

NZAS RETIREMENT FUND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

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Independent Auditor's Report

To the members of NZAS Retirement Fund

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements which comprise:

- the statement of net assets as at 30 June 2025;
 - the statements of changes in net assets and cash flows for the year then ended; and
 - notes, including material accounting policy information and other explanatory information.
- In our opinion, the accompanying financial statements of NZAS Retirement Fund (the Fund) on pages 4 to 19 present fairly in all material respects:
 - the Fund's financial position as at 30 June 2025 and its financial performance and cash flows for the year ended on that date;
 - In accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) issued by the New Zealand Accounting Standards Board and the International Financial Reporting Standards issued by the International Accounting Standards Board.



Basis for opinion

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

We are independent of NZAS Retirement Fund in accordance with 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 and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (**IESBA Code**), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with Professional and Ethical Standards 1 and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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



Materiality

The scope of our audit was influenced by our application of materiality. Materiality helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole. The materiality for the financial statements as a whole was set at \$1,820,000 determined with reference to a benchmark of the Fund's total assets. We chose the benchmark because, in our view, this is a key measure of the Fund's performance.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the members as a body may better understand the process by which we arrived at our audit opinion.

Our procedures were undertaken in the context of and solely for the purpose of our audit opinion on the financial statements as a whole and we do not express discrete opinions on separate elements of the financial statements.

The key audit matter	How the matter was addressed in our audit
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Carrying amount of Investments

Refer to Note 6 to the financial statements.

The Fund's investments are considered a key audit matter due to their significance to the financial statements as a whole (the portfolio of investments makes up 98% of the Fund's total assets).

Our audit procedures included:

- Documenting and understanding the process the Fund has in place to record investment transactions, including fair value of the investment portfolio. This included evaluating the control environment in place at the Fund's administration manager and investment fund managers through review of their control reports and related assurance opinions issued by an independent auditor;
- Agreeing 30 June 2025 investment holdings and investment fair value to external confirmations received from the investment fund managers; and
- Agreeing sampled purchases and sales of investments to bank statements.

Use of this independent auditor's report

This independent auditor's report is made solely to the members. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, none of KPMG, any entities directly or indirectly controlled by KPMG, or any of their respective members or employees, accept or assume any responsibility and deny all liability to anyone other than the members for our audit work, this independent auditor's report, or any of the opinions we have formed.

Responsibilities of Trustee for the financial statements

The Trustee, on behalf of the Fund, are responsible for:

- the preparation and fair presentation of the financial statements in accordance with NZ IFRS issued by the New Zealand Accounting Standards Board and the International Financial Reporting Standards issued by the International Accounting Standards Board;



- implementing the necessary internal control to enable the preparation of a set of financial statements that is free from material misstatement, whether due to fraud or error; and
- assessing the ability of the Fund to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objective is:

- 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 independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but it is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.

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

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board (XRB) website at:

<https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-2/>

This description forms part of our independent auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Gavin Silva.

For and on behalf of:

KPMG

Wellington

08 September 2025


NZAS RETIREMENT FUND

Statement of Net Assets

As at 30 June 2025

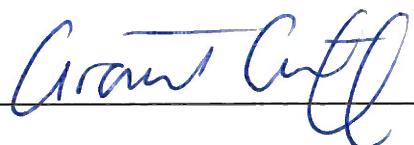
	Note	2025 \$	2024 \$
ASSETS			
Cash at Bank		2,421,606	1,470,706
Investments	6	179,563,601	172,658,402
Employer Reimbursements Receivable	15	61,916	-
Sundry Debtors		7,358	877
Prepayments		36,058	38,670
Total Assets		182,090,539	174,168,655
LIABILITIES			
Benefits Payable		696,513	569,440
Sundry Creditors		14,611	14,005
Contributions Refundable		349	473
Income Tax Payable	8	414,768	1,593,237
Deferred Tax Liability	8	121,771	311,462
Total Liabilities		1,248,012	2,488,617
NET ASSETS AVAILABLE TO PAY BENEFITS		180,842,527	171,680,038
<i>Represented By:</i>	4		
Member Accounts		35,093,738	33,048,569
Company Accounts		80,549,999	78,819,427
Transfer Accounts		8,279,071	8,538,357
Retirement Accounts		34,918,380	31,608,302
Locked In Accounts		18,301,706	16,415,744
Insurance Account		2,885,846	2,483,249
Reserve Account		813,787	766,390
LIABILITY FOR PROMISED BENEFITS		180,842,527	171,680,038

For and on behalf of the Trustee, who authorised the issue of these financial statements.

