



Annual Report

2025

PacSuper Key Highlights

K635M

Funds Under Management:



+8.7%
growth

36,000+

Members



**PNG's only
Super Fund with
currency choice**



**PRIMS fully
operational**



**I-WE Supa
launched**



PGK Sub-Fund

5.07%
NER

2.75% MER

AUD Sub-Fund

1.31%
NER

1.49% MER

**AUD Sub-Fund
Strategic Asset
Allocation Review**



**New leadership
appointments**



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About **PacSuper**

PacSuper ('the Trust') is the only superannuation Fund in Papua New Guinea which offers members an investment choice through currency selection.

There are two sub-funds in which members may choose to place their superannuation contributions:



Kina Sub-Fund – invested in Papua New Guinea



AUD Sub-Fund – invested in Australia



Membership may be in either or both:

1. **Employer Superannuation** – for employees of companies who are mandated or volunteer to make contributions.
2. **Voluntary Superannuation** – for self-employed and other individuals who elect to make voluntary contributions; and/or employees of companies that do not contribute to the Trust.

Members may choose to change currencies once a year. The currency risk and exposure is borne directly by the individual and not the Trust.

This information contained in this report is general in nature and should not be relied on as advice (personal or otherwise) because your personal needs, objectives and financial situation have not been considered. You may want to seek independent financial advice before making any decisions about your superannuation.

A Note From the Chairman

The Board is pleased to present the 2025 PacSuper Annual Report.

The past year has been one of continued change, both within PacSuper and across the broader economic environment. In this context, the Board has remained focused on maintaining strong governance, oversight, and long-term stability for the Fund.

A key priority during the year was leadership. The appointment of Chris Hagan as Chief Executive Officer of PacSolutions marks an important step in the continued evolution of PacSuper. Chris brings significant industry experience and leadership to the organisation, spearheading the delivery of the Fund's strategic priorities.

The Board was also pleased to welcome Linda Paru and Tony Westaway, whose combined expertise and local insight strengthen the capability and diversity of the Board.

The Board also acknowledges the continued progress of key initiatives during the year, including the introduction of I-WE Super, supporting women across Papua New Guinea through greater access to superannuation, particularly those in the informal sector.

During the year, PacSuper implemented the Strategic Asset Allocation for the AUD sub-fund from Pandal to Perpetual. With this change, we will look at opportunities to move from a moderate and balanced investment approach in fixed rate cash toward more growth-oriented returns.

The future remains uncertain. Ongoing geopolitical tensions, including the current conflict in the Middle East, together with closer-to-home challenges such as

Papua New Guinea's recent grey listing, continue to impact the broader economic environment. This is further compounded by global pressures, including exchange rate volatility, inflation, unemployment, and the risk of recession.

Despite this, I take comfort in the resilience and ongoing commitment of Papua New Guinea's business community, social partners, and broader society. PacSuper remains committed to playing its part in supporting a stronger future for our members and the communities we serve.

On behalf of the Board, I would like to thank our members for their continued confidence in PacSuper during a period of economic and geopolitical uncertainty. I also acknowledge the dedication of our management and staff, whose efforts have supported the Fund through this year of transition.

The Board continues to operate effectively, with a strong focus on its composition, governance processes, and the quality of its oversight. Engagement and communication between the Board and the executive team has strengthened over the past year, supporting sound decision-making and accountability.

PacSuper remains committed to delivering for members, with a clear focus on stability, discipline, and long-term value.



Jason McIlvina
Chairman

Global Economic Outlook

The sub-funds are exposed primarily to the Papua New Guinea and Australian economies via their investment in fixed interest securities issued in Kina and Australian dollars (AUD). The global economy in 2025 demonstrated moderate growth but remained subject to significant structural headwinds, including ongoing trade tensions, policy uncertainty, and subdued investment momentum. According to the International Monetary Fund (IMF), global real GDP growth was projected to slow to 3.2 % in 2025, marginally below 2024, as economies adjusted to a landscape shaped by tariff pressures, geopolitical risk, and tightening financial conditions. The IMF noted that advanced and emerging economies exhibited divergent performances, with growth increasingly dependent on domestic fundamentals and external demand. The Organization for Economic Co-operation and Development projected headline inflation in major economies to moderate to around 3.8 % in 2025, down from prior years, reflecting easing commodity prices and monetary policy actions in key jurisdictions. Overall, the global economy in 2025 was characterised by cautious resilience and growth persisted above recessionary levels, but significant risks remained rooted in trade policy, inflation volatility, and geopolitical tensions.

Australian Economy Outlook

Australia's economic outlook for 2025 points to moderate but resilient growth, supported by population growth, public demand, and a relatively strong labor market. Real GDP growth is forecast to be around 1.8%–2.0%, reflecting softer household consumption due to higher interest rates, partly offset by government spending and services

activity. While growth remains below long-term averages, the economy is expected to continue expanding rather than entering a downturn. Inflation continued to moderate from its recent peak but remaining above the RBA's 2–3% target range. Business investment is expected to remain subdued due to higher borrowing costs, while public infrastructure spending and population growth continue to support overall activity. Overall, the 2025 economic environment is characteristic of moderate growth, easing inflation, tight financial conditions, and stable labor market fundamentals.

