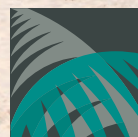


Annual Reports and Financial Statements

for the year ended 30 June 2026



**GOVERNMENT
SUPERANNUATION FUND
AUTHORITY**



GOVERNMENT SUPERANNUATION FUND
Te Pūtea Penihana Kāwanatanga



Reports presented to the House of Representatives pursuant to
Section 150(3) of the Crown Entities Act 2004.

COVER IMAGE: *Whangamatā, Coromandel Peninsula, New Zealand*
Photography by Rob Suisted (www.naturespic.com)



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Chair's Report

Tēnā koutou katoa

On behalf of the Government Superannuation Fund Authority Board, I am pleased to present the annual reports on the activities of the Government Superannuation Fund Authority (GSFA) and the Government Superannuation Fund (GSF) for the year ended 30 June 2026.

The Authority was established in October 2001 as a Crown entity by section 15A of the Government Superannuation Fund Act 1956 (GSF Act) and became an autonomous Crown entity under the Crown Entities Act 2004 in January 2005.

Our mission is to use best practice to manage the Fund and administer the GSF Schemes, as required by the GSF Act, with the prime objectives of enabling:

- returns to be maximised without undue risk;
- the Crown's contribution to the GSF to be minimised; and
- the needs and reasonable expectations of stakeholders to be met.

We are responsible for interpreting the provisions of the GSF Act relating to the GSF Schemes and exercising discretionary provisions. Annuitas Management Limited (Annuitas) carries out these functions under delegation from the Board.

Overview of the year

The GSF Schemes have been closed to new members since 1992. As expected, the number of contributors and annuitants continues to decline. As at 30 June, there were 2,425 contributors, 39,137 annuitants and 1,338 deferred annuitants.

Over the year we paid entitlements of over \$1 billion to over 42,900 GSF members, responded to over 5,500 telephone enquiries and received and processed information for around 120 payrolls.

The Fund returned 13.5% in the year to June 2026, net of investment management fees and before tax. This is a strong outcome relative to the 5.6% return for New Zealand Government Bonds but behind the 17.9% return for the Fund's benchmark Reference Portfolio.

In line with our commitments under the Crown Responsible Investment Framework we continued to reduce the carbon footprint of our public equities and credit portfolios. We are on track to meet the ambitious targets we set for a 65% reduction relative to a 2019 baseline by 2030.

A significant development this year was the move by the Minister of Finance to appoint the same members to the GSFA Board and the Board of Trustees of the National Provident Fund (NPF). This move, which we recommended to the Minister, followed the long-term strategic options review that we discussed in last year's annual report.

The move to common membership of the GSFA and NPF Boards (and by extension the board of our joint venture company, Annuitas) took effect from 1 January this year. As part of the transition Mike Sang and Sarah Vrede completed their terms. We thank Mike and Sarah for their time on the Board and wish them well for the future. We welcomed to the Board Louise Edwards, who joins as Deputy Chair, as well as Sarah Park and Michelle Tsui, all of whom were members of the NPF Board.

During the year, we welcomed Will Durham as Annuitas Chief Investment Officer. Will joined us after spending several years in a senior role at the Bank of England.



Looking ahead

The move to common board membership with NPF has already brought considerable efficiencies in the conduct of board business across GSFA, NPF and Annuitas. We are now giving considerable attention to what further efficiencies can be gained from the three entities working more closely together.

We manage the Fund to have a similar risk profile to the Reference Portfolio with more diversification. When global equities rise strongly, the Fund may underperform the Reference Portfolio but is more likely to outperform New Zealand Government Bonds, which is the primary goal. We continue to expect that the Reference Portfolio will outperform New Zealand Government Bonds over the next ten years.

Our website – www.gsfa.govt.nz – contains comprehensive information on the Authority and the GSF Schemes. It explains how we operate and gives all stakeholders access to key information about the Schemes and the Fund.

The Board encourages contributors over age 65 and non-active contributors to consider their options carefully, including when they wish to start receiving their entitlements. The Scheme administrator, Datacom, is available on 0800 654 731 to answer any questions and provide additional information.

The Board continues to meet the standards of accountability and continuous improvement that are demanded of Crown entity directors today. We remain committed to providing all stakeholders with a consistently high standard of service.

Thanks

The Board thanks the Minister of Finance and Government officials for their support, along with the team at Annuitas for their hard work and commitment to meeting our objectives. I also express my thanks to my fellow Board members, past and present, for their expertise and the commitment they brought to the Board during the year.

Ngā mihi,

A handwritten signature in black ink, reading "Anne Blackburn".

Anne Blackburn

Chair

Government Superannuation Fund Authority Board

1 September 2026



Investment Commentary

Investment strategy

We are required to invest the Fund on a prudent and commercial basis. In so doing, our investment objective is to maximise returns without undue risk to the Fund as a whole, while managing and administering the Fund in a manner consistent with best practice portfolio management.

We define this objective as being to maximise the Fund's returns over and above New Zealand Government Bonds (before New Zealand tax), while limiting the chance of under-performing New Zealand Government Bonds over rolling ten-year periods.

We rely primarily on equities to achieve Fund returns greater than New Zealand Government Bonds because, economically and historically, equities are the most reliable source of excess returns over longer time horizons.

We use a notional Reference Portfolio to measure the additional risk and to benchmark the Fund's performance over interim periods. The Reference Portfolio is a simple, globally diversified portfolio that we expect to meet our long-term investment objective by investing passively in liquid public equity and bond markets at low cost.

The Reference Portfolio comprises 70% global equities, 10% New Zealand equities and 20% global fixed income securities. We invest over 80% of the Fund internationally to avoid concentration of risk in New Zealand assets. Foreign currency exposure is 20% of the Fund on average over time.

We aim to add value against the Reference Portfolio without increasing return volatility, by investing in private equities and insurance-linked assets that provide a more diversified source of return. We seek additional returns through active management of most asset classes. We also dynamically tilt the Fund towards cheaper asset classes and away from more expensive ones, because we believe this pays off over longer periods.

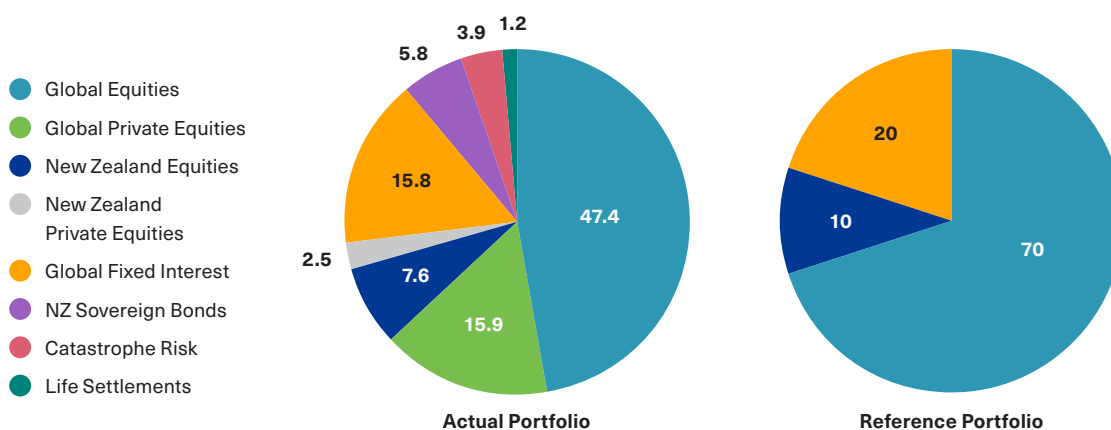
We benchmark all investment decisions against the Reference Portfolio to assess whether they add value in terms of higher returns for equivalent risk, net of investment management fees.

We manage the Fund to have similar risk to the Reference Portfolio whilst being more diversified. When global equities rise strongly, the Fund may underperform the Reference Portfolio but is more likely to outperform bonds, which is the primary goal.

We expect the Reference Portfolio to outperform New Zealand Government Bonds by 0.8% p.a. over the next ten years. That compares with 3.6% pa since the Fund's inception and 8.4% pa over the last decade.

Chart 1 sets out the Fund's asset allocation on 30 June 2026, compared with the Reference Portfolio.

Chart 1: Asset Allocation as at 30 June 2026





Investment returns

The Fund returned 13.5% in the year to 30 June 2026, net of investment management fees and before tax, far in excess of the 5.6% return of New Zealand Government Bonds but 4.4% behind the Reference Portfolio return of 17.9%.

The Fund's returns are behind the Reference Portfolio over the last 3 years, but ahead over 5 years. We aim to add approximately 1.0% p.a. on average over ten-year periods from alternative return sources, active managers and the strategic tilting programme. Over the last ten years, the Fund's return was 0.4% p.a. below the Reference Portfolio, falling short of our long-term target.

Table 1: Total Fund Return – Summary (all figures % p.a.)

Return to 30 June 2026	1 Year	3 Years	5 Years	10 Years	Since Inception
Fund Net of Fees	13.5	13.5	9.1	9.9	8.0
Reference Portfolio	17.9	15.2	8.9	10.3	8.1
NZ Government Bonds	5.6	5.6	0.9	1.9	4.6
CPI	4.1	3.4	4.7	3.3	2.6

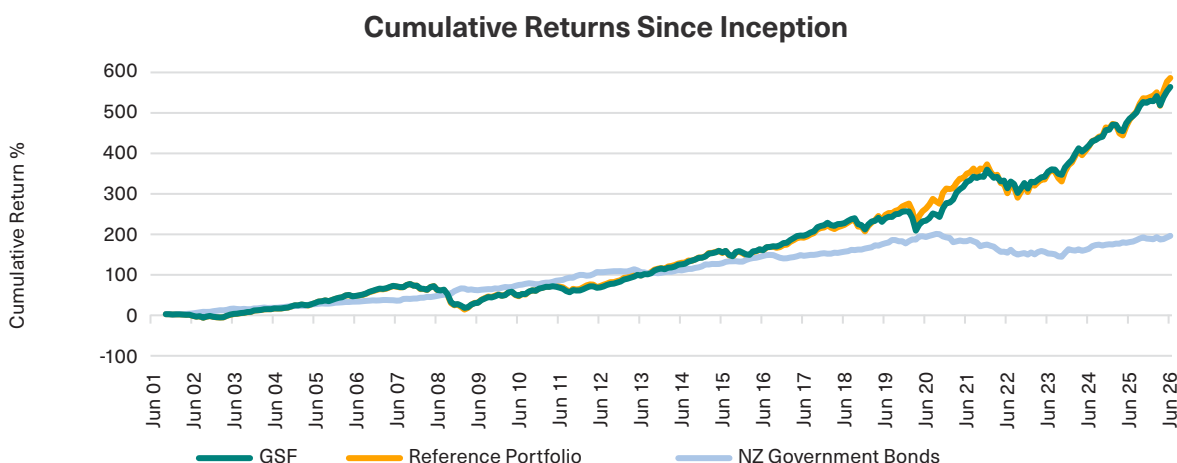
1 Return comprises gross of fees returns prior to 30 June 2009 and net of fees thereafter.

During the year, active bonds and alternative assets contributed positively to the Fund, outperforming their bond benchmark. Listed and especially unlisted equities both underperformed their benchmarks, due to particularly strong growth in listed equities, driven by a small number of very large technology stocks. Unlisted equities tend to underperform during strong growth market conditions, while outperforming during weaker periods. Refer table 2 for more details.

Additionally, the fund's Dynamic Asset Allocation programme maintained a tilt away from Global Listed Equities, due to the high valuations, which decreased relative performance.

Chart 2: Cumulative Returns since October 2001

Chart 2 below shows the cumulative returns for the Fund since inception in October 2001. The Fund's long-term return has been well ahead of the primary benchmark, NZ Government Bonds, for many years now. However, performance against the Reference Portfolio benchmark has been much more varied and the Fund is currently behind that benchmark since inception.





Returns by asset class

Table 2 shows the investment returns by major asset class compared to the relevant asset class benchmark. All returns are annualised, in New Zealand dollars (NZD) before New Zealand tax and after investment management fees.

Table 2: Returns by Asset Class to 30 June 2026

Asset Class	1 Year		3 Year		5 Year		10 Year	
	Actual	Benchmark ²	Actual	Benchmark	Actual	Benchmark	Actual	Benchmark
Total Fund¹	13.5	17.9	13.5	15.2	9.1	8.9	9.9	10.3
Global Bonds	2.1	1.6	4.2	3.5	0.7	0.1	2.4	1.6
Global Equities	28.8	29.9	24.0	22.4	16.8	15.4	15.4	15.1
Global Private Equities ³	13.5	33.1	6.7	25.7	11.4	18.4	-	-
New Zealand Equities	4.0	8.7	3.9	5.2	1.8	2.1	8.0	7.8
New Zealand Private Equities ³	4.7	11.9	6.7	8.3	8.5	5.1	-	-
Catastrophe Risk	14.1	14.4	16.3	16.6	13.6	14.3	6.5	8.4
Life Settlements	9.3	9.3	10.6	10.6	11.4	11.4	6.1	6.1
Dynamic Asset Allocation ⁴	-0.8	-	-0.1	-	-0.0	-	0.2	-

1 The Total Fund return includes currency hedging to the NZD. Returns for global bonds are fully hedged. Returns for global equities, global private equities, catastrophe risk, and life settlements are unhedged.

2 The benchmark for the Total Fund is the Reference Portfolio.

3 The benchmarks for global private equities and New Zealand private equities are the same as for global equities and New Zealand equities respectively plus 3% pa.

4 The returns for Dynamic Asset Allocation are as a percentage of the total Fund assets

Outlook

Global growth held up better than expected through late 2025 and into early 2026, helped by AI-related capital spending and firm demand in the US, Australia and East Asia. That momentum was interrupted in March 2026, as the Iran conflict disrupted oil and shipping through the Strait of Hormuz. A ceasefire has since eased the acute phase of the shock with negotiations toward a peace deal following and prices falling back from their initial spike, though its effects are still working through the data. The recovery stays uneven: the UK remains soft, a reversal from the recovery seen in the first quarter of 2026, while the US, Australia and Japan show firmer momentum.

The disinflation that seemed well established a year ago has stalled. Central banks cut interest rates further and faster through late 2025 than expected but since the Middle East shock, inflation has re-accelerated almost everywhere. While policymakers initially continued easing into late 2025, renewed inflation pressures following the Middle East shock have led several central banks to reverse course. The Reserve Bank of New Zealand (RBNZ) is now expected to raise rates several times over the next 12 months.

New Zealand's economy had begun to recover into early 2026, although that recovery has since been interrupted by the Iran conflict. Inflation is sitting above the RBNZ's target rate, while unemployment has been largely steady over the last 12 months. The housing market has stabilised, though prices remain well below their 2021 peaks.



Financial markets have proven more resilient than economic and geopolitical uncertainty might suggest. Major equity market indices have set repeated record highs through 2026 as AI-related capital spending continues to outweigh the drag from higher-for-longer interest rates. However, concentration continues to be a concern, particularly among the large technology companies. While overall market valuations appear elevated, differences between companies and sectors remain significant, creating opportunities for selective active managers.

Our response to climate change

The GSF Act requires us to manage and administer the Fund in a manner consistent with avoiding prejudice to New Zealand's reputation as a responsible member of the world community.

Climate change is a global issue requiring the world to reduce greenhouse gas emissions. New Zealand has committed to the Paris Agreement and aims to become a net zero society by 2050, as per the Climate Change Response (Zero Carbon) Amendment Act 2019.