Director 

Date

8/9/2025

Director 

Date

8/9/25

NZAS RETIREMENT FUND

Statement of Changes in Net Assets For the Year Ended 30 June 2025

	Note	2025 \$	2024 \$
INVESTMENT ACTIVITIES			
Investment Income			
Gains on Investments	7	14,090,798	8,616,597
Distribution Income		2,460,979	1,924,243
Interest		81,106	79,631
Fee Rebates		476,255	207,268
Other Income		-	8,947
		<u>17,109,138</u>	<u>10,836,686</u>
Investment Expenses			
Investment Management Fees		<u>(1,299,256)</u>	<u>(946,609)</u>
Net Investment Income		<u>15,809,882</u>	<u>9,890,077</u>
OTHER INCOME			
Employer Reimbursements	15	<u>233,676</u>	<u>134,783</u>
		233,676	134,783
OTHER EXPENSES			
Investment Consulting Fees		(171,693)	(163,532)
Catastrophe Insurance Premiums		<u>(81,422)</u>	<u>(81,922)</u>
Total Other Expenses		<u>(253,115)</u>	<u>(245,454)</u>
Change in Net Assets before Taxation and Membership Activities		<u>15,790,443</u>	<u>9,779,406</u>
Income Tax Expense	8	(638,941)	(1,868,741)
Change in Net Assets after Taxation and before Membership Activities		<u>15,151,502</u>	<u>7,910,665</u>
MEMBERSHIP ACTIVITIES			
Contributions			
Member Contributions		4,050,193	3,748,298
Member Tax Credits		87,724	92,345
Employer Contributions	15	<u>5,527,781</u>	<u>5,212,770</u>
Total Contributions		<u>9,665,698</u>	<u>9,053,413</u>
Benefits Paid			
Withdrawals		<u>(15,654,711)</u>	<u>(16,061,968)</u>
Total Benefits Paid		<u>(15,654,711)</u>	<u>(16,061,968)</u>
Net Membership Activities		<u>(5,989,013)</u>	<u>(7,008,555)</u>
Net Increase in Net Assets During Year		9,162,489	902,110
Net Assets Available for Benefits at Beginning of Year		<u>171,680,038</u>	<u>170,777,928</u>
Net Assets Available for Benefits at End of Year		<u><u>180,842,527</u></u>	<u><u>171,680,038</u></u>

NZAS RETIREMENT FUND

Statement of Cash Flows

For the Year Ended 30 June 2025

	Note	2025 \$	2024 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash provided from			
Member Contributions		4,050,193	3,748,361
Member Tax Credits		87,724	92,345
Employer Contributions		5,528,130	5,213,180
Interest Received		79,953	78,950
Employer Reimbursements Received	15	171,760	467,967
Income Tax Refund Received		37,883	11,148
Other Income		877	8,947
		<u>9,956,520</u>	<u>9,620,898</u>
Cash applied to			
Benefits Paid		15,527,638	16,634,254
Contributions Refunded		473	-
Catastrophe Insurance		78,810	84,750
Other Expenses		171,310	162,994
Income Tax Payments		<u>2,128,090</u>	<u>690,000</u>
		<u>17,906,321</u>	<u>17,571,998</u>
Net Cash Flows used in Operating Activities	9	<u>(7,949,801)</u>	<u>(7,951,100)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash provided from			
Sale of Investments		82,375,440	37,890,777
Cash applied to			
Purchase of Investments		73,474,739	29,190,777
Net Cash Flows from Investing Activities		<u>8,900,701</u>	<u>8,700,000</u>
Net Increase in Cash Held		950,900	748,900
Cash at Beginning of Year		<u>1,470,706</u>	<u>721,806</u>
Cash at End of Year		<u>2,421,606</u>	<u>1,470,706</u>

NZAS RETIREMENT FUND

Notes to the Financial Statements

As at 30 June 2025

1. Scheme Description

The NZAS Retirement Fund (the "Fund") is a restricted workplace employer related superannuation scheme registered under the Financial Markets Conduct Act 2013 ("FMC Act") covering employees of Pacific Aluminium (New Zealand) Limited and New Zealand Aluminium Smelters Limited ("Employers"). Under the Trust Deed, contributions are made by Fund members and by the Employers.

The Trustee of the Fund is NZAS Retirement Fund Trustee Limited (the "Trustee").

Registered Office: Mercer (N.Z.) Limited, Level 2, 20 Customhouse Quay, P O Box 2897, Wellington, 6011.

Funding Arrangements

Members are required to contribute to the Fund at a minimum rate of 4% of their base salary¹, unless a member and his or her employers have entered into a "salary sacrifice" arrangement whereby the member's future salary and/or bonus income is reduced in return for the employers agreeing to contribute matching additional amounts to the Fund. In that case, the member may contribute at a lower or nil rate as long as the employers' additional after-tax contributions, plus the member's continuing contributions (if any), together total not less than 4% of the member's base salary. Base salary is calculated for this purpose as if no salary sacrifice has occurred.

Whether or not a member is required or has agreed to contribute to a locked-in account or enters into a salary sacrifice arrangement, each participating company must make standard company contributions in respect of each subsidised member equal to 10% of the member's base salary plus 5% of any lump sum bonus (unless the member has attained New Zealand Superannuation age (currently 65) and elected to cease contributions in which case the employers are required to contribute 4% of the member's base salary).

