the rally observed abroad whilst maintaining a compliant composition biased domestically. The Fund through the year, was

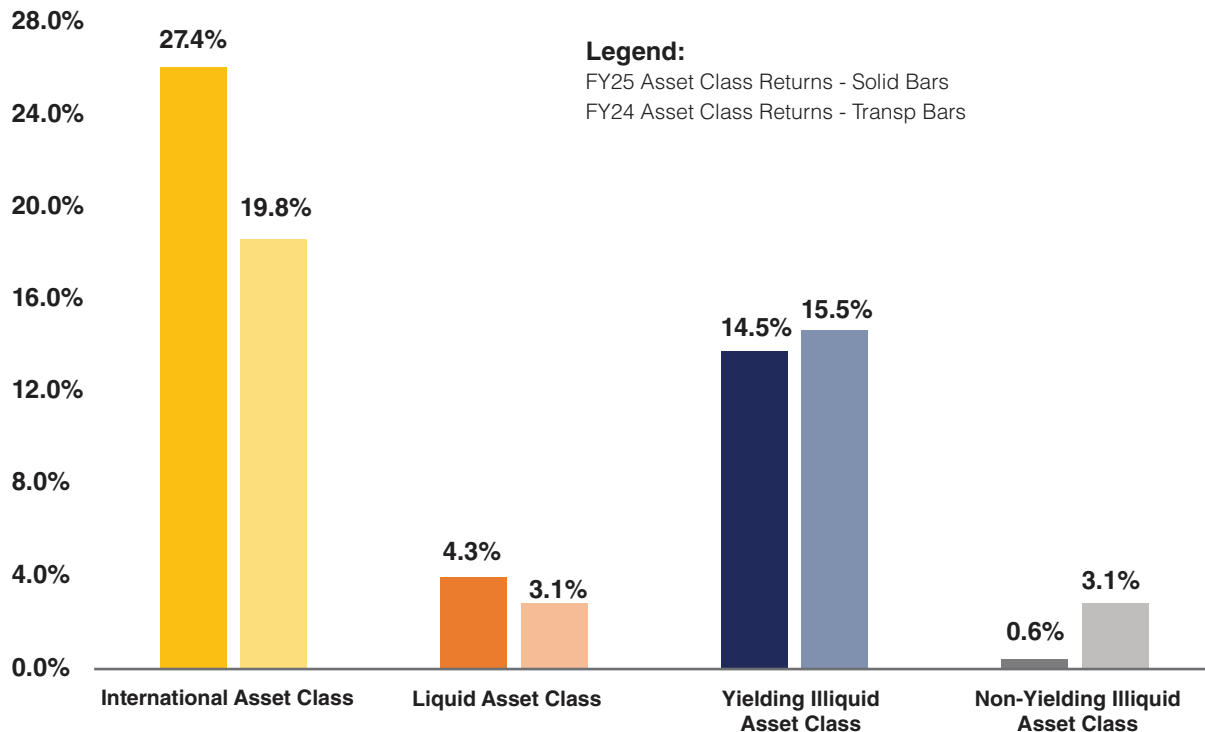
pleasantly surprised with the increased availability of FX, managing to remit PGK320.0 million through the fiscal year. This year also saw increased exposure in the extractive sector with the completion of the additional purchase of shares in the Santos Ltd (STO) and Newmont Corp (NEM) stocks. Both a strategic inclusion into the portfolio: NEM timely with the uptick observed internationally in the precious metals space; and the increased exposure in STO in preparation for the upcoming pipeline projects in country.

Investment Challenges

Despite increased availability to FX, the nature of the outflows classifies the Fund's orders as non-essential, restricting our ability to remit funds on demand – better aligned with liquidity events from the portfolio or on targeted opportune periods when observed in

international equity market activity. Domestically, as the Fund inevitably grows, we also run the risk of crowding out ourselves from investment opportunities in-country as our minimum ticket size corresponds with the growth in our balance sheet. On the other hand, our significant holdings in government securities (i.e., GIS and T-Bills), liquidity events therein are subjected to the prevailing rates in the market; perceived rollover risk increases when the prevailing rates decline. The Fund manages the challenges it faces and proactively looks at developing strategies towards circumventing said challenges in the coming year.

Figure 2. FY25 Asset Class Returns vs FY24 Asset Class Returns



OUR INVESTMENTS

Some of our Investments:



Some of our Properties



The Edge Apartments

A 63 x 2 and 3 bedrooms executive residential apartments located within the Harbour City Precinct.



Solwara Apartments

A 20 x 2 and 3-bedrooms executive residential apartments located within the Harbour City Precinct.



PwC Haus

An 8-level commercial office complex within the Harbour City Precinct.



Ravalian Haus

A 4-level commercial office complex within the Harbour City Precinct.



Kina Bank Haus - Harbour City

A 3-level commercial office complex within the Harbour City Precinct.



BSP Haus

An 7-level commercial office complex within the Harbour City Precinct.

LICENCED INVESTMENT MANAGER STATEMENT



Dear Nasfund Members,

Global Economy

The equities market wrapped up a terrific run in 2025, with global indices closing a third straight year of strong returns. Global markets outside of the U.S. stole the show this year notably outpacing U.S. stocks as observed by the MSCI All Country World ex-USA, having gained 29.2%, surpassing the S&P 500's gain of 16.39%. Investors looked to alternative markets this year as the U.S. environment appeared uncertain following the return of President Donald Trump to office and his disruption to global trade. Other significant factors contributing to this uncertainty included concerns over the inflated valuations of Silicon Valley tech companies, improvements in artificial intelligence (AI) in China, and the depreciation of the US dollar. Despite closing higher this year, U.S. equities underperformed against their international peers by the widest margin since the global financial crisis, marking a break from the decade-plus trend of U.S. stocks dominating global indexes. Asia saw some of the largest gains this year, benefiting from the AI boom, which drove demand for tech companies and chipmakers in the region.

PNG Economy

In 2025 the PGK further depreciated against its major trading currencies including the USD (down by 6.0%) and the AUD (down by 12.6%) although despite this, PNG's foreign exchange (FX) situation drastically improved as the country saw sustained foreign-currency inflows boosting FX market liquidity. The largest contributor to this was higher commodity prices, particularly for gold, LNG and agricultural commodities which increased export revenue. BPNG's regular interventions also factored into the favorable FX outcome for the year which provided much relief to many businesses in the country. PNG also benefited from China's continuous deflation, declining fuel prices, and improving supply chains throughout the year.

Investment Portfolio Performance

Nasfund provided its members profitable returns for yet another year. Nasfund's net funds under management grew K1,318.0 million (or K1.3 billion) to K9.5 billion (a 16.2% annualised growth rate). Major movements in the Fund's asset allocation between the four asset classes included increased exposure to Credit Corp (up K119.9m) and BSPFG (up K210.7m) due to a rise in their equity valuations; a net increase in the Fund's GIS investments (K6,140.4 million); the international asset class was boosted 53% with the International Listed Equities showing significant growth specifically in the

iShares US Infrastructure (IFRA US) shares (K164.3 million) and Vanguard Global Infrastructure Index ETF (VBLD AU) shares (K99.5 million); favourable equity markets and a net increase in T-Bill Holdings (K204.6 million).

Before expenses, Nasfund generated a gross return of K1,148.7 million on its investments in 2025, and a gross cash return of K 543.9 million translating to an annualised cash yield of 6.4%. This cash yield comfortably achieves the Fund's target cash yield of 4.5% per annum.

Yielding Illiquid assets generated the vast bulk of the cash yield (K452.7 million) while the Liquid asset class generated K51.3 million in cash income. As a result of net capital gains on domestic non yielding equities and net non-yielding properties performance, the Non-Yielding Illiquid assets generated a negative cash flow (K1.0 million).

As in 2024, Nasfund's 2025 portfolio cash yield contributions were dependent on the performance of four investments: Government Bonds which generated K281.6 million in cash yield; T-Bills which generated K49.2 million in cash yield; BSP shares which generated K77.5 million in cash yield, and Vanguard International Shares Index ETF which generated K23.9 million in cash. Over 2025 these investments contributed 79.4% of the cash income generated by the portfolio.

As Nasfund's licensed investment manager, BSP Capital values our shared partnership with Nasfund, and remains dedicated to evaluating opportunities and managing risks within the Fund's portfolio. The Fund's investment strategy continuously yields long-term, satisfying results for its members, even in the face of market unpredictability.

Lastly, on behalf of BSP Capital's Board and Staff, I thank the Nasfund Board, Management, and Staff for the privilege of collaborating to deliver great returns for Nasfund members and their investments.

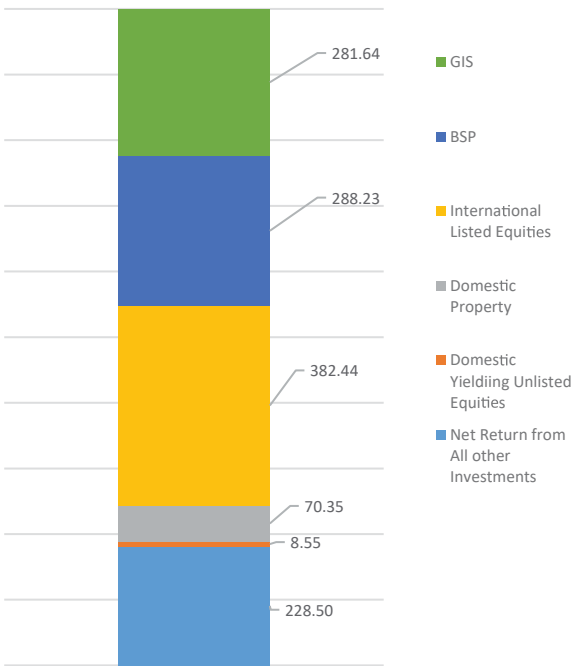
Sincerely,

A handwritten signature in blue ink that reads 'Phoebe Endose'.

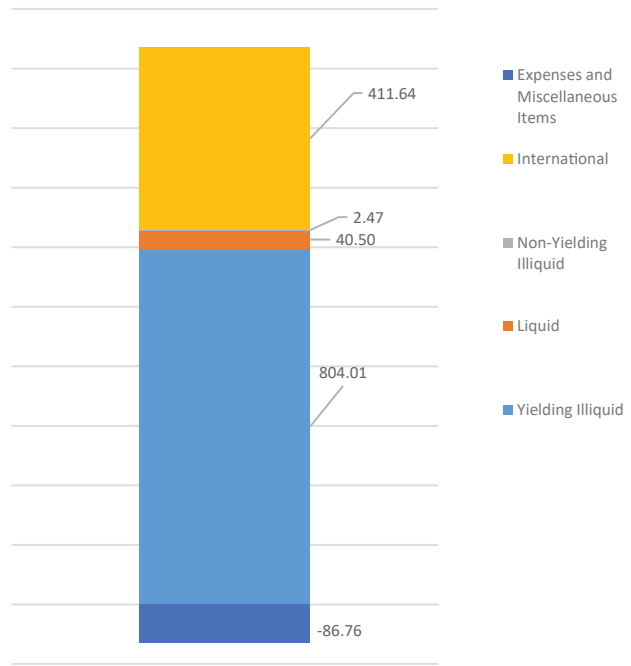
Phoebe Endose

Head of BSP Capital Limited

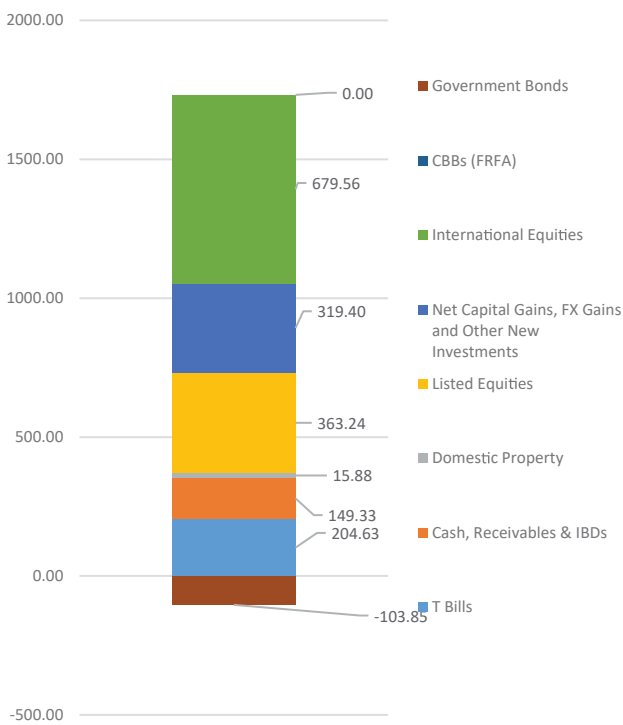
Major Contributors and Detractors Up to December 2025 (in K millions)



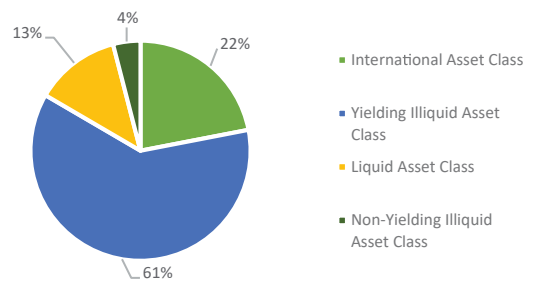
Sources of Returns for NASFUND as at December 2025 (in K millions)



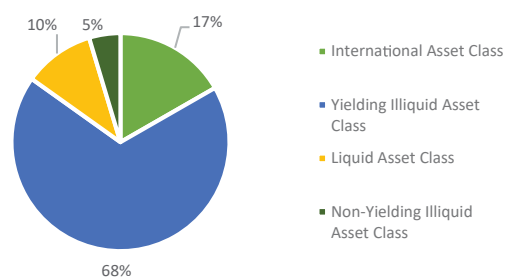
Major uses of Nafund's 2025 Funds in K million



Nasfund Asset Allocation as at 31 Dec 2025



Nasfund Asset Allocation as at 31 Dec 2024



LICENCED FUND ADMINISTRATOR STATEMENT



Kina Investments & Superannuation Services Limited (KISS) - A wholly owned subsidiary of Kina Securities Limited and Licensed Fund Administrator for Nasfund.

2025 Year in Review

Kina Investment & Superannuation Services Limited (KISS) hereby is pleased to present its annual fund administration statement for the period ending 31 December, 2025, for National Superannuation Fund Limited (NASFUND).

The rapid superannuation industry growth demanded better service, and KISS forged ahead streamlined its workflow systems and process for a superior service delivery to Nasfund. Moving away from manual processes was essential for compliance and member experience, marking a transformative year in our service partnership.

Highlights of the year

- **Funds Under Administration:** Total funds steadily increased by 16.39%, reaching K9.43 billion from K8.10 billion showing strong evidence of growth and high returns on savings.
- **Contributions Growth:** Total contributions receipts increased by 8% to K873.9 million, demonstrating high employer engagement for contributions remittance and allocation.
- **Benefit Payments:** More than K610.5 million in members savings were paid out in 2025 representing a 3% increase from 2024.
- **Membership Growth:** A 4% increase in overall membership reaching 744,213 members as at 31 December 2025, from 715,873 in December 2024
- **Operational Efficiency:** KISS successfully processed 132,133 work items in 2025, maintaining our uncompromising commitment to quality, accuracy and efficiency.
- **System Upgrade & Enhancements:** KISS implemented significant upgrade to the core technology platforms:
 - **Workflow system Uplift:** modernization of the workflow solution attributed by the migration from Case360 system to i-DOS platform.
 - **Multiple Bank File Upload:** system enhancement to enable the Eda Super members to make superannuation contributions from other banks, including Mibank.

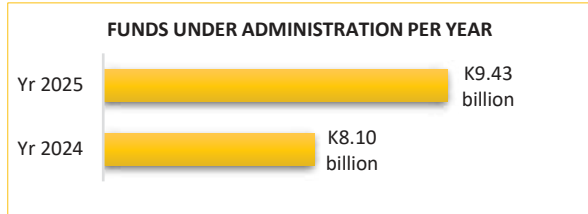
Membership

Total membership on 31 December 2025 stood at 744,213, reflecting a 4% growth from 2024. RSA membership decreased by 3%, a steady increase in Mainstream and Eda Supa member categories highlights the growing confidence in Nasfund’s superannuation services.

Fund	Membership 2024	Membership 2025
Mainstream	676,101	703,600
Eda Supa	39,612	40,457
Retirement Savings Account (RSA)	160	156
Total	715,873	744,213

Funds under Administration

Total funds under administration at the close of 12 December 2025 reached K9.43 billion, reflecting a 16.39% increase of K1.30 billion from the previous year. This figure is inclusive of the 2025-member annual interest K1.66 billion.



Contributions

Total contributions received amounted to K873.8 million allocating K855 million in 2025 marking a 10% increase from 2024.

