MAS Retirement Saving Scheme

Financial Statements

For the year ended
31 March 2026

Signatory of:
PRI Principles for Responsible Investment

Independent Auditor's Report to the Members of MAS Retirement Savings Scheme

Opinion

We have audited the financial statements of MAS Retirement Savings Scheme ("the Scheme") on pages 1 to 16, which comprise the statement of net assets of the Scheme as at 31 March 2026, the statement of changes in net assets and statement of cash flows for the year then ended of the Scheme, and the notes to the financial statements including material accounting policy information.

In our opinion, the financial statements on pages 1 to 16 present fairly, in all material respects, the financial position of the Scheme as at 31 March 2026 and its financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

This report is made solely to the Scheme's members, as a body. Our audit has been undertaken so that we might state to the Scheme's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme and the Scheme's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Funds and the Scheme 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 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 Standard 1.

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

Ernst & Young provides other assurance services to the Scheme. Partners and employees of our firm may deal with the Scheme on normal terms within the ordinary course of trading activities of the business of the Scheme. We have no other relationship with, or interest in, the Scheme.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Shape the future
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We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of the audit report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Investments

Why significant	How our audit addressed the key audit matter
▪ The Scheme's portfolio of investments represents almost 100% of its assets. ▪ These investments are recognised at fair value through profit or loss in accordance with NZ IAS 26 *Accounting and Reporting by Retirement Benefit Plans*. The Scheme's accounting policy for investments is described in Note 2. ▪ Volatility and other market drivers can have a significant impact on the value of these investments and the financial statements as a whole, therefore the recognition and measurement of the investment portfolio is considered a key area of audit focus. ▪ Disclosures regarding the Scheme's investments are included in Note 5 to the financial statements.	Our audit procedures included: ▪ Gaining an understanding of the processes used to record investment transactions and the revaluation of the investment portfolio. ▪ Obtaining and reviewing the Independent Assurance Reports on Controls relevant to the entities responsible for the custody and pricing of the Scheme's investments. We have considered the implications of any control deficiencies for our audit. ▪ Receiving confirmation directly, from the custody and pricing entities, of the number of securities held by the Scheme and their exit prices at balance date and agreeing the confirmed amounts to the Scheme's accounting records. ▪ Verifying a sample of exit prices at balance date to independent pricing sources. ▪ Assessing the disclosures in the financial statements, including whether they appropriately reflect the requirements of NZ IFRS 7 *Financial Instruments: Disclosures*. For the Managed Fund that the Scheme invests in, additional procedures included; ▪ Considering the reasonableness and reliability of the unit pricing confirmations provided by the managers of the fund in which the Scheme invests, by comparing the price inferred by the net assets and number of units issued recorded in their latest available audited financial statements to the reported unit price at that date.

Information other than the financial statements and auditor's report

Those charged with governance of the Scheme are responsible for the annual report, which includes information other than the financial statements and auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

If, based upon the work we have performed, 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.

Those charged with governance responsibilities for the financial statements

Those charged with governance are responsible, on behalf of the Scheme, for the preparation and fair presentation of the financial statements in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards, and for such internal control as those charged with governance determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, those charged with governance are responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless those charged with governance either intend to liquidate the Scheme or cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities 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 conducted in accordance with International Standards on Auditing (New Zealand) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board website: https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-2/. This description forms part of our auditor's report.

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

Ernst + Young

Chartered Accountants
Wellington
2 July 2026

MAS RETIREMENT SAVINGS SCHEME

Financial Statements

For the year ended 31 March 2026

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MAS RETIREMENT SAVINGS SCHEME
Statement of Net Assets
As at 31 March 2026

	Note	2026	2025
		$000	**$000**
Assets			
Cash and Cash Equivalents	6	26,543	23,164
Investments at Fair Value through Profit or Loss	5	1,399,685	1,288,307
Total Assets		**1,426,228**	**1,311,471**
Liabilities			
Accounts Payable		(1,102)	(944)
PIE Tax Payable		(8,107)	(10,431)
Total Liabilities		**(9,209)**	**(11,375)**
Net Assets Available to pay Benefits		**1,417,019**	**1,300,096**
Represented by:			
Member Accounts	3	1,417,019	1,300,096
		1,417,019	**1,300,096**

Approved for issue by the Manager, Medical Funds Management Limited on 1 July 2026.