Members in KiwiSaver when joining the Fund who have completed less than a year's KiwiSaver membership, can delay commencing their Fund contributions until they complete a year's KiwiSaver membership (when they can take a KiwiSaver 'savings suspension'). If a Subsidised Member, during this delay period, the member will receive the before-tax Employer contribution of 10% of Base Salary (and 5% of any bonus) less the before-tax compulsory Employer contributions being paid to their KiwiSaver scheme.

¹ Base salary is a member's before tax salary excluding bonuses and allowances. It is calculated, where relevant, as if no salary sacrifice has occurred.

Retirement Benefits

The retirement benefits are determined by contributions to the Fund together with investment earnings on those contributions over the period of membership, less fund expenses.

Termination Terms

The Trust Deed sets out the basis on which the Fund can be terminated.

Changes in the Fund

There were no changes to the Trust Deed during the current reporting period.

During the year, Kyle Murray was appointed as Trustee Director, effective 1 July 2024 and Grant Cuff and Allan Meikle are no longer employed by NZAS but remain Member-elected Trustee Directors.

The Statement of Investment Policy and Objectives ('SIPO') was updated on 31 July 2024 and 28 March 2025 to reflect the following:

- Reduced target allocations to international listed property and the increased target allocations to international listed infrastructure in the Conservative, Balanced and Growth investment options;
- Reflect the underlying Fund Manager changes with the appointment of Mercer (N.Z.) Limited ('Mercer') to manage the Fund's international equities investments in place of ANZ New Zealand Investments Limited ('ANZ') and Mercer ceasing to be one of the Trustee's international fixed interest managers with the assets held in the Mercer Global Absolute Return Bond Fund transitioning to the respective Harbour Asset Management Limited and Salt Funds Management; and
- Reflect Fair Dividend Rate (FDR) Hedging changes.

NZAS RETIREMENT FUND

Notes to the Financial Statements For the Year Ended 30 June 2025

2. Basis of Preparation

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP") and the requirements of the Financial Markets Conduct Act 2013 ('FMC Act 2013') and other relevant legislative requirements as appropriate for For-profit entities.

The Fund is a Tier 1 entity and, as such, the financial statements comply with New Zealand equivalents to IFRS Accounting Standards ("NZ IFRS"), other applicable Financial Reporting Standards and authoritative notices as appropriate for For-profit entities. These financial statements also comply with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board.

The Fund comprises four main investment choices, Growth, Balanced, Conservative and Cash. The financial statements have been prepared at the Fund level as investment assets are not held in separate funds per investment choice and the liabilities of each individual investment choice are met using unitised investment assets across a variety of investment types.

Measurement Base

The measurement base adopted is that of historical cost modified by the revaluation of certain assets (investments) which are measured at fair values at balance date.

Functional and Presentation Currency

These financial statements are presented in New Zealand dollars, being the currency of the primary economic environment in which the Fund operates.

Classification of Assets and Liabilities

The assets and liabilities are disclosed in the Statement of Net Assets in an order that reflects their relative liquidity. All assets and liabilities can be recovered or settled within 12 months of the reporting date.

Going Concern

Rio Tinto is the ultimate holding company of Pacific Aluminium (New Zealand) Limited which now holds 100.00% of New Zealand Aluminium Smelters Limited ("Company"). The Company is the sole shareholder of the Trustee and a Party to the Fund's Trust Deed. In July 2024, NZAS secured the future of the smelter for another 20 years through a multi-provider power agreement.

These Financial Statements have been prepared on a going concern basis.

3. Summary of Material Accounting Policy information

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

Investment Income

Interest and dividends from managed investments are taken to income on a due and receivable basis.

Net realised and unrealised gains and losses from the revaluation of investments and from the sale of investments during the year are recognised in the Statement of Changes in Net Assets in the period in which they occur.

Other Income and Expenses

Other income and expenses are accounted for on an accruals basis.

NZAS RETIREMENT FUND

Notes to the Financial Statements For the Year Ended 30 June 2025

3. Summary of Material Accounting Policy information (Cont'd)

Taxation

Income tax credit/expense in the Statement of Changes in Net Assets comprises of current and deferred tax. The tax currently payable/receivable is based on taxable income and loss for the year. Taxable income and loss differs from the Change in Net Assets before tax and membership activities as reported in the Statement of Changes in Net Assets because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Fund's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used for taxation purposes. 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 difference can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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 using tax rates enacted or substantively enacted at the reporting date. Deferred tax is charged or credited in the Statement of Changes in Net Assets.

The Fund invests in a number of funds which are Portfolio Investment Entities ('PIEs'). For these investments, the Fund can elect to apply a Prescribed Investor Rate ('PIR') of either 0% or 28% (2024: 0% or 28%).