Key Highlights:

- **Member Salary Sacrifice Contributions** – is K6.47 million representing an 11% increase citing strong awareness reaching members.
- **Voluntary Member Contributions** – a growing member confidence committed to their retirement savings increasing remittance by 26%, amounting K47.5 million.
- **Employer Voluntary Contributions** – rose by 15% to K19 million signifying a growing trend among employers to move beyond the mandatory contributions, aimed at enhancing employee financial security, boosting talent attraction, and improving long-term retirement outcomes.

Description	2024 (PGK)	2025 (PGK)
Member Contributions	291,043,456.26	318,931,433.29
Employer Contributions	411,743,675.38	447,123,354.93
Member Voluntary	37,757,254.09	47,509,141.14
Employer Voluntary	16,768,618.91	19,221,711.29
Member Salary Sacrifice	5,857,514.06	6,472,726.11
Housing Advance Repayment	20,860,521.55	23,339,749.36
Transfers from other ASF	12,915,305.72	11,290,010.64
Unallocated Contributions	-2,159,345.18	-18,542,249.15
Total	794,787,000.79	855,345,877.61

Benefit Payments

Total benefits paid out in 2025 constituted K610.5 million, a 3% increase from 2024.

Key Highlights:

- **Normal Retirement payments** – represent a significant number of members choosing to take their retirement benefits as a one-time, large withdrawal indicating this is the most common reason for members accessing their funds.
- **Unemployment Benefits payment** – increased to an all-time high citing many members becoming unemployed in the year accessing their savings.
- **Death and Unemployment Benefits** – these are the next significant categories which increased by 5% and 6% respectively representing the highest paid out in the year suggesting a considerable number of claims related to these unfortunate events.

Description	2024 (PGK)	2025 (PGK)
Normal Retirement	407,345,713.33	430,302,405.52
Medical Retirement	6,891,965.63	10,399,687.78
Death	34,869,081.95	36,461,162.32
Transfer Out (to other ASF)	9,335,687.13	7,075,610.15
Unemployment Benefits	63,653,161.41	67,526,896.78
RSA Payments	465,778.22	281,471.06
Housing Advance Payments	50,232,183.29	41,881,581.21
Tax on Full Benefit Payment	15,861,729.41	13,375,189.58
Tax on Partial Benefit Payment	2,685,914.59	3,230,133.95
Total	591,341,214.96	610,534,138.35

LICENCED FUND ADMINISTRATOR STATEMENT



- **Housing advance payments** – a decrease of 17% in housing advance payments largely driven by high property prices, severely limited land availability, and strict financial barriers beyond member ability.

Looking Ahead

We value our partnership with Nasfund and are committed to strengthening our relationship. Our main focus for 2026 and beyond is bringing our fund administration services to an exceptional level. We are committed to continue working with Nasfund to advance the systems and processes in order to deliver superior customer service and look forward to developing products and introduce process improvements that will enhance member and employer experiences in the coming years.

Initiatives that we are envisaging for 2026

- **Intelligent Document Analysis Tool (IDA):** Intelligent Document Analysis (IDA) offers high-quality data capture, extraction, and understanding through machine learning, ensuring rapid automation and value. Key differentiators include market-leading OCR accuracy for handwriting, a 91% out-of-the-box automation rate, and highly accurate classification using textual and visual analysis. IDA's machine learning-based features, including recognition, classification, and extraction, eliminate reliance on rule-based systems, reducing manual corrections by 80%. On-premises deployment ensures compliance and data security. The modular design allows for individual feature licensing, optimizing workflows for various use cases.
- **Unallocated Contributions Project:** This initiative is aimed at supporting Nasfund streamline the contributions allocations process by; Automating and validating the contribution uploads and reconciliation, improve the accuracy and efficiency contributions process, enhance employer experience and improve operational efficiencies, and support strategic goals of improving customer experience and reduce manual human intervention.

We value our partnership with Nasfund and we are committed to invest in technology and our people to enable Nasfund to help members achieve their retirement goals.

A handwritten signature in blue ink, appearing to read "Deepak Gupta".

Deepak Gupta
Executive General Manager, Kina Investment and Superannuation Services Ltd

PROPERTY & FACILITIES MANAGER STATEMENT

2025 was a significant year for PNG as it marked its 50th year of independence. The Economy's GDP improved significantly, reaching K133 billion by year-end, with a 4% expansion in the non-resource sectors (agriculture, tourism, fisheries).

2025 has seen its share of international concerns for the PNG domestic economy, apart from the residential market, the performance of the economy and this has continued to have a positive impact on the Nasfund Property portfolio, with the financial results for the portfolio outperforming budget expectations. Expats continue to increase which has impacted positively in the residential apartment market and the portfolios income. Businesses look to increase their office space requirements, with most leases being renewed on improved terms.

The Property portfolio demonstrated consistent performance and resilience across both commercial and residential sectors. Key operational metrics, including occupancy rates and Net Operating Income (NOI) remained strong despite market conditions and competition. Leasing activity was robust, with ongoing Commercial and Residential Prospects contributing to improved tenant occupancy and reduced vacancy rates.

Throughout 2025, there were approximately four months of persistent electricity supply disruptions in the CBD, Konedobu, and Harbour City areas. These issues necessitated substantial, unforeseen expenditure on diesel fuel and generator maintenance to ensure business continuity. Despite the magnitude of these unanticipated costs, overall expense growth remained relatively maintained. Major Capital expenditure has been undertaken in 2025, this should impact positively on operating costs in 2026 across those impacted assets in the portfolio.

PNG's 2026 economic outlook remains positive with an estimated 4.0% to 4.2% GDP growth, driven by nonresource sector expansion, improved FX access, and higher agricultural prices. The 2026 Budget exceeds K30 billion, focusing on infrastructure and reducing the deficit to 1.1% of GDP.

PNG enters 2026 with a resilient economic outlook, demonstrating strength despite ongoing global uncertainties. The country's underlying economic momentum is building, bolstered by steady

commodity prices and improving conditions for businesses. Continued progress on major resource projects also reinforces this positive trajectory.

Significant resource projects are advancing, contributing to the nation's economic stability. Papua LNG is nearing a potential final investment decision in the first quarter of 2026, following the completion of important engineering and environmental milestones.

Broader macroeconomic indicators show marked improvement, reflecting upgraded growth forecasts from international institutions. Increased output in the resources sector and new investments in agribusiness and manufacturing further underscore the country's economic resilience and growth prospects for the coming year.

The impact of climate change is a continued focus heading into 2026 by the government. PNG is uniquely placed to improve its position across energy (particularly gas), climate change and geostrategic competition. Resources projects are expected to be accelerated to capture the transitional energy window whilst balancing climate change, decarbonisation and renewables.

High inflation continues to be damaging, eroding household purchasing power and living standards. Globally, elevated inflation has become one of the most important policy challenges for governments. Whilst stability was seen across most of 2025, flagged interest rate increases are set for the first half of 2026 to help pull down the rate of price growth.

Portfolio operating expenses in 2025 continue to be impacted by:

- i) Continual power supply interruptions.
- ii) Increases in Fuel costs as international oil prices have increased and there is a need for additional fuel storage to guard against in country shortages and to manage outages and ensure services to buildings are maintained.
- iii) Generator breakdowns and repairs and delays in getting parts to repair generators into the country as supply and logistics chains as well as foreign currency access issues impact lead times
- iv) HVAC breakdowns stemming from the age of equipment and the irregular power supply

PROPERTY & FACILITIES MANAGER STATEMENT

This issue is expected to persist in 2026. While it presents inconveniences for the occupier, these are being effectively managed.

As 2025 draws to a close, it is evident that positive developments are underway, with robust demand persisting for residential apartments and a notable increase in inquiries from expatriates and businesses seeking commercial office space, whether for expansion or as new market entrants. These trends signal continued growing market confidence. It remains prudent to maintain a conservative strategy and prioritise securing reliable tenants to safeguard cash flow. Each inquiry continues to be thoroughly evaluated on its individual merits.

Ashton Brunswick remains committed to enhancing overall portfolio performance through a strategic approach to asset positioning, with the objective of ensuring a positive outlook for both the portfolio and Nasfund in 2026. Continued focus will be placed on understanding Nasfund's core requirements, namely, generating a stable annuity stream, achieving long-term growth, and maintaining strong tenant engagement as guiding principles in portfolio management.

Our management team remains dedicated to upholding excellence and the highest standards in service delivery, despite prevailing economic challenges and power supply limitations. We prioritise ongoing innovation to optimise performance and efficiency, implementing enhancements across reporting and data distribution, leasing and marketing strategies, capital expenditure and project management tracking, as well as tenant engagement and communication.

In partnership with the Nasfund Executive and Property teams, we are jointly developing a bespoke, best-in-class Portfolio Management team for PNG. Ashton Brunswick leverages strong local and international relationships to access valuable market intelligence. By utilising the expertise of leading professionals within the property sector, we proactively address challenges and deliver sustainable, innovative solutions.

Our objective is to ensure that Nasfund maintains the top-performing portfolio in PNG, recognising the significance of this asset class within the broader Strategic Asset Allocation framework. We

actively pursue new opportunities to drive portfolio performance improvements.

To reinforce this commitment, our team continues to expand and strengthened through the recruitment and development of new talent. This enduring, on-the-ground team receives guidance and mentorship from our Head of Advisory, Portfolio Accountant, and our Strategic Alliance Partners, Colliers.

Property Management at a glance

We are actively refining our operational processes to drive greater efficiency within our daily business activities. Our tenant engagement strategies have been positively received by tenants across the portfolio, as reflected in the high volume of lease renewals completed throughout the year. Notably, many tenants are choosing to expand their leased premises upon expiry, and new agreements are being established on competitive terms.

The Core Property Portfolio continues to demonstrate consistent revenue growth, attributable to strategic leasing initiatives, robust renewal activity, and disciplined expenditure management.

Leasing to secure income for Nasfund

We are pleased to confirm that during 2025, we successfully completed new leases and renewals for 31 apartments and over 14,000 m² of office space, thereby securing sustained income for Nasfund and its members.

Facilities Management- Preserving Assets to Maximise Occupant Satisfaction

Throughout 2025, we placed significant emphasis on tenant engagement to promote comfort and satisfaction across our portfolio. Our operational priorities centered on the diligent maintenance of building functions and ensuring that all workplaces and residences remained safe and compliant with regulatory standards.

Power instability and supply fluctuations have posed considerable challenges to critical systems such as PC boards, compressors, and control mechanisms, resulting in system failures during the year. The inconsistency in power supply has also introduced long-term risks to electronic equipment, underscoring the necessity for further risk mitigation strategies.

Capital Expenditure- Enhancing Asset Performance

Our commitment remains steadfast in identifying, managing, and executing projects under our Capital Expenditure program. These initiatives are designed to ensure the continual improvement of each asset's operational performance, efficiency, and capacity.

Ashton Brunswick is privileged to oversee the Nasfund Property Portfolio and values the ongoing collaborative relationship. In the years ahead, our commitment remains steadfast in upholding the highest standards of service and generating outcomes that benefit all stakeholders.

We will continue prioritise innovative strategies designed to increase the portfolio's value and secure its sustained success. Our approach emphasises the adoption of sustainable practices consistent with environmental, social, and governance (ESG) principles, thereby positively impacting tenants, the community, and the broader environment.

By utilising strategic planning, operational rigour, and proactive stakeholder engagement, we strive to deliver outstanding results and maintain the portfolio as an industry benchmark for quality and performance. We anticipate further progress together and look forward to building on these shared achievements.

Yours sincerely,



Sara Pratt
Head of Advisory
Ashton Brunswick



Richard Sapias
Managing Director
Ashton Brunswick



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National Superannuation Fund

Financial Statements for the year ended 31 December 2025

FUND INFORMATION

National Superannuation Fund ("Fund", "Nasfund" hereinafter) is a registered trust in accordance with the Superannuation (General Provisions) Act 2000 and is incorporated and domiciled in Papua New Guinea.

Country of Incorporation	Papua New Guinea
Principal place of business	Level 4, BSP Harbour City Port Moresby, N.C.D. Papua New Guinea
Trustee	National Superannuation Fund Limited
Directors of the Trustee	Mr. Christopher Elphick – Chairman - (appointed as Chairman 1.1.2026) Mr. Anthony Yaueib Ms. Tamzin Wardley, LM, MBE - (retired 31.12.2025) Mr. Leon Buskens Ms. Florence Willie Mr. Michael Murphy Ms. Julienne Leka-Maliaki Mr. Chey Scovell Mr. Andrew Kitum Dr. Albert Mellam - (appointed 1.1.2026) Mr. Anton Sekum - (appointed 9.1.2026)
Secretary	Ms. Jamie Lee-Loh
Auditors	KPMG Nambawan Plaza Level B2, OPH Precinct McGregor Street Port Moresby, N.C.D. Papua New Guinea
Fund Administrators	Kina Investments and Superannuation Services Limited
Licensed Investment Manager	BSP Capital Limited
Bankers	Bank South Pacific Limited Kina Bank Limited Australia & New Zealand Banking Group (PNG) Limited Westpac Papua New Guinea Nationwide Microbank Limited CreditBank PNG
Lawyers	<ul style="list-style-type: none">• Ashurst Lawyers• Posman Kua Aisi (PKA) Lawyers• Bradley Wak & Co. Lawyers• Namani & Associates Lawyers• Milner Legal• Dentons (PNG) Lawyers• Geroro Lawyers• Simpson Lawyers• Corrs Chambers Westgarth• Allens Linklaters Lawyers
Professional Indemnity	QBE Insurance
Property and Facilities Manager	Ashton Brunswick

National Superannuation Fund

Financial Statements for the year ended 31 December 2025

REPORT OF THE TRUSTEE OF THE FUND

The Directors of the Trustee have the pleasure in submitting their report and the financial statements of National Superannuation Fund ("the Fund" or "Nasfund") for the year ended 31 December 2025.

Activities

The principal activities of the Fund was the management of retirement funds for employees of participating employers and other members throughout Papua New Guinea.

There were no significant changes in the nature of the activities of the Fund during the year.

Results

The net profit after tax for the year was K1,085,691 million (2024: profit after tax of K849.675 million).

Directors

The directors of the Trustee at the date of the report of the Fund are listed on page 65. No director of the Trustee had any material interest in any contract or arrangement with the Fund or any related entity during the year ended 31 December 2025.

Remuneration of Trustee Directors

The remuneration of Trustee Directors received during the year, is as follows:

Director's name	31/12/2025 K	31/12/2024 K
Christopher Elphick- Chairman	247,311	237,828
Tamzin Wardley, LM, MBE (retired 31.12.2025)	261,241	260,379
Anthony Yauiieb	253,379	257,690
Leon Buskens	209,310	217,069
Florence Willie	249,035	249,897
Michael Murphy	243,863	241,276
Julienne Leka-Maliaki	242,139	234,379
Chey Scovell	221,379	218,793
Andrew Kitum	242,139	248,172
	2,169,749	2,165,483

Costs in relation to travel and meeting expenses, are incurred by Nasfund. Board fees and sitting allowances disclosed in note 22 are taxed accordingly.

Remuneration of Employees

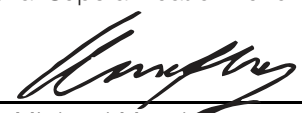
The number of employees (not including directors) whose remuneration exceeds K100,000 in bands of K50,000 is disclosed in note 18.

Interests Register

Interests of the Directors of the Trustee and key management personnel as recorded in the interests register are disclosed in Note 22.

Signed on behalf of the Board of Directors of the Trustee of National Superannuation Fund.


Mr. Christopher Elphick
Chairman
Date: 18 March 2026


Mr. Michael Murphy
Chair of the Audit Committee
Date: 18 March 2026

National Superannuation Fund

Financial Statements for the year ended 31 December 2025

TRUSTEE'S DECLARATION

In our opinion, the financial statements and the accompanying notes set out on pages 73 to 101 are drawn up so as to give a true and fair view of the financial position as at 31 December 2025 and the financial performance for the year ended on that date of the National Superannuation Fund in so far as they concern members of the National Superannuation Fund.

The Board of the Trustee has satisfied themselves that they have:

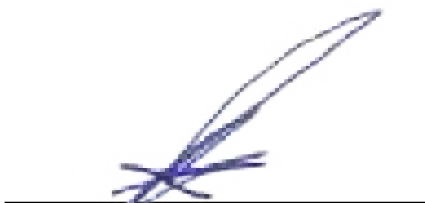
- 1) Identified the key financial and operational risks;
- 2) Established systems to control and monitor those risks including adherence to prudent policies and procedures, reasonable operating limits and adequate and timely reporting processes;
- 3) The financial statements of the Fund for the year ended 31 December 2025 were authorised for issue by the Board of Directors of the Trustee, on 12/03/2026 and signed on 17/03/2026.
- 4) No apparent conflicts of interest with respect to National Superannuation Fund's engagement of an external auditor which may compromise the independence of the auditor's performance.