Under the Crown Responsible Investment Framework, we have committed to measure and reduce the Fund's carbon intensity and influence companies to address climate risks and opportunities. We are a signatory to the Net Zero Asset Owners Alliance, which is a collaborative investor-led global forum enabling investors to align their portfolios and activities to the goals of the Paris Agreement.

Specifically, we have:

- committed to a net zero carbon investment portfolio by 2050
- measured the Fund's overall exposures to carbon emissions and fossil fuels to track how we are progressing towards the net zero target
- reduced the carbon intensity (emissions to sales) of the public equities portfolio since 2019. We committed to lowering it by 50% by 2025 - a target we met. We have now set a new goal of a 65% reduction by 2030 target (relative to 2019) and expanded the goal to include corporate bonds. We expect to achieve this without jeopardising our investment returns
- committed to measuring and reporting progress annually
- encouraged our investment managers to engage with companies on the disclosure and management of climate change risks and opportunities
- exercised our global voting obligations through our investment managers to influence change.

Our investment manager selection process takes into account the ability of managers to assess the impact of material climate-related risks and opportunities facing companies and the broader sustainability of their business models when making portfolio decisions. Our investment managers invest on behalf of many investors and accordingly have more influence than the Authority alone when engaging with companies on these matters.



Schemes Commentary

GSF Schemes – administration

Datacom Connect Limited (**Datacom**) continues as the administrator of the GSF Schemes and has met the performance standards we set that have applied since 1 July 2009. These performance standards are specific in terms of required response times. Management works closely with Datacom and continues to encourage best practice in schemes administration.

Annually the administrator pays approximately \$1 billion to members and receives around 5,500 telephone calls. Datacom corresponds with all members annually and combined with enquiries, this results in over 17,000 pieces of correspondence.

Privacy and security

The Board is very aware of the need to respect members' privacy. We are required to hold personal information about members for the purposes of ongoing management and administration of the GSF Schemes. Personal information is data about an identifiable individual or information that could be used to identify a member, such as a name and contact details.

We are bound by, and adhere to, the privacy provisions set out in the Privacy Act 2020, and we have complied with the Act since its inception.

With this in mind, we have ensured that the Schemes Administrator, Datacom, will never send a generic email asking a member for personal information (for example, bank account number or date of birth) or ask a member to provide their bank account details over the telephone.

The Board and Datacom will also never ask a member:

- for banking PINs or passwords;
- to download any software onto a computer;
- to give remote access to a computer; or
- send a member a link to a GSF website login page.

If at any time a member has any concerns about requests received, we urge them to call Datacom on 0800 654 731.

Cyber security

Cyber security attacks on businesses are becoming more and more common over time, with businesses of all sizes at risk. We are very aware of the need to protect our data, including our network and member information.

We protect our data by regularly installing the latest software updates and having automated backups in place. Data is held in secure cloud environments with virtual private networks (VPNs) that use two-factor authentication to access remotely the data via our network.



Statement of Governance and Accountability

The Authority was established in October 2001 as a Crown entity under section 15A of the GSF Act and became an autonomous Crown entity under the Crown Entities Act in January 2005. The business of the Authority is to manage the assets and administer the GSF Schemes and the Fund in accordance with the GSF Act.

Section 15G of the GSF Act specifies the Board is responsible for the business of the Authority.

Government Superannuation Fund Authority Board¹

The Minister of Finance has appointed the following seven members to the Board. Note: all members are also members of the NPF and Annuitas Boards and the Chair and Deputy Chair hold the same roles on those boards.

Anne Blackburn – Chair. Anne was appointed to the Board on 1 July 2018 and as Chair on 1 July 2019. She has a background in banking, governance and strategic advice.

Anne is currently Chair of Resolution Life NZ Limited and a Trustee of Te Taumata Toi-a-Iwi. Anne's other directorships include Ponga Silva Limited, Ponga Arbor GP Limited, Trust Investments Management Limited, Beehive Demetra Limited and Otway Silva Pty Limited.

Anne is an ex officio member of both the Audit and Risk Review Committee and the Investment Committee.

Louise Edwards – Deputy Chair. Louise was appointed to the Board as Deputy Chair on 1 January 2026. She is a Chartered Accountant and a director of MFL Mutual Fund Limited, Superannuation Investments Limited, Airways Corporation NZ Limited and Airways International Limited and independent chair of the Audit & Risk Committee for ChristchurchNZ.

Louise has over 20 years senior management experience across a number of industries in NZ and overseas. In particular, she has held senior executive positions within the NZ financial services industry and is an experienced leader with a wealth of financial management acumen. Previous roles include Chief Executive of the Rātā Foundation, Perpetual Trust, Chief Operating Officer for Assure NZ (subsidiary of AXA) and Senior Development Manager at Jacques Martin.

In conjunction with her busy corporate life, Louise has always maintained strong community sector links which include her work with the Christchurch Children's Earthquake Trust, Good Shepherd NZ Ltd, Canterbury Business Recovery Trust, Christchurch Symphony Orchestra, University of Canterbury Foundation and Christchurch Resettlement Services.

Louise is a member of the Audit and Risk Review Committee.

Hugh Stevens – Hugh was appointed to the Board on 26 May 2023. He has experience in banking and funds management with previous roles as Chief Executive Officer of Smartshares Ltd and senior executive roles with BNP Paribas and JP Morgan in New Zealand, UK and France.

Hugh has been a board member of the NZ Financial Services Council and is currently Chair of Fundrock NZ Ltd and a member of the Technology Advisory Board for AlphaCert. He is also the Chief Executive and a director of i-Select Limited, and an employee of Betashares Capital NZ Ltd.

Hugh is a member of the Audit and Risk Review Committee.

¹ As at 01 September 2026



Murray Brown – Chair of the Investment Committee. Murray was appointed to the Board on 1 July 2018. He is a director and Chair of Harbour Asset Management Limited and BNZ Investment Services Limited and a Chartered Member of the Institute of Directors.

Murray previously held senior management positions at Fisher Funds Management and First NZ Capital.

Rebekah Swan – Rebekah was appointed to the Board on 1 July 2024. Rebekah has over 25 years' experience in funds management with previous roles as Managing Director of Macquarie Asset Management NZ and AMP Capital (NZ) Limited and Head of Responsible Investment at Fisher Funds, as well as other senior roles and executive board roles. Currently she is the Head of Advisory for the Todd Family Office and holds a not-for-profit board role with the Good Registry Trust.

Rebekah is a member of the Investment Committee.

Sarah Park – Sarah was appointed to the Board on 1 January 2026. She brings 20+ years international corporate finance and capital markets experience to National Provident Fund after a professional career with PwC in NZ and HSBC Investment Bank in London. During her executive career, Sarah held a wide variety of roles including advising on M&A and capital market transactions, managing family office investments and as an Equity Research Analyst.

Sarah is an avid investor in early-stage companies and the co-founder of Even Capital, a Venture Capital fund focused 100% on investing in female entrepreneurs. She is a Director of NZX/ASX listed Pacific Edge as well as Orbis Diagnostics Limited. Sarah has a MA(Hons) in Economics from the University of Edinburgh and she earned the Accredited Investment Fiduciary® (AIF®) professional designation.

Sarah is a member of the Investment Committee.

Michelle Tsui – Chair of the Audit and Risk Review Committee. Michelle was appointed to the Board on 1 January 2026. She is a qualified actuary with over 25 years' experience in the actuarial and investment consulting industry with a mix of client advisory, business management and quality control experience. She is a Fellow of the UK Institute and Faculty of Actuaries.

Michelle is a full time governor. She is a member on the Nominating Committees for the Guardians of New Zealand Superannuation Fund and the Waikato-Tainui Group Investment Committee and an Investment Committee member on the Todd Family Trust. She is also currently a Director of New Plymouth PIF Guardians Limited and is on the board for a number of non-profit organisations.

Remuneration of Board members

Remuneration of Board members is in accordance with the rates set by the Minister of Finance.

Responsibilities and operations of the Board

The Board is responsible for all decisions relating to the business of the Authority.

- The Board formally meets four times per year for full Board meetings. It has additional meetings to consider its public accountability documents including the Statement of Performance Expectation and Annual Report and to consider strategy for the year ahead. It also meets outside the fixed schedule on an as required basis.
- The Board has two permanent committees:
 - The **Investment Committee** assists the Board in fulfilling its responsibilities in terms of investing the Fund. It reviews the implementation of investment strategy and oversees the Authority's compliance with its Statement of Investment Policies, Standards. Where it considers it necessary, the Committee will refer papers on to the full Board for further discussion.
 - The **Audit and Risk Review Committee** assists the Board in fulfilling its responsibilities with respect to internal controls, accounting policies, financial statements approval, risk management and the nature, scope, objectives and functions of external and internal audit in respect of the Authority and the Fund.



Executive services to the Authority are provided by Annuitas Management Limited, a joint venture between the Authority and NPF.

As required by the GSF Act, the Board does not delegate the following powers:

- power of delegation
- power to grant a power of attorney; and
- power to appoint the schemes administration manager, investment managers and the custodian.

Auditor

The Auditor-General is the auditor of the Authority. The Auditor-General has appointed Pam Thompson of Deloitte Limited to act on his behalf.

Our people

The Authority and NPF have formed a joint venture company, Annuitas Management Limited (**Annuitas**). Each organisation has entered into a Management Services Agreement (**MSA**) with Annuitas.

The main function of Annuitas is to provide executive services to the Authority and NPF. The MSA between Annuitas and the Authority contains delegations of authority to enable Annuitas to carry out the day-to-day management of the Authority's investment, custody and schemes management arrangements. In the case of schemes management, the delegation includes interpretation of the provisions of the GSF Schemes and exercise of discretionary powers in accordance with the Provisions, Policies and Procedures of the GSF.

At 30 June 2026, Annuitas had 16 permanent staff and one contractor covering parental leave. Annuitas strives to be a good equal opportunity employer meeting the good employer elements set out by the Human Rights Commission. Annuitas has a Health, Safety and Wellness Policy, and regular meetings are held with all staff to help achieve its aim of providing a healthy and safe workplace.

Workplace flexibility and investment in professional development are core to its employment offerings and hence staff participated in a range of educational development programmes during the year. These are monitored and reported on regularly.

Diversity of Annuitas staff

Ethnicity	New Zealand/Other European	Asian	Middle-Eastern	Māori
	15	1	1	0
Gender	Male	Female	Other	
	13	4	0	
Age	Under 35	35-55	Over 55	
	6	5	6	



Management team

- **Tim Mitchell** Chief Executive
- **Fiona Morgan** Chief Financial Officer
- **Will Durham** Chief Investment Officer
- **Hadyn Hunt** Chief Risk Officer
- **Ireen Muir** General Manager, Schemes

The Chief Executive of Annuitas has a contractual base salary of \$400,000. He also receives an 8% KiwiSaver contribution and is eligible for up to 40% by way of discretionary bonus. During the year under review the total paid to the Chief Executive including all the above components was \$627,133 (2025: \$565,380) (noted this included a one-off payment for assuming additional duties while Annuitas was without a Chief Investment Officer).

Indemnities

The Authority has:

- provided indemnities to each Board member under Deeds of Indemnity whereby the Authority agreed to indemnify each Board member (subject to certain exceptions) for certain costs and liabilities in respect of certain acts and omissions (being acts and omissions in good faith and in performance or intended performance of the Authority's functions) to the maximum extent permitted by the Crown Entities Act; and
- indemnified Annuitas and its staff, from and against all claims which may arise from their properly carrying out their respective duties and obligations, and properly performing the powers and authorities delegated or sub delegated to them.

The indemnities provided by the Authority to Board members, Annuitas and Annuitas staff do not protect those indemnified against any liability, claim or proceeding of any kind for any dishonesty or fraud or anything else that either:

- as a matter of public policy cannot be indemnified at law; or
- is criminal liability that the Authority has determined, in its absolute discretion, should be excluded from the indemnity.

The Authority has determined all criminal liability, other than strict liability offences, should be excluded from the scope of the indemnities. Broadly speaking, strict liability offences are those for which no intent needs to be established.

Insurance

During the financial year, the Authority continued directors' and officers' insurance cover for Board members in respect of potential liabilities and costs incurred through acts and omissions made in the performance, or intended performance, of the functions of the Authority. Insurance is not provided for an act or omission that is in bad faith.

We also continued company reimbursement insurance cover, in respect of any claims made by Board members, under the indemnities described above.

The scope of the directors' and officers' insurance cover and the company reimbursement insurance cover is consistent with the limitations imposed by the Crown Entities Act.

No claims were made against any insurance policies in this financial year.



Statement of Service Performance

The Authority is responsible for the overall management of the Fund. Outputs support the management of the investment assets of the Fund to minimise the Crown's contributions, and the management of the GSF Schemes.

This Statement of Service Performance reports our progress against objectives and measures, including those set out in our Statement of Performance Expectations 1 July 2025 to 30 June 2026. Where measures have been updated since the 2025 annual report, any effect on comparability is clearly disclosed.

Investment management

Best practice

Measure	Expected Performance	Actual Performance
Five-yearly Statutory Review finds that GSFA meets its obligations.	Review finds that GSFA meets its statutory obligations.	Achieved. The most recent statutory review was completed in the first half of calendar year 2026 and concluded, among other things, the Authority is effectively and efficiently meeting its statutory obligations. The Board has responded (see website) to all 14 recommendations, accepting most and incorporating several into its planned review of the Statement of Investment Policies, Standards and Procedures (SIPSP) and related governance and investment processes. (2025: Not applicable).
Annual independent review finds GSFA has complied with evaluated SIPSP elements in all material respects ¹ .	Review finds that the SIPSP has been complied with by the GSFA.	Achieved. The Board has set a 3-yearly cycle for compliance review whereby one third of the SIPSP is reviewed each year by an independent party. The latest review, focusing on Risk Management and Review & Monitoring procedures, found that the Authority complies with those sections of its SIPSP. (2025: Achieved).
Quarterly review of custodian performance against agreed service standards.	Custodian meets agreed service standards.	Achieved. Quarterly reviews of performance against KPIs found the custodian improved across the year and met their agreed standards. (2025: Partially achieved).

¹ SIPSP compliance is reviewed on a staggered 3-year cycle, with one-third of SIPSP elements reviewed each year.



Measure	Expected Performance	Actual Performance
Ongoing monitoring of investment managers for compliance with Investment Management Agreement (IMA) mandates.	Investment managers always comply with mandates ¹ .	Not achieved. The Custodian regularly monitors listed equity and bond managers for compliance with mandates contained in IMAs. While there were no material breaches during the year, there were several passive breaches caused by events other than changes in security valuations. These are events such as a bond's credit rating being downgraded, or temporary limit breaches due to changes in the composition of a manager's benchmark. (2025: Achieved. The measure was: Investment managers are monitored for compliance with Investment Management Agreements).
Annual review of peer collaboration.	Collaborate and engage with CFIs, peer funds and experts to share knowledge.	Achieved. The Authority has ongoing collaboration with the NPF through the two organisations' joint venture company, Annuitas Management Limited. It also works closely with the Accident Compensation Corporation and the Guardians of New Zealand Superannuation, most notably on responsible investment matters. Engagement with peers and CFIs is reported to the Board annually. Annuitas is a member of the International Centre for Pension Management. This network provides valuable knowledge sharing forums. Annuitas staff regularly meet with other peers, at events such as conferences and on research trips. (2025: Achieved).