Domestic Economy

Papua New Guinea's economy exhibited ongoing resilience in 2025, building on the improved performance seen earlier in the decade. According to the World Bank, PNG's real GDP growth is projected at approximately 4.7 % in 2025 (3.8 % in 2024), driven by stronger activity in both resource and non-resource sectors, with the World Bank Fiscal metrics showing continued improvement. The government's fiscal deficit narrowed to an estimated 3.2 % of GDP, reflecting disciplined revenue and spending. External balances benefited from higher commodity export values, particularly gold and LNG, supporting foreign exchange inflows and stabilizing external reserves. As of mid-2025, the kina experienced a broad-based depreciation of around 7.9 % on a trade weighted basis due largely to exchange rate policy adjustments aimed at restoring convertibility. Inflation remained relatively contained amidst global uncertainties, with headline inflation of 4.7% in September quarter, reflecting demand conditions and exchange rate pass through effects

from imported goods. Continued fiscal consolidation and structural reforms supported macroeconomic confidence.

The 2026 National Budget, passed in late 2025, underscored PNG's commitment to fiscal consolidation and long-term economic transformation. The government projected total revenue of K29.3 billion and maintained a deficit target of 1.1 % of GDP, significantly below historical levels, positioning the country on a path toward a budget surplus by 2027. Debt to GDP was forecast to decline to 45.5 %, marking continued progress in public debt sustainability. The 2026 Budget emphasis being investment in priority sectors such as health, education, infrastructure, and security, alongside measures to strengthen revenue administration and support inclusive growth. Real GDP is projected to be approximately 4.5 % in 2025 and 4.0 % in 2026, with non-resource sector expansion at the core of broader diversification efforts.

In 2025, S&P Global Ratings affirmed Papua New Guinea's sovereign credit rating at "B" with a stable outlook, underscoring the country's improving fiscal metrics and structural reform progress. This rating reflects sub investment grade status but recognizes that ongoing prudent management and reform initiatives support fiscal credibility and debt sustainability. The stable outlook indicates that, while economic and fiscal risks remain elevated relative to higher rated peers, PNG's macroeconomic performance and policy consistency mitigated the likelihood of near-term downgrades. Credit market participants use such assessments as a benchmark for sovereign risk pricing and external financing conditions.

Domestic Capital Market Overview

In 2025, Papua New Guinea's interest rate environment reflected continued efforts by the Bank of Papua New Guinea (BPNG) to manage inflation and currency pressures. After interest rates peaked in the last two quarters of 2024, the BPNG maintained a prudent monetary policy stance throughout 2025, balancing domestic price stability with external liquidity support. While exact policy rate changes in 2025 have been discussed in public releases, the overarching theme was stability to support economic recovery and confidence in financial markets. PNG's economic outlook in 2025 was bolstered by external financial support and improving commodity revenues, underpinning fiscal stability and foreign exchange inflows. Continuing the trend from late 2024, Papua New Guinea received financial support from development partners that contributed to fiscal buffers and external reserves during 2025. This support, involving multilateral and bilateral partners, helped maintain liquidity in the domestic market, support government financing needs, and reduce reliance on central bank financing.

On the equities front, PNGx continued to deliver positive returns for investors in 2025 with sustained activity across key sectors. While full-year market valuation data is still being compiled, several market reports noted solid trade activity and investor interest. Broadly, financial sector stocks remained central to equity market performance, continuing to attract trading interest from both institutional and retail investors.

Equities Outlook

Bank South Pacific Financial Group Limited (BSP)

Bank South Pacific (BSP) delivered a solid financial performance in Q3 of 2025, with revenue of K860 million, up nearly 15% on prior comparable period, driven by the Group's resilience of diversified franchise and disciplined execution of the Modernising for Growth program, and continued investment in technology, people and capability. Third Quarter Unaudited net profit after tax increased 22% to K284 million. Growth in interest income, fees, and foreign exchange revenue were main contributors to the third quarter outcome. Overall, BSP's third quarter results demonstrate steady growth, strong financial health, and disciplined management, providing confidence in the bank's ability to sustain profitability and support shareholders in the remainder of 2025.

Newmont Corporation Limited (NEM)

Newmont Corporation delivered a strong first half of 2025, underpinned by robust production and disciplined financial management. The company reported net income of approximately USD 4.0 billion across the two quarters, with adjusted EBITDA exceeding USD 5.0 billion and record free cash flow of over USD 2.9 billion, reflecting operational efficiency and strong commodity prices. Gold production remained steady at around 3.0 million attributable ounces, alongside continued copper output from core Tier 1 assets. The balance sheet remains solid, strengthened by strategic divestitures generating up to USD 4.3 billion in proceeds, enabling debt reduction and high liquidity. Capital management priorities included consistent dividend payments of USD 0.25 per share per

quarter and a USD 3 billion share repurchase program, reflecting strong shareholder return focus while maintaining financial flexibility. Overall, the half-year results demonstrate that Newmont remains financially robust, operationally efficient, and committed to delivering shareholder value, with the company on track to meet full-year 2025 guidance for production, cash flow, and capital returns.