Signed by: Doug Hill

Signed by: Jennifer Lang

The accompanying notes form part of and should be read in conjunction with these financial statements.

MAS RETIREMENT SAVINGS SCHEME
Statement of Changes in Net Assets
For the year ended 31 March 2026

	Note	2026	2025
		$000	**$000**
Investment Activities			
Investment Revenues			
Dividend Income		9,845	9,503
Interest Income		789	2,524
Gain on Investments at Fair Value	7,8	131,483	66,323
Total Investment Revenue		**142,117**	**78,350**
Other Revenues			
Bank Interest Received		19	30
Investment Management Fee Rebate		385	357
Total Other Revenue		**404**	**387**
Expenses			
Administration Expenses	11	(92)	(89)
MFM Management Fee	11	(11,779)	(10,819)
Total Expenses		**(11,871)**	**(10,908)**
Change in Net Assets before Taxation and Membership Activities		**130,650**	**67,829**
Membership Activities			
Member Contributions		48,670	27,456
Employer Contributions		57,541	58,377
Total Contributions		**106,211**	**85,833**
Benefits Paid			
Transfers to other Plans		(8,182)	(5,652)
Deaths		(5,724)	(2,551)
Hardship and Partial Withdrawals		(554)	(413)
Serious Illness		(116)	(295)
Court Ordered Payments		(382)	(441)
Permanent Emigration		(5,936)	(3,222)
Retirement		(90,772)	(76,747)
IRD Refunds		(6)	(8)
Total Benefits paid		**(111,672)**	**(89,329)**
PIE Tax Paid		(8,266)	(10,517)
Net Membership Activities		**(13,727)**	**(14,013)**
Net Increase in Net Assets During Year		**116,923**	**53,816**
Net Assets Available for Benefits at Beginning of Year		1,300,096	1,246,280
Net Assets Available for Benefits at End of Year	3	**1,417,019**	**1,300,096**

The accompanying notes form part of and should be read in conjunction with these financial statements.

MAS RETIREMENT SAVINGS SCHEME
Statement of Cash Flows
For the year ended 31 March 2026

	Note	2026 $000	2025 $000
Cash Flows from Operating Activities			
Cash provided from:			
Contributions		106,211	85,833
Sundry Income		19	30
		106,230	**85,863**
Cash applied to:			
Benefits Paid		(111,672)	(89,329)
MFM Management Fee and Administration Expenses		(11,714)	(10,843)
PIE Tax Paid		(10,590)	(6,785)
		(133,976)	**(106,957)**
Net Cash Outflow from Operating Activities	8	**(27,746)**	**(21,094)**
Cash Flows from Investing Activities			
Cash provided from:			
Proceeds from Sale of Investment Assets		158,842	115,961
Proceeds from Sale of Cash Investment Assets		431,647	374,669
less: Cash applied to:			
Purchase of Investment Assets		(131,055)	(94,773)
Purchase of Cash Investment Assets		(428,309)	(421,314)
Net Cash Inflow/(Outflow) from Investing Activities		**31,125**	**(25,457)**
Net Increase/(Decrease) in Cash Held		3,379	(46,551)
Add Cash at start of Year		23,164	69,715
Balance at end of Year		**26,543**	**23,164**

The accompanying notes form part of and should be read in conjunction with these financial statements.

1. Scheme Description

These financial statements are for the MAS Retirement Savings Scheme (the "Scheme") for the year ended 31 March 2026. The Scheme was established under a Trust Deed dated 18 June 2021 and is a registered superannuation scheme and workplace savings scheme under the Financial Markets Conduct Act 2013 ("FMCA").

Medical Funds Management Limited ("the Manager" or "MFM") is the Manager of the Scheme. MFM's address is 10 Waterloo Quay, Pipitea, Wellington, New Zealand.

The Supervisor of the Scheme is Public Trust.

The Administration Manager of the Scheme is MUFG Pension & Market Services (NZ) Limited.

Funding Arrangements

Members' contributions are discretionary. No additional payments to acquire additional benefits were made by entrants or existing Members during the year. Employer contributions are discretionary. Participating employer contributions are made on behalf of Members in accordance with the Employer's Participating Agreement. These funding arrangements are consistent with those of the previous year.