¹ Excludes "passive" breaches caused by changes in security valuations.



Return and risk

Measure	Expected Performance	Actual Performance (% pa)					SI ¹	Comment
			1 year	3 years	5 years	10 years		
Return and risk of Reference Portfolio (RP) vs NZ Government Bonds (NZGB).	The Reference Portfolio outperforms NZ Government Bonds over rolling 10 years.	RP 2026:	17.9	15.2	8.9	10.3	8.1	Achieved.
		<i>2025:</i>	<i>12.8</i>	<i>13.3</i>	<i>9.9</i>	<i>8.7</i>	<i>7.7</i>	The RP return is substantially ahead of NZGB over all periods. (2025: Achieved).
		NZGB 2026:	5.6	5.6	0.9	1.9	4.6	
		<i>2025:</i>	<i>6.4</i>	<i>3.4</i>	<i>-0.9</i>	<i>2.1</i>	<i>4.5</i>	
Return of Actual Portfolio (AP) vs RP.	The Fund outperforms the Reference Portfolio over 3-, 5- and 10-year periods.	AP 2026:	13.5	13.5	9.1	9.9	8.0	Partially achieved.
		<i>2025:</i>	<i>12.8</i>	<i>12.3</i>	<i>12.0</i>	<i>8.7</i>	<i>7.8</i>	The AP outperforms the RP over 5 years but not over 3 and 10 years. (2025: Partially achieved).
		RP 2026:	17.9	15.2	8.9	10.3	8.1	
		<i>2025:</i>	<i>12.8</i>	<i>13.3</i>	<i>9.9</i>	<i>8.7</i>	<i>7.7</i>	

Measure	Expected Performance	Actual Performance
Risk of underperforming NZ Government Bonds.	The Fund's risk of underperforming NZ Government Bonds over a 10-year period is always within the risk tolerance set by the Board ² .	Achieved. The risk tolerance set by the Board is "<i>The ex-ante risk that the Fund underperforms NZ Government Bonds over 10 years cannot be higher than the ex-ante risk that the Reference Portfolio underperforms over the same period</i>". The Fund's estimated ten-year probability of underperforming NZ Government Bonds was 39% at 30 June 2026, below the Reference Portfolio's 46%. This risk remained below the Reference Portfolio's throughout the year. (2025: Not achieved. The measure used a different risk tolerance: that the probability of underperforming New Zealand Government Bonds by more than 10% over a 10-year period be kept below 16%).

¹ Since Inception.

² The Board may vary its risk tolerance at any time. Changes are recorded in an update to the SIPSP when they occur.



Measure	Expected Performance	Actual Performance
Fund ex-ante active risk ¹ .	Fund ex-ante active risk relative to the Reference Portfolio is always within the risk tolerance set by the Board ² .	Achieved. Fund ex-ante active risk at 30 June 2026 was 2.3%, and was kept below the Board's risk tolerance of 3% throughout the year. (2025: Achieved).
Investment Cost Benchmarking.	Annual independent benchmarking of investment costs versus peers finds costs to be comparable when measured like for like in terms of size and risk ³ .	Achieved. In the most recent review⁴, investment costs were 2.8 basis points below the peer median. (2025: Not achieved).

Avoiding prejudice

Measure	Expected Performance	Actual Performance
Compliance with Responsible Investing (RI) Policy.	Triennial independent review finds GSFA has complied with its Responsible Investing (RI) Policy in all material respects.	Not externally tested. The next triennial review is scheduled for the 2028 financial year. Compliance with the RI Policy's asset exclusions is monitored through the Custodian, and no breaches were identified during the year. Progress against RI targets is reported annually to the Minister via the Status Report Against the Crown Responsible Investment Framework. This is a new measure introduced in the 2025 Statement of Performance Expectations. (2025: Not applicable).

1 A forward-looking estimate of the volatility of the Fund's excess return relative to the Reference Portfolio.

2 As at 30 June, the risk tolerance was 3% per annum.

3 "Comparable" with respect to investment cost benchmarking means "total excess cost" is within +/- 5 basis points of the peer median as measured by CEM benchmarking after deducting differences for 1) how much active management is used within the implementation style and 2) global active equities performance fees (which are closely linked to 1 and are highly variable).

4 Based on the 1-year period ending 31 December 2024. Latest data to 31 December 2025 not available at time of publication.



Measure	Expected Performance	Actual Performance
Carbon intensity of aggregate equity portfolios (listed and private).	Carbon intensity of aggregate equity portfolios (listed and private) is consistent with net zero by 2050 trajectory ¹ .	Partially achieved. At 30 June 2026 the carbon intensity of the listed equity portfolio was below the projected intensity target for that date. Reliable carbon intensity data is not available for private equity holdings, so the aggregate (listed and private) position required by the measure cannot be confirmed. The measure is therefore assessed as partially achieved. (2025: Partially achieved. The measure was: "On path to achieve 50% reduction in equity portfolio's carbon intensity by 2025").
Reputational threats.	No material negative publicity regarding the Authority arising from Fund investments ² .	Achieved. (2025: Achieved).

Schemes

Pay entitlements

Measure	Expected Performance	Actual Performance
Annuities paid on time.	100% of all annuities paid on time.	Achieved. All annuities were paid on time. (2025: Not achieved).
Contributions banked and allocated.	100% of contributions banked on receipt and allocated as soon as verified as being correct.	Achieved. All contributions were banked on receipt and allocated as soon as verified as being correct. (2025: Achieved).
Routine correspondence responded to.	98% of routine correspondence responded to within 5 working days.	Achieved. 99.9% of all routine correspondence was responded to within 5 working days. (2025: Achieved).

- ¹ "Consistent with" means the aggregate equity portfolio's carbon intensity is no more than 5% above the projected intensity for the year. The projected intensity follows a straight-line path between the Authority's 2025 target (a 50% reduction on a 2019 baseline) and its 2030 target (a 65% reduction on the same baseline).
- ² "Material" with respect to negative publicity means having an adverse reputational consequence rated moderate or above as per the Authority's risk policy.



Systems and technology

Measure	Expected Performance	Actual Performance
Maintain relevant business systems and business continuity plans.	No permanent loss or corruption of data.	Achieved. There was no permanent loss or corruption of data. (2025: Achieved).
	Business system is available 98% of the time in any given month.	Achieved. The business system was available more than 98% of the time in any given month. (2025: Achieved).
	No critical business system request outstanding for more than 3 months without appropriate remedial action in place.	Achieved. No critical business system request remained outstanding for more than three months without appropriate remedial action in place. (2025: Achieved).
	No material cyber events ¹ .	Achieved. There were no material cyber events. (2025: Achieved).
	No notifiable breach of member privacy ² .	Achieved. There were no notifiable breaches of member privacy. One minor breach occurred which did not meet the threshold for notification to the Privacy Commissioner. (2025: Achieved).
	Business continuity plans in place.	Achieved. Business continuity plans are in place. (2025: Achieved).

¹ "Material" with respect to cyber events means having an adverse financial impact rated moderate or above as per the Authority's risk policy.

² "Notifiable breach" has the meaning as defined in the Privacy Act 2020.



Interpretation of the Act and exercise of discretionary powers

Measure	Expected Performance	Actual Performance
Compliance with legislative requirements.	Interpretation of the provisions and exercise of discretionary powers comply with legislative requirements.	Achieved. (2025: Partially achieved).
Service Level Agreements for requests for information in place and monitored.	Timely response to all requests for information from stakeholders and meeting deadlines.	Achieved. The timing for provision of information to stakeholders is clearly communicated. Service level agreements were met, and information provided within required timeframes. (2025: Achieved).
Satisfaction scores in the major aspects of the biennial survey of members and employers.	Consistently good (60% and over) satisfaction scores in the major aspects of the biennial survey of members and employers.	Not tested. (2025: Achieved).



Authority's Report

On behalf of the Authority, I am pleased to present this report on the Fund for the year ended 30 June 2026. The report is made in accordance with section 93B of the GSF Act.

The Fund dates back to 1948 when it was established to provide a way for state sector employees to save for their retirement. Contributors make regular payments to the Fund and in return, on retirement, receive a defined level of income. Employers, who are not funded directly by the Government, pay contributions as set by the Actuary, at the amount necessary to fund the balance of their employees' entitlements. The Government meets the balance of the costs of the employees' entitlements as they become payable. The Fund was largely closed to new members in 1992.

The Act provides for interest to be paid into or out of the Fund in respect of members' contributions or benefits. In respect of interest charged by the Fund, the rate is equivalent to the gross return on the Fund for the year. For the year ended 30 June 2026, the gross return was 14.2% before investment fees, tax and expenses (2025: 13.4%).

This annual report includes information on membership, and other matters required by the GSF Act. Commentary on the investment performance of the Fund starts on page 4.

Information on the Authority can be found commencing on page 2.

Membership

Although the GSF Schemes were closed to new members in July 1992, and the Pacific Island sub-schemes closed on 22 October 1995, the GSF Schemes will continue to have a very substantial membership for many years.

Details of the membership of the GSF Schemes are set out on page 22.

Anne Blackburn

Chair

Government Superannuation Fund Authority Board

1 September 2026



Regulatory Statement

In accordance with the Financial Markets Conduct Act 2013 the Authority states that, to the best of its knowledge and belief, for the financial year ended 30 June 2026:

- on the basis of evidence available, all contributions required to be made to the Fund, in accordance with the GSF Act, have been made or accrued;
- all benefits required to be paid from the Fund under the GSF Act have been paid; and
- due to the partially funded nature of the GSF Schemes, the market value of assets fell short of the accrued benefit liability of the Fund by \$5.389 billion (2025: \$6.489 billion). The deficiency is covered by Section 95 of the GSF Act, which requires the Minister of Finance to appropriate funds from public money to meet the annual deficiency in payments from the Fund.

Anne Blackburn

Chair

Government Superannuation Fund Authority Board

1 September 2026



Membership Commentary

Movement in contributors during the past five years

Year ended 30 June	Total Contributors	Change in Contributors	Change
2022	3,610	(422)	(10.47%)
2023	3,273	(337)	(9.34%)
2024	2,965	(308)	(9.41%)
2025	2,674	(291)	(9.81%)
2026	2,425	(249)	(9.31%)

Number of contributors, by scheme

GSF Scheme	2026	% of 2026 Total	2025
General Scheme	2,305	95.05%	2,536
Armed Forces	45	1.86%	45
Police	68	2.80%	84
Prisons Service	7	0.29%	9
Judges and Solicitor-General	-	-	-
Parliamentary	-	-	-
Total contributors at end of year	2,425	100%	2,674

Movement in the number of contributors during the year

	2026	2025
Contributors at beginning of year	2,674	2,965
Cessation of employment before retirement	(7)	(11)
Death before retirement	(10)	(11)
Retirements	(226)	(262)
Transfer to other schemes	(6)	(7)
Withdrawals	0	0
Re-enrolments	0	0
Total contributors at end of year	2,425	2,674



Movement in the number of annuitants during the past five years

Year ended 30 June	Total Annuitants	Change in Annuitants	Change
2022	42,688	(725)	(1.67%)
2023	41,710	(979)	(2.29%)
2024	40,786	(924)	(2.22%)
2025	39,964	(822)	(2.02%)
2026	39,137	(827)	(2.07%)

Movement in number of annuitants during the year

	2026	2025
Annuitants at beginning of year	39,964	40,786
New retiring allowances	226	262
New allowances to spouses	720	677
Deferred pensions now in payment	222	229
Discontinued allowances	(1,995)	(1,990)
Total annuitants at end of year	39,137	39,964

There were 1,338 deferred pensions at 30 June 2026 (2025: 1,560).

Movement in total number of members during the past five years

Year ended 30 June	Total Contributors	Total Annuitants	Total Deferred Pensions	Total Members	Decrease During Year
2022	3,610	42,688	2,330	48,628	(1,446)
2023	3,273	41,710	2,057	47,040	(1,588)
2024	2,965	40,786	1,789	45,540	(1,500)
2025	2,674	39,964	1,560	44,198	(1,342)
2026	2,425	39,137	1,338	42,900	(1,298)

Since 1996, the number of annuitants has exceeded the number of contributors. The present ratios are:

	2026	%	2025	%
Contributors	2,425	6.0%	2,674	6.1%
Deferred pensions	1,338	3.0%	1,560	3.5%
Annuitants	39,137	91.0%	39,964	90.4%
Total	42,900	100.0%	44,198	100.0%

Granting a charge over contributions

In the year to 30 June 2026, 0 charges (2025:2) were registered by the Fund in favour of charge holders as security over individual contributor's contributions.

Financial Statements



Statement of Responsibility

The Financial Statements of the Fund for the year ended 30 June 2026 have been prepared in accordance with Section 93 of the Government Superannuation Fund Act 1956 (GSF Act).

The Authority is responsible for the preparation of the Financial Statements and the judgements made in the process of producing those statements.

The Authority confirms that:

- internal control systems have been established and maintained during the year to assure reasonable reliability and integrity of these Financial Statements; and
- the investment policies, standards, and procedures for the Fund, published on www.gsfa.govt.nz, have been complied with.

In our opinion, the attached Financial Statements present a true and fair view of the net assets, as at 30 June 2026, and the changes in net assets and the cash flows of the Fund, for the year ended 30 June 2026.

Anne Blackburn

*Chair
Government Superannuation
Fund Authority Board*

Tim Mitchell

*Chief Executive
Annuitas Management Limited*

1 September 2026



Statement of Changes in Net Assets

For the year ended 30 June 2026

	Note	2026 \$000 Actual	2026 \$000 (unaudited) Forecast	2025 \$000 Actual
Change in assets from investing activities				
Interest, dividends and other income	1	190,200	98,280	198,075
Changes in fair value of investment assets through profit or loss	2	612,041	294,841	537,171
		802,241	393,121	735,246
Operating activities				
Operating expenses	3			
Funding for the Authority	14	(56,444)	(52,988)	(61,097)
Surplus before tax and membership activities		745,797	340,133	674,149
Income tax expense	4	(12,658)	(75,448)	(61,102)
Surplus after tax and before membership activities		733,139	264,685	613,047
Membership activities				
Contributions				
Government	5	693,728	681,000	732,949
Members		7,924	6,000	10,400
Other employers		3,593	5,000	5,501
Total contributions		705,245	692,000	748,850
Benefits and refunds paid	6	(1,024,949)	(1,025,000)	(1,026,728)
Net membership activities		(319,704)	(333,000)	(277,878)
Net increase/(decrease) in net assets		413,435	(68,315)	335,169
Opening net assets available to pay benefits		5,839,380	5,875,220	5,504,211
Net assets available to pay benefits		6,252,815	5,806,905	5,839,380

This statement is to be read in conjunction with the Summary of Accounting Policies and the Notes to the Financial Statements.