Gains and losses on investments with a PIR of 0% are taxable directly within the Fund and those with a PIR of 28% are taxable within the investment.

All tax expenses/credits relating to PIE tax have been shown in the Statement of Changes in Net Assets within Income Tax Expense/Credit, with "Gains/losses on Financial Assets Through Profit and Loss" presented gross of tax deducted/credited.

Investments have been shown net of tax payable on the Statement of Net Assets.

Financial instruments

Classification

The Fund classifies its investments as financial assets at fair value through profit or loss. These financial assets are designated by the Fund at fair value through profit or loss at inception.

Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund's policy is for the Trustee to evaluate the information about these financial assets on a fair value basis together with other related financial information. The Trustee has determined that all financial assets of the Fund are designated at fair value through profit and loss with the exception of cash, cash equivalents, and receivables and payables which are measured at amortised cost.

Recognition/derecognition

The Fund recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and are initially recognised at fair value of the financial assets or financial liabilities from this date. Investments are derecognised when the right to receive cash flows from the investments has expired or the Fund has transferred substantially all risks and rewards of ownership. All realised gains and losses on financial assets and financial liabilities at fair value through profit or loss are recognised in the Statement of Changes in Net Assets.

Measurement

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Statement of Changes in Net Assets.

NZAS RETIREMENT FUND

Notes to the Financial Statements For the Year Ended 30 June 2025

3. Summary of Material Accounting Policy information (Cont'd)

Fair Value Estimation

The Fair Value of unitised funds is determined using the exit price as calculated by the fund manager at balance date.

Other Receivables

Other receivables do not carry any interest and are short-term in nature and are accordingly stated at their amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts. These amounts are initially recognised at fair value, and subsequently measured at amortised cost.

Other Payables

Other payables are not interest bearing and are stated at their amortised cost.

Goods and Services Tax (GST)

The Fund is not registered for GST and consequently all components of the financial statements are stated inclusive of GST where appropriate.

Statement of Cash Flows

The following are definitions of the terms used in the Statement of Cash Flows:

- Cash - comprises cash balances held with banks in New Zealand and overseas, with maturity at three months or less.
- Operating activities - include all transactions and other events that are not investing activities.
- Investing activities - comprise acquisition and disposal of investments. Investments include securities not falling within the definition of cash.

Promised Retirement Benefits

Promised Retirement Benefits are the benefits which the Fund is presently obliged to transfer in the future to members and participants as a result of membership of the Fund up to the date at which the actuarial valuation of promised benefits is determined.

Contributions and Benefits

Contributions and benefits are accounted for on an accruals basis.

Benefits are recognised in the Statement of Changes in Net Assets when they become payable resulting in a financial liability.

Critical Judgement and Accounting Estimates

The Trustee applies judgement in selecting the accounting policy to designate financial assets through profit or loss at inception. Therefore there are no material assumptions or major sources of estimation uncertainty that have a significant risk of making material adjustments to the carrying amounts of assets and liabilities at year end. However as with all investments their value is subject to variation due to market fluctuations. For the purposes of the fair value hierarchy of financial assets at fair value through profit or loss, the Trustee applies judgement as to what constitutes quoted in an active market. For further details please refer to Note 12 (Financial Instruments).

New and Amended Standards and Interpretations

In May 2024, the XRB introduced NZ IFRS 18 Presentation and Disclosure in Financial Statements (NZ IFRS 18) (effective for annual reporting periods beginning on or after 1 January 2027). This standard replaces NZ IAS 1 Presentation of Financial Statements (NZ IAS 1) and primarily introduces a defined structure for the statement of comprehensive income, disclosure of management-defined performance measures (a subset of non-GAAP measures) in a single note together with reconciliation requirements and additional guidance on aggregation and disaggregation principles in the financial statements. NZ IFRS 18 will be applicable to the Fund's financial statements to the extent that it is not superseded by NZ IAS 26 Accounting and Reporting by Retirement Benefit Plans. The Fund has not early adopted NZ IFRS 18 and is yet to assess its impacts.

There are no other standards, amendments to standards or interpretations that are effective, for annual periods beginning on 1 July 2024, that have a material effect on the financial statement of the Fund.