Credit Corporation Limited

Credit Corporation Limited reported a solid but mixed half year performance for the six months ended 30 June 2025, reflecting growth in key financial metrics and ongoing strategic progress. For the period, the Group recorded a Core Operating Profit of K65.2 million and a NPAT (NPAT) of K132.1 million, compared with K183.6 million in 1H 2024. The Finance Division was a major driver of growth, with net loan receivables increasing by 43.0% to K754.1 million, and interest income rising 44.5% to K58.2 million. The division also saw improvements in deposit balances up to K744.5 million and net interest margins at 13.8%, while impaired assets remained a manageable 5.6% of gross loans. During the half year, the Board declared an interim dividend of 12 toea per share, reflecting continued shareholder returns. Group return on equity was 7.7%, below the prior corresponding period, but the business is progressing its five-year strategic pathway focused on simplifying operations and strengthening risk management through the transition to full banking services. Overall, Credit Corporation's 1H 2025 results show continued expansion of its finance business, a growing banking franchise, and diversified cash generating activities, balanced against competitive and credit market conditions that affected core operating profit relative to the prior period.

Portfolio

The total fund closed at K635 million in 2025, a year-on-year increase of 8.7% or K50.8 million. This is a vibrant growth compared to 2023/2022 of minus 2.1% or a drop of K13 million. The steady increase is characteristic of the fund's cornerstone investments in long term government bonds, and short-term T-bills and PNGX listed equities for its PGK Fund and mirrored in the AUD Fund. In 2025 the fund extended its international strategy with investments in managed funds with Perpetual Limited.

Pac Super Ltd holds and invests in two sub funds; an AUD Sub Fund and a PGK Sub Fund. The PGK sub-fund closed at K316.2 and the AUD sub-fund converted to PGK closed at PGK318.8. The overall fund growth was supported by fixed interest income, dividends from publicly listed equities, net equity valuations and foreign exchange movement.

AUD Sub-Fund

The AUD Sub-Fund has transitioned from the Pental Group Fund to the Perpetual Limited Fund. The PacSuper AUD Sub-Fund is a "moderate" fund, and its strategy is to invest in fixed interest, cash and equity asset. Its investment objective is to provide a return of at least 1% p.a. above CPI over rolling three-year periods. The AUD Sub-Fund delivered a total return of 4.70% against a benchmark of 4.80% for the year. The benchmark is based on current Australian CPI +1%.

Kina Sub-Fund

The PacSuper Kina Sub-Fund has a "Balanced portfolio" investment strategy which invests mainly in cash, fixed interest and listed equity asset classes. Cash and fixed interest assets are comprised mainly of PNG Government Inscribed Stock and Treasury bills. Its investment objective is to provide a return of at least 1% p.a. above CPI over rolling three-year periods. Investments held in PNG Government Bonds have consistently delivered returns greater than the Fund benchmark. This has been achieved by investing in longer-dated bonds. The Kina Sub Fund has continued to deliver returns above the benchmark, closing the year at K316.19m, an 8.9% increase compared to 2024.

In conclusion, on behalf of BSP Capital Ltd's Board and Staff, I extend gratitude to the PacSuper Limited Board, Management, and staff for the privilege of working with you all in 2025.

The economic commentary has been provided by PacSuper's Investment Manager BSP Capital Limited.¹

¹ All information and advice is confidential and for the private information of the person to whom it is intended and is provided without any responsibility or liability on any account whatsoever on the part of BSP Capital or any member or employee thereof.

The **PacSuper Fund**

PacSuper is licensed by the Bank of Papua New Guinea as an Authorised Superannuation Fund (ASF) under the Superannuation (General Provisions) Act 2000 (“the Act”). The Fund is governed by its Trustee PacSuper Limited.

PacSolutions Limited serves as the Licensed Fund Administrators, overseeing the Trust’s core back-office operations. This includes the accurate and timely processing of member contributions and withdrawals as well as the allocation of funds to members accounts. These functions support the integrity of the Fund’s financial records and ensure compliance with regulatory and reporting requirements.

BSP Capital Limited, a wholly owned subsidiary of Bank South Pacific, is appointed by the Trustee as the Licensed Investment Manager. The Trustee and BSP Capital are responsible for the reporting and investment management of assets for the Trust.

PacSolutions CEO's Report

I am pleased to present the 2025 Annual Report of PacSuper, having returned to the Fund during the year as Chief Executive Officer. This has been a year of focused progress, strengthening the foundations of the Fund while continuing to manage member assets with discipline and care.