Statement of Net Assets

As at 30 June 2026

	Note	2026 \$000 Actual	2026 \$000 (unaudited) Forecast	2025 \$000 Actual
Current assets held at fair value through profit or loss				
Derivative assets	13.4	22,090	55,395	83,313
Current assets at amortised cost				
Cash and cash equivalents		378,772	274,909	330,164
Trade and other receivables	7	167,640	410,587	205,730
Total current assets at amortised cost		546,412	685,496	535,894
Other current assets				
Income tax receivable	4	41,984	-	-
Total current assets		610,486	740,891	619,207
Non-current assets held at fair value through profit or loss				
Investments				
Bonds – International		696,349	463,637	820,757
Bonds – New Zealand		356,774	303,979	691
Derivative assets	13.4	6,585	3,539	5,323
Equities – International		3,074,296	3,201,643	2,990,279
Equities – New Zealand		431,904	480,292	343,849
Insurance-linked assets		309,198	245,380	262,841
Other investments		36,943	83,602	84,431
Private equity – International		977,131	737,341	858,102
Private equity – New Zealand		145,011	140,631	193,111
Total investments	13.4	6,034,191	5,660,044	5,559,384
Other non-current assets				
Business system	8	859	859	3,434
Total non-current assets		6,035,050	5,660,903	5,562,818
Total assets		6,645,536	6,401,794	6,182,025

This statement is to be read in conjunction with the Summary of Accounting Policies and the Notes to the Financial Statements.



Statement of Net Assets (Continued)

As at 30 June 2026

	Note	2026 \$000 Actual	2026 \$000 (unaudited) Forecast	2025 \$000 Actual
Less liabilities				
Current liabilities held at fair value through profit or loss				
Derivative liabilities	13.7	119,389	62,904	25,487
Current liabilities at amortised cost				
Trade and other payables	9	262,941	491,690	256,864
Other current liabilities				
Income tax payable	4	-	24,898	53,192
Total current liabilities		382,330	579,492	335,543
Non-current liabilities held at fair value through profit or loss				
Derivative liabilities	13.7	10,151	15,156	6,141
Other non-current liabilities				
Deferred tax liability	4	240	241	961
Total non-current liabilities		10,391	15,397	7,102
Total liabilities		392,721	594,889	342,645
Net assets available to pay benefits		6,252,815	5,806,905	5,839,380
Promised retirement benefits				
Gross liability for promised retirement benefits	12	11,642,000	11,418,000	12,328,000
Deficit		5,389,185	5,611,095	6,488,620
Net assets available to pay benefits		6,252,815	5,806,905	5,839,380

Anne Blackburn

Chair
Government Superannuation Fund Authority Board

Michelle Tsui

Chair, Audit and Risk Review Committee
Government Superannuation Fund Authority Board

1 September 2026



Statement of Cash Flows

For the year ended 30 June 2026

	2026 \$000 Actual	2026 \$000 (unaudited) Forecast	2025 \$000 Actual
Cash flows from operating activities¹			
Cash was provided from:			
Government contributions – members	692,174	626,450	682,790
Government contributions – expenses	44,800	52,000	41,600
Members' contributions	7,993	6,000	9,968
Other employers' contributions – members	3,108	2,479	4,691
Other employers' contributions – expenses	1,800	1,800	1,800
Interest, dividends and other income	189,960	97,280	193,447
Cash was disbursed to:			
Benefit payments	(1,024,645)	(1,025,000)	(1,027,822)
Income tax	(109,554)	(61,271)	(86,765)
Operating expenses	(58,835)	(52,488)	(54,321)
Net cash outflows from operating activities	(253,199)	(352,750)	(234,612)
Cash flows from investing activities²			
Cash was provided from:			
Maturities and sales of investment assets	7,178,120	5,176,930	6,945,551
Cash was disbursed to:			
Purchase of investment assets	(6,876,313)	(4,816,039)	(6,793,682)
Net cash inflows from investing activities	301,807	360,891	151,869
Net increase/(decrease) in cash held	48,608	8,141	(82,743)
Opening cash and cash equivalents	330,164	266,768	412,907
Closing cash and cash equivalents³	378,772	274,909	330,164

1 Operating activities include any activities that are the result of normal business activities (excluding investing activities).

2 Investing activities comprise acquisition and disposal of investments. Investments include securities not falling within the definition of cash. Included within the sales and purchases in 2025 is an in-specie transfer within the Fermat Fund.

3 Cash and cash equivalents comprise cash balances held with banks in New Zealand and overseas. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, are subject to insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments. Only items that have a maturity of three months or less, from acquisition date, are classified as cash and cash equivalents.



Statement of Changes in Deficit

For the year ended 30 June 2026

	2026 \$000 Actual	2026 \$000 (unaudited) Forecast	2025 \$000 Actual
Opening deficit at the beginning of the year	(6,488,620)	(5,934,780)	(6,679,789)
Change in liabilities amount	686,000	392,000	(144,000)
Change in Net Assets	413,435	(68,315)	335,169
Closing deficit at the end of the year	(5,389,185)	(5,611,095)	(6,488,620)

Note – Deficit

- 1 The estimated actuarial present value of Promised Retirement Benefits (Gross Liability) – refer note 12 – is the present value of the expected payments by the Fund to existing and past members, attributable to the services rendered. The present value was calculated by the Authority's Actuary, as at 30 June 2026, under NZ IAS 26, using a net discount rate.
- 2 The Deficit is the value of the Gross Liability less the value of the Net Assets of the Fund.
- 3 There is no requirement on the Crown to fully fund the Deficit in relation to the GSF Schemes. The Crown meets its obligation to pay members' entitlements on an as required basis.
- 4 Reliance is placed by the Authority on the provisions of section 95 of the GSF Act which requires the Minister to appropriate funds from public money to ensure sufficient funds are available, or will be available, to pay entitlements as they fall due.



Reconciliation of Net Changes in Net Assets to Net Operating Cash Flows

For the year ended 30 June 2026

	2026 \$000	2025 \$000
Net increase in net assets	413,435	335,169
Non-cash items		
Deferred tax expense	(721)	(722)
Amortisation of the business system	2,575	2,575
Total non-cash items	1,854	1,853
Movements in working capital items		
Benefits payable	(5)	8
Government contributions received – benefits	57,526	(284)
Income tax	(95,176)	(25,543)
Investment payables	(47,712)	(50,337)
Investment receivables	52,598	120,884
Members' contributions and other employers' contributions received in advance – benefit	-	(637)
Other employers' contributions received in advance – expenses	1,236	578
Receivables and prepayments	(14,508)	(10,783)
Trade and other payables	(4,968)	4,198
Total movement in working capital items	(51,009)	38,084
Changes in items classified as investing activities		
Accrued interest portion of bonds	(552)	(2,000)
Change in fair value of investment assets	(612,041)	(537,171)
Investment settlement receivables	(52,598)	(120,884)
Investment settlement payables	47,712	50,337
Total movement in investing activities	(617,479)	(609,718)
Net cash out flows from operating activities	(253,199)	(234,612)



Judges and Solicitor-General Superannuation

Statement of Changes in Net Assets

For the year ended 30 June 2026

	2026 \$000	2025 \$000
Income from operations¹		
Government contributions	14,826	15,196
Total contributions	14,826	15,196
Expenditure		
Benefits paid:		
Retirements	11,512	11,739
Spouses and children	3,314	3,457
Total benefits paid	14,826	15,196
Net changes in net assets	-	-

1 These figures are incorporated in the Government Superannuation Fund Statement of Changes in Net Assets.



Parliamentary Superannuation

Statement of Changes in Net Assets

For the year ended 30 June 2026

	2026 \$000	2025 \$000
Income from operations¹		
Government contributions	4,698	4,689
Total contributions	4,698	4,689
Expenditure		
Benefits paid:		
Retirements	3,838	3,876
Spouses and children	860	813
Total Benefits paid	4,698	4,689
Net changes in net assets	-	-

1 These figures are incorporated in the Government Superannuation Fund Statement of Changes in Net Assets.



Notes to the Financial Statements

For the year ended 30 June 2026

1. Interest, Dividends and Other Income

	2026 \$000	2025 \$000
Bonds – International	26,997	36,088
Bonds – New Zealand	7,190	1,177
Equities – International	41,034	41,165
Equities – New Zealand	10,292	11,780
Insurance-linked assets	7,223	-
Other income	30,340	38,155
Private Equity – International	47,116	63,708
Private Equity – New Zealand	19,232	4,641
Short-term and call deposits	776	1,361
Total interest, dividends and other income	190,200	198,075

2. Changes in Fair Values of Investment Assets Through Profit or Loss¹

	2026 \$000	2025 \$000
Bonds – International	(8,527)	7,050
Bonds – New Zealand	(305)	5,374
Equities – International	569,656	458,380
Equities – New Zealand	6,977	13,404
Insurance-linked assets	27,358	34,487
Other investments	(46,106)	40,140
Private Equity – International	71,504	(25,865)
Private Equity – New Zealand	(8,516)	4,201
Total changes in fair values of investment assets through profit or loss	612,041	537,171

¹ Includes changes resulting from hedging (where applicable).

3. Operating Expenses

In terms of section 15E (1) of the GSF Act, the administrative expenses of the Authority, including investment management and custody expenses, are reimbursed by the Fund. Both the Government and other employers reimburse the Fund under section 95 of the GSF Act for the Authority's expenses. In the reporting period (from 1 July 2025), as certified by the Actuary, the Government contributed 99% (from 1 July 2024: 98%) of the Authority's administrative expenses reimbursed by the Fund. Other employers contributed the balance of 1% (from 1 July 2024: 2%).



4. Income Tax

	2026 \$000	2025 \$000
Reconciliation to statement of changes in net assets		
Surplus before tax and membership activities	745,797	674,149
Add imputation credits	2,829	3,502
Net taxable income	748,626	677,651
Tax expense at 28%	209,615	189,742
Tax effect:		
Non-taxable (gains) on equity investments	(259,596)	(179,361)
Foreign Investment Fund income	64,203	54,508
Prior period adjustment	754	(418)
Imputation credits	(2,829)	(3,502)
Withholding tax	511	133
Income tax expense	12,658	61,102
Income tax expense comprises:		
Current tax	12,625	62,242
Deferred tax	(721)	(722)
Prior period adjustment	754	(418)
Income tax expense	12,658	61,102
Movement in deferred taxation		
Opening balance	(961)	(1,683)
Current year movement	721	722
Deferred tax liability¹	(240)	(961)
Movement in income tax receivable/(payable)		
Opening balance	(53,192)	(78,735)
Current year movement	(12,625)	(62,242)
Prior period adjustment	(754)	418
Tax payments	106,799	84,106
Withholding tax/other	1,756	3,261
Income tax receivable/(payable)	41,984	(53,192)

1 The deferred tax liability of \$0.240 million (2025: \$0.961 million) relates to the Business System.



5. Government and Employer Contributions

	2026 \$000	2025 \$000
Government service superannuation contributions	618,324	653,189
Government Superannuation Fund Authority expenses	55,880	59,875
Judges and Solicitor-General superannuation contributions	14,826	15,196
Parliamentary superannuation contributions	4,698	4,689
Total Government contributions	693,728	732,949

5.1 Funding arrangements

There is no requirement on the Government to fully fund the GSF Schemes. The basis of funding to meet benefits is from contributors' contributions, and the surplus after-tax (when applicable), the balance being the contributions from the Government and non-departmental employers. Reliance is placed on the provisions in the GSF Act for the Government to ensure sufficient funds are available, or will be available, to pay benefits as they fall due.

GSF Schemes – Member contributions	% of salary
General Scheme (including Islands)	6.5
Armed Forces	7.6
Police	7.5
Prisons Service	8.5

	1 July 2025 to 30 June 2026 % of salary	1 July 2024 to 30 June 2025 % of salary
GSF Schemes – Employer contributions¹		
General Scheme:		
Non-funding employers ²	13.7	14.4
Funding except Islands (range) ³	13.6-17.8	14.4-18.5
Islands	16.6	17.2
Armed Forces	11.5	12.7
Police	Nil	2.0
Prisons Service	Nil	Nil

1 Employer contribution rates are inclusive of ESCT, except for the Islands. The Crown receives contribution rates gross of ESCT. The Fund receives employer contributions net of ESCT.

2 Non-funding employer contributions are paid by employers direct to the Crown.

3 As the employer contribution rate is subject to age and gender of contributors, it is different from one employer to another and the range for the rates is provided.



6. Benefits and Refunds Paid

	2026 \$000	2025 \$000
Benefits:		
Allowances capitalised	13,583	13,065
Pension entitlements	849,314	852,009
Spouses and children	156,436	153,827
Refunds:		
Cessation of membership	376	1,310
Death	1,049	1,345
Transfers to other schemes	4,191	5,172
Total benefits and refunds paid	1,024,949	1,026,728

7. Trade and Other Receivables

	2026 \$000	2025 \$000
Government contributions – expenses	33,387	18,035
Interest and dividends	2,959	3,349
Investment settlements receivable	130,010	182,608
Past service contributions	253	272
Pension entitlements	620	715
Prepaid benefits	411	751
Total trade and other receivables	167,640	205,730

The Authority does not believe there are any financial assets past due at balance date and, therefore, there is no impairment.

8. Business System

The Business System is used for the administration of the GSF Schemes. It supports the core business functions of the GSF Schemes including contributions management, benefit calculation and payment, scheme administration, financial accounting and schemes reporting.

The Authority went live with the Business System in November 2016. Amortisation costs of \$2.575 million are included within the operating expenses of the Fund (2025: \$2.575 million). At year end the Business System was reviewed against NZ IAS 36: Impairment of Assets which resulted in no provision for impairment being made (2025: Nil).



9. Trade and Other Payables

	2026 \$000	2025 \$000
Benefits payable	39	44
Government contributions in advance – benefits	61,547	4,021
Government Superannuation Fund Authority	2,667	7,634
Investment settlements payable	196,520	244,232
Other employers' contributions – expenses	2,168	933
Total trade and other payables	262,941	256,864

10. Actuarial Valuations of the Fund

10.1 Statutory actuarial valuation

Section 94 of the GSF Act requires that the Authority must obtain a report from an actuary that examines the financial position of the Fund as at dates determined by the Minister of Finance, being dates that are no more than three years apart. On 9 February 2026, the Minister directed that statutory valuations revert to a three-year cycle.

The latest published statutory actuarial valuation was undertaken by the Authority's Actuary, Louise Campbell, (FNZSA, FIAA), Towers Watson Australia Pty Ltd as at 30 June 2025. The report was tabled in Parliament on 22 February 2026. More information on the results of the valuation is provided in Note 11.

10.2 New Zealand International Accounting Standards NZ IAS 26 actuarial valuation

An actuarial valuation of the Fund was undertaken by the Authority's Actuary, Louise Campbell, (FNZSA, FIAA), Towers Watson Australia Pty Ltd as at 30 June 2026 to determine the value of the promised retirement benefits, in accordance with NZ IAS 26, for the Financial Statements of the Fund – refer Note 12.

11. Statutory Actuarial Valuation as at 30 June 2025

Details of the statutory actuarial valuation, as at 30 June 2025, are included for information only. The statutory actuarial valuation is used to determine the employer subsidy rates and to apportion entitlements between the Fund and Government. In accordance with directions received from the Minister of Finance the statutory valuation has reverted to a triennial cycle, commencing with the next statutory valuation on 30 June 2027. The employer subsidy rates determined in the valuation as at 30 June 2025 will apply to 30 June 2028. The apportionment of entitlements between the Fund and Government will be determined as part of the NZ IAS 26 annual valuation – refer note 12.

Significant assumptions, used in the statutory valuation were:

- Discount rate/return on assets 5.00% per annum (2024:5.5%)
- Consumer Price Index/pension increase (long term) 2.00% per annum (2024:2.0%)
- Salary growth 2.50% per annum (2024:2.5%)

Rates of mortality, morbidity and withdrawal are based on scheme experience, with that experience being used to adjust standard published tables where available.