NZAS RETIREMENT FUND

Notes to the Financial Statements

As at 30 June 2025

4. Liability for Promised Benefits

Changes in promised benefits as at 30 June 2025:

	Member Accounts 2025 \$	Company Accounts 2025 \$	Transfer Accounts 2025 \$	Retirement Accounts 2025 \$	Locked In Accounts 2025 \$	Insurance Account 2025 \$	Reserve Account 2025 \$	Total 2025 \$
Balance 30 June 2024	33,048,569	78,819,427	8,538,357	31,608,302	16,415,744	2,483,249	766,390	171,680,038
Contributions received	3,163,110	5,084,084	-	-	1,418,504	-	-	9,665,698
Benefits transferred to retirement accounts	(1,036,427)	(3,721,606)	(612,602)	5,370,635	-	-	-	-
Benefits paid	(1,188,126)	(1,159,032)	308,594	(2,446,161)	(784,591)	(196,850)	(255,998)	(5,722,164)
Partial withdrawals	(1,845,051)	(4,985,209)	(663,858)	(2,146,759)	(291,670)	-	-	(9,932,547)
Net revenue	-	-	-	-	-	(81,422)	15,871,865	15,790,443
Income Tax (Expense)/Benefit	-	-	-	-	-	-	(638,941)	(638,941)
Insurance and administration deductions	-	(440,869)	-	(75)	71	440,873	-	-
Interest credited	2,951,663	6,953,204	708,580	2,532,438	1,543,648	239,996	(14,929,529)	-
Balance 30 June 2025	35,093,738	80,549,999	8,279,071	34,918,380	18,301,706	2,885,846	813,787	180,842,527

Guaranteed Benefits

No guarantees have been made in respect of any part of the liability for promised benefits. (2024: Nil).

NZAS RETIREMENT FUND

Notes to the Financial Statements

As at 30 June 2025

4. Liability for Promised Benefits (Cont'd)

Changes in promised benefits as at 30 June 2024:

	Member Accounts 2024 \$	Company Accounts 2024 \$	Transfer Accounts 2024 \$	Retirement Accounts 2024 \$	Locked In Accounts 2024 \$	Insurance Account 2024 \$	Reserve Account 2024 \$	Total 2024 \$
Balance 30 June 2023	33,396,734	77,960,226	9,522,804	32,042,175	15,089,861	2,000,286	765,842	170,777,928
Contributions received	2,915,378	4,852,756	-	186,455	1,285,279	-	(186,455)	9,053,413
Benefits transferred to retirement accounts	(425,651)	(1,578,318)	(508,291)	2,512,260	-	-	-	-
Benefits paid	(2,855,274)	(2,503,886)	(161,186)	(2,562,846)	(490,798)	19,365	28,167	(8,526,458)
Partial withdrawals	(1,534,281)	(3,108,742)	(731,028)	(1,955,726)	(205,733)	-	-	(7,535,510)
Net revenue	-	-	-	-	-	(62,557)	9,841,963	9,779,406
Income Tax (Expense)/Benefit	-	-	-	-	-	-	(1,868,741)	(1,868,741)
Insurance and administration deductions	438	(421,757)	142	(1,000)	-	422,177	-	-
Interest credited	1,551,225	3,619,148	415,916	1,386,984	737,135	103,978	(7,814,386)	-
Balance 30 June 2024	33,048,569	78,819,427	8,538,357	31,608,302	16,415,744	2,483,249	766,390	171,680,038

NZAS RETIREMENT FUND

Notes to the Financial Statements

As at 30 June 2025

5. Vested Benefits

Vested Benefits are benefits payable to members or beneficiaries under the conditions of the Trust Deed, on the basis of all members ceasing to be members of the Fund at balance date.

2025	2024
\$	\$
177,142,894	168,430,399

6. Investments

Investments by Sector

	2025	2024
	\$	\$
Cash and Cash Equivalents	33,526,885	38,894,212
New Zealand Fixed Interest	11,323,419	11,336,728
International Fixed Interest	17,926,168	17,224,009
Australasian Equities	20,968,142	19,327,533
International Equities	70,358,701	62,994,056
International Listed Infrastructure	16,004,015	11,313,975
International Listed Property	9,456,271	11,677,820
Forward Foreign Exchange Contracts	-	(109,931)
	179,563,601	172,658,402

Investments by Manager

	2025	2024
	\$	\$
ANZ New Zealand Investments Limited	-	62,883,943
Harbour Asset Management Limited	10,445,772	9,881,487
Harbour Asset Management Limited - Hunter Investment Funds	10,744,649	7,357,350
Mercer (NZ) Limited - Mercer Macquarie Funds	44,850,303	50,230,941
Mercer (NZ) Limited - Mercer Investment Trusts New Zealand	95,818,988	27,961,834
Nikko Asset Management (New Zealand) Limited	10,522,370	9,446,046
Salt Funds Management	7,181,519	4,896,801
	179,563,601	172,658,402

Investments that amounted to more than 5% of the net assets are as follows:

	2025	2024
	\$	\$
ANZ Wholesale International Share Fund	-	62,883,943
Harbour Australasian Equity Fund	10,445,772	9,881,487
Hunter Global Fixed Interest Fund	10,744,649	-
Mercer Macquarie NZ Cash Fund	33,526,885	38,894,212
Mercer Macquarie NZ Fixed Interest Fund	11,323,418	11,336,728
Mercer Hedged Overseas Shares Plus Portfolio	35,138,275	-
Mercer Overseas Shares Plus Portfolio	35,220,425	-
Mercer Listed Infrastructure Portfolio	16,004,015	11,313,975
Mercer Listed Property Portfolio	9,456,271	11,677,820
Nikko AM Wholesale Core Equity Fund	10,522,370	9,446,046