A defining milestone has been the rollout of PRIMS, PacSuper's superannuation administration system. As the only system of its kind based in Papua New Guinea, PRIMS has been purpose-built to improve the accuracy, processing and allocation of member contributions, strengthening the integrity of how member benefits are recorded and delivered.

This investment represents a significant step forward in advancing the Fund's operational capability, improving accuracy, efficiency and transparency across member administration while supporting the delivery of better long-term member and employer experiences.

We remain focused on the continued growth of the Fund over the long term, underpinned by initiatives designed to grow membership and enhance engagement. The introduction of I-WE Supa further supports this momentum, expanding access to superannuation for women across Papua New Guinea, particularly those in the informal sector, and supporting their financial participation through a more accessible and flexible savings pathway.

From an investment perspective, the year has been one of evolution, with a clear focus on refining the Fund's positioning and long-term return profile.

During the year, we transitioned to a new investment manager, Perpetual Investment Management, providing a platform to further refine our Strategic Asset Allocation and evolve our investment approach over time.

The Fund maintained a disciplined and deliberate positioning throughout this period of transition.

The AUD Sub-Fund remained conservatively positioned, prioritising capital stability and liquidity. In a year where international equity markets performed strongly, this resulted in reduced exposure to those higher-returning assets.

The PGK Sub-Fund remained fully invested in kina-denominated assets and, as a result, did not benefit from offshore market exposure or foreign exchange movements. Factors which contributed positively to the performance of some other funds during the period.

This reflects a deliberate approach to balancing risk and return, with a focus on delivering more sustainable outcomes for members over the medium to long term.

Our focus remains clear. To continue strengthening the Fund, improving how we operate, and delivering better outcomes for members.

I would like to thank our members for their continued trust. Time spent meeting members across Papua New Guinea this year, including in remote communities, has reinforced the importance of delivering consistent and reliable outcomes. I also thank our team for their commitment and professionalism throughout the year.

Administration Report

The highlights from 2025:

Membership	Kina	AUD
End of Dec 2024	36,794	865
End of Dec 2025	35,892	775

Assets Growth

Assets	Kina	AUD
End of Dec 2024	288.8 million	115.5 million
End of Dec 2025	317.2 million	110.0 million

Best regards,



Chris Hagan
CEO-PacSolutions Limited

Investment **Objectives**

The objectives of the Trustee relating to investment for 2025:

“To provide members with Sub-Funds appropriate for their situation”

“To achieve investment returns commensurate with the investment objectives of each investment option”

The investment objective for the Kina Sub-Fund is:

“To provide a return at least 1% p.a. above the CPI over rolling three-year period.”

The investment objective for the AUD Sub-Fund is:

“To provide a return at least 1% p.a above CPI over rolling three-year periods.”

Investment Strategy

Kina Sub-Fund

The “moderate” risk investment strategy of the Kina Sub-Fund aims to provide a regular return while maintaining and potentially increasing the value of capital over the medium term.

This Sub-fund was especially designed for members expecting to remain in PNG for many years, have a long-term perspective and can withstand volatility in their superannuation fund. The kina denomination of the Sub-Fund and the fact that it predominately invests in kina-denominated securities issued or trading in PNG make the Sub-Fund well-suited for members retiring in PNG and seeking to reduce currency risk in their retirement savings.

Investment risks:

The Kina Sub-Fund members accept long-term investment risks. The returns credited to accumulation accounts reflect the movements in the investment markets. Accordingly, fluctuations in investment returns will directly affect benefits accruing to members.

The Kina Sub-Fund - Moderate Investment Profile:

Strategic Asset Allocation

Sector	Target (%)	Range (%)
Listed (POMSOX) Shares	5	0-30
Int'l Shares	0	0-30
Property	0	0-15
Alternative – Growth	0	0-15
Total Growth	5	0-30
Alternative – Defensive	0	0-20
Diversified Fixed Interest	90	30-95
Int'l Fixed Interest	0	0-30
Cash and Term Deposits	5	0 – 100
Total Defensive	95	70-100

Where are the Funds Invested?

Members' funds are carefully invested in line with a strategy which meets the investment strategy of the relevant sub-fund and in accordance with the legislative requirements of the Act.