11. Statutory Actuarial Valuation as at 30 June 2025 (continued)

The results of the 30 June 2025 statutory actuarial valuation are:

	2025 \$ million	2024 \$ million
Past service liabilities		
Armed Forces contributors	3	2
General Scheme contributors (excluding Islands)	778	850
General Scheme contributors (Islands only)	52	54
Police contributors	96	106
Prisons Service contributors	3	4
Pensioners	10,908	10,672
Deferred pensioners	489	496
Total past service liabilities¹	12,328	12,184
Less value of Fund assets	5,839	5,504
Unfunded past service liability¹	6,489	6,680

¹ Total may not add up due to rounding.

Vested benefits are calculated as the amount payable in the event all contributors ceased membership as at the valuation date. The vested benefit values are shown in the following table, where contributors include the inactive members. The ratio of vested benefits to past service liabilities is also shown.

Schemes/Group	2025 \$ million As a percentage of service liability	2025 \$ million	2024 \$ million
Vested Benefits			
Contributors:			
Armed Forces	112%	3	3
General Scheme – excluding Islands	110%	858	951
General Scheme – Islands	105%	54	58
Police	100%	96	106
Prisons Service	100%	3	4
Total Contributors	109%	1,014	1,122
Pensioners:			
Pensioners	100%	10,908	10,672
Deferred pensioners	100%	489	496
Total Pensioners	100%	11,397	11,168
Grand total	101%	12,411	12,289
Less net assets		5,839	5,504
Shortfall¹		6,571	6,785

¹ Total may not add up due to rounding.



11. Statutory Actuarial Valuation as at 30 June 2025 (continued)

The Fund has been closed to new entrants since 1992. Members with 10 or more years' service are generally eligible to take an immediate or deferred retiring allowance on leaving the Fund. As a result, almost all members in the Fund can take either an immediate pension or a deferred retiring allowance.

The total value of these pensions for all members, as at the valuation date, is the vested benefits.

Members will retire at dates later than 30 June 2025. The pension they receive at their actual retirement date can be split into that part accrued at the valuation date and that which will accrue after the valuation date. The net asset value of the Fund was used as the actuarial value of the assets.

The valuation revealed the Fund was in deficit at the date of the valuation. The benefits payable from the Fund are underwritten by the Government. The Actuary determined that from 1 July 2026, the Government pays 58% of each benefit paid (2024 valuation, from 1 July 2025: 61.8%) less any amounts received from funding employers.

Employer contribution rates as from 1 July 2026 (to 30 June 2028), including employer superannuation contribution tax (**ESCT**) (if applicable), are as follows:

- for funding employers (employers of those contributors who are paid from money that is not public money) the employer contribution rate has been calculated on an employer-by-employer basis, based solely on the members employed by each employer;
- for employers that are the Public Services of the Cook Islands, Niue or Tokelau, the employer contribution rate is certified as 18.5% (2025: 16.6%) of contributor salaries; and
- for funding employers other than the Public Services of the Cook Islands, Niue or Tokelau, contributions are calculated on an employer-by-employer basis only on the contributors employed by that employer. The resulting employer rates are then smoothed to reduce the immediate impact of a change in valuation methodology. At 30 June 2025 there were no funding employers who had to have their contributions for 2025/26 based on a smoothed rate. Contribution rates include ESCT and an allowance for expenses. A sample of average contribution rates at selected ages (and ESCT at 39%), is set out in the following table by age and gender.

Age	Males	Females
55	19.1%	n/a
57	19.5%	19.5%
59	19.6%	19.7%
61	19.6%	19.7%
63	19.2%	19.3%
65	17.8%	17.8%
67	16.8%	16.8%
69	16.0%	16.1%
71	15.8%	15.6%

For non-funding employers (employers of those contributors who are paid from money that is public money) the employer contribution rate has been determined under a notional funding approach. The employer contribution rates including ESCT recommended in the statutory actuarial valuation report as at 30 June 2025, effective from 1 July 2026 to 30 June 2028, are as follows:

- for the Armed Forces Scheme: a rate of 12.4% of contributor salaries;
- for the General Scheme: a rate of 15.2% of contributor salaries;
- for the Police Scheme: a rate of 0% of contributor salaries;
- for the Prisons Service Scheme: a rate of 0% of contributor salaries;
- for the Judges and Solicitor-General Scheme: an amount equal to the benefits payable; and
- for the Parliamentary Scheme: an amount equal to the benefits payable.



12 Gross Liability for Promised Retirement Benefits as at 30 June 2026

The Actuary has valued the promised retirement benefits in accordance with NZ IAS 26, as at 30 June 2026, for the purposes of the Fund's Financial Statements. Significant assumptions, used in the valuation, were:

- Discount rate/return on assets 5.50% per annum
- Consumer Price Index/pension increase (long term) 2.0% per annum
- Salary growth 2.5% per annum

Movement in promised retirement/past service benefit liability	2026 \$ million	2025 \$ million
Opening gross promised retirement/past service benefit liability	12,328	12,184
Movements in liability		
Expected changes	(428)	(374)
Experience (gains)/losses	132	29
Assumption changes:		
Change in discount rate, Consumer Price Index and salary assumption	(390)	489
Change in demographic assumption (including mortality improvement)	-	-
Closing gross promised retirement/past service benefit liability ¹	11,642	12,328

¹ Total may not add up due to rounding.

Vested benefits – 30 June 2026

Vested benefits are calculated as the amount payable in the event all contributors ceased membership as at the valuation date. The vested benefit values, as at 30 June 2026, are shown in the following table, where contributors include the inactive members.

Vested benefits	2026 \$ million	2025 \$ million
Contributors	808	1,014
Pensioners:		
Current pensioners	10,497	10,908
Deferred pensioners	408	489
Total pensioners	10,905	11,397
Total vested benefits	11,713	12,411
Less net assets	6,253	5,839
Shortfall ¹	5,460	6,571

¹ Total may not add up due to rounding.

The valuation at 30 June 2026 revealed the Fund was in deficit at the date of the valuation. The benefits payable from the Fund are underwritten by the Government. The Actuary determined that from 1 July 2027, the Government pays 54.8% of each benefit paid (2025 valuation, from 1 July 2026: 58%) less any amounts received from funding employers.



13. Financial Instruments

13.1 Management of financial instruments

The investments of the Fund are managed on behalf of the Authority by specialist investment managers, which are required to invest the assets allocated for management in accordance with the terms of written investment management agreements. The Authority has determined that the appointment of these managers is appropriate for the Fund and is in accordance with the Authority's Statement of Investment Policies, Standards and Procedures (SIPSP).

JPMorgan Chase Bank acts as the global custodian on behalf of the Authority. They provide services including safekeeping of assets, settlement of trades, collection of investment income, and accounting for investment transactions. While JPMorgan Chase Bank is the Custodian for assets held directly in the name of the Fund, where we invest in collective investment vehicles the assets are held by the custodian appointed by that vehicle. Private equity investments are typically held through partnership structures and do not utilise a conventional custodian, with ownership evidenced through the legal and contractual records of the investment vehicle. At year end approximately 39% of assets were held outside custody (2025: 33%).

13.2 Capital risk management

The investment strategy, Reference Portfolio and Target Portfolio are reviewed regularly by the Authority, in conjunction with its advisers (see page 4). Management reviews, on behalf of the Authority, and generally on a monthly basis, the cash requirements and funding of the GSF Schemes, in the context of maintaining the Target Portfolio, and redeems or invests funds as appropriate.

13.3 Categories of financial instruments

The Fund recognises all financial assets and liabilities at fair value, or at amortised cost, as detailed in the Summary of Accounting Policies.

	2026 \$000	2025 \$000
Financial assets at fair value	6,056,281	5,642,697
Financial liabilities at fair value	129,540	31,628
Financial assets at amortised cost	546,412	535,894
Financial liabilities at amortised cost	262,941	256,864

13.4 Fair value measurements recognised in the Statement of Net Assets

The following table provides an analysis of the financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets to 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).



13. Financial Instruments (Continued)

13.4 Fair value measurements recognised in the Statement of Net Assets (continued)

During the period, the Fund reassessed the observability of inputs used in the valuation of certain fixed income securities. As a result, certain instruments previously classified within Level 1 were reclassified to Level 2 in the fair value hierarchy. The reclassification reflects the use of observable inputs other than quoted prices in active markets for identical instruments. Comparative information has been reclassified to conform to the current period presentation. This reclassification had no impact on net assets or net income in either year.

2026	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
Financial assets at fair value				
Derivative financial assets	-	28,675	-	28,675
Insurance-linked assets				
North America	-	235,461	73,737	309,198
Investments in cash				
Asia & Australia	14,867	-	-	14,867
New Zealand	22,076	-	-	22,076
Investments in equities				
Asia & Australia	354,582	-	-	354,582
Europe	386,211	-	-	386,211
New Zealand	431,904	-	-	431,904
North America	1,346,203	973,306	-	2,319,509
Rest of the world	13,994	-	-	13,994
Investments in bonds				
Asia & Australia	16,702	106,523	-	123,225
Europe	40,947	178,970	-	219,917
New Zealand	325,495	31,279	-	356,774
North America	87,221	242,796	-	330,017
Rest of the world	-	23,190	-	23,190
Investments in private equity				
New Zealand	-	-	145,011	145,011
North America	-	-	977,131	977,131
	3,040,202	1,820,200	1,195,879	6,056,281
Financial liabilities at fair value				
Derivative financial liabilities	-	129,540	-	129,540
	-	129,540	-	129,540



13. Financial Instruments (Continued)

13.4 Fair value measurements recognised in the Statement of Net Assets (continued)

2025	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
Financial assets at fair value				
Derivative financial assets	-	88,636	-	88,636
Insurance-linked assets				
North America	-	174,521	88,320	262,841
Investments in cash				
Asia & Australia	39,707	-	-	39,707
New Zealand	44,724	-	-	44,724
Investments in equities				
Asia & Australia	339,044	-	-	339,044
Europe	456,011	-	-	456,011
New Zealand	343,849	-	-	343,849
North America	1,360,819	812,314	-	2,173,133
Rest of the world	22,091	-	-	22,091
Investments in bonds				
Asia & Australia	25,549	94,245	-	119,794
Europe	57,501	192,379	-	249,880
New Zealand	44	647	-	691
North America	108,921	323,368	-	432,289
Rest of the world	-	18,794	-	18,794
Investments in private equity				
New Zealand	-	-	193,111	193,111
North America	-	-	858,102	858,102
	2,798,260	1,704,904	1,139,533	5,642,697
Financial liabilities at fair value				
Derivative financial liabilities	-	31,628	-	31,628
	-	31,628	-	31,628



13. Financial Instruments (continued)

13.4 Fair value measurements recognised in the Statement of Net Assets (continued)

13.4.1 Movement of assets

There were no transfers of assets between level 2 and level 3 during the 2025 and 2026 financial years. Transactions during the year, within level 3 investments are outlined in the table below.

2026 Level 3 Investments	Insurance Linked \$000	NZ Private Equity \$000	Global Private Equity \$000	Total \$000
Opening balance Level 3	88,320	193,111	858,102	1,139,533
Purchases during the year	75	26,661	94,124	120,860
Gains/(losses) for the year ¹	1,161	(9,447)	71,550	63,264
Less return of capital	(15,819)	(65,314)	(46,645)	(127,778)
Closing balance at 30 June 2026	73,737	145,011	977,131	1,195,879

2025 Level 3 Investments	Insurance Linked \$000	NZ Private Equity \$000	Global Private Equity \$000	Total \$000
Opening balance Level 3	104,026	181,307	856,534	1,141,867
Purchases during the year	140	12,614	129,878	142,632
Gains/(losses) for the year ¹	3,597	3,946	(26,095)	(18,552)
Less return of capital	(19,443)	(4,756)	(102,215)	(126,414)
Closing balance at 30 June 2025	88,320	193,111	858,102	1,139,533

¹ Income and dividends for these investments are shown within the interest, dividends and other income category on the Statement of Changes in Net Assets. The changes in fair value are shown in the changes in fair value of investment assets through profit or loss in the Statement of Changes in Net Assets.



13. Financial Instruments (continued)

13.4 Fair value measurements recognised in the Statement of Net Assets (continued)

13.4.2 Valuation techniques and inputs

For fair value measurements categorised within Level 2 and 3 of the fair value hierarchy, an entity is required to disclose a description of the valuation technique and the inputs used in the fair value measurement. These are disclosed in the table following.

Financial Asset	Fair Value as at 30 June 2026		Fair Value as at 30 June 2025		Valuation technique	Significant unobservable input(s)	Relationship of unobservable inputs to Fair Value
	Level 2 \$000	Level 3 \$000	Level 2 \$000	Level 3 \$000			
Derivative assets	28,675	-	88,636	-	Valuation is derived using forward pricing and swap models using present value calculations	Not applicable	Not applicable
International equities	973,306	-	812,314	-	Valuation is derived using comparable markets and advice from specialised advisers supported by net asset values	Investment Manager views regarding dividend payouts and macro-economic assumptions	More favourable assumptions increase the Fair Value of the investment
Insurance-linked assets (Catastrophe)	235,461	-	174,521	-	Internal Valuation Committee pricing through the utilisation of multiple independent broker dealer pricing sheets	Seasonality curves, catastrophe modelling and statistical analysis provided by independent third parties	The higher the curve the greater the Fair Value (and greater the risk)
Insurance-linked assets (Life Settlements)	-	73,737	-	88,320	Valuation is derived using advice from specialised advisers supported by discounted cash flows (DCF) and net asset values	Mortality tables and industry life expectancy reports, market rates for life settlements practices and health circumstances	The higher the mortality multiple the higher the Fair Value
NZ Bonds	31,279	-	647	-	Market comparables, quoted prices for similar or identical assets in markets that are not strictly active and DCF	Not applicable	Not applicable
International Bonds	551,479	-	628,786	-			



13. Financial Instruments (Continued)

13.4 Fair value measurements recognised in the Statement of Net Assets (continued)

13.4.2 Valuation techniques and inputs (continued)

Financial Asset	Fair Value as at 30 June 2026		Fair Value as at 30 June 2025		Valuation technique	Significant unobservable input(s)	Relationship of unobservable inputs to Fair Value
	Level 2 \$000	Level 3 \$000	Level 2 \$000	Level 3 \$000			
NZ Private equity	-	145,011	-	193,111	Valuations are prepared in accordance with applicable accounting standards and utilise a range of accepted valuation techniques, including trading comparables, earnings multiples, and DCF	Revenue, earnings and associated valuation multiples, local market conditions and indicative quotes	The higher the latest sale returns and quotes of similar products the higher the Fair Value
Global private equity	-	977,131	-	858,102			
Total	1,820,200	1,195,879	1,704,904	1,139,533			

13.5 Financial risk management objectives

The Fund is exposed to a variety of financial risks as a result of its activities. These risks include credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk). The Fund's risk management and investment policies, approved by the Authority, seek to minimise the potential adverse effects of these risks on the Fund's financial performance.

These policies may include the use of certain financial derivative instruments to manage risk to within the approved limits.

The Authority outsources the investment management to specialist managers, who provide services to the Fund, co-ordinate access to domestic and international investment markets, and manage the financial risks relating to the operations of the Fund in accordance with investment mandates set and monitored by the Authority. The Fund invests 90% of the value of its investment assets (including cash) in a portfolio of equities and bond interest securities (2025: 88%).

Exposure to market risks is diversified by direct investment in private equity and insurance-linked assets. The Fund also invests in derivative instruments such as futures and options.