The Financial Statements have been drawn up in accordance with International Financial Reporting Standards and the requirements of the Superannuation (General Provisions) Act 2000 and requirements of the Trust Deed of the National Superannuation Fund dated 31 May 2002.

The auditor has communicated with us that relevant ethical requirements prohibiting members of the audit team or their immediate family members holding direct financial interests in the Fund were not met under Section 510 of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants that are relevant to their audit of the Financial Report in Papua New Guinea, for the year ended 31 December 2025. We agreed that safeguards proposed and implemented by the auditor are sufficient to enable them to perform the audit engagement and to issue their report to the members for the year ended 31 December 2025.

DATED at PORT MORESBY this 18th day of March 2026.

For and on behalf of the Board of Directors of the Trustee of National Superannuation Fund.



Mr. Christopher Elphick
Chairman
Date: 18 March 2026



Mr. Michael Murphy
Chair of the Audit Committee
Date: 18 March 2026

National Superannuation Fund

Financial Statements for the year ended 31 December 2025

MANAGEMENT'S DECLARATION

In our opinion, the financial statements set out on pages 73 to 101 are drawn up so as to give a true and fair view of the financial position as at 31 December 2025 and the financial performance for the year ended on that date of the National Superannuation Fund in so far as they concern members of the National Superannuation Fund.

Management has satisfied themselves that it has:

- 1) Identified the key financial and operating risks;
- 2) Established systems to control and monitor those risks including adherence to prudent policies and procedures, reasonable operating limits and adequate and timely reporting processes;
- 3) Noted that the financial statements of the Fund for the year ended 31 December 2025 were authorised for issue by the Board of Directors of the Trustee, on 12/03/26 and signed on 17/03/2026.
- 4) No apparent conflicts of interest with respect to National Superannuation Fund's engagement of an external auditor which may compromise the independence of the auditor's performance.

The Financial Statements have been drawn up in accordance with International Financial Reporting Standards and the requirements of the Superannuation (General Provisions) Act 2000 and requirements of the Trust Deed of the National Superannuation Fund dated 31 May 2002.

The auditor has communicated with us that relevant ethical requirements prohibiting members of the audit team or their immediate family members holding direct financial interests in the Fund were not met under Section 510 of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants that are relevant to their audit of the Financial Report in Papua New Guinea, for the year ended 31 December 2025. We agreed that safeguards proposed and implemented by the auditor are sufficient to enable them to perform the audit engagement and to issue their report to the members for the year ended 31 December 2025.

DATED at PORT MORESBY this 18th day of March 2026.

For and on behalf of the Management of National Superannuation Fund:



Mr. Rajeev Sharma
Chief Executive Officer
Date: 18/03/2026



Ms. Debbie Oli
Chief Financial Officer
Date: 18/03/2026



INDEPENDENT AUDITOR'S REPORT

To the members of National Superannuation Fund

Report on the audit of the Financial Report

Opinion

We have audited the Financial Report of National Superannuation Fund (the "Fund").

In our opinion, the accompanying Financial Report of the Fund is in accordance with the *Superannuation (General Provision) Act 2000*, the *Superannuation Prudential Standards issued by the Bank of Papua New Guinea* including:

- giving a true and fair view of the Fund's financial position as at 31 December 2025 and of its financial performance for the year ended on that date; and
- complying with *International Financial Reporting Standards*.

The Financial Report comprises:

- statement of financial position as at 31 December 2025;
- statement of profit or loss and other comprehensive income, statement of changes in members' funds, and statement of cash flows for the year then ended; and
- notes including a summary of material accounting policies.

Basis for opinion

We conducted our audit in accordance with the *International Standards on Auditing*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Fund in accordance with the ethical requirements of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the Financial Report in Papua New Guinea. We have fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that we have remained independent as required by the Code throughout the period of our audit and to the date of this Auditor's Report, except for the situation described in the Other Matter paragraph below.

**We draw your attention to the Other Matter paragraph below which describes matters contributing to the auditor's independence for the year ended 31 December 2025.*



INDEPENDENT AUDITOR'S REPORT

Other Matter

Relevant ethical requirements for auditor independence are set out in the Code. In respect of our audit of the Fund's Financial Report for the year ended 31 December 2025, we note that junior audit team members were members of the Fund for the period under audit, and therefore relevant ethical requirements prohibiting members of the audit team or their immediate family members holding direct financial interests in the Fund were not met under section 510 of the Code. We have implemented relevant safeguards to reduce threats to our independence, including senior team members not holding direct financial interests in the Fund. We have made the Board of Trustees of the Fund, the Bank of Papua New Guinea and Certified Practising Accountants Papua New Guinea aware of the situation and discussed them the relevant safeguards applied. They have confirmed to us their agreement that the safeguards implemented are sufficient to enable us to perform the audit engagement and to issue our independent auditors' report to the members for the year ended 31 December 2025.

Other Information

Other Information is financial and non-financial information in National Superannuation Fund's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with the *International Financial Reporting Standards, Superannuation (General Provisions) Act 2000* and the *Superannuation Prudential Standards issued by Bank of Papua New Guinea*;
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing the Fund's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is 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 conducted in accordance with *International Standards on Auditing* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

As part of the audit in accordance with *International Standards on Auditing*, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, 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 controls.
- 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Those Charged with Governance (TCWG)'s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial report 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 auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

The auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

The auditor also provides those charged with governance with a statement that the auditor has complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on the auditor's independence, and where applicable, related safeguards. We have communicated with Those Charged with Governance regarding the situation described in the Other Matter paragraph above.



INDEPENDENT AUDITOR'S REPORT

Report on other legal and regulatory requirements

The *Superannuation (General Provisions) Act 2000* and the *Superannuation Prudential Standards* issued by the *Bank of Papua New Guinea* require that in carrying out our audit we consider and report on the following matters. We confirm in relation to our audit of the Financial Report for the year ended 31 December 2025:

- we have obtained all the information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by the Fund as far as appears from an examination of those records.



Pieter Steyn
Partner
Registered under the Accountants Act 1996

Port Moresby
20 March 2026


National Superannuation Fund

Financial Statements as at 31 December 2025

STATEMENT OF FINANCIAL POSITION

	Note	31 Dec 2025 K'000	31 Dec 2024 K'000
Assets			
Investment assets			
Cash and cash equivalents	21	232,156	70,120
Investments in financial assets	8	4,058,889	3,996,340
Other receivables		36,538	45,819
Equity investments	9	4,596,690	3,497,000
Investment properties	10	564,314	561,754
		9,488,587	8,171,033
Other assets			
Other receivables		4,642	4,669
Property and equipment	12	22,220	14,979
		26,862	19,648
Total assets		9,515,449	8,190,681
Liabilities			
Withholding taxes payable		1,744	1,522
Sundry creditors and accruals	14	21,228	17,753
Current tax liability	13(b)	67	7,341
Provision for employee entitlements	15	4,589	4,455
Deferred tax liability (net)	13(c)	37,215	40,080
Total liabilities		64,843	71,151
Net assets		9,450,606	8,119,531
Represented by:			
Liability for accrued benefits			
- Allocated funds		8,309,107	7,191,895
- Unallocated contributions		48,200	65,926
- Unallocated earnings		1,093,299	861,711
Total Member Funds		9,450,606	8,119,532


 Mr. Christopher Elphick
Chairman
 Date: 18/03/2026


 Mr. Michael Murphy
Chair of the Audit Committee
 Date: 18/03/2026

The Statement of Financial Position is to be read in conjunction with the notes to, and forming part of, the Financial Statements.

National Superannuation Fund

Financial Statements for the year ended 31 December 2025

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	31 Dec 2025	31 Dec 2024
		K'000	K'000
Investment income			
Interest income	16	350,323	306,946
Dividend income	16	159,305	151,471
Property rentals		44,910	40,590
Movement in fair value of investments	11	579,819	487,112
Net foreign exchange gain/(loss)		141,627	(5,715)
		1,275,893	980,405
Less: Property costs		(12,251)	(19,462)
Net Investment income		1,263,642	960,943
Other income and expenses			
Sundry income		292	77
Reversal/(Provision) for Impairment of financial assets		(26,542)	31,528
Loss on disposal of fixed assets		-	(255)
		(26,250)	31,350
Expenditure			
Staff related expenses	18	(31,223)	(30,317)
Fund administration fees		(12,664)	(11,224)
Investment management fees		(8,154)	(7,653)
Advertising		(2,501)	(1,719)
Depreciation		(3,123)	(1,881)
Board expenses	22	(4,047)	(3,131)
Bank of PNG regulatory fees		(2,357)	(2,047)
Other administration expenses		(24,590)	(17,082)
		(88,660)	(75,054)
Profit before tax		1,148,732	917,239
Income tax expense	13(a)	(63,041)	(67,564)
Profit after tax		1,085,691	849,675
Other comprehensive income		-	-
Total comprehensive income for the year		1,085,691	849,675

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to, and forming part of, the Financial Statements.

National Superannuation Fund

Financial Statements for the year ended 31 December 2025

STATEMENT OF CHANGES IN MEMBERS' FUNDS

	Note	Allocated Funds K'000	Unallocated Contribution K'000	Unallocated Earnings K'000	Total K'000
As at 1 January 2024		6,404,830	68,188	594,827	7,067,845
Total comprehensive income		-	-	849,675	849,675
Contributions received	7(a)	-	793,353	-	793,353
Allocated contributions	7(b)	795,616	(795,616)	-	-
Interim interest		13,732	-	(13,732)	-
Benefits paid to members	7(c)	(591,341)	-	-	(591,341)
Interest allocated to members' accounts		569,058	-	(569,058)	-
As at 31 December 2024		7,191,895	65,925	861,711	8,119,532
Total comprehensive income		-	-	1,085,691	1,085,691
Contributions received	7(a)	-	855,962	-	855,962
Allocated contributions	7(b)	873,688	(873,688)	-	-
Interim interest		17,468	-	(17,468)	-
Benefits paid to members	7(c)	(610,533)	-	-	(610,533)
Interest allocated to members' accounts		836,589	-	(836,635)	(46)
As at 31 December 2025		8,309,107	48,200	1,093,298	9,450,606

The Statement of Changes in Members' Funds is to be read in conjunction with the notes to, and forming part of, the Financial Statements.

National Superannuation Fund

Financial Statements for the year ended 31 December 2025

STATEMENT OF CASH FLOWS

	Note	31 Dec 2025 K'000	31 Dec 2024 K'000
Cash flow from operating activities			
Interest received		342,544	286,820
Rent received		54,191	36,722
Dividend received		159,305	151,471
Wages and administration payments		(76,208)	(76,866)
Income tax paid	13(b)	(24,062)	(14,915)
Property costs		(12,251)	(19,462)
Net cash from operating activities		443,518	363,770
Cash flow from investing activities			
Purchase of property and equipment		(4,331)	(3,295)
Proceeds from sale of property and equipment		69	20
(Acquisition/Additions) of investment property		(4,716)	(6,583)
Proceeds from sale of investment property		-	14,480
Purchase of equity investments		(366,227)	(395,609)
Proceeds from equity investments		-	84,829
Investments in financial assets		(1,337,602)	(1,115,876)
Proceeds from sale of financial assets		1,200,650	786,641
Net cash used in investing activities		(512,157)	(635,393)
Cash flow from financing activities			
Contributions received		855,962	793,353
Benefits paid		(610,533)	(591,341)
Net cash from financing activities		245,429	202,012
(Increase/Decrease) in cash and cash equivalents		176,790	(69,611)
Effect of exchange rate fluctuations	17	(14,754)	1,993
Cash and cash equivalents at the beginning of the year		70,120	137,738
Cash and cash equivalents at the end of the year	21	232,156	70,120

The Statement of Cash Flows is to be read in conjunction with the notes to, and forming part of, the Financial Statements.

National Superannuation Fund

Notes to, and forming part of, the financial statements
For the year ended 31 December 2025

1. General Information

Operations of Nasfund

National Superannuation Fund ("the Fund" or "Nasfund") is a defined contribution superannuation fund established pursuant to the Superannuation (General Provisions) Act 2000. The Trustee primarily is involved in the management of retirement funds for employees in the private sector and State-Owned Entities throughout Papua New Guinea.

Under the Trust Deed number 220228, National Superannuation Fund Limited is the Trustee of the Fund governed by a Board of Directors.

Statement of Compliance

The financial statements of the Fund have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the Accounting Standards Board of Papua New Guinea (ASB) and the requirements of the Superannuation (General Provisions) Act 2020, and the Superannuation Prudential Standards issued by the Bank of Papua New Guinea.

The financial statements of the Fund for the year ended 31 December 2025 were authorised for issue by the Board of Directors of the Trustee, on 12/03/26 and signed on 18 /03/2026.

2. Basis of Preparation

The financial statements have been prepared primarily on the historical cost basis except for the following material items in the Statement of Financial Position:

- financial instruments at fair value through profit or loss;
- certain financial instruments carried at amortised cost;
- investment property carried at fair value through profit and loss.

Fund Requirements

To qualify as an investment entity, certain criteria have to be met. Specifically, an entity is an investment entity when it:

- Obtains funds from one or more investors for the purpose of providing them with professional investment management services;

- Commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- Measures and evaluates performance of substantially all of its investments on a fair value basis.

The Fund meets all the above requirements.

Functional and Presentation Currency

The financial statements are presented in the currency of Papua New Guinea, the Kina, which is the Fund's functional currency, and amounts are rounded to the nearest thousand, unless otherwise stated.

Investments in controlled and associated entities

The Fund's interest in controlled entities and entities in which it holds significant influence are treated as investments of the Fund and these investments are measured at fair value.

Use of Estimates and Judgments

In the application of the Fund's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on the historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the date of the statement of financial position, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, are discussed below:

Valuation of Investment Properties

There are significant challenges in the PNG market with the limited information available in

National Superannuation Fund

Notes to, and forming part of, the financial statements For the year ended 31 December 2025

terms of the disclosure of sales and rental evidence and availability of benchmarking data. The Fund has engaged independent appraisers to provide their views on the estimated fair value of the material investments within the portfolio. Such fair values were determined based on the capitalization of rent, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices. The Fund has then assessed these valuations, together with their knowledge of the market and the economy in PNG. The amounts and timing of recorded changes in fair value for any period would differ if the Fund made different judgments and estimates or utilised different basis for determining fair value.

The fair value methodology and any unobservable inputs that would be applicable to estimation for investment properties are considered in notes 4 (i) and 10 (b).

Valuation of Equity Investments, Financial Assets and Liabilities

The Fund carries most of its equity investments, financial assets and liabilities at fair value, which requires use of accounting estimates and judgment. While significant components of fair value measurement were determined using verifiable objective evidence, i.e., foreign exchange rates, interest rates, volatility rates, future cash flows, discount to net asset, the amount of changes in fair value would differ if the Fund utilised different assumptions or estimates for those rates. Any changes in fair value of these financial assets and liabilities would affect profit or loss and equity.

The fair value methodologies and unobservable inputs used in calculating the equity investments, financial assets and liabilities of the Fund are considered in notes 4 (ii) to (v), 9(d) and 23(e).

Contingent Liabilities

The Fund is currently involved in various legal proceedings as disclosed in note 20. Estimates of probable costs for the resolution of these claims have been developed in consultation with outside counsel handling the defense in these matters and is based upon an analysis of potential results. The Fund currently does not

believe these proceedings will have a material adverse effect on the statement of financial position. It is possible, however, that future results of operations could be materially affected by changes in the estimates, or in the effectiveness of the Fund's strategies relating to these proceedings, or in the application of new and revised International Financial Reporting Standards.

Going Concern

The financial report has been prepared on a going concern basis, which contemplates the continuation of normal business operations and the realisation of assets and settlement of liabilities in the normal course of business. In making this assessment, the Board has considered future events and conditions for the period of 12 months following the approval of these financial statements. The Board remains confident that Nasfund will be able to continue as a going concern as the Fund's assets significantly outweigh its liabilities and it has sufficient liquidity to meet its debts as and when they fall due.

Application of new and revised International Financial Reporting Standards

In the current year, In the current year, there were no amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2025 required to be adopted by the Fund.

New and Revised IFRSs in issue but not yet effective

The Fund has not applied the following new and revised IFRSs that have been issued but are only effective for annual periods beginning on or after 1 January 2026:

- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current
- Amendments to IAS 1: Non-current Liabilities with Covenants.

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Fund

National Superannuation Fund

Notes to, and forming part of, the financial statements For the year ended 31 December 2025

in future periods. in future periods.

3. Material accounting policy information

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Fund.

A. Member Accounts

Contributions are accounted for, and members' accounts credited with their contributions, on a cash basis based on the receipt of reconciled contributions schedules.