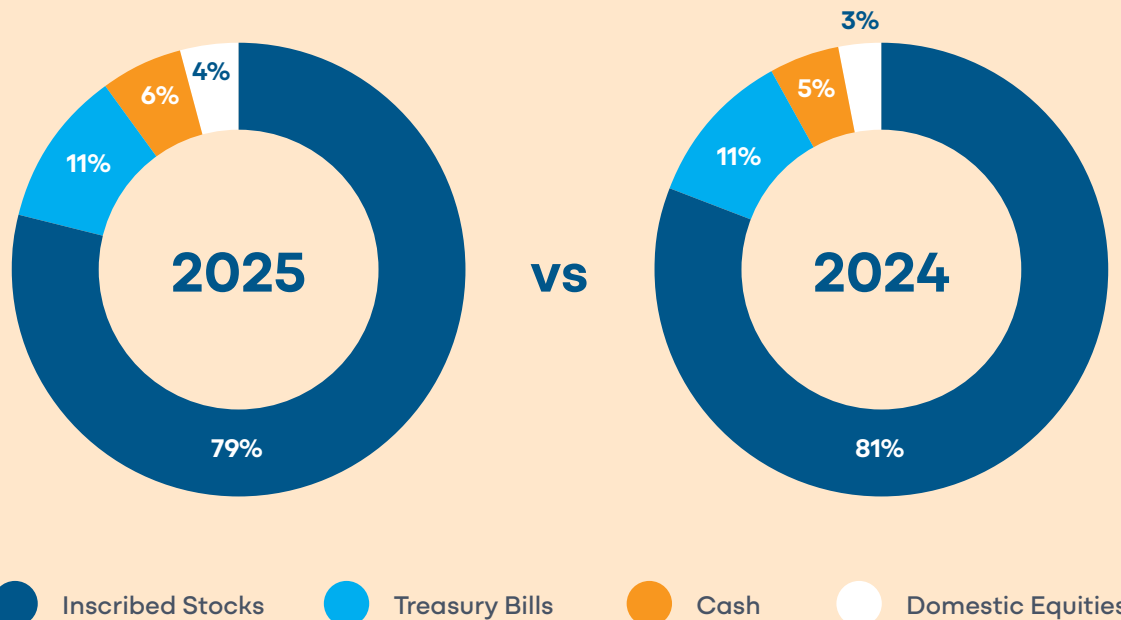
The Trust restricts its fixed interest investments to those that have a grade equal to or greater than the sovereign rating of PNG. At present, PNG is rated by Standard & Poor's at B/Negative/B for both local currency and foreign currency.

The Kina Sub-Fund Asset Allocation as at 31st Dec 2025:

The Kina Sub-Fund invests mainly in fixed interest and listed equity. Fixed interest assets are comprised of PNG government inscribed stock and cash, and listed equity is comprised of stocks listed on the POMSoX or ASX exchanges.

Details of the asset allocations at 31 December in the last two years are shown below.

Kina Investment Weightings



Strategy Review

During the year, the Board completed a comprehensive review of the Kina Sub-Fund’s investment strategy and strategic asset allocation. The review acknowledged that, while the existing strategy had supported stability and liquidity, greater diversification would be required over time to enhance long-term potential and better manage future member outcomes.

The new strategy was not implemented during 2025. The Board chose to keep the existing investment approach in place to maintain stability, manage costs and carefully plan a gradual transition. Implementation of the new strategy will occur progressively in future periods and will continue to be closely overseen by the Board.

Approved Balanced Portfolio Strategy

The review will be implemented gradually with a focus on costs and timing as part of the review.

Kina Sub-Fund

Asset Class	Minimum Bound	Strategic Asset Allocation	Maximum Bound	Liquidity
PGK Cash and T-Bills	5%	10%	100%	High
PGK GIS	20%	30%	40%	Low
PGK Equity	15%	25%	30%	Low
Total Domestic Assets		65%		
AUD Cash	0%	5%	10%	High
AUD & USD Fixed Income	5%	10%	15%	High
MSCI World Equities	15%	20%	25%	High
Total International		35%		
TOTAL		100%		

AUD Sub-Fund

The “moderate” strategy of the AUD Sub-Fund aims to provide at least 1% p.a above the CPI over three-year rolling period.

The strategy invests in a diversified portfolio of fixed interest, cash and equity asset classes, with an emphasis on maintaining liquidity and managing downside risk.

Investment risks:

The AUD Sub-Fund members accept short-term investment risk. The returns credited to accounts reflect the movements in investment markets, fluctuations in investment returns may affect investment outcomes from year to year.

The AUD Sub-Fund – Moderate Investment Profile

Strategic Asset Allocation

Sector	Target (%)	Range (%)
Aust. Shares	15	10-40
MSCI World Equities	15	10-40
Property	0	0-20
Alternative – Growth	0	0-20
Total Growth	0	0-20
Alternative – Defensive	0	0-20
Diversified Fixed Interest	0	0-20
Int’l Fixed Interest	60	50-70
AUD Cash	10	5-100
Total Defensive	100	80-100