Retirement Benefits

Retirement benefits are determined by contributions to the Scheme together with investment earnings on these contributions over the period of membership.

Termination Terms

The Trust Deed sets out the basis on which the Scheme can be terminated and covers the situation where the Scheme can be wound-up.

Changes to the Scheme

There were no changes to the Scheme during the year.

2. Summary of Material Accounting Policy Information

Basis of Preparation and Statement of Compliance

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand ("NZ GAAP"), the requirements of the FMCA and the Trust Deed governing the Scheme. They comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and other applicable Financial Reporting Standards, as appropriate for profit oriented entities. The financial statements comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

The Manager prepared the Scheme's financial statements in accordance with the FMCA as it is a registered scheme.

The Scheme comprises seven Funds: Cash, Conservative, Moderate, Balanced, Growth, Aggressive and Global Equities. The financial statements have been prepared at the Scheme level as the liabilities of the individual Funds are not limited to the assets of each Fund. Therefore assets of one Fund could be used to meet the liabilities of another.

The Scheme is classified as an investment fund under NZ IFRS 10. It obtains funds from multiple investors and invests these for returns from fund appreciation and investment income. No investments are controlled, and there has been no consolidation of investments.

The Scheme is a defined contribution scheme as defined in NZ IAS 26 Accounting and Reporting by Retirement Benefit Plans.

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

Measurement Base

The measurement base adopted is that of historical cost except for financial instruments which are measured at fair value through profit or loss at the end of the reporting period.

2. Summary of Material Accounting Policy Information (Continued)

Presentation and Functional Currency

The functional and presentation currency of the Scheme is New Zealand dollars ($). The financial statements are presented in New Zealand dollars and rounded to the nearest thousand dollars unless stated otherwise.

Classification of Assets and Liabilities

Assets and liabilities are disclosed in the Statement of Net Assets in an order that reflects their relative liquidity.

New and amended standards and interpretations

Standards and amendments adopted

Several amendments and interpretations apply for the first time in the period ended 31 March 2026, but do not have a material impact on the financial statements of the Scheme. Accordingly, there have been no changes in accounting policies and disclosures during the current period.

Standards issued but not effective

NZ IFRS 18 Presentation and Disclosure in Financial Statements

The standard sets out requirements for the presentation and disclosure of information in financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The standard is effective for reporting periods beginning on or after 1 January 2027. The Scheme is currently assessing the impact of adopting NZ IFRS 18.

The Scheme has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The Scheme does not expect any other standard, interpretation or amendment that has been issued but is not yet effective to materially impact the financial statements.

Investment Income

Interest, dividends and distributions from unitised investments are taken to income on a due and receivable basis. Net realised and unrealised gains and losses are recognised in the Statement of Changes in Net Assets in the year in which they occur.

Income and Expenses

All income and expenses are accounted for on an accrual basis.

Investments

Investments are recognised and derecognised on the trade date and are initially measured at fair value. Investment values are supplied by the relevant fund manager. Investments are classified at fair value through profit or loss. As the Scheme's business is investing in financial assets with a view to profiting from their total return in the form of interest, distributions or increases in fair value, cash investments are carried at fair value through profit or loss on initial recognition. Financial assets carried at fair value through profit or loss, are measured at subsequent reporting dates at fair value. The valuation techniques used are detailed in Note 10 Fair Value. Purchases and sales of investments are accounted for at trade date.

2. Summary of Material Accounting Policy Information (Continued)

Financial Instruments

(i) Classification

Investments are mandatorily required to be measured as financial assets at fair value through profit or loss under NZ IFRS 9 Financial Instruments. These financial assets are carried by the Scheme at fair value through profit or loss at inception.

Financial assets and financial liabilities carried 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 Scheme's documented investment strategy. The Scheme's policy is for the Manager to evaluate the information about these financial assets on a fair value basis together with other related financial information. The Manager has determined that all financial assets of the Scheme are carried at fair value through profit or loss with the exception of cash, cash equivalents, receivables and payables which are measured at amortised cost.

(ii) Recognition/derecognition

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

(iii) 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.

The fair value of investments is determined using the value supplied by the relevant fund manager at balance date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer a liability takes place either:

- In the principal market of the asset or liability;
- In the absence of a principal market, in the most advantageous market for the asset or liability; or
- The principal or most advantageous market is accessible by the Scheme.