The use of financial derivatives is governed by the Authority's SIPSP, which provides written policies on the use of financial derivatives. These policies permit the use of derivatives to change the Fund's exposure to particular assets where the use is consistent with the Authority's SIPSP. Compliance with policies and exposure limits is reviewed by the Authority on a continuous basis.



13. Financial Instruments (Continued)

13.6 Credit risk

Credit risk is the risk of default by a counterparty to a particular transaction or an issuer of a security held in the portfolio. Credit ratings for the securities are monitored on a regular basis and credit rating ranges are agreed with all Investment Managers managing exposure to such securities. The Authority measures credit risk on a fair value basis. Credit risk associated with receivables is considered minimal. The largest receivables balance is in relation to investments sold. It is the opinion of the Authority that the carrying amounts of the financial assets represent the maximum credit risk exposure at balance date.

The Fund considers that it has significant credit risk exposure where an investment exceeds 5% of its net assets. As at 30 June 2026 the Fund has one investment exceeding 5% of the net assets (2025: one). Processes are in place to monitor and manage these investments.

During the year the Fund continued securities lending as a means of earning additional income from its investments. As at 30 June 2026, the Fund had approximately \$422 million (2025: \$360 million) lent out to counterparties. These assets have remained in the name of the Fund and were lent out against specific collateral, including cash, provided by the borrower with loans collateralised to a minimum of 102% (2025: 101%) at the borrower level. The Fund has direct access to the collateral in the event of default.

13.7 Liquidity risk

The Authority's approach to managing liquidity for the Fund is to ensure that it will always have sufficient liquidity to meet the Fund's liabilities (including its share of the benefit payments), as they fall due. The Fund's listed equities and bond securities are considered to be realisable over a reasonable period of time, although with a market risk.

The Fund's liquidity risk is managed in accordance with the Authority's investment strategy. The Authority manages liquidity risk by maintaining cash, cash equivalents and short-term investments, and through the continuous monitoring of forecast and actual cash flows. The Authority's overall strategy to manage liquidity risk remains unchanged from the previous year.

The following tables summarise the maturity profiles of the Fund's financial liabilities based on contractual maturities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities and based on the date on which the Fund can be required to pay. The tables include both interest and principal cash flows.

	Less than 12 months \$000	1-5 years \$000	5+ years \$000	Total \$000
2026				
Unsettled purchases	196,520	-	-	196,520
Derivative liabilities	119,389	4,498	5,653	129,540
Other financial liabilities	66,421	-	-	66,421
Total	382,330	4,498	5,653	392,481
2025				
Unsettled purchases	244,232	-	-	244,232
Derivative liabilities	25,487	2,226	3,915	31,628
Other financial liabilities	12,632	-	-	12,632
Total	282,351	2,226	3,915	288,492



13. Financial Instruments (Continued)

13.8 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: market interest rates (interest rate risk), foreign exchange (currency risk) and market prices (price risk). The Fund manages market risk by outsourcing its investment management; the investment managers manage the market risk in accordance with investment mandates.

13.8.1 Interest rate risk management

The Fund's activities expose it to the financial risk of changes in interest rates. Floating rate instruments expose the Fund to cash flow risk, whereas fixed interest rate instruments expose the Fund to fair value interest rate risk. The Authority monitors the Fund's exposure to interest rate risk.

The following tables detail the Fund's exposure to interest rate risk on financial assets, based on contractual maturities, at the financial statement date. Where the financial instrument is floating in nature (and no interest rate specified), no interest rate has been applied in the weighted average interest rate calculation. Interest rate risk is managed by the investment managers.

13.8.2 Financial assets: Interest rate instruments

	Weighted average interest rate %	Less than 12 months \$000	1-5 years \$000	5+ years \$000	Total \$000
2026					
Cash and cash equivalents	1.59	378,772	-	-	378,772
Bond securities	3.57	20,592	358,646	673,885	1,053,123
Total		399,364	358,646	673,885	1,431,895
2025					
Cash and cash equivalents	1.26	330,164	-	-	330,164
Bond securities	4.33	13,352	207,353	600,743	821,448
Total		343,516	207,353	600,743	1,151,612

13.8.3 Interest rate sensitivity

A change to interest rates will have an effect on the value and income of many of the assets within the Fund. It is difficult to quantify the effect of a change in interest rates in many of the asset classes such as the equity portfolios. The assets most directly affected by changes in interest rates are the global and New Zealand bond portfolios, and some insurance-linked assets.

The global bond portfolio has a benchmark duration of 6.2 years (2025: 6.4 years) and at the end of the year the portfolio was valued at \$696 million (2025: \$821 million). A 1% rise in interest rates would devalue the portfolio in the order of \$43 million (2025: \$53 million) (before tax) and conversely a 1% fall would increase the value by a similar amount.



13. Financial Instruments (Continued)

13.8 Market risk (continued)

13.8.4 Foreign currency risk management

Foreign currency risk is the risk that the market value of a financial instrument will fluctuate because of changes in exchange rates.

The Fund undertakes transactions and holds investment assets denominated in foreign currencies, hence it is exposed to the effects of exchange rate fluctuations. Foreign currency exposures are managed within approved policy limits and parameters set out in the SIPSP. The Fund enters into contracts designed to hedge some of its exposure to foreign currencies.

The Authority has a benchmark exposure to foreign currencies of 20% (2025: 20%) of the total Fund on a before tax basis. The Authority adjusts the Fund's foreign currency exposure in accordance with defined tilting rules that reflect the prevailing valuation of the NZD. The strategy is implemented by adjusting the hedge ratio on the international equities' portfolio.

Asset Class	Before-tax Benchmark Hedge Ratio
Insurance-linked (including life settlements and catastrophe risk)	100.0%
Global bonds	100.0%
International equities	92.5%
Global private equity	0.0%

The Fund's total exposure to foreign currencies at the reporting date (after hedging) before tax was \$1,536 million (2025: \$1,559 million). The Fund's foreign exchange exposure, before taking into account hedging was \$5,025 million (2025: \$5,070 million).

13.8.5 Foreign currency sensitivity

The Fund is mainly exposed to the United States dollar (USD), Hong Kong dollar, and the Australian dollar (2025: USD, Hong Kong dollar and the Euro).

For international equities the foreign currency exposure is hedged by a specialist manager back to the NZD within the limits approved by the Authority (2025: all international equities and all but one Insurance-linked asset). The bond managers are responsible for managing the exposure to other currencies back to the NZD, within the terms of their individual investment mandates. The following table details the Fund's sensitivity to a 5 per cent decrease in the NZD on the unhedged exposure to foreign currencies.

	Changes in NZD	Effect on surplus/(deficit) after-tax and before membership activities	
		2026 \$000	2025 \$000
Exchange rate risk	5%	55,310	56,111

When the NZD weakens against other currencies there is an increase in the surplus after tax (and before membership activities). For a strengthening of the NZD against other currencies there would be an equal and opposite impact on the surplus, and the amounts above would be negative.

There have been no changes in the methods and assumptions used to prepare the foreign currency sensitivity analysis from the prior year.



13. Financial Instruments (Continued)

13.8 Market risk (continued)

13.8.6 Market price risk

Market price risk is the risk that the total value of investments will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment or its issuer, or to factors affecting all instruments traded in the market. The Fund has investments in equity instruments, bond instruments and derivative financial instruments, which expose it to price risk. The investment managers manage the other market risk in accordance with the Authority's SIPSP and their mandates.

As the Fund's financial instruments are carried at fair value, with changes in fair value recognised in the Statement of Changes in Net Assets, all changes in market conditions will directly affect investment income.

The following table illustrates the effect on the operating revenue and net assets from possible long term changes in market price risk on equities that the Fund was exposed to at reporting date:

		Effect on surplus/(deficit) after-tax and before membership activities	
Changes in variable		2026 \$000	2025 \$000
Market price risk	5%	166,620	157,872

When the market price strengthens there is an increase in the surplus after tax (and before membership activities). For a weakening of the market price there would be an equal and opposite impact on the surplus, and the amounts above would be negative.

13.8.7 Operational and strategic risk

Operational risk is the potential for loss resulting from inadequate or failed procedures, people and systems, or from external events. Strategic risk is the potential for factors to impede the GSFA's ability to achieve its strategic objectives.

These risks are managed in accordance with the Authority's Risk Framework.

14 Related Parties

In terms of sections 81W (2), 88(2) and 95(1) of the Government Superannuation Fund Act 1956, the Minister of Finance pays into the Fund out of public money any deficiency in benefits payable to contributors and annuitants. During the year the Fund had business transactions with the Government, Crown Entities, and State-owned Enterprises, together with a number of other public sector entities.

The Authority manages the Fund's assets and administers the GSF Schemes. For the year ended 30 June 2026, the Fund transferred \$56,444,000 (2025: \$61,097,000) to the Authority for operating expenses, as detailed in the Statement of Changes in Net Assets. In turn, the Fund was reimbursed by the Government for 99% being \$55,880,000 (2025: 98% being \$59,875,000) and other employers for 1% being \$564,000 (2025: 2% being \$1,222,000). As at 30 June 2026 \$2,667,000 was payable by the Fund to the Authority for costs incurred but not yet paid (2025: \$7,634,000).



15 Actual Versus Forecasts

The Fund recorded a profit (before expenses and membership activities) of \$802.241 million for the year ended 30 June 2026. This is against forecasted revenue of \$393.121 million. The surplus before tax and membership activities was \$745.797 million. This is against a forecasted surplus of \$340.133 million.

In setting the forecasts long term return estimates are used. For the year ended 30 June 2026, the actual returns for Global equities far exceeded our long-term estimates. Consequently, this has resulted in a higher change in the fair value of investments assets compared to that initially forecasted.

Membership activities resulted in a deficit of \$319.704 million against a forecast deficit of \$333.000 million. The forecast benefit payments are actuarially estimated and are dependent on factors such as inflation, early retirements, redundancies, unexpected salary changes, or transfers to other superannuation schemes.

The overall result of the Fund was an increase in net assets of \$413.435 million against a forecasted decrease of \$68.315 million.

16 Contingent Assets, Liabilities and Capital Commitments

As at 30 June 2026 capital commitments were in place for multiple investment managers. These are summarised as follows:

	2026 \$000	2025 \$000
Non-cancellable contractual commitments		
Less than one year	256,543	264,788
Between one and two years	254,865	261,672
Total non-cancellable contractual commitments	511,408	526,460

There are no contingent assets or liabilities (2025: Nil).

17 Subsequent Events

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

18 Summary of Material Accounting Policies

The following material policies have been applied in the preparation of the Financial Statements:

18.1 Reporting entity and statutory base

The Financial Statements of the Government Superannuation Fund (the **Fund**) are prepared pursuant to section 93 of the Government Superannuation Fund Act 1956 (**GSF Act**) and incorporate the Judges and Solicitor-General Superannuation Account and the Parliamentary Superannuation Account.

The Fund was established by section 13 of the GSF Act. It consists of various defined benefit superannuation schemes (**GSF Schemes**), as prescribed in the GSF Act. Pursuant to section 19H of the GSF Act, the GSF Schemes are treated as being registered on the managed investment schemes register under the Financial Markets Conduct Act 2013.



18 Summary of Material Accounting Policies (continued)

18.1.1 Reporting requirements

The Financial Statements have incorporated the requirements of *NZ IAS 26: Accounting and Reporting by Retirement Benefit Plans*, with the provisions of relevant legislative requirements. The Fund is a profit-oriented entity domiciled in New Zealand.

18.2 Statement of compliance

These financial statements comply with the New Zealand Equivalents to IFRS (International Financial Reporting Standards) Accounting Standards ('NZ IFRS') and IFRS Accounting Standards ('IFRS') as issued by the International Accounting Standards Board, and other applicable financial reporting standards as appropriate for profit-oriented entities.

18.3 Critical accounting estimates and judgements

The preparation of financial statements, in conformity with NZ IFRS, requires judgements, estimates and assumptions to be made that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgement has been applied in the measurement of financial assets. This policy has a material impact on the amounts disclosed in the financial statements.

The estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised, if the revision affects only that year, or in the year of the revision and future years, if the revisions affect both current and future years.

Further detail on the material assumptions or major sources of estimation uncertainty that have a material risk of causing material adjustments to the carrying amounts of assets are discussed in Note 13 (Financial Instruments). As with all investments their value is subject to variation due to market fluctuations.

Material judgement has been applied in the measurement of financial assets and by the Actuary in preparing the valuation reports. Further detail of the actuarial valuations is provided in Notes 11 and 12.

18.4 Measurement base

The measurement base adopted is that of historical cost, except for investment assets, including derivatives, which are measured at fair value.

18.5 Presentation and functional currency

The Fund is located in New Zealand, and the performance of the Fund is measured and reported in NZD, rounded to thousands (**\$000**) except as indicated. These Financial Statements are presented in NZD as that is the currency of the primary economic environment in which the Fund operates. The Fund's presentational and functional currency is therefore NZD.

18.6 Investment Income

Interest income is recognised using the effective interest rate of the instrument. The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, where appropriate, a shorter period.



18 Summary of Material Accounting Policies (continued)

18.6 Investment Income (continued)

Realised and unrealised gains or losses on financial instruments are recognised in the Statement of Changes in Net Assets. Interest income on assets, designated at fair value, is accrued at balance date. Dividend income is recognised in the Statement of Changes in Net Assets on the ex-dividend date.

18.7 Benefits

Benefits are recognised in the Statement of Changes in Net Assets when they become payable.

18.8 Foreign Currencies

Transactions in currencies, other than NZD, are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance date, assets and liabilities, denominated in foreign currencies, are retranslated at the rates prevailing on balance date. Gains and losses arising on translation are included in the Statement of Changes in Net Assets for the year.

18.9 Tax

For taxation purposes, the Fund is classified as a portfolio investment entity (**PIE**). The income tax expense represents the sum of the tax liability for the year and includes deferred tax (if any). Any taxation currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax, as reported in the Statement of Changes in Net Assets, because it excludes items of income or expense that are never taxable or deductible, and it further excludes items that are taxable or deductible in other years.

Gains and losses on equities are non-taxable to the Fund. Taxable profit also requires that the Fair Dividend Rate (FDR) calculation method be applied to the majority of investments in overseas equities, which deems taxable income to arise regardless of the increase or decline in value of the investments. The Fund's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised.

18.10 Financial Instruments

Financial assets and financial liabilities are recognised in the Statement of Net Assets when the Fund becomes a party to the contractual provisions of the instruments. The Fund offsets financial assets and financial liabilities if the Fund has a legally enforceable right to set off the recognised amounts and interests and intends to settle on a net basis. The Fund derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire. A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled, or expires.



18 Summary of Material Accounting Policies (continued)

18.11 Investments

Investments are recognised and derecognised on the trade date where a purchase or sale is under a contract, whose terms require delivery within the timeframe established by the applicable market and are initially measured at fair value. Investments are designated at fair value through profit or loss.

Fair values are determined by taking into account accrued interest on all applicable securities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial assets, designated at fair value, are measured at subsequent reporting dates at fair value, which is the exit price on the exchange on which the investment is quoted without any deduction for future selling costs. If a quoted market price is not available on a recognised stock exchange, the fair value of the instrument is estimated using accepted valuation techniques. Investments in units of pooled investment funds are valued at the closing price, or the value advised by the relevant investment manager.