B. Investment in Financial Assets

In accordance with International Financial Reporting Standards, investment in financial assets, investment properties and equity investments are included in the Statement of Financial Position at fair value as at the balance sheet date and movements in fair value of investment assets are recognised in the statement of comprehensive income in the period in which they occur.

The Fund also holds Government Securities, loans and cash, the accounting policy for which is detailed in Note 3 (e).

C. Foreign Currency Transactions

Transactions in foreign currencies are translated to the functional currency of the Fund at the exchange rate at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the reporting date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date

of the transaction.

D. Deferred Expenditure

All staff housing subsidies advanced are amortised over a five-year period at 20% per annum, IRC approved.

E. Financial instruments

i) Non-derivative financial assets

The Fund initially recognises loans and receivables and deposits on the date that they have originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Fund becomes a party to the contractual provisions of the instrument.

The Fund derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the right to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred. Any interest in transferred financial assets that is created or retained by the Fund is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Fund has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Government Securities

Government securities including treasury bills are recognised at amortised cost and assessed for impairment annually. Amortised cost approximates fair value of these instruments.

Loans and Receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost

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using the effective interest method, less any impairment losses.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Fund's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

ii) Non-derivative financial liabilities

The Fund is restricted by the Superannuation (General Provisions) Act 2000 from borrowing funds. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date at which the Fund becomes a party to the contractual obligations.

The Fund's non-derivative financial liabilities include trade and other payables. Trade and other payables are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Fund.

F. Property Plant and equipment

i) Recognition and measurement

Items of property, plant and equipment are initially measured at cost (including transaction costs). They are subsequently measured at cost less accumulated depreciation, with the exception of property. The written down value approximates fair value. Property is revalued on a regular basis and is measured at fair value with any change therein recognised in profit or loss. Where the property is the owner-occupied portion of an investment property, allocation of the fair value gain or loss will be apportioned on the basis of occupancy. It is assumed that all common areas and shared facilities are apportioned on the basis of occupancy.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of material and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the cost of dismantling and removing the items

and restoring the site on which they are located, and capitalised borrowing costs. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Net gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised within other income in profit or loss.

ii) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Fund, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Fund will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

- Office equipment 5-12 years
- Fixture and fittings 5-10 years

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- Motor Vehicles 3-5 years
- Property 20 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognised in the Income Statement.

G. Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at fair value with any change therein recognised in profit or loss.

Where the owner occupies more than 5% of an investment property, the owner-occupied portion of the property will be reclassified as property, plant and equipment. When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

H. Impairment of assets

i) Financial assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Fund on terms that the Fund would not consider

otherwise, indication that a debtor or issuer will enter bankruptcy and the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Fund considers evidence of impairment for receivables and held-to-maturity investment securities at both a specific asset and collective level.

All individually significant receivables and held-to-maturity investment securities are assessed for specific impairment. All individually significant receivables and held-to-maturity investment securities found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment the Fund uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Changes in impairment provisions attributable to time value are reflected as a component of

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interest income.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised in profit or loss, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

ii) Non-financial assets

The carrying amount of the Fund's non-financial assets, other than investment property and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

I. Employee benefit plans

i) Defined contribution plans

The Fund is a defined contribution plan and as part of its post-employment benefit plan for its employees the Fund pays fixed contributions into the Fund. The Fund has no legal or constructive obligation to pay further amounts for each employee. The obligation for contributions is recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

ii) Other long-term Employee Benefits

The Fund's obligations in respect of long-term employee benefits is the amount of benefit that employees have earned in return for their services in the current and prior periods as required by law. That benefit is accrued each period and the increase taken to profit and loss account.

iii) Short-term Employment Benefits

Short-term employee benefits obligations are measured on an undiscounted basis and are expensed as the related service is provided.

J. Provisions

A provision is recognised if, as a result of a past event, the Fund has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

K. Revenue Recognition

Revenue is recorded on an accrual basis. To the extent in which it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured, revenue is recognised. The following recognition criteria relates to the different revenues the Fund has recognised.

i) Dividend Revenue

Revenue from dividends is recognised at a point in time on the date the shares are quoted ex-dividend and if not received at balance date, is reflected in the statement of financial position as a receivable.

ii) Interest Revenue

Revenue on money market and fixed interest securities is recognised over time using the effective interest rate method, and if not received at balance date, it is reflected in the statement of financial position as a receivable.

iii) Movement in Net Market Value of Investments

Changes in the fair value of investments are recognised as income or expense if a loss, and are determined as the differences between the fair value at year end or consideration received (if sold during the year) and the fair value as at the prior year end or cost (if the investment was acquired during the period).

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iv) Rent

Rent from property is recognised over time in accordance with the rental agreement on a straight-line basis.

L. Income Taxes

Income tax expense comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax is recognised for unused tax losses, tax credits and deductible temporary

differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax is reviewed at each reporting date and is reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4. Determination of Fair Values

A number of the Fund's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on methods discussed in the following sections. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The Fund has an established control framework with respect to the measurement of fair values. The overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, rests upon the Chief Financial Officer and Chief Investment Officer. The Chief Financial Officer and Chief Investment Officer review the valuation reports and assess the reasonableness of the significant unobservable inputs. The key items in the valuation reports are reported to the Audit Committee and Investment Committee.

When measuring the fair value of an asset or a liability, the Fund uses observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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Notes to, and forming part of, the financial statements For the year ended 31 December 2025

If the inputs used to measure fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest input that is significant to the entire measurement.

The Fund recognises transfers between levels of the fair value hierarchy at the end of the reporting period in which the change has occurred.

The following is a summary of significant fair values determined in preparing the notes to the Fund's financial statements.

I. Investment Property

Investment property is initially recorded at cost including transaction costs. Individual property assets are subsequently carried at fair value. Fair value is measured on an annual basis and by an external independent valuer at least once every three years. The independent valuer must have appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably and willingly.

In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows then is applied to the net annual cash flows to arrive at the property valuation.

Valuations reflect, when appropriate, the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, the allocation of maintenance and insurance responsibilities between the Fund and the lessee, and the remaining economic life of the property. When rent reviews or lease renewals are pending with

anticipated reversionary increases, it is assumed that all notices, and when appropriate, counter-notices, have been served validly and within the appropriate time. The sensitivity analysis on investment property fair valuations is disclosed in a note in the accounts.

II. Investment in Quoted Equity and Debt Securities

The fair value of financial assets at fair value through profit or loss and available-for-sale financial assets is determined by reference to their quoted closing bid price at the reporting date.

III. Unquoted Equity Investments

Unquoted equity investments are initially recorded at cost. Individual unquoted equity investments are subsequently carried at fair value. Fair value is measured on an annual basis and by an external, independent valuer at least once every 3 years. When an external valuation is required, an external independent valuer, having appropriate recognised professional qualifications and recent experience of unquoted companies being valued, values the Fund's unquoted equity investments. The fair values are based on either the cumulative multiple earnings, net assets, discounted net assets, discounted cash flows, dividend discount model, or liquidation method. The method adopted is applied consistently from year to year. The sensitivity analysis on unquoted equity investments is disclosed in notes to the accounts.

IV. Trade and Other Receivables

The fair value of trade and other receivables for disclosure purposes is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

V. Non-derivative Financial Liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to

National Superannuation Fund

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similar lease agreements.

5. Financial Risk Management

This note presents information about the Fund's exposure to each of the risks noted below, the Fund's objectives, policies and processes for measuring and management of risks, and the Fund's management of capital. Further quantitative disclosures are included in Note 23 and throughout these financial statements. Note 23 outlines the Funds exposure to the risks from its use of financial instruments.

Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Fund's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior.

The Fund's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Fund's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management. This responsibility is supported by the development of overall Fund standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions.
- requirements for the reconciliation and monitoring of transactions.
- compliance with regulatory and other legal requirements.
- documentation of controls and procedures.
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks
- requirements for the reporting of operational losses and proposed remedial action;
- training and professional development;

- ethical and business standards; and
- risk mitigation, including insurance where this is effective.

Compliance with Fund standards is supported by a program of periodic reviews undertaken by management. The results of internal reviews are discussed with management with summaries submitted to the Audit Committee and Risk and Compliance Committee and Board of Directors.

Risk Management Framework

The Board of Directors of the Trustee company has overall responsibility for the establishment and oversight of the Fund's risk management framework. The board has established the Audit Committee and Risk and Compliance Committee, which is responsible for developing and monitoring the Fund's risk management policies. The committee reports regularly to the Board of Directors of the Trustee company on its activities.

The Fund's risk management policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities. The Fund, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors of the Trustee company oversees how management monitors compliance with the Fund's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund.

6. Funding arrangements

The employers have contributed to the Fund during the current financial year at a rate of 8.4% of the gross salaries of those employees who were members of the Fund (2024: 8.4%). Employees contribute to the Fund during the year at a minimum rate of 6.0% of the gross salaries (2024: 6.0%).

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7 Members' Funds	Note	31 Dec 2025	31 Dec 2024
(a) Contributions received		K'000	K'000
Superannuation contribution receipts	(i)	817,790	751,239
Eda Super receipts		9,704	8,404
Housing advance repayments		17,178	20,795
Transfers in from other Superfunds		11,290	12,915
		855,962	793,353
(b) Allocated contributions			
Superannuation contributions	(ii)	(864,891)	(788,339)
Eda Super contributions	(ii)	(8,797)	(7,277)
		(873,688)	(795,616)
(c) Benefits paid to members			
Retirement exit payments		(435,794)	(415,109)
Unemployment benefits		(70,757)	(66,339)
Housing advance		(41,882)	(50,232)
Death		(36,461)	(34,869)
Medical grounds		(10,400)	(6,892)
Transfers to other superfunds		(7,076)	(9,336)
Eda Super		(8,165)	(8,564)
		(610,533)	(591,341)

(i) Superannuation contributions receipts, represents both the employer and employee portion.

(ii) Contributions received are allocated to member accounts, upon receipt of the bank statement and contribution file from employer. Any funds received, without the contribution file, or where monies received do not match the contribution file, are unable to be allocated to members' accounts. These are held as unallocated funds. At the point in which the funds are allocated to the member's account, the respective interest for periods unallocated, are also calculated and credited to the members account. So no member misses out on any interest during the period when their funds were sitting as unallocated.

8 Investments in financial assets

Treasury Bills		815,311	620,145
Government Inscribed Stock (GIS)	(a)	2,976,790	3,104,118
Sovereign Community Infrastructure Treasury Bill (SCITB)	(b)	27,559	28,054
Interest receivable	(c)	80,623	72,935
Notes and other loans	(d)	158,606	171,088
		4,058,889	3,996,340
(a) Government Inscribed Stock (GIS)			
GIS		3,058,598	3,162,449
Provision for impairment on GIS	(e)	(81,808)	(58,331)
		2,976,790	3,104,118
(b) Sovereign Community Infrastructure Treasury Bill (SCITB)			
SCITB		68,581	68,581
Interest receivables from SCITB		35,250	35,250
Provision for impairment on SCITB	(e)	(76,272)	(75,777)
		27,559	28,054

The Sovereign Community Infrastructure Treasury Bill (SCITB) was issued by the Treasurer on behalf of the Independent State of Papua New Guinea (State) by National Capital Limited (NCL) as the State's Agent under the Treasury Bills Act 1974. However, the State disputed its liability to repay the SCITB and consequently, the Fund commenced legal proceedings for the recovery of the amount it subscribed for the SCITB as well as any accrued interest. On 28 August 2017, the National Court ordered NCL to return to the Fund approximately K56.4 million which was held by NCL in several bank accounts. These monies were recovered thus lowering the principal remaining to approximately K68.6 million. As at the end of 2025, the balance of the SCITB remains in dispute and the Fund is continuing its legal recovery of these funds (including any accrued interest). Refer to note 20(b) (i) and (iii).

(c) Interest receivable

Opening balance accrued interest	72,935	62,042
Increase/(Decrease) in accrued interest	7,688	10,893
Closing balance	80,623	72,935

National Superannuation Fund

Notes to, and forming part of, the financial statements For the year ended 31 December 2025

8 Investments in financial assets (Continued)				31 Dec 2025	31 Dec 2024
(d) Notes and other loans	Maturity (yrs)	Yield	Note	K'000	K'000
Panamex Limited	5	6.5%		10,000	10,000
Heritage Park Hotel Limited	-	13.5%		15,658	19,469
Mainland Holdings Limited	-	10%		136,653	142,598
PNG Air Limited	-	-	(i)	2,056	2,056
Loloata Island Resort Limited	10	6%		2,591	2,700
				166,958	176,823
Less: Provision for impairment			8 (e)	(8,352)	(5,735)
				158,606	171,088

(i) In 2017 Nasfund provided funding to PNG Air worth K20 million, however the terms on which that funding was to be converted to equity were not satisfied. In 2020, an additional K25 million was converted from investments to loan, as the initial plan to convert the notes to equity did not eventuate. As such, this has now been recorded as a loan and a provision for impairment of K45 million has been accounted for in accordance with IFRS 9, with no interest being accrued, based on an assessment performed in 2020 and at each subsequent reporting period. In 2023, PNG Air underwent a proposed debt restructure exercise, which resulted in a proposed debt to equity conversion for Nasfund. This has been reflected in the accounts in 2024, after final approvals through the Court in the same year. The impact resulted in a debt to equity conversion of K33m and a residual loan balance of K2.06m. The loan has been fully provided for.

(e) Movement in provisions	Note	31 Dec 2024 K'000	Movement K'000	31 Dec 2025 K'000
Provision for impairment is comprised of the following:				
Sovereign Community Infrastructure Treasury Bill	8 (b)	75,777	495	76,272
Government Inscribed Stock	8 (a)	58,331	23,477	81,808
PNG Air Limited	8 (d)	2,056	-	2,056
Mainland Holdings Limited	8 (d)	2,888	2,884	5,772
Loloata Island Resort Limited	8 (d)	56	70	126
Panamex Limited	8 (d)	200	198	398
Receivables	8 (d)	535	53	588
Closing balance		139,843	27,177	167,020

		31 Dec 2023 K'000	Movement K'000	31 Dec 2024 K'000
Provision for impairment is comprised of the following:				
Tawali Resort Limited		4,057	(4,057)	-
Sovereign Community Infrastructure Treasury Bill		75,400	377	75,777
Government Inscribed Stock		47,134	11,197	58,331
PNG Air Limited		45,000	(42,944)	2,056
Mainland Holdings Limited		12,071	(9,183)	2,888
Loloata Island Resort Limited		252	(196)	56
Hornibrook NGL Limited		415	(415)	-
Panamex Holdings [Singapore] Pte. Limited		830	(630)	200
Receivables		-	535	535
Closing balance		185,159	(45,316)	139,843

9 Equity Investments	Note	31 Dec 2025 K'000	31 Dec 2024 K'000
Quoted investments – domestic	(a)	1,422,564	1,093,364
Quoted investments – international	(a)	2,002,037	1,300,619
Unquoted investments	(b)	1,172,089	1,103,017
		4,596,690	3,497,000

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9 Equity Investments (Continued)

(a) Quoted Investments

Summary of fair value movement of quoted Investments is as follows:

	31 Dec 2024	Fair value movement	Additions (disposals)	31 Dec 2025
	K'000	K'000	K'000	K'000
Quoted shares domestic				
BSP Financial Group Limited	901,836	210,731	-	1,112,567
City Pharmacy Limited	23,860	(1,383)	-	22,477
Credit Corporation (PNG) Limited	167,668	119,852	-	287,520
	1,093,364	329,200	-	1,422,564
Quoted shares international				
Santos Limited	64,246	1,448	37,284	102,978
Vanguard International Shares Index Fund	564,874	133,164	725	698,763
Vanguard Global Infrastructure Index ETF	6,747	4,388	95,124	106,259
Vanguard All-World Ex-US Index ETF	171,604	62,466	-	234,070
iShares Core S&P500 ETF	400,007	94,198	-	494,205
iShares U.S Infrastructure ETF	13,636	11,405	152,905	177,946
Steamships Trading Company Limited	63,705	(10,797)	-	52,908
Newmonth Corporation	4	40,344	46,109	86,457
Kina Securities Limited	15,796	3,837	28,818	48,451
	1,300,619	340,455	360,965	2,002,037

Reconciliation of movement in quoted investments is as follows:

	Note	31 Dec 2025	31 Dec 2024
		K'000	K'000
Opening balance		2,393,982	1,598,625
Net additions/(disposals) during the year		360,965	344,540
Fair value gain/(loss)	11	669,655	450,817
Closing balance		3,424,602	2,393,982

(b) Unquoted Investments at fair value

Summary of fair valuation of unquoted Investments is as follows:

Unquoted investments	% holding	Valuation model	31 Dec 2024	Fair value movement	Additions (disposals)	31 Dec 2025
			K'000	K'000	K'000	K'000
Amalgamated Packaging Limited	30.00%	(ii)	-	4,426	-	-
Hornibrooks NGI Limited	21.13%	(i)	-	8,135	-	-
Brian Bell & Company Limited	20.31%	(ii)	-	5,125	-	-
The Edge Limited	100.00%	(i)	-	4,392	-	-
City Centre Developments Limited	100.00%	(i)	-	3,818	-	-
South Pacific Brewery Limited	0.72%	(ii)	-	497	-	-
Pacific Balanced Fund	20.97%	(ii)	-	-	-	-
Hillside Gardens Partnership	50.00%	(i)	-	(1,170)	-	-
Panamex Limited	41.30%	(ii)	-	(1,371)	-	-
Heritage Park Hotel	60.00%	(i)	-	40,707	-	-
Malagan Limited	100.00%	(i)	-	1,230	-	-
Carpark Limited	100.00%	(i)	-	288	-	-
Gewani Limited	100.00%	(i)	-	4,747	-	-
Capital Insurance Group Limited	19.16%	(i)	-	(5,218)	-	-
Loloata Island Resort Limited	50.00%	(iii)	-	(1,223)	-	-
Mainland Holdings Limited	98.82%	(iii)	-	6,511	-	-
Pacific International Hospital	30.36%	(iv)	-	(7,082)	-	-
Nationwide Microbank Ltd	14.98%		-	-	5,262	-
			1,103,018	63,809	5,262	1,172,089

Except where disclosed above, all valuation models remain consistent with prior year.