The fair value of an asset is measured using the assumptions that market participants would use when pricing the asset assuming market participants act in their economic best interest.

Taxation

The Scheme is a Portfolio Investment Entity ("PIE") under the Income Tax Act 2007. Under the PIE regime, income earned by the Scheme is attributed to all Members in accordance with the proportion of their interest in the overall Scheme. The income attributed to each Member is taxed at the Member's prescribed investor rate ("PIR"). The Scheme deducts tax from each Member's allocation and pays the tax to Inland Revenue on behalf of the Member.

PIE tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to Inland Revenue on behalf of the Members based on the Members' current period's taxable income and their PIR.

Receivables

Receivables are short-term in nature and are stated at amortised cost. Receivables are usually recovered within 30 days from recognition.

2. Summary of Material Accounting Policy Information (Continued)

Payables

Payables include liabilities and accrued expenses owing by the Scheme which are unpaid as at balance date. These amounts are unsecured and are usually paid within 30 days of recognition. These amounts are initially recognised at fair value, and subsequently measured at amortised cost.

Derivative Financial Instruments

The Scheme does not directly invest in derivative financial instruments ("derivatives"). The Scheme invests in a range of unitised products and pooled investment vehicles, which may enter into derivatives such as forward foreign exchange contracts, financial futures, swaps and options during the normal course of business.

Goods and Services Tax ("GST")

The Scheme 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 the definitions of the terms used in the Statement of Cash Flows:

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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 and cash equivalents.

Contributions and Benefits

Contributions and benefits are accounted for on an accrual basis. Contributions are recognised in the Statement of Changes in Net Assets when they become receivable.

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

Member Funds

Units issued by the Scheme provide Members with the right to require redemption for cash at the value proportionate to the Member's share in the Scheme's net asset value provided the Member meets the eligibility requirements under the Scheme's Trust Deed and any relevant enactment.

Units held in the Scheme are redeemable at the Member's option. The Manager has applied judgement in determining the classification of these units in accordance with NZ IAS 32 Financial Instruments: Presentation. Although the units are redeemable, the Manager has concluded that they meet the criteria for classification as equity instruments as they represent a pro rata share of the Scheme's net assets, are subordinate to all other classes of instruments, and have identical features. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the reporting date if Members exercised their right to redeem units in the Scheme.

Critical Accounting Estimates and Judgements

For the purposes of the fair value hierarchy of financial assets at fair value through profit or loss, the Manager has to apply their judgement as to what constitutes "observable prices". For further details refer to Note 10 (Fair Value).

3. Net assets available to pay Benefits

	2026 $000	2025 $000
Movements in Members' Accounts - Per Members' Registry System		
Balance at beginning of year	1,299,553	1,245,207
Contributions received	106,220	85,880
Investment earnings allocated to Members	130,624	67,822
PIE tax paid	(8,271)	(10,517)
Benefits paid	(111,830)	(88,839)
Balance at end of year	1,416,296	1,299,553
Movements in Members' Accounts - Timing Variances		
Balance at end of year - to be allocated to Member's accounts	723	543
Total balance at end of year	**1,417,019**	**1,300,096**

Guaranteed Benefits

No guarantees have been made in respect of any part of the net assets available to pay benefits (2025: nil).

4. Scheme Benefits

The net assets available to pay benefits is the Scheme's present obligation to pay benefits to Members. It has been calculated as the difference between the carrying amounts of the assets and the carrying amounts of the liabilities as at balance date. Net assets available to pay benefits include amounts allocated to Members' accounts.

5. Investments

	2026 $000	2025 $000
The funds were invested in the following asset classes:		
Domestic Fixed Interest	137,433	127,227
International Fixed Interest	212,464	205,695
Australasian Equities	318,612	286,927
International Equities	697,038	637,674
Alternative Investments	20	215
Cash Investments	34,118	30,569
Total Investments	**1,399,685**	**1,288,307**

The majority of funds are invested into unitised products or pooled investment vehicles. The Scheme primarily invests in the MAS Wholesale Investment Funds, which are also managed by MFM.