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Notes to the Financial Statements As at 30 June 2025

7. Gains/(Losses) on Investments	2025	2024
	\$	\$
Cash and Cash Equivalents	472,952	895,993
New Zealand Fixed Interest	476,618	349,517
International Fixed Interest	271,628	599,980
Australasian Equities	958,985	259,401
International Equities	10,789,235	5,503,627
International Listed Infrastructure	1,342,056	115,448
International Listed Property	673,293	814,995
Forward Foreign Exchange Contracts	(893,969)	77,636
Total Gains on Investments	14,090,798	8,616,597
8. Income Tax	2025	2024
	\$	\$
Current Tax	(828,596)	(1,826,224)
Deferred Tax	189,691	(39,914)
Prior period adjustment	(36)	(2,603)
Income Tax Expense	(638,941)	(1,868,741)
The total charge for the year can be reconciled to the Change in Net Assets as follows:		
Change in Net Assets before Tax and Membership Activities	15,790,443	9,779,406
Prima Facie Income Tax @ 28%	(4,421,324)	(2,738,234)
Tax Effect Of:		
Non Assessable Income & Expenditure	4,422,593	2,837,587
Non Deductible Group Life Premiums	(22,798)	(22,938)
PIE Income	(682,805)	(1,980,293)
Non Assessable Employer Reimbursement	65,429	37,740
Prior period adjustment	(36)	(2,603)
Income Tax Expense	(638,941)	(1,868,741)
Current Tax		
Opening Balance	(1,593,237)	(676,612)
Current Year Movement	1,178,469	(916,625)
Closing Balance	(414,768)	(1,593,237)
Deferred Tax		
Opening Balance	(311,462)	(271,548)
Current Year Movement	189,691	(39,914)
Closing Balance	(121,771)	(311,462)

NZAS RETIREMENT FUND

Notes to the Financial Statements

As at 30 June 2025

9. Reconciliation of Net Cash Flows applied to Operating Activities to Increase in Net Assets

	2025 \$	2024 \$
Increase in Net Assets	9,162,489	902,110
Non-cash Items		
Gains on Investments	(14,090,798)	(8,616,597)
Distributions Received	(2,460,979)	(1,924,563)
Fee Rebates	(469,118)	(207,268)
PIE Tax	(84,261)	232,990
Investment Managers Fees	1,299,256	946,609
Movements in Other Working Capital Items		
(Increase) in Sundry Debtors	(6,481)	(217)
Decrease/(Increase) in Prepayments	2,612	(2,828)
(Increase)/Decrease in Employer Reimbursements Receivable	(61,916)	333,184
(Decrease)/Increase in Income Tax Payable	(1,178,469)	916,625
(Decrease)/Increase in Deferred Tax Liability	(189,691)	39,914
Increase/(Decrease)/Increase in Benefits Payable	127,073	(572,286)
(Decrease)/Increase in Contributions Refundable	(124)	473
Increase in Sundry Creditors	606	754
Net Cash Flows used in Operating Activities	(7,949,801)	(7,951,100)

10. Use of the Reserve Account

Trust Deed Provisions

The Reserve Account may be used by the Trustee, where applicable at the direction or with the consent of New Zealand Aluminium Smelters Limited ("The Company"), for the following:

- Payment of company contributions;
- Providing benefits equitable to all members;
- Increasing members accounts equitably to all members;
- Payment of all or any investment-related expenses of the Fund; and
- Transfer of monies to the Insurance Account.

11. Use of the Insurance Account

Trust Deed Provisions

The Trustee maintains an Insurance Account to which the following can be credited or applied:

- All amounts paid to the Trustee by an Insurer in respect of the Insured Benefits under the Fund;
- Earnings at the Allocated Rate of Earnings and transfer from the Reserve Account;
- All insurance charges debited from the Member's Company Accounts;
- Paying Insured Benefits in respect of Members;
- Paying insurance premiums to an Insurer; and
- Transfer of monies to and from the Reserve Account.

At three year intervals and at such other times as requested by New Zealand Aluminium Smelters Limited ("The Company") or the Trustee, the Actuary shall investigate and report on the financial position of the Insurance Account. After obtaining such advice, the Trustee may do any or all of the following:

- Arrange an Insurance Policy to cover all or any part of the Insured Benefits for members to meet the Trustee's obligation; and
- Transfer any amount between the Insurance and Reserve Accounts

The last such investigation was carried out as at 30 June 2022. The key findings were that:

- The premiums paid to the Fund over the 17-year period since 1 July 2005 had more than adequately covered insured benefit payments and catastrophe insurance premiums (which are also paid from the insurance account) as total claims made and total insured benefit payments had been significantly lower than expected;

NZAS RETIREMENT FUND

Notes to the Financial Statements

As at 30 June 2025

11. Use of the Insurance Account (Cont'd)

- There was scope to refresh the premium rates, for new rates were expected to be a better estimate of the claims that were expected to emerge in future;
- There was also scope to consider a distribution from the insurance account (in which the balance of \$2.3 million was materially greater than the \$858,000 considered likely to be sufficient to cover claims, premium shortfalls, additional catastrophe insurance costs and investment fluctuations), though the Actuary did not recommend any amount in excess of the insurance provision be distributed; and
- If the actual experience over the three years to the next valuation was similar to the preceding three years, the insurance account balance was likely to increase (principally due to investment earnings).