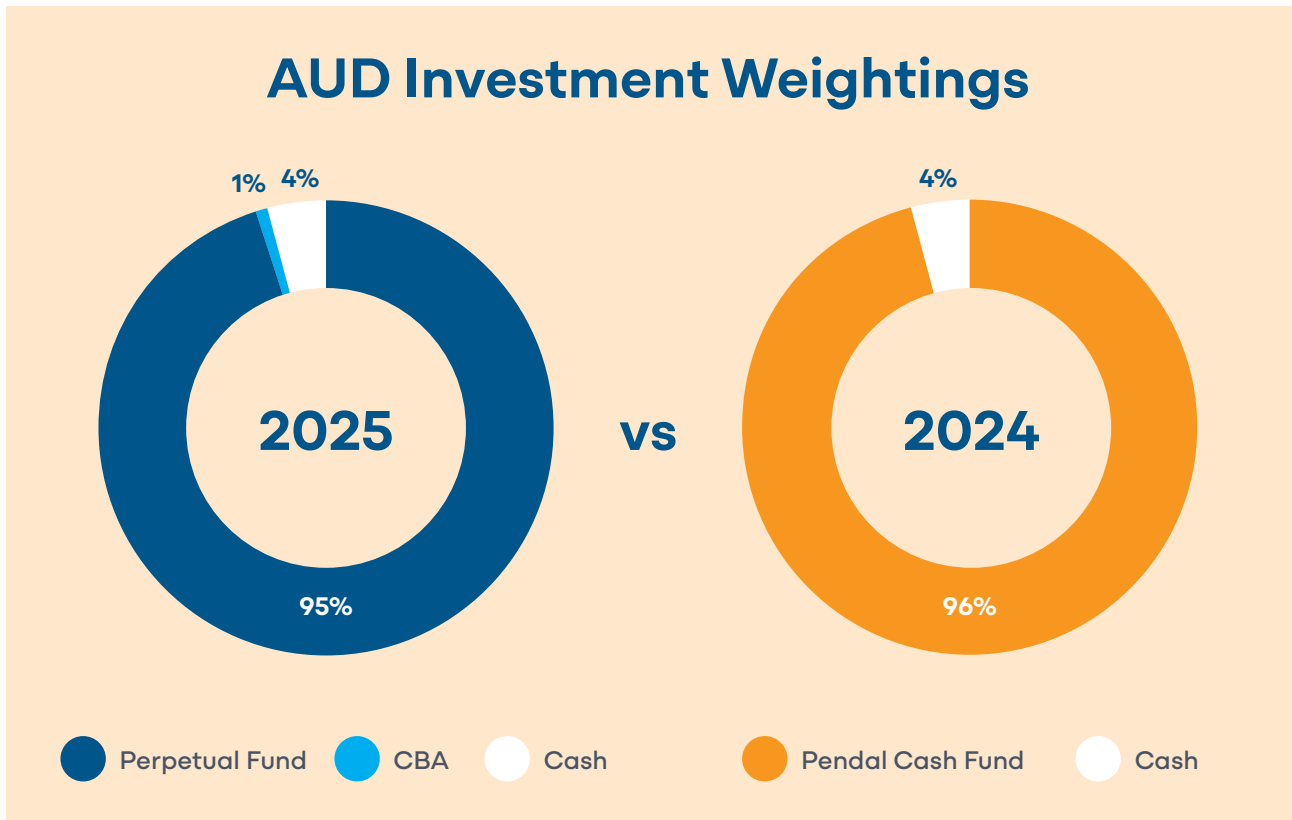
Where are the Funds Invested?

Members' funds are prudently managed in accordance with the Fund's investment objectives and in full compliance with regulatory requirements.

Consistent with these objectives, the AUD Sub-Fund invested predominately in AUD-denominated fixed income and cash assets complemented by strategic global exposure across these asset classes.

The AUD Sub-Fund Asset Allocation as at 31st Dec 2025:

The AUD Sub-Fund has a target asset allocation of approximately 60% to defensive assets with up to 30% exposure to growth assets. This was predominately invested in AUD-denominated securities and is denominated in Australian dollars to avoid currency risk. Details of the asset allocations at 31 December in the last two years are shown below.



Strategy Review

During the year, the Strategic Asset Allocation of the AUD sub-fund was realigned following the completion of the Strategic Asset Allocation review. The realignment ensured the investment strategy remained aligned with the Sub-Funds objectives, member risk profile and investment timeframe.

Reserves

The Trust does not maintain a reserve account for the purposes of smoothing investment fluctuations.

Investment **Performance Summary**

Each year, the Trustee declares a Net Earning Rate ('NER') for each Sub-Fund. This is a crediting rate based on the actual investment performance of the Sub-Fund less expenses and tax. Expenses include the production of the year-end accounts, audit fees, trustee fees, investment management fees and member records administration. A different NER applies to each Sub-Fund.

We are pleased to declare the following Fund NER rates for 2025:

Kina NER of 5.07%

Kina 3 Year average NER of 5.36%

Kina MER of 2.75%

AUD NER of 1.31%

AUD 3 Year average NER of 1.73%

AUD MER of 1.49%



Kina Sub-Fund **Financial Summary**

This is a summary of the Trust's audited accounts for the Kina Sub-Fund for the year ended 31 December 2025. The net assets shown are the assets available to pay members' benefits as at 31 December 2025.