5. Investments (Continued)

(a) Trading securities exceeding 5% of net assets available for benefits

	%	2026 $000	%	2025 $000
International Equities				
MAS Wholesale International Equities Fund	49	697,038	49	637,674
Australasian Equities				
MAS Wholesale Australasian Equities Fund	22	318,612	22	286,927
New Zealand Fixed Interest				
MAS Wholesale New Zealand Fixed Interest Fund	10	137,433	10	127,227
International Fixed Interest				
Hunter Global Fixed Interest Fund	15	212,464	16	205,695

(b) Trading Securities exceeding 5% of security class

	%	2026 $000	%	2025 $000
Australasian Equities				
MAS Wholesale Australasian Equities Fund	100	318,612	100	286,927
International Equities				
MAS Wholesale International Equities Fund	100	697,038	100	637,674
Domestic Fixed Interest				
MAS Wholesale New Zealand Fixed Interest Fund	100	137,433	100	127,227
Alternative Investments				
Maui Capital Aqua Fund	-	-	86	184
Maui Capital Indigo Fund	100	20	14	30
International Fixed Interest				
Hunter Global Fixed Interest Fund	100	212,464	100	205,695
Cash Investments				
MAS Wholesale Cash Fund (NZD)	58	34,118	58	30,569

6. Cash and Cash Equivalents

	2026 $000	2025 $000
ANZ Bank Current Account	420	383
JBWere Cash Account	26,123	22,781
	26,543	**23,164**

7. Gain/(Loss) on Investments at Fair Value

	2026 $000	2025 $000
Cash	1,356	1,689
Domestic fixed interest	5,246	9,787
International fixed interest	(6,834)	(820)
Australasian equities	7,616	2,600
International equities	124,099	53,068
	131,483	**66,323**

8. Reconciliation of Change in Net Assets to Net Cash Flow from Operating Activities

	2026 $000	2025 $000
Increase in Net Assets	116,923	53,816
Add/(less) non-cash items:		
Dividends received	(9,845)	(9,503)
Interest received	(789)	(2,524)
Fee rebate	(385)	(357)
Gain on investments at fair value	(131,483)	(66,323)
Add/(less) movement in other working capital items:		
Increase in accounts payable	157	64
(Decrease)/Increase in PIE tax payable	(2,324)	3,733
Net cash outflow from operating activities	**(27,746)**	**(21,094)**

9. Financial Instruments and Risk Management

The Manager has established a Statement of Investment Policy and Objectives (“SIPO”) for the Scheme. Compliance with the SIPO is monitored regularly and the SIPO itself is reviewed at least annually.

The Scheme’s risk management is carried out in accordance with policies set by the Manager. These policies provide clear structure for managing key financial risks.

The Scheme's activities expose it primarily to the financial risks of; market, liquidity and credit.

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 Scheme is primarily exposed to interest rate and other price risks through its investments in cash and cash equivalents, unitised products and pooled investment vehicles. Market risk management is carried out in accordance with the SIPO.

Liquidity Risk

Liquidity risk represents the risk that the Scheme may not have sufficient liquid funds to meet its contractual obligations. The Scheme evaluates its liquidity requirements on an ongoing basis and maintains a substantial investment in cash and cash equivalents to cover the possibility of Member withdrawals. All financial assets at fair value through profit or loss can be realised within 12 months. All financial liabilities are payable within 12 months.

Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into, resulting in a financial loss to the Scheme. The financial instruments that potentially expose the Scheme to credit risk consist of cash and short term deposits and receivables and, indirectly, investments in unitised products and pooled investment vehicles which invest in cash and fixed interest investments. The maximum exposure to credit risk is the carrying value of these financial instruments. Credit risk is managed through policy that outlines minimum permitted credit ratings and diversification requirements.

There are no financial assets past due or impaired at balance date (2025: nil).

9. Financial Instruments and Risk Management (Continued)

Statement of Net Asset Credit Exposures	2026 $000	2025 $000
Cash and cash equivalents	26,543	23,164
	26,543	**23,164**

The following table provides information on the credit risk exposure for financial assets with external credit ratings of the Scheme. Investment grade financial assets are classified within the range of AAA to BBB, with AAA being the highest possible rating. For financial assets measured at amortised cost, the Scheme typically invests in high quality financial institutions that have minimum credit ratings of BBB by Standard & Poor's (or equivalent). The probability of default is considered minimal due to the high quality of investments, and no expected credit losses have been allowed for. Other investments are held at fair value through profit or loss, as such no expected credit losses are recognised.