(i) Adjusted Net Assets on a Going Concern Basis

(ii) Capitalisable Maintainable Earnings ("CME")

(iii) Net Realisable Value ("NRV")

(iv) Combination of CME and Discounted Cash Flow ("DCF")

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9 Equity Investments (Continued)	Note	31 Dec 2025	31 Dec 2024
<i>Reconciliation of movement in unquoted investments is as follows:</i>			
		K'000	K'000
Opening Balance		1,103,018	1,075,751
Additions during the year		5,262	-
Fair value gain	11	63,809	27,267
Closing balance		1,172,089	1,103,018

The above unquoted investments are stated at fair value, which have been determined by the Board of Directors based on external valuations performed by PwC PNG, Kina Investment Banking and internal valuations. The main methodologies in determining the fair value of unlisted equities are usually based on future maintainable earnings, dividend yields, net tangible assets or cash flows. The valuers have applied the most appropriate methodologies to each investment and have used other methodologies as a cross check where appropriate.

(c) Unconsolidated subsidiaries

National Superannuation Fund meets the definition of an investment entity under IFRS 10 *Consolidated Financial Statements* and in accordance with the consolidation exemption for investment entities in IFRS 10, the Fund measures its investments in its subsidiaries at fair value through profit or loss in accordance with IFRS 9 Financial Instruments. There are no significant restrictions on the ability of any unconsolidated subsidiaries to transfer funds to the Fund. The Fund's unconsolidated subsidiaries are disclosed in the table below.

Subsidiary name	Principal place of business	% Shareholding
The Edge Limited	Port Moresby, Papua New Guinea	100%
City Centre Developments	Port Moresby, Papua New Guinea	100%
Malagan Limited	Port Moresby, Papua New Guinea	100%
Carpark Limited	Port Moresby, Papua New Guinea	100%
Gewani Limited	Port Moresby, Papua New Guinea	100%
Mainland Holdings Limited	Lae, Papua New Guinea	98.82%
Heritage Park Hotel	Honiara, Solomon Islands	60%

(d) Equity investments that are over 5% of the net asset value of the Fund

BSP Financial Group Limited	11.77%
Vanguard Investments Australia Limited	7.39%
iShares Core S&P500 ETF	5.23%

(e) Fair value model and significant unobservable inputs

Set out below are the fair valuation models used and the significant unobservable inputs that may affect the valuation.

(i) Adjusted Net Assets on a Going Concern Basis

Under this model, fair value is based on the identifiable net assets of the investee. This method is used where the underlying assets and liabilities approximate their fair value and management do not believe there is any intangible value in the company. Realisation discount rates adopted remain consistent with 2024 ranging from 5% to 100%, average between 21% to 38%.

(ii) Capitalisable Maintainable Earnings ("CME")

Capitalisable maintainable earnings (CME) approach is a valuation model based on market multiples derived from quoted prices of companies comparable to the investee and the maintainable earnings of the investee. The fair value estimate is adjusted for the effect of the non-marketability of the equity securities. Significant key unobservable input used in this valuation model are the maintainable earnings of the investee; adjusted market multiples ranging from 3.5x to 7x (2024: 3.4x to 8.6x), country risk ranging from 30% to 55% (2024: 18% to 70%) and control premium ranging from 20% to 25%, consistent with prior year.

Accordingly, an increase in the maintainable earnings of the investee and / or an increase in the adjusted market multiple will increase the estimated fair value of the equity investment. A decrease in the maintainable earnings of the investee and / or a decrease in the adjusted market multiple will decrease the estimated fair value of the equity investment.

(f) Sensitivity analysis

The following is a sensitivity analysis of significant unobservable inputs, and shows the effect on profit or loss of:

Increase of 1% in market multiples	70,743	34,914
10% increase in earnings	53,611	18,009
Increase of 5% in minority discount rates	(31,885)	(41,102)

A decrease in any of the above unobservable inputs would have the opposite but similar effect to profit or loss.

National Superannuation Fund

Notes to, and forming part of, the financial statements
For the year ended 31 December 2025

	Note	31 Dec 2025 K'000	31 Dec 2024 K'000
10 Investment Properties			
Residential properties	(a)	44,829	45,059
Commercial properties	(a)	482,064	488,036
Land	(a)	12,104	12,074
Work in Progress		25,317	16,585
		564,314	561,754

(a) Investment properties (at market value)

Summary of movement in fair valuation of investment properties as follows:

	Capitalisation rates	Valuation model	31 Dec 2024 K'000	Fair value movement K'000	Other movements K'000	31 Dec 2025 K'000
Residential properties	2025 (2024)	2025 (2024)				
Solwara Apartments	10.5% (10%)	MC (MC)	-	(230)	-	-
Andu Lumuki Apartments	-	MC (DMA)	-	-	-	-
Siroi Panu Units	-	DMA (DMA)	-	-	-	-
			45,059	(230)	0	44,829
Commercial properties						
Ravalian Haus	10.5% (10%)	MC (MC)	-	(1,180)	-	-
Nasfund Madang	12.5% (11%)	MC (MC)	-	(130)	(604)	-
ANZ Haus	10% (10%)	MC (MC)	-	2,041	-	-
Westpac Head Office Building	-	DMA (DMA)	-	0	-	-
BSP Douglas Street	-	DMA (DMA)	-	(199)	-	-
Madang Slipway	-	DMA (DMA)	-	(2,752)	-	-
Kina Haus	10 (12%)	MC (MC)	-	2,077	-	-
Nasfund Haus Lae	12% (11%)	MC (MC)	-	459	(905)	-
Nasfund Boroko	(10%)	DMA (MC)	-	624	(2,796)	-
IPA Haus	10.5% (11.5%)	MC (MC)	-	(826)	-	-
Burns Philp	11% (10%)	MC (MC)	-	1,080	-	-
The Face	10% (10%)	MC (MC)	-	445	(1,650)	-
The Factory	11% (12%)	MC (MC)	-	(589)	-	-
Zenara	12.0%	MC (SU)	-	(1,065)	-	-
			488,036	(15)	(5,955)	482,064
Land						
8 Mile and 9 Mile	-	DMA	-	30	-	-
Vacant Land, POM	-	DMA	-	-	-	-
Vacant Land, Lae	-	DMA	-	-	-	-
			12,074	30	-	12,104

MC – Market Capitalisation DMA - Direct Market Approach SU - Summation Approach

	Note	31 Dec 2025 K'000	31 Dec 2024 K'000
Reconciliation of movement in investment properties is as follows:			
Opening balance		561,754	568,608
Net additions/(disposals)/(transfers)		(5,955)	(12,190)
Work in progress (at cost)		8,732	4,016
Fair value gain/ (loss)	11	(215)	1,320
Closing balance		564,316	561,754

Investment properties are stated at fair value, which have been determined by the Board of Directors in line with the accounting policy at note 4(i).

All rental income and property costs disclosed in the Statement of Profit or Loss and Other Comprehensive Income, relate purely to investment properties.

(b) Measurement of fair value, fair value model and significant unobservable inputs

Information about how the fair values of the Fund's investment properties are determined (in particular, the valuation method(s) and inputs used) is detailed as follows:

(i) Direct market approach (DMA) is a market-based valuation technique which considers the most recent completed sales transactions and quoted market prices (when available) of similar properties in the location adjusted for certain market factors such as the physical deterioration of the property and its location (prime vs secondary).

National Superannuation Fund

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10 Investment Properties (Continued)

(ii) Market capitalisation (MC) is a fair valuation model which considers the present value of net cash flows to be generated from the property. The expected net cash flows are discounted using risk-adjusted market capitalisation rates. Key unobservable input includes the risk-adjusted market capitalisation rates as disclosed above. Lease rates and outgoings are based on the actual as earned and incurred by the Fund.

(iii) Summation approach (SU) is based on attributing a value to each component of the property, rather than a value for the property in its entirety.

(iv) Fair value hierarchy

The classifications of fair value hierarchy have been discussed in note 23(g). The reconciliation of the movement of investment properties based on their respective fair value hierarchy classification are detailed as follows:

The fair value measurement for investment properties of K564.314 million (2024: K561.754 million) have been categorised at Level 3 fair value as the inputs to the valuation techniques used made reference to significant unobservable inputs such as risk-adjusted capitalisation rates.

(v) Level 3 fair value

Reconciliation from the opening balances to the closing balances for Level 3 fair values:

	31 Dec 2025	31 Dec 2024
	K'000	K'000
Opening balance	561,754	568,608
Improvements, reclassifications and additions	(5,955)	(12,190)
Work in progress	8,732	4,016
Changes in fair value	(215)	1,320
Closing balance	564,316	561,754

Market capitalisation, summation method and direct market comparison were the valuation models used in measuring the fair value of the above properties. The market capitalisation valuation model considers the present value of net cash flows to be generated from the property. The expected net cash flows are discounted using risk-adjusted market capitalisation rates adjusted for certain market factors such as the physical deterioration of the property and its location (prime vs secondary). The direct market comparison valuation model considers the most recent completed sales transaction and quoted market prices (when available) of similar properties in the location adjusted for the certain market factors such as the physical deterioration of the property and its location (prime vs secondary). The estimated fair value would increase or decrease based on the market's most recently completed sales transaction for comparable properties and the changes in the costs of constructing new similar properties.

Significant key unobservable inputs used include market lease rates and market capitalisation rates ranging from 10% to 12.5% (2024: 10% to 11.5%). Accordingly, an increase in market lease rates and / or a decrease in market capitalisation rate would increase the fair value of the properties. A decrease in market lease rates and / or an increase in market capitalisation rate would decrease the fair value of the properties.

(vi) Sensitivity analysis

	Effect on profit or loss	
Increase of 1% in capitalisation rates	(30,289)	(19,771)
10% increase in rentals	32,999	121,639

A decrease in any of the above unobservable inputs would have the opposite but similar effect to profit or loss.

11 Movement in fair value of investments

The realised gain/(loss) from financial instruments at fair value through the profit and loss, represents the difference between the carrying amount of a financial instrument at the beginning of the year or the transaction price upon acquisition during the year, and its settlement / sale price upon disposal. The unrealised gain/(loss) represents the difference between the carrying amount of a financial instrument at the beginning of the period or transaction price upon acquisition during the year, and its carrying amount at the end of the period. A summary of the movement in fair value of the investments is as follows:

		31 Dec 2025	31 Dec 2024
	Note	K'000	K'000
Unrealised gain/(loss) in respect of those investments held at the end of the year:			
Shares in listed companies	9 (a)	669,655	450,817
Shares in unlisted companies	9 (b)	63,809	27,267
Investment properties	10	(215)	1,320
Owner occupied investment property	12	2,952	-
		736,200	479,404
Net foreign exchange gain/(loss) shown separately on the face of the Statement of Profit or Loss and Other Comprehensive Income	17	156,381	(7,707)
Movement in fair value not attributed to foreign exchange gain		579,819	487,112

National Superannuation Fund

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12 Property and equipment	Land	Buildings	Motor vehicles	Office equipment	Fixtures and fittings	Total
Cost or deemed cost	K'000	K'000	K'000	K'000	K'000	K'000
At 1 January 2024	-	-	3,691	11,988	8,294	23,973
Additions	-	-	1,438	614	-	2,052
Disposals	-	-	(42)	0	-	(42)
At 31 December 2024	-	-	5,087	12,602	8,294	25,983
Additions	-	-	-	4,331	-	4,331
Transfers *	2,739	3,217	-	-	-	5,956
Revaluation	1,396	1,556	-	-	-	2,952
Disposals	-	-	(602)	(8)	-	(610)
At 31 December 2025	4,135	4,773	4,485	16,925	8,294	38,612
Accumulated depreciation						
At 1 January 2024	-	-	1,602	9,068	5,466	16,136
Depreciation for the year	-	-	615	614	604	1,833
Disposals	-	-	(42)	-	-	(42)
At 31 December 2024	-	-	2,175	9,682	6,070	17,927
Depreciation for the year	-	161	809	1,143	603	2,716
Revaluation	-	(161)	-	-	-	(161)
Disposals	-	-	(535)	(6)	-	(541)
At 31 December 2025	-	-	2,449	10,819	6,673	19,941
0						
Carrying amounts						
At 31 December 2025	4,135	4,773	2,036	6,106	1,621	18,670
At 31 December 2024	-	-	2,912	2,920	2,224	8,056

* Reclassification of Investment Property: In accordance with IAS 40, the Fund assessed properties with dual use to determine whether classification as Investment Property or Property, Plant and Equipment (PPE) was appropriate. Where portions of a property could not be sold or leased out separately under a finance lease, the entire property was classified as Investment Property only if the owner-occupied portion was insignificant, as required by IAS 40.10. As IAS 40 does not define "insignificant", the Fund applied judgement on a property-by-property basis, considering relative value and usable floor space, and assessed owner-occupation below 5% as insignificant. Based on this assessment, effective 1 January 2025, properties with significant owner-occupation were reclassified from Investment Property to PPE in accordance with IAS 16. These movements are recorded as transfers in the current year.

	31 Dec 2025	31 Dec 2024
	K'000	K'000
Capital Work in Progress included in property and equipment		
Opening balance	6,923	5,680
Commissioned	(3,373)	-
Additions	-	1,243
Closing balance	3,550	6,923
Total property and equipment	22,220	14,979
13 Income Tax		
(a) Income tax expense		
Current tax	63,041	67,564
	63,041	67,564
Accounting profit before tax	1,148,732	917,239
Tax on the profit for the year at 25%	287,183	229,310
Taxation effect of permanent differences		
- Permanent adjustments	119	(1,597)
- Non-taxable items	(183,396)	(122,281)
Dividend rebate	(39,826)	(37,868)
under/over provision in prior years	(1,039)	-
	63,041	67,564
	(67)	(7,341)

National Superannuation Fund

Notes to, and forming part of, the financial statements
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13 Income Tax (Continued)

		31 Dec 2025	31 Dec 2024
		K'000	K'000
(b) Current tax liability			
Opening balance of income tax receivable		(7,341)	(8,611)
Current tax		(65,923)	(56,776)
Offset by withholding taxes recoverable		49,135	43,131
Payment during the year		24,062	14,915
(c) Deferred tax liability (net)			
As at 31 December 2025	Assets	Liabilities	Net
	K'000	K'000	K'000
Property, plant and equipment	31	-	31
Investment property	-	(39,361)	(39,361)
Provisions	24,340	-	24,340
Interest receivable	-	(20,156)	(20,156)
Other	918	(2,987)	(2,069)
	25,289	(62,504)	(37,215)
As at 31 December 2024			
Property, plant and equipment	67	-	67
Investment property	-	(39,420)	(39,420)
Provisions	17,671	-	17,671
Interest receivable	-	(18,234)	(18,234)
Other	987	(1,151)	(164)
	18,725	(58,805)	(40,080)
	Note	31 Dec 2025	31 Dec 2024
		K'000	K'000
14 Sundry creditors and accruals			
Sundry creditors and other accruals		17,125	13,379
Bonds and repayable deposits		4,103	4,374
		21,228	17,753
15 Provision for employee entitlements			
Annual leave		962	935
Long service leave		3,627	3,520
		4,589	4,455
The movement in provision for long service leave is presented as follows			
Opening balance		3,520	3,121
Charge for the year utilised	18	475	570
Payments made during the year		(368)	(171)
Closing balance		3,627	3,520
16 Investment income			
Interest Income			
<i>Financial Instruments measured at amortized cost:</i>			
Government Inscribed Stock		281,635	266,871
Bank Deposits		872	1,175
Treasury Bills		49,206	20,349
Loans		18,519	18,551
		350,232	306,946
Dividend income			
<i>Dividends received from Equity Investments:</i>			
Unlisted Equity		59,172	60,414
Listed Equity		100,133	91,057
		159,305	151,471
		509,537	458,417
Total Investment Income			
17 Operating profit for the year has been arrived at after charging the following items:			
Auditors' remuneration – audit		(703)	(588)
Legal expenses		(1,726)	(788)
Gain on sale of property, plant and equipment		20	20
Net foreign exchange gain/(loss) – related to cash		(14,754)	1,993
Net foreign exchange gain/(loss) – related to investments	11	156,381	(7,707)

National Superannuation Fund

Notes to, and forming part of, the financial statements For the year ended 31 December 2025

		31 Dec 2025	31 Dec 2024
		K'000	K'000
18 Staff related expenses			
Salaries and wages		14,945	14,923
Superannuation		1,413	767
Long service leave	14	475	570
Other expenses and benefits		14,390	14,057
		31,223	30,317

The number of full-time employees at the end of the year was 203 (2024: 185).