After considering the actuary's report the Trustee decided to adjust the premium rates and new premium rates were adopted from 31 March 2023. The Trustee also decided to retain the full insurance account balance to guard against adverse future claims experience, economic or financial market shocks and the potential lack of availability of catastrophe insurance.

Note 4 details the movement in the Insurance Account for the year.

The next valuation is due at 30 June 2025 and is currently underway.

12. Financial Instruments

The Fund is involved with a number of financial instruments in the course of its normal investing activities. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in the accounting policies.

The Trustee has approved a Statement of Investment Policy and Objectives (SIPO) which establishes investment portfolio objectives and target asset allocations. Performance against these targets is reviewed at least quarterly by the Trustee and asset reallocations undertaken as required.

Categories of Financial Instruments

	Fair value through profit or loss	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
	2025	2025	2025	2025
	\$	\$	\$	\$
ASSETS				
Short Term Deposits and Cash	33,526,885	2,421,606	-	35,948,491
Investments	146,036,716	-	-	146,036,716
Employer Reimbursements Receivable	-	61,916	-	61,916
Sundry Debtors	-	7,358	-	7,358
Total Financial Assets	179,563,601	2,490,880	-	182,054,481
LIABILITIES				
Benefits Payable	-	-	696,513	696,513
Contributions Refundable	-	-	349	349
Sundry Creditors	-	-	14,611	14,611
Total Financial Liabilities	-	-	711,473	711,473

	Fair value through profit or loss	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
	2024	2024	2024	2024
	\$	\$	\$	\$
ASSETS				
Short Term Deposits and Cash	38,894,212	1,470,706	-	40,364,918
Investments	133,764,190	-	-	133,764,190
Sundry Debtors	-	877	-	877
Total Financial Assets	172,658,402	1,471,583	-	174,129,985
LIABILITIES				
Benefits Payable	-	-	569,440	569,440
Contributions Refundable	-	-	473	473
Sundry Creditors	-	-	14,005	14,005
Total Financial Liabilities	-	-	583,918	583,918

NZAS RETIREMENT FUND

Notes to the Financial Statements

As at 30 June 2025

12. Financial Instruments (Cont'd)

Hierarchy of Fair Value Measurements

The Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability. The determination of what constitutes 'quoted in an active market' requires significant judgement by the Fund. The Fund considers investments to be classified as level 2 investments.

30 June 2025

Description	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Investments	-	179,563,601	-	179,563,601
Total	-	179,563,601	-	179,563,601

30 June 2024

Description	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Investments	-	172,658,402	-	172,658,402
Total	-	172,658,402	-	172,658,402

There were no transfers between the levels in the period (2024: None)

Liquidity Risk

Liquidity risk is the risk the Fund will encounter difficulty in raising funds to meet its obligations. However, to control liquidity risk, the Fund invests predominantly in financial instruments, which are readily redeemable. In addition, the Fund invests within established limits to ensure there is no concentration of risk. There are no significant financial liabilities.

Credit Risk

Credit Risk is the risk a counterparty to a financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss.

Financial instruments which potentially expose the Fund to credit risk consist of cash, fixed interest securities and receivables and, indirectly, investments in unitised products. The maximum exposure to credit risk is the carrying value of these financial instruments.

The significant counterparties of the Fund are its investment managers, Harbour Asset Management Limited; Mercer (N.Z.) Limited; Nikko Asset Management (NZ) Limited; Salt Funds Management and their nominee companies, which the Trustee consider to be financial institutions of high quality.

NZAS RETIREMENT FUND

Notes to the Financial Statements

As at 30 June 2025

12. Financial Instruments (Cont'd)

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Fund is directly exposed to foreign exchange risk and indirectly exposed to interest rate risk. The Fund is directly exposed to other price risk through its investment in unitised products. The underlying securities comprise cash, domestic and international equity instruments, Infrastructure, New Zealand commercial property and domestic and international fixed interest securities.

Due to the unitised nature of some of the Fund's investments, it is not practical to determine the sensitivity of the unit price to changes in foreign exchange rates, interest rates or other market factors. These investments are managed by the fund managers and the Fund has no influence over how these risks are controlled or mitigated but considers the portfolio to be such a diverse nature as to reduce significant exposure to the impact of market movements. The mix of cash, fixed interest and equity investments, local and international, in the portfolio is a strategy the Trustee employ to minimise the effect on the Fund of volatility in any particular investment sectors.