Included within the financial statements there are \$1,192.602 million (2025: \$1,114.161 million) of investments which have been valued based on valuations dated prior to 30 June 2026 (predominantly 31 March 2026). These are private equity, life settlements and some catastrophe risk investments. No adjustments have been made to allow for the valuation delays.

18.12 Government Superannuation Fund Business System

All directly attributable costs, (less a previous allowance for impairment), for the Government Superannuation Fund Business System (**Business System**) have been capitalised. The Business System went live in November 2016. Amortisation of the capital costs began at that time. The System is due to be fully amortised within the 2027 financial year.

18.13 Securities Lending

Securities lending transactions are collateralised by securities or cash. The transfer of the securities to counterparties is only reflected in the Statement of Net Assets if the risks and rewards of ownership are also transferred. Collateral advanced by the borrower in the form of readily marketable securities (non-cash) is held in escrow by a third-party agent. Recourse of those securities is only available in the event of default by the borrower and, as such, the non-cash collateral is not recognised in the Statement of Net Assets. Collateral advanced by the borrower in the form of cash is recognised in the Statement of Net Assets as an asset, along with a corresponding liability to repay the cash collateral to the borrower, once the securities have been returned.

18.14 Impairment

Financial assets that are stated at amortised cost are reviewed at balance date to determine whether there is objective evidence of impairment. Expected credit losses are reviewed at each reporting date to reflect changes in credit risk since initial recognition of the financial assets.

The Business System, referred to in Note 8 to the financial statements, has been reviewed for impairment against NZ IAS 36: Impairment of Assets, and no allowance for impairment was made in the current year.



18 Summary of Material Accounting Policies (continued)

18.15 Trade and Other Receivables

Trade and other receivables are carried at amortised cost and may include sales of securities and investments that are unsettled at balance date and may also include dividends and interest. The Fund has adopted the simplified expected credit loss model for the current and prior year.

18.16 Trade and Other Payables

Trade and other payables are not interest-bearing and are carried at amortised cost. Any outstanding balances are recorded on trade date and settled according to their terms of trade. Purchases of securities and investments, that are unsettled at balance date, are included in payables.

18.17 Derivative Financial Instruments and Hedge Accounting

Derivative financial instruments are contracts whose values are derived from changes in one or more underlying financial instruments or indices. The Fund's activities expose it primarily to the financial risks of changes in foreign currency rates and interest rates. The Fund may use foreign exchange forward contracts, index futures and interest rate swap contracts to manage these exposures.

Derivative instruments are initially recognised at fair value on the date on which a derivative contract is entered into. They are subsequently re-measured at each balance date using either quoted sales prices or appropriate valuation techniques. Any gains or losses are taken to the Statement of Changes in Net Assets in the period in which they occur. Transaction costs are expensed on initial recognition.

The use of financial derivatives is governed by a **SIPSP**, approved by the Board, which includes written policies on the use of financial derivatives. The Fund does not adopt hedge accounting.

18.18 Forecast Figures

The forecast figures are those presented in the Fund's 2025 Statement of Performance Expectations, being for the period 1 July 2025 to 30 June 2026. The forecast figures were prepared in accordance with the accounting policies adopted by the Fund for the preparation of the Financial Statements.

18.19 Standards Issued but not yet Effective

Certain new accounting standards and interpretations have been issued that are not mandatory for 30 June 2026 reporting periods and have not been adopted early by the Fund.

In May 2024, the External Reporting Board (XRB) introduced NZ IFRS 18 Presentation and Disclosure in Financial Statements, effective for annual reporting periods beginning on or after 1 January 2027. This standard replaces NZ IAS 1 Presentation of Financial Statements and introduces new requirements for the presentation of management-defined performance measures and enhanced guidance on aggregation and disaggregation of information in the financial statements. The Fund has not early adopted NZ IFRS 18 and is yet to assess its impacts.



18 Summary of Material Accounting Policies (continued)

18.20 Consistency in Presentation

The same presentation and methods of computation have been followed in these financial statements as were applied in the preparation of the Fund's Financial Statements for the year ended 30 June 2025.

19 Changes in Accounting Policies and Disclosures

There have been no changes to accounting policies or disclosures during the year. New standards and interpretations that are mandatory for 30 June 2026 reporting periods have been adopted with no material impact on the financial statements.

Independent Auditor's Report



Independent Auditor's Report

To the Members of the Government Superannuation Fund

The Auditor-General is the auditor of Government Superannuation Fund (the Fund). The Auditor-General has appointed me, Pam Thompson, using the staff and resources of Deloitte Limited, to carry out the audit of the annual financial statements of the Fund on his behalf.

Opinion

We have audited the financial statements of the Fund that comprise the statement of net assets as at 30 June 2026, the statement of changes in net assets and statement of cash flows for the year ended on that date and the notes to the financial statements that include material accounting policy information and other explanatory information on pages 26 to 57.

In our opinion, the financial statements of the Fund present fairly, in all material respects, its financial position as at 30 June 2026, and its financial performance and cash flows for the year then ended, in accordance with New Zealand Equivalents to IFRS Accounting Standards (NZ IFRS) and IFRS Accounting Standards (IFRS).

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards, and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Responsibilities of the auditor* section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual financial statements of the current period. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
Valuation of promised retirement benefits and unfunded deficit (Note 12) In 1999, the Minister directed annual valuations to be carried out in accordance with Section 94 of the Government Superannuation Fund Act 1956. As disclosed in Note 12 of the financial statements, the Fund obtained an actuarial valuation as at 30 June 2026 which estimated the vested benefits at \$11,713 million and a vested benefits shortfall of \$5,460 million. As disclosed in the Statement of Changes of Net assets, the estimated gross liability for promised retirement benefits was \$11,642 million and the gross unfunded deficit at 30 June 2026 amounted to \$5,389 million. The actuarial valuation is inherently subjective and is affected by use of assumptions such as: - the discount rate/rate of return on assets; - the Consumer Price Index/pension increase; and - the rate of salary growth. Significant assumptions used in the valuation were: - discount rate/rate of return on assets: 5.5% per annum; - Consumer Price Index/pension increase (long term): 2% per annum; and - salary growth: 2.5% per annum. As noted in Note 5.1 of the financial statements, there is no requirement on the Government to fully fund the Fund. Reliance is placed on the provisions in the Government Superannuation Fund Act 1956 for the Government to ensure that sufficient funds are available, or will be available, to pay benefits as they fall due. We have included the valuation of the Fund's gross liability for promised retirement benefits that has resulted in the unfunded deficit as a key audit matter due to its significance to the financial statements and the subjectivity of the assumptions inherent in estimating the amount of promised retirement benefits.	Our audit procedures included the following: - Evaluating the Fund's controls over benefits and contributions; - Testing the underlying data provided to the actuary and confirming that these agree to the underlying records; - Evaluating the professional competence and objectivity and relevant experience of the Fund's actuary; - Engaging our internal actuarial specialist to independently understand, challenge and evaluate: - the work and findings of the Fund's actuary; - the actuarial methods and assumptions employed, specifically the discount rate/rate of return on assets, pension increase and the rate of salary growth. - Evaluating the related disclosures about the Fund's unfunded liability, and the risks attached to them which is included in Note 12 to the Fund's financial statements; and - Assessing the related disclosures covering the Fund's actuarial deficit and any plan by the Crown to fund benefit payments as they fall due. As a result of the above procedures, we are satisfied that the valuation, key assumptions applied and the disclosures included in Note 12 are reasonable.

Valuation of level 3 investments As disclosed in Note 13.4.2 of the financial statements, the Fund has investment assets measured at fair value on level 3 fair value measurement consisting of insurance-linked assets and private equities. These investment assets are managed by fund managers in accordance with the Fund's investment policies, standards and procedures. At 30 June 2026, the fund reported level 3 investment assets of \$1,196 million. Level 3 investment assets are those that are measured using valuation techniques (as detailed in Note 13.4.2) that include inputs that are derived from non-observable market data, which requires judgement. Due to the judgements involved in valuing the level 3 investments, the valuation of these investments at 30 June 2026 has been identified as a key audit matter.	Our audit procedures included the following: • Testing the design and implementation of internal controls in place over the valuation of investments, which includes: ○ the fund managers and the custodian's compliance statements to the Board; and ○ the review by management of the tolerance reconciliations provided by the custodian. • Obtaining an understanding of the valuation techniques and inputs used by the respective fund managers to determine the fair value of the investments; • Performing a trend analysis by fund manager to analyse the movement in price and unit holdings; • Reconciling the level 3 investments to the latest valuation reports and performing procedures where these valuation reports predate year end (refer Note 18.11); including obtaining updated valuations from the fund managers. The reasonableness of any movements between the last valuation date and 30 June 2026 was assessed; and • Assessing the reasonableness of the disclosures required for level 3 financial instruments in the financial statements. As a result of the above procedures, we are satisfied that the valuation, key judgements applied and the disclosures included in Note 13.4.2 are reasonable.
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Responsibilities of the Board for the financial statements

The Board is responsible on behalf of the Fund for preparing financial statements that fairly present the Fund's financial position, financial performance, and its cash flows, and comply with New Zealand Equivalents to IFRS Accounting Standards (NZ IFRS) and IFRS Accounting Standards (IFRS).

The Board is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible on behalf of the Fund for assessing the Fund's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Fund, or there is no realistic alternative but to do so.

The Board's responsibilities arise from the Crown Entities Act 2004 and Government Superannuation Fund Act 1956.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of members, taken on the basis of the financial statements.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the Fund's statement of performance expectations.

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

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board 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 auditor's report to the related disclosures in the information we audited or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with the Board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises all of the information included in the annual report, but does not include the financial statements, and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Fund in accordance with the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* as applicable for audits of public interest entities issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests in, the Fund.



Pam Thompson
for Deloitte Limited
On behalf of the Auditor-General
Wellington, New Zealand
1 September 2026



Statement of Responsibility

The Financial Statements of the Authority, for the year ended 30 June 2026, have been prepared in accordance with section 154 of the Crown Entities Act.

The Board is responsible for the preparation of the Financial Statements and the Statement of Service Performance, and for the judgements made in them.

The Board confirms that internal control systems have been established and maintained during the period to provide reasonable assurances as to the integrity and reliability of the financial and non-financial reporting.

In our opinion, the Statement of Service Performance set out on pages 13–19 clearly reflects the objectives of the Authority. The attached Financial Statements for the financial year fairly present the financial position, as at 30 June 2026, and the operations and cash flows of the Authority for the year ended 30 June 2026.

A handwritten signature in black ink, appearing to read 'Anne Blackburn'.

Anne Blackburn

*Chair
Government Superannuation
Fund Authority Board*

A handwritten signature in black ink, appearing to read 'Michelle Tsui'.

Michelle Tsui

*Chair, Audit and Risk Review Committee
Government Superannuation
Fund Authority Board*

1 September 2026



Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2026

	Note	2026 \$000 Actual	2026 \$000 (unaudited) Forecast	2025 \$000 Actual
Revenue				
Interest received		49	80	94
Transfer from the Government Superannuation Fund	1	56,444	52,988	61,097
Total revenue		56,493	53,068	61,191
Expenses				
Investment management and custody	2	46,489	42,048	50,768
Operating	3	4,234	5,141	4,446
Schemes administration		5,770	5,879	5,977
Total expenses		56,493	53,068	61,191
Net profit for the year		-	-	-
Other comprehensive income		-	-	-
Total comprehensive income for the year		-	-	-

This statement is to be read in conjunction with the Summary of Accounting Policies and the Notes to the Financial Statements.



Statement of Financial Position

As at 30 June 2026

	Note	2026 \$000 Actual	2026 \$000 (unaudited) Forecast	2025 \$000 Actual
Equity				
General fund		-	-	-
Total equity		-	-	-
Represented by:				
Current assets				
Cash and cash equivalents		1,274	850	978
Trade and other receivables	5	2,758	4,000	7,759
Total current assets		4,032	4,850	8,737
Total assets		4,032	4,850	8,737
Current liabilities				
Trade and other payables	6	4,032	4,850	8,737
Total current liabilities		4,032	4,850	8,737
Net assets		-	-	-

Anne Blackburn

*Chair
Government Superannuation
Fund Authority Board*

Michelle Tsui

*Chair, Audit and Risk Review Committee
Government Superannuation
Fund Authority Board*

1 September 2026



Statement of Cash Flows

For the year ended 30 June 2026

	Note	2026 \$000 Actual	2026 \$000 (unaudited) Forecast	2025 \$000 Actual
Cash flows from operating activities¹				
Cash was provided from:				
Government Superannuation Fund ²	1	8,000	8,000	8,000
Interest		49	80	94
		8,049	8,080	8,094
Cash was disbursed to:				
Total expenses ²		(7,753)	(7,880)	(7,954)
Net cash flows from operating activities		296	200	140
Net increase in cash held		296	200	140
Opening cash and cash equivalents		978	650	838
Closing cash and cash equivalents³		1,274	850	978

1 Operating activities include all receipts of revenues and interest income, and payments of expenses.

2 The Statement of Cash Flows has been completed on a basis that reflects the cash receipt/payments from the Authority bank account.

3 Cash and cash equivalents consist of a current account held with the Bank of New Zealand Limited, used in the day-to-day cash management of the activities of the Authority.

Reconciliation of Net Operating Result to Net Cash Flows from Operating Activities

	2026 \$000 Actual	2026 \$000 (unaudited) Forecast	2025 \$000 Actual
Net operating result	-	-	-
Movements in working capital items:			
Trade and other receivables	5,001	500	(4,189)
Trade and other payables	(4,705)	(300)	4,329
Net cash flows from operating activities	296	200	140

This statement is to be read in conjunction with the Summary of Accounting Policies and the Notes to the Financial Statements.



Statement of Changes in Equity

For the year ended 30 June 2026

	2026 \$000 Actual	2026 \$000 (unaudited) Forecast	2025 \$000 Actual
Equity at beginning of the year	-	-	-
Total comprehensive income for the year	-	-	-
Equity at end of the year	-	-	-



Notes to the Financial Statements

For the year ended 30 June 2026

1 Transfer From The Government Superannuation Fund

In terms of section 15E (1) of the GSF Act, the administrative expenses of the Authority, including investment management and custody expenses, are paid by the Fund.

2 Investment Management and Custody Expenses

	2026 \$000	2025 \$000
Custody expenses	1,424	1,342
Investment management expenses	45,065	49,426
Total investment management and custody expenses	46,489	50,768

3 Operating Expenses

	2026 \$000	2025 \$000
Audit and review of financial statements	343	331
Board fees and expenses	308	317
Management fees – Annuitas	2,944	2,943
Other expenses	639	855
Total operating expenses	4,234	4,446

4 Fees Paid To Auditor

	2026 \$000	2025 \$000
Audit and review of financial statements		
Audit and review of financial statements	343	331
Other services		
Other assurance services	-	-
Total other services	-	-
Total fees paid to auditor	343	331



5 Trade and Other Receivables

	2026 \$000	2025 \$000
Annuitas Management Limited	28	62
Government Superannuation Fund	2,667	7,634
Other receivables and prepayments	63	63
Total trade and other receivables	2,758	7,759

6 Trade and Other Payables

	2026 \$000	2025 \$000
Investment management and custody expenses	3,394	7,850
Scheme administration and operating expenses	616	874
Other creditors	22	13
Total trade and other payables	4,032	8,737

7 Financial Instruments

7.1 Credit Risk

Credit risk is the risk that a third party will default on its obligation to the Authority, causing the Authority to incur a financial loss. Financial instruments, which potentially subject the Authority to credit risk, consist principally of cash, cash equivalents and receivables. The Authority has a minimal credit risk in its holdings of these. The Authority does not require any collateral or security to support financial instruments.