	AAA	AA	A	BBB	Below BBB and Not Rated	Carrying Value
31 March 2026						**$000**
Cash and Cash Equivalents	-	100%	-	-	-	26,543
31 March 2025						
Cash and Cash Equivalents	-	100%	-	-	-	23,164

Currency Risk

The Scheme is not directly exposed to currency risk in that future currency movements will affect the valuation of holdings in foreign currency denominated investments.

At 31 March 2026, there is no foreign currency hedging (2025: no change) as the Scheme invests in foreign currency denominated assets via unitised products and pooled investment vehicles which are denominated in New Zealand dollars.

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 Scheme is exposed to interest rate risk in that interest rate movements will affect cash flows of cash and cash equivalents. The Manager reviews the Scheme's interest rate exposure on a quarterly basis.

Sensitivity Analysis

The following table shows the sensitivity of profit and Members' funds to reasonably possible changes in interest rates at 31 March:

	Change in Net Assets after Taxation Higher/(Lower)	
	2026 $000	**2025 $000**
50bp Increase in Interest Rates		
Cash and Cash Equivalents	297	266
50bp Decrease in Interest Rates		
Cash and Cash Equivalents	(297)	(266)

9. Financial Instruments and Risk Management (Continued)

Other Price Risk

The Scheme manages risk through investing in diversified unitised products and pooled investment vehicles.

Sensitivity Analysis

The following table shows the sensitivity of profit and Members' funds to reasonably possible changes in unit prices of investments at fair value through profit or loss at 31 March:

	Change in Net Assets after Taxation Higher/(Lower)	
	2026	**2025**
	$000	**$000**
Prices Increase by 10%		
Investments at fair value through profit or loss		
Domestic Fixed Interest	13,744	12,723
International Fixed Interest	21,246	20,569
Australasian Equities	31,861	28,692
International Equities	69,704	63,768
Alternative Investments	2	22
Cash Investments	3,412	3,057
Total Investments	**139,969**	**128,831**
Prices Decrease by 10%		
Investments at fair value through profit or loss		
Domestic Fixed Interest	(13,744)	(12,723)
International Fixed Interest	(21,246)	(20,569)
Australasian Equities	(31,861)	(28,692)
International Equities	(69,704)	(63,768)
Alternative Investments	(2)	(22)
Cash Investments	(3,412)	(3,057)
Total Investments	**(139,969)**	**(128,831)**

Classification of Financial Instruments	**2026**	**2025**
	$000	**$000**
Financial Assets carried at fair value through profit or loss		
Domestic Fixed Interest	137,433	127,227
International Fixed Interest	212,464	205,695
Australasian Equities	318,612	286,927
International Equities	697,038	637,674
Alternative Investments	20	215
Cash Investments	34,118	30,569
Total Investments	**1,399,685**	**1,288,307**
Financial assets measured at amortised cost		
Cash and Cash Equivalents	26,543	23,164
Financial Liabilities held at amortised cost		
Accounts Payable	(1,102)	(944)

Capital Management

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

The Scheme's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns to its Members, ensuring there is sufficient liquidity to meet any redemption requests from Members and to maximise the Scheme Members' value.

10. Fair Value

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective fair values, determined in accordance with the Scheme's accounting policies.

The Scheme classifies fair value measurements of financial instruments at fair value through profit or loss 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. For this purpose, the significance of an input is assessed against the fair value measurement. 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 'observable' requires significant judgement by the Manager. The Manager considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy the Scheme's financial assets and liabilities (by class) measured at fair value:

	$000	$000	$000	$000
31 March 2026:				
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Hunter Global Fixed Interest Fund	-	212,464	-	212,464
MAS Wholesale Australasian Equities Fund	-	318,612	-	318,612
MAS Wholesale International Equities Fund	-	697,038	-	697,038
MAS Wholesale Cash Fund (NZD)	-	34,118	-	34,118
MAS Wholesale New Zealand Fixed Interest Fund	-	137,433	-	137,433
Alternative Investments	-	-	20	20
Total Assets	**-**	**1,399,665**	**20**	**1,399,685**

	$000	$000	$000	$000
31 March 2025:				
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Hunter Global Fixed Interest Fund	-	205,695	-	205,695
MAS Wholesale Australasian Equities Fund	-	286,927	-	286,927
MAS Wholesale International Equities Fund	-	637,674	-	637,674
MAS Wholesale Cash Fund (NZD)	-	30,569	-	30,569
MAS Wholesale New Zealand Fixed Interest Fund	-	127,227	-	127,227
Alternative Investments	-	-	215	215
Total Assets	**-**	**1,288,092**	**215**	**1,288,307**

There were no transfers between levels during the year (2025: nil).