The number of employees whose remuneration exceeds K100, 000 for the year was 30 (2024: 34).

Total remuneration (Kina)

	31 Dec 2025	31 Dec 2024
	No.	No.
K100,001 - K150,000	12	10
K150,001 - K200,000	7	5
K200,001 - K250,000	5	6
K250,001 - K300,000	3	1
K300,001 - K350,000	1	2
K350,001 - K400,000	-	-
K400,001 - K450,000	1	1
K450,001 - K500,000	1	3
K500,001 - K550,000	1	1
K550,001 - K600,000	1	2
K600,001 - K650,000	1	1
K650,001 - K700,000	-	-
K700,001 - K750,000	-	-
K750,001 - K800,000	-	-
K850,001 - K900,000	-	-
K900,001 - K950,000	-	-
K950,001 - K1,100,000	1	1
K1,100,001 +	1	1
	35	34

19 Employee benefit plans

The Fund contributes to the National Superannuation Fund for its own employees. The Fund's employees receive 10% employer contribution rates. Employees contribute to the Fund during the year at a minimum rate of 6.0% of the gross salaries. During 2025, the Fund expensed K1.413 million in contributions (2024: K0.767 million).

20 Commitments, contingencies and disputes

(a) Commitments

The Fund has entered into contracts for the management and maintenance of its investment properties (facilities management), members' fund management, and investment portfolio management. Each contract is for a period of 3 years with an annual expense expected to be incurred in relation to these contracts as follows:

Contract	Amount
Facilities management (i)	K6.8 million
Member's fund management	Monthly charge of K720,000 fixed fee for 195,000 members + K4.30/member exceeding 195,000
Investment portfolio management	0.11% of assets under management

(i) Facilities management includes fees for properties in 100% owned companies.

(b) Material contracts

Contract	Services	Expiry Date
Kina Investments & Superannuation Services Limited	Fund Administration	June 2027
BSP Capital Limited	Investment Management	July 2027
Ashton Brunswick Limited	Facilities Manager	December 2027

National Superannuation Fund

Notes to, and forming part of, the financial statements For the year ended 31 December 2025

20 Commitments, contingencies and disputes (Continued)

(c) Government securities in dispute and litigation liabilities

The Fund had the following government securities and other litigious matters which were directly or indirectly in dispute as at 31 December 2025:

(i) Sovereign Community Infrastructure Treasury Bill (SCITB) - K125 million

The recovery of the balance of the SCITB is still in dispute. The Independent State of Papua New Guinea (State) claims that the SCITB is not a lawfully issued treasury bill. The Fund maintains, based on independent legal advice, that the issuing of the SCITB is legal and the funds advanced for the SCITB and any applicable interest are fully recoverable. The Fund commenced legal action against the State, the Bank of Papua New Guinea and National Capital Limited (NCL) for the return of the K125 million it advanced to the State in exchange for the SCITB. On 28 August 2018, the National Court ordered NCL to return to the Fund approximately K56.4 million which it held in several bank accounts. These monies have since been received by the Fund. Consequently the principal amount remaining in dispute is approximately K68.6 million. This amount and the accrued unpaid interest, is still being pursued in on-going legal proceedings.

On 3-4 June 2025, the Substantive Proceeding was heard by His Honour Justice Anis who reserved his ruling to a date to be advised. Our lawyers were happy with the way the trial progressed and are confident of a favourable outcome.

(ii) Exchange of Niugini Nominee Notes (K100 million) for Bank of South Pacific shares

During the first part of 2011, the Fund redeemed its holding of Notes issued by Niugini Nominee Notes (NNL) in exchange for shares in BSP. These shares were a part of a parcel of shares which Motor Vehicles Insurance Limited (MVIL) had previously mortgaged to NNL. Kumul Consolidated Holdings (KCH) (parent of MVIL) initiated legal proceedings against NNL and MVIL by which KCH sought to have the BSP shares returned to MVIL. The Fund was joined as a party to these proceedings in June 2011 after the title to the BSP shares were transferred to the Fund and all other relevant transactions were closed out.

One of KCH's claims is that all transactions entered into by the parties were void and that as a consequence, all the BSP shares which had been mortgaged to NNL including those transferred to the Fund should be returned to MVIL. On independent legal advice, the Fund is advised that KCH's claim should fail as it has good title to the parcel of the BSP shares and that any legal action against the Fund would not result in a negative outcome for the fund. As at the end of 2022, the Fund has made two applications to dismiss the proceedings. In both instances, the Court failed to exercise discretion as it still considers that the Fund is a necessary party to determine the issues in dispute. The Fund maintains that the outcome of these two applications do not take away from the fact that the Fund has a good defence.

(iii) Provision for impairment

Whilst the Fund does not accept that its claim in relation to the SCITB referred to in paragraph (i) will fail, that it has any exposure in relation to the claim in paragraph (ii) or that it has any liability in any other proceedings, the Fund has made a global provision in relation to all such matters, of K76.2 million (2024: K75.8 million) to take account of the uncertainties of litigation (see note 8b). Interest income is not being accrued in respect of the SCITB due to the uncertainty about the ultimate recovery of the monies.

(iv) Portion 2123 court proceeding

During 2013 and 2015, the Fund instituted proceedings against Yawenaik Ltd and other parties including the Department of Lands & Physical Planning and the Registrar of Titles. The proceedings were commenced to recover the land described as Portion 2123, Granville (9 Mile) comprising 90.7 hectares from Yawenaik and other parties. The Fund instituted the proceedings after the land was consolidated with another property described as Portion 1568, subdivided and given a new description without the knowledge and authority of the Fund.

In a significant adverse development in September 2025, the proceedings were summarily dismissed on the basis that they were incompetent and an abuse of process. The Fund has filed an appeal against the dismissal, and that appeal remains pending. The Fund's independent legal adviser has advised that the appeal has prospects of success.

21 Cash and cash equivalents

Reconciliation of cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents includes cash on hand and at bank and short-term deposits. Cash and cash equivalents as at the end of the financial year as shown in the Statement of Cash Flows are reconciled to the related items in the statement of financial position as follows:

	31 Dec 2025	31 Dec 2024
	K'000	K'000
Cash at bank and on hand	171,545	70,120
Interest bearing deposits / Cash Management Accounts	60,611	-
Cash and cash equivalents	232,156	70,120

Interest bearing deposits have a maturity of less than 90 days. Interest rates ranged from 0.50% to 5.2% (2024: 0.50% to 5.20%).

National Superannuation Fund

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22 Related party transactions

Related parties represent major shareholders, directors and key management personnel of the Fund and entities controlled, jointly-controlled or significantly influenced by such parties. Pricing policies and the terms of these transactions are approved by the Board of Directors. Management and some members of the board of directors are also members of the Fund under normal commercial terms and conditions.

Transactions with related parties during the year are as follows:

(i) Transactions with key management personnel

All Directors and the Company Secretary are considered key management personnel together with the following management personnel; Chief Executive Officer, Chief Financial Officer, Chief Officer Member Services, Chief Investment Officer, General Manager Risk & Compliance, General Manager Information & Technology, General Manager Legal, General Manager Talent & Culture, General Manager Marketing & Communications, Executive Officer to CEO and Head of Internal Audit.

(ii) Compensation

Key management personnel compensation comprised of:

	31 Dec 2025 K'000	31 Dec 2024 K'000
Salary and fees	6,327	8,172
Non-monetary benefits	254	365
Post-employment benefits	1,184	561
	7,765	9,098

All management personnel are contributors to Nasfund.

(iii) Loans

No loans were provided to key management personnel during the year.

(iv) Benefits paid to directors

The following payments were made to Board members and Board Committee members:

	31 Dec 2025 K'000	31 Dec 2024 K'000
Sitting allowance	357	352
Board fees	1,949	1,898
Directors insurance	1,318	423
Other Costs	424	458
	4,047	3,131

All of the above payments were made in the ordinary course of business.

(vi) Board personal interests as at 31 December 2025

Name	Nature of interest	Organisations
Ms.Tamzin Wardley,LM,MBE	Director	Westpac PNG Ltd; Buk Bilong Pikinini Inc
	Committee member	PNG Weighting Federation Inc., PNG Cricket Board Inc., Royal Papua Yacht Club Inc.
	Shareholder	Steel Industries Limited, Vanguard Limited, Audinate Group Limited, Adairs Limited, ANZ Group Holdings Limited, Aspen Group, Austin Engineering Limited, BHP, Chrysocorp Limited, Close the Loop Ltd, Corporate Travel Management Ltd, Eagers Automotive Limited, Finbar Group Limited, GR Engineering Services Limited, IPD Group Ltd, Lindsay Australia Limited, Lycopodium Limited, NIB Holding Limited, Prime Financial Group Limited, Pro Medicus Limited, Rio Tinto Limited, RPM Global Holdings Limited, Scidev Limited, Shape Australian Corporation Limited, SKS Tech Group Limited, Washington H Soul Pattinson & Company Limited, SRG Global Limited, Santos Limited, Super Retail Group Limited, Xero Limited, Vanguard Australian Property Securities Index ETF
	Member	Australian Institute of Company Directors, PNG Institute of Directors
	Employee	Abt Associates

National Superannuation Fund

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22 Related party transactions (Continued)

(vi) Board personal interests as at 31 December 2025

Name	Nature of interest	Organisations
Mr. Anthony Yaueb	Shareholder	Alle PNG Limited
	Member	Nambawan Super Limited, PNG Institute of Directors, Australian Institute of Company Directors, UPNG Human Resource and People Empowerment Committee
	Employee	Abt Associates (Economic and Employment Strategic Advisor, Ministry of Labour and Employment)
Mr. Leon Buskens	Director	SP Brewery Limited, Gazelle International Hotel Limited, Santos Foundation, Nimamar Capital Limited, Investment Promotion Authority
	Shareholder	Santos Limited, Kopkop College
	Trustee-Not for Profit	National Football Stadium
	Member	PNG Institute of Directors, Australian Institute of Company Directors, Santos Limited (Country Chair – PNG)
Ms. Florence Willie	Employee	PNG Institute of Directors, Australian Institute of Company Directors, Santos Limited (Country Chair – PNG)
	Director/ Committee member	National Apprenticeship and Trade Testing Board, National Training Council, National Tripartite Consultative Council, National Skills Development Agency, EU – ACP Follow-Up Committee, University of Technology Council, Port Moresby Rotary Club
Mr. Michael Murphy	Employee	Employers' Federation of PNG (Executive Director)
	Shareholder	Mike Murphy Actuarial, Telstra Corporation Limited, AMP Limited, AON PLC
	Director & shareholder	Unagi Investments Pty Limited
Ms. Julienne Leka-Maliaki	Member	PNG Institute of Directors, Australian Institute of Company Directors
	Director	Business Council of PNG, National Skills Development Agency
	Employee	Tetra Tech International Development (PNG Country Manager)
Mr. Christopher Elphick	Member	PNG Institute of Directors, Australian Institute of Company Directors
	Shareholder/Director	Natu Investments (PNG) Limited
	Director	Nasfund Contributors Savings & Loans Society, Transparency International PNG
Mr. Chey Scovell	Member	Nasfund Contributors Savings & Loans Society, PNG Institute of Directors, Australian Institute of Company Directors, Badili Club Inc., Transparency International PNG
	Shareholder/Director	Tohouwa (PNG) Limited, trading as FairPrice (Executive Director)
	Director/ Board or Council	Port Moresby Chamber of Commerce and Industry, PNG Chamber of Commerce and Industry, PNG - EU Business Council, APEC Business Advisory Council, National Food Sanitation Council, World Bank - PNG Urban Youth Employment Program, National Capital District Commission, Kwik Moni Limited, National Monitoring and Co-ordination Authority
Mr. Chey Scovell	Shareholder/Director	Sapience Limited, iConsult Limited
	Shareholder	Adairs Limited, Betmakers Technology Group Limited, New Frontier Minerals Limited, Core Lithium Limited, DGL Group Limited, Doctor Care Anywhere Plc, Galilee Energy Limited, Genetic Signatures Limited, Ironbark Zinc Limited, Johns Lyng Group Limited, Kina Securities Limited, Liantown Resources Limited, Mesoblast Limited, Mastermyne Group Limited, Netwealth Group Limited, Santos Limited, Wam Research Limited, Westpac (Australia), GQC Partners Inc., Patriot Battery Metals Inc., Weebit Nano Ltd, BSP Financial Group Limited
	Member	PNG Institute of Directors, Australian Institute of Company Directors
	Employee	Manufacturer's Council of PNG (CEO)

National Superannuation Fund

Notes to, and forming part of, the financial statements For the year ended 31 December 2025

22 Related party transactions (Continued)

(vi) Board personal interests as at 31 December 2025

Name	Nature of interest	Organisations
Mr. Andrew Kitum	Director	Equal Playing Field
	Shareholder	BSP Financial Group Limited, iShares Core S&P/ASX 200 ETF (IOZ), BetaShares NASDAQ 100 ETF (NDQ)
	Member	PNG Institute of Directors, Australian Institute of Company Directors, Australian Computer Society (ACS)
	Employee	Green Cloud Consulting (Head of Digital Transformation)

The following directors are contributors of Nasfund
 Tamzin Wardley, Leon Buskens, Christopher Elphick, Florence Willie, Julienne Leka-Maliaki, Anthony Yauieb, Chey Scovell and Andrew Kitum

23 Financial instruments

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Fund. The Trustee of the Fund has adopted the policy of spreading the aggregate value of transactions concluded amongst approved counterparties with appropriate credit qualities, as a means of mitigating the risk of financial loss.

Trade and other receivables

Trade and other receivables relate mainly to the Fund's rental debtors. Customers that are graded as "high risk" are placed on a restricted customer list and monitored by the property managers and management of the Fund.

The Fund establishes an allowance for impairment that represents its estimates of incurred losses in respect of trade and other receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures.

Investments

The Fund's exposure and the credit ratings of its counterparties are continuously monitored. Credit risk arising on investments is mitigated by investing primarily in rated instruments or instruments issued by rated counterparties with credit ratings of at least 'BB' or better as determined by Standard and Poor's. Credit risk associated with contributions receivable and other receivables is considered minimal.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Fund does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. It is the opinion of the management of the Fund that the carrying amounts of these financial assets represent the maximum credit risk exposure at the balance sheet date. There were no significant concentrations of credit risk to counterparties.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	31 Dec 2025 K'000	31 Dec 2024 K'000
Government inscribed stock	2,976,790	3,104,118
Sovereign Community Infrastructure Treasury Bill (SCITB)	27,559	28,054
Equity securities	4,596,690	3,496,999
Notes and other loans	158,606	171,088
Interest receivables	80,623	72,935
Property receivables	14,552	12,004
Other receivables	26,627	37,826
Treasury bills	815,311	620,145
Cash and cash equivalents	232,156	70,120
	8,928,914	7,613,289

The maximum exposure to credit risk for loans and receivables at the reporting date is concentrated in Papua New Guinea.

National Superannuation Fund

Notes to, and forming part of, the financial statements
For the year ended 31 December 2025

23 Financial instruments (Continued)

(a) Credit risk

Aging of property receivables

The ageing of unimpaired property receivables at the reporting date was:

	31 Dec 2025	31 Dec 2024
	K'000	K'000
Current	277	362
31 - 60 days	1,488	582
61 - 90 days	639	312
over 90 days	12,148	10,749
	14,552	12,004

The movement in the allowance for impairment in respect of property receivables is as follows

	31 Dec 2025	31 Dec 2024
	K'000	K'000
Opening balance	644	4,638
Doubtful debts provisions during the year	(56)	(3,994)
Closing balance	588	644

(b) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Fund's approach to managing liquidity risk is to ensure as far as possible that it will always have sufficient liquidity to meet its obligations when due under normal and stressed conditions without incurring unacceptable losses or risking damage to the Fund's reputation.