The Kina Sub-Fund's Financial Movement for 2025 year		
	2025 (K)	2024 (K)
Opening balance at 1 January 2025	288,880,376	267,932,283
		<i>plus</i>
Money received		
Revenue	26,767,985	24,198,803
Contributions	55,901,804	48,814,195
Total Income	82,669,789	73,012,998
		<i>less</i>
Money paid out		
Benefits paid	42,291,399	40,796,599
Audit fees	114,853	112,734
Investment Management fees	360,228	372,056
Asset Fees	6,467,195	6,020,525
Other	380,711	266,834
Income tax expense	4,692,364	4,496,157
Total expenses	54,306,750	52,064,905
		<i>equals</i>
Closing balance at 31 December 2025	317,243,415	288,880,376

The Kina Sub-Fund's Net Assets at 31 December 2025		
Assets		
Investments	293,972,995	273,285,388
Cash at bank	18,125,418	14,243,493
Receivables and others	11,509,109	9,045,970
Total assets	323,607,522	296,574,851
		<i>less</i>
Payments due (liabilities)		
Other creditors and accruals	4,703,394	6,799,543
Deferred tax liability	1,660,713	894,932
Total payments due (liabilities)	6,364,107	7,694,475
		<i>less</i>
Net assets at 31 December 2025	317,243,415	288,880,376

AUD Sub-Fund **Financial Summary**

This is a summary of the Trust's audited accounts for the AUD Sub-Fund year ended 31 December 2025. The net assets shown are the assets available to pay members' benefits as at 31 December 2025.

The AUD Sub-Fund's Financial Movement for 2025 year		
	2025 (\$)	2024 (\$)
Opening balance at 1 January 2025	\$115,569,108	\$116,949,899
	<i>plus</i>	<i>plus</i>
Money received		
Revenue	2,810,141	5,856,154
Contributions	12,412,048	14,010,323
Total Income	15,222,189	19,866,477
	<i>less</i>	<i>less</i>
Money paid out		
Benefits paid	19,142,798	18,530,744
Administration Fees	40,166	42,094
Assets Fees	1,221,425	1,247,605
Audit Fees	41,118	47,929
Investment Management Fees	129,935	157,001
Other	206,815	175,192
Income tax expense	-5,331	1,046,703
Total expenses	20,776,926	21,247,268
	<i>equals</i>	<i>equals</i>
Closing balance at 31 December 2025	\$110,014,371	\$115,569,108

The AUD Sub-Fund's Net Assets at 31 December 2025		
Assets		
Investments	105,312,327	112,879,911
Cash and Cash equivalent	4,465,762	4,309,825
Receivables and others	1,006,811	1,623,604
Deferred Tax asset		
Total assets	110,784,900	118,813,340
	<i>less</i>	<i>less</i>
Payments due (liabilities)		
Other Creditors and Accruals	443,665	1,530,153
Income Tax Liability	213,731	1,194,192
Deferred Tax Liability	113,133	519,887
Total payments due (liabilities)	770,529	3,244,232
	<i>equals</i>	<i>equals</i>
Net assets at 31 December 2025	110,014,371	115,569,108

Withdrawals from PacSuper (The Fund)

Withdrawing your benefits

Members may be able to withdraw some or all their superannuation benefits depending on the applicable preservation status.

Under current legislation a member may also transfer their benefits to another superannuation fund in Papua New Guinea at any time.

Payments

Unless a member meets one of the specified conditions of release, they cannot withdraw any other part of their benefit from the superannuation system until cessation of employment.

Specified conditions of release:

Resignation or Termination

A lump sum benefit is payable if a member resigns from employment. This amount will be equal to the sum of both the member and employer contribution account balances. Interest is calculated to the date of payment, less tax and administration fees.

A lump sum is payable where the following circumstances arise:

- **Retirement:** a member retires on or after the age of 55 years
- **Disability:** a member retires due to permanent and or total incapacity
- **Emigration:** a member emigrates from Papua New Guinea
- **Transfer:** a member opts to transfer to another ASF subject to legislation

Specific rules govern the payment of contributions to members upon emigration. The Act deals with two situations:

Permanent emigration from PNG

Where a member permanently emigrates from PNG, his/her contributions will not be paid until one (1) year has elapsed since leaving his/her employer or the member reaches the age of 55, whichever occurs first.

Non-Citizen permanently leaving PNG

Where a non-citizen member permanently leaves PNG, his/her contributions will be paid in the following way:

- For contributions made prior to 31 December 2002: the Trust will pay out the member; and
- For contributions made from 1 January 2003: the Trust will pay out the member after one (1) year has lapsed since leaving his/her employer.

Death

When a member dies, the Trust will pay out the balance of the member's and employer's contribution accounts including the accrued interest to date less tax and administration fees.

Benefits payable upon the death of a member will be paid to beneficiaries nominated by the member or as determined by the Trustee following receipt of satisfactory identification.

- Members should ensure their beneficiary details which appear on their annual statements are up to date.

A partial withdrawal may occur for certain specified conditions of release:

Housing Scheme

The Housing Scheme is a benefit offered to members who have contributed for a minimum of five (5) years and thus qualify to withdraw part of their contributions to assist with the purchase, construction, or renovation of their homes.