10. Fair Value (Continued)

The financial assets carried at fair value through profit or loss level 2 were not quoted in an active market. The fair value is measured using market observable prices as used by market participants. For these investments the Manager believes the Scheme could have redeemed its investments at the unit price provided by the relevant fund manager.

The financial assets carried at fair value through profit or loss level 3 were not quoted in an active market, and not based on observable market data. The fair value is measured using the net asset value which is a reasonable approximation of fair value.

Reconciliation of level 3 fair value	**2026**	**2025**
	$000	**$000**
Opening Balance	215	2,345
Capital Withdrawal	(244)	(1,953)
Total Gains/(Losses)	49	(177)
Closing Balance	**20**	**215**

Level 3 assets were valued using valuation techniques which were consistent with last year. The fair value used for the Maui Capital Indigo Fund is determined with reference to valuations based on the most recent price available at balance date as provided by the relevant manager. A potential change in the relevant input by 10% would have the effect of impacting the fair value by $2,029 (2025: $21,482).

11. Related Parties

MFM, as manager of the Scheme, is a related party. Management fees of $11,779,392 (2025: $10,818,906) were charged to the Scheme for services provided during the year to manage the Scheme. The fee charged ranges from 0.24% - 0.89% per annum of the funds under management (2025: 0.24% - 0.89%) and $1,059,344 of the management fee (2025: $938,473) has been accrued at balance date. No related party debts have been written off or forgiven during the year (2025: nil).

The management fee is calculated daily and paid monthly. There are no additional performance fees charged (2025: nil).
The applicable fee rates for each Fund are set out below.

	2026	**2025**
Fund	**%**	**%**
Cash	0.24	0.24
Conservative	0.66	0.66
Moderate	0.78	0.78
Balanced	0.85	0.85
Growth	0.86	0.86
Aggressive	0.87	0.87
Global Equities	0.89	0.89

MFM is also the manager of the MAS Wholesale Investment Funds, which provide unitised funds for wholesale investors. The Scheme invests in these funds as detailed below.

	2026	**2025**
Related Party Investments	**$000**	**$000**
MAS Wholesale Australasian Equities Fund	318,612	286,927
MAS Wholesale International Equities Fund	697,038	637,674
MAS Wholesale Cash Fund (NZD)	34,118	30,569
MAS Wholesale New Zealand Fixed Interest Fund	137,433	127,227
Total Related Party Investments	**1,187,201**	**1,082,397**
Proportion of Total Investments at Fair Value Through Profit or Loss	**85%**	**84%**

11. Related Parties (Continued)

The Scheme does not have any employees or key management personnel. Key management personnel services are provided by MFM. Fees paid to MFM, as disclosed above, include compensation for those services.

The auditor of the Scheme is Ernst & Young (EY). Audit fees were $29,670 for the audit of the financial statements (2025: $28,980) and $2,300 for audit related services relating to the registry audit (2025: $2,262). The registry audit is an assurance engagement (2025: no change). Audit fees are included in administration expenses (2025: no change).

The supervisor of the Scheme is Public Trust. Supervisor fees of $189,675 were paid by MFM (2025: $190,535). Outside of the administration expenses disclosed in the Statement of Changes in Net Assets, other operational costs such as administration fees are paid by MFM.

12. Commitments and Contingent Liabilities

	2026	**2025**
	$000	**$000**
Maui Capital Aqua Fund	-	41
Maui Capital Indigo Fund	4	5
Total Capital Commitments	**4**	**46**

Capital commitments represent the uncalled capital contracted for at balance date but not yet paid to Maui Capital Indigo Fund. No significant contingent liabilities exist as at 31 March 2026 (2025: none).

13. Events after Balance Date

There were no subsequent events which require additional adjustment or disclosure in the financial statements.