There is no significant concentration of credit risk other than amounts due from the Fund, which in turn is funded by the Government in terms of section 15E of the Act.

The maximum amount of credit risk for each class is the carrying amount in the Statement of Financial Position.

7.2 Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Transactions in overseas currencies are recorded in NZD at the rates of exchange prevailing on the date of payment. The total exposure to currency risk is minimal.

7.3 Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Authority has no significant interest rate risk.



7 Financial Instruments (continued)

7.4 Liquidity Risk

The Authority manages liquidity risk by maintaining cash and cash equivalents and through the continuous monitoring of forecast and actual cash flows. The Authority's overall approach to liquidity risk remains unchanged from the previous year.

All the Authority's financial liabilities are expected to be paid within the next 12 months.

7.5 Fair Values

The fair values of financial instruments are equivalent to the carrying amounts disclosed on the Statement of Financial Position.

8 Board Fees

Board members were paid the following fees during the year¹:

	2026 \$	2025 \$
Anne Blackburn, Chair	66,300	67,600
Murray Brown	36,465	39,039
Louise Edwards, Deputy Chair, appointed 01/01/2026	20,312	-
Sarah Park, appointed 01/01/2026	16,250	-
Michael Sang, term ended 31/12/2025	18,590	37,180
Hugh Stevens, term as Deputy Chair ended 31/12/2025	37,375	42,250
Rebekah Swan	33,150	33,800
Michelle Tsui, appointed 01/01/2026	17,875	-
Sarah Vrede, term ended 31/12/2025	16,900	33,800
Total Board fees	263,217	253,669

1 Board Members' fees are determined by the individual's position on the Board. They also differ because, if the member is GST registered they include GST.

The Authority also met Board members' direct travel and other related expenses. Travel and other expenses totalled \$12,440 in 2026 (2025: \$22,052). The Authority continued with directors and officers' insurance cover for Board members, and company reimbursement insurance in respect of any claims made by them, under indemnities provided by the Authority. The total cost of the insurance for the year was \$14,337 (2025: \$14,263).

9 Meeting Attendance

The following table shows the attendance of Board members at scheduled Board and Committee meetings (which they are part of), during the 2025/26 financial year. The Board Chair is an ex officio member of each Committee. Board membership changed during the year (see page 79), so the number of meetings each member was eligible to attend varies depending on when they joined or ceased membership.

Where a member attended one day of a two-day meeting, this is recorded as 0.5.



9 Meeting Attendance (continued)

Board Member	Board Meetings Attended	Audit & Risk Review Committee Meetings Attended	Investment Committee Meetings Attended
Anne Blackburn	8/8	5/5	4/4
Murray Brown	7/8	N/A	4/4
Louise Edwards	4.5/5	3/3	N/A
Sarah Park	5/5	N/A	2/2
Michael Sang	3/3	2/2	N/A
Hugh Stevens	7/8	3/3	2/2
Rebekah Swan	7.5/8	N/A	4/4
Michelle Tsui	5/5	3/3	N/A
Sarah Vrede	3/3	2/2	N/A

10 Related Party Information

The Authority is an autonomous Crown entity.

The principal function of the Authority is to manage and administer the Government Superannuation Fund (GSF) and the associated GSF Schemes. For the year ended 30 June 2026, the Authority received \$56,444,000 (2025: \$61,097,000) for operating expenses as detailed in the Statement of Comprehensive Revenue and Expense. As at 30 June 2026, \$2,667,000 was due from the GSF for costs incurred (2025: \$7,634,000).

The Authority also entered into various transactions with Government entities on an arm's length basis in the normal course of business. The Authority continued with the resource sharing agreement with the Guardians of the NZ Superannuation Fund to work jointly on Responsible Investment matters.

The Authority and the Board of Trustees of the National Provident Fund (the Board of Trustees) have formed a joint venture company, Annuitas Management Limited (Annuitas). Each organisation has entered into a management services agreement with Annuitas. All Authority members are Directors of Annuitas. The costs of running Annuitas are shared between the Authority and the Board of Trustees in accordance with a methodology agreed between the two parties.

The Authority paid fees for this service during the year amounting to \$2,944,000 (2025: \$2,943,000). The amount owed by Annuitas to the Authority at year end was \$28,000 (2025: \$62,000).

The Board, through Annuitas, monitors the performance of the external managers, appointed by the Authority and their adherence to the terms of their contracts. Annuitas also co-ordinates actuarial, communications, legal and taxation services for the Authority.

There were no transactions between the Board members as individuals and the Authority, other than the payment of fees or expenses (see Note 8). There were no individual transactions with Annuitas staff other than for the reimbursement of expenses incurred on Authority business.



11 Actual Versus Forecast

Investment revenues are subject to the volatile nature of investment markets, this being the main reason for the variance between the forecast and actual changes in fair value of investment assets (within the Fund).

For the year ended 30 June 2026, the Transfers from the Fund were \$56.444 million compared to a forecast of \$52.988 million. The main reason for the higher than forecasted number is the higher performance fees earned by some Investment Managers this financial year.

12 Contingent Assets and Liabilities

There are no contingent assets or liabilities at 30 June 2026 (2025: Nil).

13 Commitments

The Authority has commitments for the administration of the GSF Schemes, the provision of professional services, and for the provision of Management services from Annuitas. These commitments are summarised as follows:

	2026 \$000	2025 \$000
Non-cancellable contractual commitments		
Less than one year	5,208	5,323
Between one and two years	4,900	4,988
Between two and five years	3,578	5,831
Total non-cancellable contractual commitments	13,686	16,142

In terms of section 15E (1) of the GSF Act, the administrative expenses of the Authority are reimbursed by the Fund. The expenses referred to in the above table are therefore reimbursed by the Fund as they are incurred.

14 Subsequent Events

There have been no material events after balance date that require adjustments to, or disclosure in, the financial statements (2025: Nil).

15 Summary of Material Accounting Policies

The following material policies have been applied in the preparation of the Financial Statements:

15.1 Reporting Entity

The Government Superannuation Fund Authority (the **Authority**) was established in October 2001, as a Crown entity by section 15A of the Government Superannuation Act 1956 (**GSF Act**) (and subsequent amendments) and became an autonomous Crown entity under the Crown Entities Act 2004 in January 2005.

The Authority's primary function is to manage the Government Superannuation Fund (the **Fund**) and administer the GSF Schemes. The Authority does not operate to make a financial return and is domiciled in New Zealand.



15 Summary of Material Accounting Policies (continued)

15.1 Reporting Entity (continued)

The Authority has designated itself as a public benefit entity (PBE) for financial reporting purposes.

Separate Financial Statements have been prepared for the Fund in terms of section 93 of the GSF Act.

15.2 Basis of Preparation

The financial statements have been prepared on a going concern basis. All accounting policies have been applied consistently to all periods.

15.2.1 Statement of Compliance

The financial statements of the Authority have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP). The financial statements have been prepared in accordance with Tier 1 Public Sector PBE accounting standards and comply with those standards.

15.2.2 Presentation Currency and Rounding

The financial statements are presented in NZD and all values are rounded to the nearest thousand (\$000).

15.2.3 Standards Issued but not Effective

Certain new accounting standards and interpretations have been issued that are not mandatory for 30 June 2026 reporting periods and have not been adopted early by the Authority. None of these standards are likely to have a material impact on the Authority when they are adopted. All standards will be adopted in the period in which they become mandatory.

15.3 Measurement Base

The measurement base adopted is that of historical cost.

15.4 Accounting Policies

The following particular accounting policies have been consistently applied in the preparation of the Financial Statements.

15.4.1 Revenue

Revenue is recognised on an accrual basis. Interest income is accrued at balance date using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

15.4.2 Foreign Currencies

Transactions in overseas currencies are recorded in NZD at the rates of exchange prevailing on the dates of the transactions with any currency gain or loss included in the Statement of Comprehensive Revenue and Expense.



15 Summary of Material Accounting Policies (continued)

15.4 Accounting Policies (continued)

15.4.3 Tax

In terms of section CW 38(2) of the Income Tax Act 2007, the Authority is exempt from income tax.

15.4.4 Financial Instruments

Financial instruments include both financial assets and financial liabilities. The Authority recognises a financial asset or a financial liability on the date the Authority becomes a party to the contractual provisions of the instrument. Financial assets, measured at amortised cost include bank term deposits (if applicable), receivables from related parties and other receivables. Financial liabilities, measured at amortised cost, include trade, and other payables.

15.4.5 Derecognition

The Authority derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and the transfer qualifies for derecognition. A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

15.4.6 Statement of Cash Flows

The Statement of Cash Flows has been prepared using the direct approach.

15.4.7 Accounting for Joint Ventures

The Authority and the Board of Trustees of the National Provident Fund have formed a joint venture company, Annuitas Management Limited (**Annuitas**). Each organisation has entered into a management services agreement with Annuitas (see Note 10 for further details). The Authority has a 50% ownership in Annuitas, but does not equity account for Annuitas as this is deemed to be immaterial. The authorised, issued and paid up capital of Annuitas is \$2.

15.5 Forecast Figures

The forecast figures are those approved by the Board at the beginning of the period and presented in the Authority's Statement of Performance Expectations for the year commencing 1 July 2025. The forecast figures were prepared in accordance with NZ GAAP and are consistent with the accounting policies adopted by the Board for the preparation of the Financial Statements.

15.6 Changes in Accounting Policies and Disclosures

There have been no material changes to accounting policies or disclosures during the year. New standards and interpretations that are mandatory for 30 June 2026 reporting periods have been adopted with no material impact on the financial statements.

Independent Auditor's Report



Independent Auditor's Report

To the Readers of Government Superannuation Fund Authority's Annual Financial Statements and Performance Information for the year ended 30 June 2026

The Auditor-General is the auditor of Government Superannuation Fund Authority (the Authority). The Auditor-General has appointed me, Pam Thompson, using the staff and resources of Deloitte Limited, to carry out the audit of the financial statements and performance information on his behalf.

Opinion

We have audited:

- the financial statements of the Authority that comprise the statement of financial position as at 30 June 2026, the statement of comprehensive revenue and expenses, statement of changes in equity, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information on pages 64 to 74; and
- the performance information that consists of the statement of service performance for the year ended 30 June 2026 on pages 13 to 19.

In our opinion:

- The financial statements of the Authority present fairly, in all material respects, its financial position as at 30 June 2026, and its financial performance and cash flows for the year then ended, in accordance with Public Benefit Entity Reporting Standards.
- The performance information is appropriate and meaningful and prepared in accordance with the Authority's measurement bases or evaluation methods and generally accepted accounting practice in New Zealand, and presents fairly, in all material respects the Authority's service performance.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): *The Audit of Service Performance Information* issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Responsibilities of the auditor* section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Responsibilities of the Board for the financial statements and the performance information

The Board is responsible on behalf of the Authority for preparing financial statements and performance information that are fairly presented and comply with generally accepted accounting practice in New Zealand. This includes:

- the selection of elements/aspects of service performance, performance measures and/or descriptions, and measurement bases or evaluation methods to enable the presentation of performance information that is appropriate and meaningful; and
- the preparation of a statement of performance, in accordance with the Authority's measurement bases or evaluation methods, that provides an appropriate and meaningful basis to enable readers to assess what has been achieved for the year.

The Board is responsible for such internal control as it is necessary to enable them to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and performance information, the Board is responsible on behalf of the Authority for assessing the Authority's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Authority, or there is no realistic alternative but to do so.

The Board's responsibilities arise from the Crown Entities Act 2004 and the Government Superannuation Fund Act 1956.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and performance information, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of the financial statements and performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the Authority's statement of performance expectations.

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

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We obtain an understanding of the process applied by the Authority to select its elements/aspects of service performance, performance measures and/or descriptions and the measurement bases or evaluation methods.
- We evaluate whether:
 - the selection of elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods present an appropriate and meaningful assessment of the Authority's service performance; and
 - the performance information is prepared in accordance with the Authority's measurement bases or evaluation methods, and presents fairly, in all material respects in accordance with generally accepted accounting practice in New Zealand for each class of reportable outputs;
 - the actual performance of the Authority as compared with the forecast standards of performance included in the Authority's statement of performance expectations for the financial year.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited or, if such disclosures are inadequate, to modify our opinion.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises all of the information included in the annual report, but does not include the financial statements, and the performance information consisting of the statement of service performance, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Authority in accordance with the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests in, the Authority.



Pam Thompson
For Deloitte Limited
On behalf of the Auditor-General
Wellington, New Zealand
1 September 2026



Directory

As at 1 September 2026

Government Superannuation Fund Authority Board

Anne Blackburn (Chair)
 Murray Brown
 Louise Edwards (Deputy Chair, appointed 01/01/2026)
 Sarah Park (appointed 01/01/2026)
 Michael Sang (term ended 31/12/2025)
 Hugh Stevens (term as Deputy Chair ended 31/12/2025)
 Rebekah Swan
 Michelle Tsui (appointed 01/01/2026)
 Sarah Vrede (term ended 31/12/2025)

Management

Annuitas Management Limited

Tim Mitchell	Chief Executive
Fiona Morgan	Chief Financial Officer
Will Durham	Chief Investment Officer
Hadyn Hunt	Chief Risk Officer
Ireen Muir	General Manager, Schemes

Executive Office

Level 12, The Todd Building
 95 Customhouse Quay
 P O Box 3390
 Wellington 6140

Schemes Administrator

Datacom Connect Limited

Custodian

JP Morgan Chase Bank

Tax Adviser

PricewaterhouseCoopers New Zealand

Actuary

Louise Campbell, Towers Watson Australia Pty Ltd

Auditor

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

Bankers

Bank of New Zealand Limited (Authority)
 ANZ Bank New Zealand Limited (Fund)

Legal Adviser

DLA Piper New Zealand



Investment Managers

Overlay Manager

State Street Investment Management, Australia, Limited

Global Bonds

Brandywine Global Investment Management, LLC (terminated 24 November 2025)

Pacific Investment Management Company, LLC

PGIM, Inc.

Insurance – Life Settlements

Apollo Global Management, LLC

Insurance – Catastrophe

Elementum Advisors, LLC

Fermat Capital Management, LLC (terminated 12 December 2025)

Nephila Capital Limited

Global Equities

Arrowstreet Capital, Limited Partnership

Hyperion Asset Management Limited

Lazard Asset Management, LLC

Pzena Investment Management, LLC

Qtron Investments LLC (terminated 15 June 2026)

Robeco Hong Kong Limited

T.Rowe Price Australia Limited

Global Private Equity

Makena Capital Management (Cayman), LLC

StepStone Group, LP

New Zealand Equities

Devon Funds Management

Harbour Asset Management Limited

New Zealand Private Equity

Direct Capital Management Limited

HRL Morrison & Co Limited

Movac Growth Limited

Pencarrow Private Equity Management Limited

Pioneer Capital Management Limited

New Zealand Bonds

Amova Asset Management New Zealand Limited (appointed 14 October 2025)

Foreign Exchange Hedging

State Street Investment Management, Australia, Limited



GOVERNMENT SUPERANNUATION FUND
Te Pūtea Penihana Kāwanatanga



**GOVERNMENT
SUPERANNUATION FUND
AUTHORITY**