Typically the Fund ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days, including the servicing of repayments of members balances, withdrawals and loans; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. The Fund allows members to withdraw benefits in accordance with the appropriate requirements and it is therefore exposed to the liquidity risk of meeting members legitimate withdrawal requests at any time.

The Fund's financial instruments include investments in unlisted investments (including property) which are not traded in an organised market and that generally may be illiquid. As a result, in extraordinary circumstances, there is a risk that the Fund may not be able to liquidate all of these investments at their net market value in order to meet all of its liquidity requirements.

(c) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk on financial instruments that are denominated in currencies other than the functional currency (Kina) of the Fund. Consequently, the Fund is exposed to risks that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Fund's investments denominated in currencies other than the Kina.

The Fund's exposure to foreign currency risk was as follows based on notional amounts:

	SGD	AUD	USD	SBD
	K'000	K'000	K'000	K'000
As at 31 December 2025				
Equity investments	33,049	1,194,978	758,608	159,801
Cash at bank	-	22,726	20,694	2,293
Gross balance	33,049	1,217,704	779,302	162,094
% of net asset value	0.3%	12.9%	8.2%	1.7%
Foreign exchange rate	0.30	0.35	0.24	1.92
As at 31 December 2024				
Equity investments	34,420	871,176	413,643	119,094
Cash at bank	-	-	16,679	10,022
Gross balance	34,420	871,176	430,322	129,116
% of net asset value	0.4%	10.7%	5.3%	1.6%
Foreign exchange rate	0.34	0.40	0.26	2.13

National Superannuation Fund

Notes to, and forming part of, the financial statements For the year ended 31 December 2025

23 Financial instruments (Continued)

Sensitivity analysis

A 10 percent strengthening of the PNG Kina against the above currencies at 31 December would have decreased equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis was performed on the same basis for 2025 and 2024.

	31 Dec 2025 K'000	31 Dec 2024 K'000
AUD	121,770	87,118
USD	77,930	43,032
SBD	16,209	12,912
SGD	3,305	3,442
	219,215	146,503

A 10 percent weakening of the PNG Kina against the above currencies at 31 December would have had the equal but opposite effect on the amounts shown above, on the basis that all other variables remain constant.

(d) Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

At the reporting date the interest rate profile of the Fund's interest-bearing financial instruments was:

	31 Dec 2025 K'000	31 Dec 2024 K'000
<i>Fixed rate instruments</i>		
Government inscribed stock	2,976,790	3,104,118
Treasury bills	815,311	620,145
Loan receivables	142,948	151,619
Total	3,935,049	3,875,882

(e) Other market price risk

Other market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

As the Fund's financial instruments are carried at fair values with changes recognised in the statement of profit and loss and other comprehensive income, changes in market conditions affecting fair value will be recognised.

Investments of the Fund (other than cash held for liquidity purposes, investment properties and fixed interest instruments) comprise shares in listed companies, investments in unlisted companies and funds. The Fund's exposure therefore is limited to the fair value movement of these investments.

Other market price risk is mitigated by constructing a diversified portfolio of instruments which are traded on various markets. All investment managers are subject to extensive due diligence prior to being appointed with the recommendation for their appointment and removal made by the Investment Committee to the Board for final approval.

The Investment Division receives monthly reports from all investment managers which are reviewed in detail and assessed against relevant benchmarks and expected returns. Investment manager performance is reported to the Investment Committee and Board on a quarterly basis.

(e) Other market price risk (continued)

Sensitivity analysis

Following analysis of historical data and expected investment rate movements during the 2025 financial year, together with consultation with the investment consultant, the Fund's Investment Department considers the following movements in other market price risk are reasonably possible.

	%	Carrying Amount K'000	Effect on net assets And profit Increase K'000	Effect on net assets And profit Decrease K'000
As at 31 December 2025				
Listed overseas shares	15%	2,002,037	300,306	(300,306)
Listed local shares	10%	1,422,564	142,256	(142,256)
Investment in unquoted companies	5%	1,172,089	58,604	(58,604)

National Superannuation Fund

Notes to, and forming part of, the financial statements For the year ended 31 December 2025

23 Financial instruments (Continued)		Carrying Amount	Effect on net assets And profit Increase	Effect on net assets And profit Decrease
(e) Other market price risk (continued)	%	K'000	K'000	K'000
As at 31 December 2024				
Listed overseas shares	15%	1,300,619	195,093	(195,093)
Listed local shares	10%	1,093,364	109,336	(109,336)
Investment in unquoted companies	5%	1,103,018	55,151	(55,151)

(f) Fair value versus carrying values

The carrying amounts of financial assets and liabilities as set out in the statement of financial position approximate their fair values. The significant methods and assumptions used in estimating the fair values are stated in notes 4, 9 and 10.

(g) Fair value hierarchy

Subsequent to initial recognition, the Fund uses the fair value hierarchy in determining the fair value of its financial assets at fair value through profit and loss ("FVTPL") and financial liabilities at FVTPL. The fair value hierarchy groups the financial instruments into Levels 1 to 3 based on the degree to which the fair value is observable. Details of each level are discussed in note 10(b) (iv).

The table below presents the basis of determining the fair value of each class of the Fund's financial instruments measured at fair value subsequent to initial recognition.

As at 31 December 2025	Level 1 K'000	Level 2 K'000	Level 3 K'000	Total K'000
Equity securities	3,424,601	-	1,172,089	4,596,690
Investment Properties	-	-	564,314	564,314
	3,424,601	-	1,736,403	5,161,004
As at 31 December 2024				
Equity securities	2,393,983	-	1,103,018	3,497,001
Investment Properties	-	-	561,754	561,754
	2,393,983	-	1,664,772	4,058,755

(h) Measurement of fair values

(i) Financial instruments measured at fair value

Equity securities

Capitalisable maintainable earnings (CME) approach and net assets approach were the valuation models used in measuring the fair value of the Level 3 fair value equity securities.

For a summary of valuation methods used, unobservable inputs and sensitivity analysis associated with Equity securities, please refer to note 9.

(ii) Financial instruments not measured at fair value

Debt securities

Debt securities, which includes government securities and other loans are valued at amortised cost. Due to the absence of an observable market of these debt securities in Papua New Guinea and/or their nature as loans, the amortised cost approximates their fair values. There is no significant unobservable input used in the valuation model.

(iii) Reconciliation of Level 3 fair values

	31 Dec 2025 K'000	31 Dec 2024 K'000
Opening balance	1,664,771	1,644,359
Changes in fair value	63,594	28,586
(Disposals / redemptions) or additions during the year	8,039	(8,174)
Closing balance	1,736,404	1,664,771

24 Comparative figures

Certain amounts in the comparative financial statements and note disclosures have been reclassified to conform to the current year's presentation. Management believes that the above reclassifications resulted in a better presentation of accounts and did not have any impact on prior year's profit or loss.

25 Events after balance sheet date

The Board has assessed the events subsequent to year end up to the date of signing these financial statements and determined that no adjustments or additional disclosures, other than what is disclosed here, are required.

PRUDENTIAL STANDARDS

Policies required to be disclosed under the prudential standards

In this section

Annual Crediting Rate Policy - (PS1, Section 18 c):	103
Reserving Management Policy - (PS1, Section 14 d):	106
Interim Crediting Rate Policy - (PS1, Section 17 d):	108
Use of Derivatives Policy - (PS1, Section 34 h)	109

As part of Prudential Standard 1/2014 issued by Bank of Papua New Guinea to Authorised Superannuation Funds, a specified number of policies must be reviewed annually and published on our website and annual report.

ANNUAL CREDITING RATE POLICY

1. PURPOSE OF THE ANNUAL CREDITING RATE POLICY

1.1 The purpose of this policy is to provide a framework for the Trustee Board when determining the Annual Crediting Rate.

2. LEGISLATIVE REQUIREMENTS

2.1 The primary legislative document governing the superannuation industry is the Superannuation (General Provisions) Act 2000 (as amended).

2.2 The Trustee Board is also required to adhere to various Prudential Standards and in relation to Crediting Rates, the Superannuation Prudential Standard 1/2014 Authorised Superannuation Fund Investments (PS 1/2014) refers. Paragraph 18 (a – c) and Paragraph 19 (a – f) refer in detail.

3. WHAT IS A CREDITING RATE?

3.1 At NASFUND, members' superannuation investment return is determined by an Annual Crediting Rate.

3.2 An Annual Crediting Rate is defined as the investment earnings applied to member account balances after a particular period. Ideally the members' earning rate is equal to the gross investment earnings of the Fund for that period (expressed as a percentage) less the investment management expenses, administration expenses, taxes and after allowing for any reserves (if applicable) applicable during the same period. This is hereafter referred to as Net Surplus Available to Members. If reserves are funded by NASFUND, they represent small reductions in the Annual Crediting Rate. See the Fund's Reserving Management Policy for details.

3.3 NASFUND determines an Annual Crediting Rate early each calendar year which is applied to member account balances retrospectively for the period from 1st January to 31st December of the previous year (the financial year).

3.4 NASFUND also determines an Interim Crediting Rate which will apply in the event that a member exits the Fund, such that the member's final entitlement includes an earnings rate for the period from the most recent Annual Crediting Rate till the date of exit. (refer to the Interim Crediting Rate Policy for more detail).

3.5 Annual Crediting Rates can be either negative or positive, as they primarily depend on investment performance.

4. ANNUAL CREDITING RATE POLICY

4.1 Net Surplus Available: The Trustee Board, in consultation with the Licensed Investment Manager, determines an Annual Crediting Rate once per annum, after the close of the financial accounts for the year. Only after Net Surplus Available to Members has been calculated can the Annual Crediting Rate be determined and returns credited to member accounts. Determining Net Surplus Available to Members usually occurs early each calendar year, for the Financial Year ending the previous 31st December.

4.2 In determining the Annual Crediting Rate, the assets of the Fund are valued in line with international standards, using a hierarchy of valuation methods. (See the Fund's Unlisted Asset Valuation Policy for details). Such valuations are used to determine Net Surplus Available to Members before arriving at the Annual Crediting Rate.

4.3 The financial records maintained by the Fund are reconciled to the member records maintained by the Licensed Fund Administrator to ensure Fund assets are properly attributed to members' accounts.

4.4 In line with international practice, the Licensed Fund Administrator applies the Annual Crediting Rate using a time weighted rate of return basis. (For a worked example of how this is done, see Appendix 1).

5. ANNUAL REVIEW OF MEMBER ACCOUNTS

5.1 Crediting of member accounts: cannot happen until the annual review of member accounts takes place (as per para 19 (a) "The Trustee Board must ensure that the Annual Review of member records in the ASF is completed before applying the Annual Crediting Rate.")

5.2 This process is done together with the administration system maintained by the Licensed Fund Administrator.

5.3 Refer to the Annual Review Policy (of member accounts) for more details.

6. WHAT HAPPENS IF AN ERROR HAS BEEN MADE IN DETERMINING AN ANNUAL CREDITING RATE?

6.1 Every effort is made to ensure accuracy in the Annual Crediting Rates.

6.2 In the event a minor error is discovered after the Annual Crediting Rate has been applied, then the relevant reserve account is adjusted to correct the minor error. (See the Fund's Reserving Management Policy for details).

6.3 If an error has been made of a more than minor nature, the Trustee Board reserves the right to retrospectively adjust member balances.

ANNUAL CREDITING RATE POLICY

6.4 If such a retrospective action is contemplated, the Trustee Board applies a materiality threshold (below which any error to the Annual Crediting Rate is not adjusted retrospectively), and/or a minimum threshold amount (below which no adjustment would be made to a member's account).

6.5 Materiality Threshold: If the Annual Crediting Rate is determined to have been incorrectly calculated by 1% point or more, the Trustee Board will retrospectively adjust member balances. If an error has been made which is less than the Materiality Threshold then any required adjustment is made to the relevant reserves account, or reflected in the Annual Crediting Rate for the following period. (See the Fund's Reserving Management Policy for details).

6.6 Minimum Threshold: Should the Annual Crediting Rate be retrospectively adjusted, the Licensed Fund Administrator will advise the Trustee Board of the new end-of-period member account balances. If retrospective adjustment of a member's account balance would result in an adjustment of K100 or less, then the Trustee Board would instruct the Licensed Fund Administrator to not adjust those member accounts. The net adjustment the total of member accounts below the Minimum Threshold will be made to the relevant reserves account, or reflected in the Annual Crediting Rate for the following period. (See the Fund's Reserving Management Policy for details).

7. MEMBER EQUITY AND FAIRNESS

7.1 Fairness to all members: The Trustee Board recognizes that any Crediting Rate must be fair to all members of the Fund, including current, exiting and prospective members.

7.2 Estimations: The Trustee Board believes that estimating current period Net Surplus Available to Members as the basis for that period's Annual Crediting Rate is the best way to ensure member equity and fairness.

7.3 Frequency of Valuation: The Trustee Board seeks to value the assets of the Fund as often as practical, in order to estimate current period Net Surplus Available to Members in the most timely manner.

7.4 Effect of Unlisted Asset Valuations: The Trustee Board recognizes that Unlisted Assets have potential to distort returns at the risk of member equity. (See Unlisted Asset Valuation Policy for more detail).

7.5 Exiting members: The Trustee Board is conscious that exiting members might be unfairly advantaged if the Interim Crediting Rate applied to the exiting member's account turns out to be higher than the Annual Crediting Rate applied for the full year. Accordingly, the Interim Crediting Rate will be estimated conservatively to avoid exiting members gaining an unfair advantage.

7.6 Members' best interests: The Trustee Board recognizes that due to this conservative estimate that it will be generally in the interests of members to wait till after the Annual Crediting Rate has been determined and applied, rather than exiting earlier based on the Interim Crediting Rate. At the time of writing member behaviour indicates members understand this also, with member exits typically being higher than average just after the Annual Crediting Rate has been applied.

8. ANNUAL REVIEW OF CREDITING RATE POLICIES AND PROCEDURES

8.1 This Annual Crediting Rate Policy will be reviewed regularly and such a review will be done at least annually.

ANNUAL CREDITING RATE POLICY

APPENDIX 1: EXAMPLE OF TIME WEIGHTED RATE OF RETURN CALCULATION

INTEREST ON OPENING BALANCE

(Opening Balance * Interest Rate)

A.

Interest Rate	8.50%
Opening Balance	K6,820.16
Interest on Opening Balance	K579.71

This is the Year One Closing Balance

ADD

B. CONTRIBUTIONS AND INTEREST RECEIVED DURING THE YEAR

Individual Contributions * No. of days Left/365 *

Interest Rate

These are the monthly contributions for year two (You have to work out each month's contribution)

	Month	Date Paid	Days Left	Member	Employer	Total	Interest Earned Per Month
1	January	31 January	334	K60.00	K84.00	K144.00	K11.20
2	February	28 February	306	K60.00	K84.00	K144.00	K10.26
3	March	31 March	275	K60.00	K84.00	K144.00	K9.22
4	April	30 April	245	K60.00	K84.00	K144.00	K8.22
5	May	31 May	214	K60.00	K84.00	K144.00	K7.18
6	June	30 June	184	K60.00	K84.00	K144.00	K6.17
7	July	31 July	153	K60.00	K84.00	K144.00	K5.13
8	August	31 August	122	K60.00	K84.00	K144.00	K4.09
9	September	30 September	92	K60.00	K84.00	K144.00	K3.09
10	October	31 October	61	K60.00	K84.00	K144.00	K2.05
11	November	30 November	31	K60.00	K84.00	K144.00	K1.04
12	December	31 December	10	K60.00	K84.00	K144.00	K0.34
			Total Interest Earned on Monthly Contributions over 2014			K1,728.00	K67.97

A + B

Overall Interest Earned from the 8.5%	A = K 579.71	B = K 67.97	K647.69	<i>Year two Closing Balance after crediting of interest:</i>	K9,195.85
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RESERVING MANAGEMENT POLICY

1. PURPOSE OF THE RESERVING MANAGEMENT POLICY

1.1 The purpose of this policy is to provide a framework for the Trustee Board when determining the approach to reserves (if any), and investment of any reserves.

2. LEGISLATIVE REQUIREMENTS

2.1 The primary legislative document governing the superannuation industry is the Superannuation Act 2000 (as amended). Section 71A of the Act refers to Reserves.

2.2 The Trustee Board is also required to adhere to various Prudential Standards and in relation to reserving management and the investment of any funds held in reserve. Superannuation Prudential Standard 1/2014 Authorised Superannuation Fund Investments (PS 1/2014) refers. Paragraphs 14 and 15 refer in detail to Reserving Policy, and investment of any reserves (if applicable).

3. WHAT ARE RESERVES, AND WHY WOULD NASFUND HOLD RESERVES?

3.1 Superannuation funds generally seek to pay out all, or virtually all, earnings for a period to the members in the Fund at that time. This is generally seen as a fair and equitable distribution to all members, whether they be current, exiting or prospective members, as those members current at any time receive current earnings (which can be negative as well as positive).