(i) Currency Risk

Currency Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk in that future currency movements will affect the valuation of foreign currency denominated investments. These movements will also indirectly affect the valuation of investments in unitised products, which invest in foreign currency denominated investments. Risk management activities are undertaken by the investment managers to operate within the guidelines provided by the Trustee.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund is directly exposed to interest rate risk through cash at bank. The Fund is indirectly exposed to interest rate risk in that future interest rate movements will affect cash flows and, the valuation of investments in unitised products which invest in cash and fixed interest investments.

	2025	2024
	\$	\$
Short Term Deposits - Mercer Macquarie Funds	33,526,885	38,894,212
Fixed Interest Onshore - Mercer Macquarie Funds	11,323,419	11,336,728
Fixed Interest Offshore - Salt Funds Management	7,181,519	4,986,801
Fixed Interest Offshore - Hunter Investment Funds	10,744,649	7,357,350

Interest rate risk management activities are undertaken by the investment manager in accordance with the investment mandate set by the Trustee.

(iii) Other Price Risk

Other price risk represents the risk that the value of the Fund's investment portfolio will fluctuate as a result of changes in market prices (other than those arising from currency risk or interest rate risk). The fair value of the Fund's investments will increase/decrease due to a change in the unit prices of the Fund's unitised products. The Fund is indirectly exposed to other price risks through its investment in the unitised products.

Capital Management

Net assets available to pay benefits are considered to be the Fund's capital for the purposes of capital management. The Fund does not have to comply with externally imposed capital requirements.

The Fund's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns to its members and maximise the Fund's members' value.

13. Commitments and Contingent Liabilities

There were no commitments or contingent liabilities outstanding as at 30 June 2025 (2024: Nil).

NZAS RETIREMENT FUND

Notes to the Financial Statements

As at 30 June 2025

14. Sensitivity Analysis

A ten percent decrease in the value of the Funds investments in unitised products would have a negative impact on the value of the Fund's assets of \$17,956,360 (2024: \$17,265,840). Conversely a ten percent increase in the value of the Funds investment in unitised products would have a positive impact on the value of the Fund's assets of \$17,956,360 (2024: \$17,265,840).

15. Related Parties

The Fund holds no direct investments in any of the employer companies or any of its related parties. During the period, payments were made to the Trustee of the Fund totalling \$107,278 (2024: \$105,312). The Fund had employer contributions of \$5,527,780 (2024: \$5,212,770).

During the period the employers reimbursed (or in the process of reimbursing) the Fund of \$233,676 (2024: \$134,783) related to death and disablement claims paid to members.

Mercer (N.Z.) Limited, as administrator of the Fund, is regarded as a related party in terms of the Financial Markets Conduct Act. Mercer provides the Fund with a range of services including administration, actuarial, secretarial and investment consulting amounting to \$622,381 (2024: \$592,062). Other than the investment consulting fees of \$171,694 (2024: \$163,532) absorbed by the Fund, the remaining amounts for the range of services are paid by the employers. Insurance premiums are paid by members and Catastrophe Insurance premiums are paid from the Fund.

The management fee paid (net of rebates) to Mercer for the Fund's investments in MITNZ and Mercer Macquarie was \$576,840 (2024: \$296,205). The Fund's Trustee has certified pursuant to sections 173 and 174 of the FMCA that all fees paid to Mercer in respect of these services have been set on arms length commercial terms.

The Trustee is a related party to the Fund. Five of the eight Directors of the Trustee during the current reporting period were also members of the Fund. Contributions made by three of these Directors to the Fund are consistent with the terms of the Fund's Trust Deed and their terms of employment which require all permanent employees to be members of the Fund.

16. Fees incurred for services provided by the audit firm

During the reporting period, the Employers paid for the following professional services:

	2025	2024
<i>Audit Services - KPMG</i>	\$	\$
Statutory audit of the financial statements	37,402	35,621
Total fees for audit firms' services	37,402	35,621

17. Events After Balance Date

Subsequent to balance date, the following non-adjusting events have occurred that are considered material for disclosure purpose.

- Changes to KiwiSaver rules including contribution rate changes effective from 1 April 2026 and the reduction in government contributions effective from 1 July 2025. Member with locked-in accounts will be able to continue with the current "3+3" lock-in arrangements, conditions apply.

- Macquarie Asset Management announced the sale of its North American and European public investments business, comprising equities, fixed income, and multi-asset, to Nomura (a Japanese headquartered investment management firm). This includes the Global Listed Property strategy which the Fund invests in, through the Mercer Global Listed Property Fund.

- The next Insurance account valuation, effective 30 June 2025 will be completed subsequent to balance date and presented in next year's financials.

There were no other significant events that have occurred since the balance date that require adjustment or disclosure in the financial statements.