3.2 Reserves are part of the earnings of a given period, which are not paid out in that period, and are kept “in reserve” for a future period.

3.3 Not all unallocated monies constitute reserves. Unallocated monies that are not reserves include accounting constructs such as suspense accounts, and accounts for accrued expenses and provisions for administration expenses, taxation or building maintenance as well as any provisions required pursuant to accounting standards.

3.4 Superannuation funds may want to keep a level of reserves from one period to be spent or allocated to member accounts in a future period.

3.5 A common type of reserve is one used to smooth Crediting Rates over time, in this paper referred to as an Investment Fluctuation Reserve (IFR). Some members of Superannuation Funds feel more secure if Crediting Rates were smoother, rather than having volatile returns from year to year. Other members, particularly those close to retirement, may feel disadvantaged if earnings are not distributed in full.

3.6 Other common reserves include funds held to pay for multi-year expenses such as system upgrades (Administration Reserves), funds held instead of paying insurance premiums (Self Insurance Reserves), or funds held in case of a future expense arising from unexpected human or system failure (Operational Risk Reserves).

3.7 The Trustee Board of NASFUND is mindful of the competing interests of separate groups of members, especially the possibility that some members may pay towards a reserve and leave the Fund without receiving a corresponding benefit. For reasons of member fairness therefore, NASFUND Trustee Board expects Crediting Rates to reflect Fund earnings in the relevant period (which may be positive or negative).

3.8 Where reserves are maintained, the Trustee Board will establish a comprehensive management strategy which will contain appropriate objectives for which the reserves are established as well as measures to manage the reserves.

3.9 Before establishing a reserve, the Trustee Board will clearly describe why the reserve is to be established, and its ongoing purpose. If reserves are to be established, the Trustee Board may establish a separate reserve for each identified purpose or may cover more than one purpose through a single reserve account.

3.10 If more than one purpose is to be covered through one reserve, the Trustee Board would only do so if the identified purposes are fundamentally similar in nature, and if the management of one reserve is adequate to prudently manage the separate purposes over time.

3.11 Other types of reserves that might be maintained by Superannuation Funds include Contributions Reserves, Self-insurance Reserves, Compliance Reserves, Administration Reserves and Liquidity Reserves. The Trustee Board does not intend to open reserves to manage these risks at this time.

3.12 The Trustee Board has decided to limit the possible reserves to manage just three specific categories: Administration, Investment Fluctuation and Operational Risk.

3.13 If reserves are maintained these are not expected to be “large” (Section 71A of the Superannuation Act suggests reserves in aggregate should not exceed 2% of the Fund’s assets), and not be allowed to have a negative value.

RESERVING MANAGEMENT POLICY

4. ADMINISTRATION RESERVE AND ASSOCIATED INVESTMENT STRATEGY

4.1 The Trustee Board reserves the right to create and maintain an Administration Reserve.

An Administration Reserve would be maintained to hold funds ready for future administration expenses, to ensure the Trustee Board's solvency and support its business operations. Such a reserve may have merit as the Trustee for National Superannuation Fund (Nasfund) is a not-for-profit trustee and therefore does not have access to accrued earnings in the event of emergency.

4.2 If the Trustee Board chooses to maintain an Administration Reserve, such a reserve is not expected to be more than 0.5% of the Net Assets of Fund, and to never be negative. At the time of writing, the Trustee Board does not maintain an Administration Reserve.

4.3 Associated investment strategy: Funds held in an Administration Reserve will be separately accounted for, apart from the general investment pool of member's funds. Given that such a reserve is intended to be called on to cover unexpected administration costs, the Administration Reserve funds would be invested conservatively, and in low-risk investments such as bank deposits or Treasury Bills. The Fund will account for such reserves separately, but the actual funds may be invested along with other Fund investments of a similar nature.

5. INVESTMENT FLUCTUATION RESERVE AND ASSOCIATED INVESTMENT STRATEGY

5.1 The Trustee Board reserves the right to create and maintain an Investment Fluctuation Reserve.

5.2 An Investment Fluctuation Reserve (IFR) would be maintained to hold funds for future years, in order to minimize the impact of market fluctuations on members' account balances and to smooth Crediting Rates over a number of years. For example, to allow an increase the Crediting Rate in a year in which earnings are temporarily low, or to reduce the Crediting Rate in a year in which earnings are temporarily high.

5.3 If the Trustee Board chooses to maintain an IFR, such a reserve is not expected to be more than 2.0% of the Net Assets of the Fund, and to never be negative.

5.4 Associated investment strategy: Funds held in an Investment Fluctuation Reserve will be separately accounted for, apart from the general investment pool of member's funds. Given that such a reserve is intended to be called on to smooth Crediting Rates in periods of temporary volatility, the IFR funds would be invested conservatively, and in low-risk investments such as bank

deposits or Treasury Bills. The Fund will account for such reserves separately, but the actual funds may be invested along with other Fund investments of a similar nature.

6. OPERATIONAL RISK RESERVE AND ASSOCIATED INVESTMENT STRATEGY

6.1 The Trustee Board reserves the right to create and maintain an Operational Risk Reserve.

6.2 An Operational Risk Reserve would be maintained to hold funds for future years, in order to have funds available in the event of an operational error such as system or human error.

6.3 The Fund seeks to reduce operational risks to a minimum through robust policies and procedures and policing these procedures through regular internal and external audits. The Fund has a Risk Management Framework and holds insurance policies against losses due to operational error (including fraud), and the Trustee Board does not see an Operational Risk Reserve as a substitute for proper care and diligence.

6.4 The Trustee Board expects third party providers to make good their own errors, and insurance policies are maintained as well. However, claims against a service provider or insurance policy, even if lodged immediately, will often be paid with a delay, may be settled for less than the full amount or may not be accepted by the insurance company or service provider, resulting in litigation and associated costs. An appropriate Operational Risk Reserve would assist the Trustee Board to meet the costs of rectifying errors without having to await the outcome of recovery action against third parties, thus benefitting members through continuity of service.

6.5 Associated investment strategy: Funds held in an Operational Risk Reserve will be separately accounted for, apart from the general investment pool of funds. Given that such a reserve is intended to be called on to make good the costs of operational errors, the Operational Risk Reserve funds would be invested conservatively, and in low-risk investments such as bank deposits or Treasury Bills. The Fund will account for such reserves separately, but the actual funds may be invested along with other Fund investments of a similar nature.

7. ANNUAL REVIEW OF RESERVING MANAGEMENT POLICY

7.1 The Trustee Board will review the Reserving Management Policy on a regular basis and at least annually.

INTERIM CREDITING RATE POLICY

Interim Crediting Rate Policy

1. PURPOSE OF THIS POLICY

The purpose of this policy is to provide a framework for the Trustee Directors when determining the Interim Crediting Rate.

2. LEGISLATIVE REQUIREMENTS

2.1 The primary legislative document governing the superannuation industry is the Superannuation (General Provisions) Act 2000 (as amended).

2.2 The Trustee Board is also required to adhere to various Prudential Standards and in relation to Interim Crediting Rates, the Superannuation Prudential Standard 1/2014 Authorised Superannuation Fund Investments (PS 1/2014) refers. Paragraph 17(a – d) refers in detail.

2.2.1 PS 1/2014 Paragraph 17 (a) states that “Trustee Board must develop and document an Interim Crediting Rate Policy, in consultation with the Licensed Investment Manager, for the members who exit the ASF before the final crediting rate has been approved, must be included in the Investment Framework.”

2.2.2 PS 1/2014 Paragraph 17 (b) states that “The Interim Crediting Rate must be fair and equitable for all the members of the ASF, including the exiting, current and prospective members.”

2.2.3 PS 1/2014 Paragraph 17 (c) states that “The Interim Crediting Rate must be reviewed on a regular basis (at least annually).”

2.2.4 PS 1/2014 Paragraph 17 (d) states that “The Interim Crediting Rate Policy must be published in the Annual Report to members and the public section of each ASF’s website.

3. 1) WHAT IS A CREDITING RATE?

3.1 At Nasfund, members’ superannuation investment return is determined by a crediting rate.

3.2 The crediting rate (expressed as a percentage) is equal to the investment earnings of the Fund less tax and costs after allowing for any reserves. (Reserves are funded by small reductions in the Annual Crediting Rate. See the Fund’s Reserving Management Policy for details).

3.3 The Fund applies an Annual Crediting Rate, based on the audited financial accounts for the year. This usually occurs in Quarter 1 of the following year.

3.4 The Annual Crediting Rate applies to all

members who were members of the fund for the past financial year and remain members when the Annual Crediting Rate is declared.

4. WHAT IS AN INTERIM CREDITING RATE?

4.1 The Trustee Board recognizes that some members leave the Fund during the year and that earnings accrue at varying rates through the year due to investment market moves.

4.2 Accordingly, the Trustee Board estimates an Interim Crediting Rate throughout the year at each Investment Committee Meeting. The Interim Crediting Rate is a notional return that can be applied to member accounts during the current financial year period.

4.2.1 This Interim Crediting Rate is applied and paid only to member accounts of those members leaving the fund.

4.2.2 While this can be applied at any time, should market moves be of sufficient magnitude to require it, the fund may revise its Interim Crediting Rate.

4.2.3 The Trustee Board formally requires the Investment Committee at each of its scheduled meetings throughout the year to consider whether to change the Interim Crediting Rate and has delegated authority to the Investment Committee to implement such changes as soon as practicable.

5. HOW IS THE INTERIM CREDITING RATE DETERMINED?

5.1 The Trustee Board seeks to value the assets of the Fund as often as practical, in order to reflect fair values to member balances. However, the nature of unlisted assets means that valuation changes are usually only reflected in asset values once a year.

5.2 In determining the Interim Crediting Rate, the trustee considers the potential estimates of how returns are performing for the year and the Investment Committee considers the Chief Financial Officer and Chief Investment Officer forecast Annual Crediting Rate. The trustee is conscious that exiting members might be unfairly advantaged if the Interim Crediting Rate applied to the exiting member’s account turns out to be substantially higher than the Annual Crediting Rate applied for the full year. Accordingly, the Interim Crediting Rate will be estimated slightly conservatively to avoid exiting members gaining an unfair advantage.

5.3 If the trustee Investment Committee determines there is a change in the Interim Crediting Rate from the previous period, the Licensed Fund Administrator is then advised of the Interim Crediting Rate to be applied to member accounts of members leaving.

USE OF DERIVATIVES POLICY

6. HOW IS THE INTERIM CREDITING RATE APPLIED?

6.1 In line with international practice, the Licensed Fund Administrator applies the Interim Crediting Rate using a time-weighted rate of return basis. (For a worked example of how this is done, see Appendix 1).

7. MEMBER EQUITY AND FAIRNESS

7.1 The Trustee Board recognizes that any Interim Crediting Rate must be fair to all members of the fund, including current, exiting and prospective members and uses the following:

7.2 Estimation: The Trustee Board believes that estimating current period returns as the basis for that period's crediting rate is the best way to ensure member equity and fairness.

7.3 Frequency: The Trustee Board recognizes more frequent crediting rates improve member equity and fairness and seeks to balance the costs of more frequent valuations against the benefits of more frequent crediting rates.

8. REVIEW OF THIS POLICY

8.1 This Interim Crediting Rate Policy will be reviewed regularly, and such a review will be done at least annually.

(Refer table on page: 79)

POLICY ON THE USE OF DERIVATIVES

1. PURPOSE OF THE POLICY ON THE USE OF DERIVATIVES

1.1 The purpose of this policy is to provide the guiding principles for the use and oversight of derivatives in management of the Fund's investment assets.

1.2 The objective of this policy is to provide a framework for use and control of derivatives and to ensure the Fund has effective operational, risk management and compliance controls when using derivatives.

2. LEGISLATIVE REQUIREMENTS

2.1 The primary legislative document governing the superannuation industry is the Superannuation (General Provisions) Act 2000 (as amended).

2.2 The Trustee Board is also required to adhere to various Prudential Standards and in relation to the use of derivatives. The Superannuation Prudential Standard 1/2014 Authorised Superannuation Fund Investments (PS 1/2014). Paragraph 34 (a – h) refers in detail.

2.3 Prudential Standard 1 / 2014, Paragraph 34 (e) states that "Trustee Board must develop, document, and maintain a Policy on the use of Derivatives, in consultation with the Licensed Investment Manager, and include the policy as part of the Investment Framework".

2.4 Prudential Standard 1 / 2014, Paragraph 34 (f) states that "Trustee Board in consultation with the Licensed Investment Manager, must develop, document, and maintain an appropriate risk management framework to capture, measure, monitor and manage the potential risks of any derivatives positions taken directly or indirectly. The risk management system must be sophisticated enough to measure risks on an aggregate basis".

2.5 Prudential Standard 1 / 2014, Paragraph 34 (h) states that "The Policy on the Use of Derivatives must be published in the Annual Report to members and be published in the public section of each ASF's website".

3. RESPONSIBILITIES AND ACCOUNTABILITY

3.1 The ultimate responsibility for the sound and prudent investment of members' funds rests with the trustee Board.

3.2 The Licensed Trustee has a written Investment Framework governing the selection, management and monitoring of investments risks and ensures the Trustee Board, and all those (internal and external) responsible for implementation of the Framework and the Investment Strategy act with a high degree of integrity and for the benefit of members.

3.3 This Policy on the Use of Derivatives forms part of the totality of systems, structures, policies, processes and people to address the Trustee Board's responsibilities with regard to investments of the Fund.

3.4 This Policy should be read in conjunction with the Investment Framework, and the Risk Management Framework.

3.5 The Trustee Board in consultation with the Licensed Investment Manager, has developed a risk management framework to capture, measure, monitor and manage the potential risks of any derivatives positions taken directly or indirectly.

3.6 The Investment Division and the Licensed Investment Manager are tasked with the on-going monitoring of the investment portfolio, including derivatives, if any. The Investment Committee is tasked with regular review of the investment portfolio, including derivatives, if any, and the IC reports to the Trustee Board as part of that regular review.

USE OF DERIVATIVES POLICY

4. DEFINITION OF A DERIVATIVE

4.1 A derivative is a financial instrument whose value depends on, or is derived from, the value of some other underlying asset, including but not limited to interest rate, currency rate or a variety of indices.

4.2 Generally there are five main categories of derivatives identified by the assets from which they are derived:

- 4.2.1 Equity derivatives;**
- 4.2.2 Currency derivatives;**
- 4.2.3 Interest rate derivatives;**
- 4.2.4 Credit derivatives; and**
- 4.2.5 Commodity derivatives.**

4.3 Common types of derivatives include futures contracts, forward contracts, options and swaps, each with its own regulatory, risk and documentation requirements.

4.4 Derivatives can be traded through exchanges or privately 'over the counter' (OTC).

5. AUTHORIZED USE OF DERIVATIVES

5.1 Paragraph 34 (b) of PS 1 / 2014 establishes responsibilities on members of the Trustee Board (see below 6.3.2). Accordingly, The Trustee Board will set a very high requirement for disclosure and understanding before approving the use of any derivatives.

5.2 The Fund's Trust Deed permits the use of derivatives. Section 9.2 (g) of the Trust Deed refers.

5.3 That said, the Trustee Board will only permit the use of derivatives subject to certain guiding principles. These are as follows:

5.4 The Licensed Trustee and the Licensed Investment Manager will ensure that the assets and liabilities of the Fund will not include a derivative, except where allowed under Paragraph 34 (b) to (e) of Prudential Standard 1 / 2014. See PS 1 / 2014 paragraph 34 (a).

5.5 The Trustee Board will ensure that at any time the assets and liabilities of the Fund will not include a derivative unless each Director of the Trustee Board fully understands and is able to explain the potential risks of any derivatives positions taken directly or indirectly. See PS 1 / 2014 paragraph 34 (b).

5.6 Derivatives will only be used to reduce the risk of existing investments or currency positions. See PS 1 / 2014 paragraph 34 (c).

5.7 Derivatives may only be used when the exposure is fully covered by the assets of the Fund. PS 1 / 2014 paragraph 34 (d).

5.8 Derivatives will not be used to obtain exposure that is substantially different from that which could be obtained through physical securities.

5.9 The use of any derivatives would specifically consider liquidity management as part of the consideration in using any derivative.

5.10 It is possible that some collective investment vehicles, such as mutual funds, in which the Fund invests may themselves allow derivatives, for other than purely hedging purposes. The Investment Division and the Licensed Investment Manager are required to address the issue of 'embedded derivatives' in such investment vehicles as part of the consideration of any new investment. If such investments are deemed to breach the guiding principles on the use of derivatives, in literal interpretation or in the spirit of these principles, then the Fund will not invest in such an investment.

6. REVIEW OF THIS POLICY

6.1 This Policy on the Use of Derivatives will be reviewed regularly by the Licensed Investment Manager and the Trustee Board, and such a review will be done at least annually.

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Independent

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