Unemployment

If a member is terminated from employment, the member will become entitled to withdraw their contributions if he or she has remained unemployed for a continuous period of 12 months or more pursuant to s90(1)(g) of the Act.

Access to Benefits

When a member leaves the service of the employer, he or she should inform the Trustee how and where to pay their benefit. A member may do this by completing a Superannuation Benefit Transfer or Membership Termination form. The administrator will send this form to the last known address along with an estimate of the benefit. A member should return the completed form to the administrator in order for payment to be arranged.

When the benefit payment instructions are received, the administrator will calculate and pay the benefit. The benefit will be calculated depending on the member's contribution, the employer's contribution, investment income (or losses), taxes, fees and charges.



Additional **Superannuation** Information

Salary Packaging and Tax

As a general rule, remuneration planning aims to increase the employee's after-tax remuneration without increasing the after-tax cost to the employer. This can be achieved by the employer providing a remuneration package which includes a mix of salary, allowances and the provision of benefits. Salary packaging is a matter between the employer and the employee. *The role of the Trustee is to manage the contributions, not decide what they will be.*

Superannuation contributions made in respect of an employee will not be taxable to the employee at the time the contribution is made to an authorised super fund. However, distributions of an amount from a superannuation fund not exceeding a 'prescribed sum' to the employee will be taxable to the employee at a rate of 2% in the following circumstances:

- contributions have been made for the employee for at least 15 years;
- contributions have been made in respect of the employee for at least seven years and the employee is not less than fifty years of age;
- contributions have been made in respect of the employee for at least seven years and the employee is subject to enforced early retirement;
- death or total and permanent disablement; and
- to the extent of the amount of the prescribed sum accrued before 1 January 1993.

Where the distribution does not qualify for the 2% tax rate it is taxed at the employee's marginal income tax rate. If an employee has contributed for more than 5 years but less than 9 years, the tax rate is 15% and if the employee has contributed for more than 9 years but less than 15 years, the tax rate is 8%.

Contributions to a superannuation fund will generally be deductible to an employer so long as:

- the year's contribution in respect of a particular employee does not exceed 15% of the employee's fully taxed salary or wages for the year;
- the superannuation fund is a resident of PNG; and
- the superannuation fund is an Authorised Superannuation Fund ('ASF').

Important! Updating Dependents

It is important for members to update their dependants should their personal circumstances change due to events like marriage, divorce or childbirth. A member's dependants are their spouse, children and can also include anyone financially dependent on the member.

Where there are no identifiable legal dependants, the benefit will usually be paid to the member's estate. The payment of the death benefit is at the Trustee's discretion, although the Trustee will take the deceased member's preferences into account when deciding who will receive the benefit. For this reason, it is important to keep an up to date Will.

Please contact PacSuper to obtain the necessary forms to update your details.

Additional superannuation information

Updates to Member Address

To ensure the timely and accurate delivery of important correspondence, including annual statements, member notices, and regulatory updates, it is essential that members keep their contact information current. Members are required to notify the Trust as soon as there is any change in employment or residential address. Maintaining accurate records supports the Fund's commitment to transparency, compliance, and effective communication with all members.

Any updates to your personal details, including changes to your postal address, employer information, or other contact details, should be submitted to the Fund Administrator. Please contact **PacSolutions – The Fund Administration Team for PacSuper** for assistance in updating your member information. The administration team will process your request promptly to ensure your records remain accurate and up to date.

Member Portal

The Fund encourages all existing members to register and engage with the Member Portal, an online platform designed to provide convenient and secure access to your account information. Through the portal, members can:

- View and download member statements
- Monitor contributions and account balances
- Update certain personal details
- Access important forms and documents
- Track employment changes
- Review beneficiary information

If you require assistance with registration or navigating the portal, please contact **PacSolutions – The Fund Administration Team for PacSuper** to request the Member Portal User Guide. The guide provides step by step instructions to help you make full use of the online services available.

Member Portal:

pacsuper.online

Contributions

During the reporting period, the Fund continued to encourage members and employers to make contributions via direct deposit into the designated Trust Account. To ensure accurate and timely processing, all deposits must include a clear description on the deposit slip, accompanied by the relevant remittance advice submitted to the Fund Administrator.

Members are reminded that contribution histories can be viewed at any time through the Member Portal. The portal provides access to up to date transaction records and enhances transparency in tracking individual retirement savings.

All contributions received within the calendar year have been recorded and reflected in each member's Annual Statement.

Trust deed changes and significant events

During 2025, the new Fund Administration system PRIMS was fully operational in August 2025.

Legislative changes

In 2025, there were no new legislative changes.

Access to information

Members may contact the Administrator to access further information (including a copy of the Financial Statements of the Trust). The relevant contact details are on the back page of this report.

Enquiries & Complaints

The Trust has a procedure for dealing with enquiries and complaints in accordance with section s 49(3) of the Superannuation (General Provisions) Act 2000.

If you are a member of the Trust or a beneficiary of a member or an employer that contributes to the Trust we will try to respond to your enquiry or complaint as soon as possible.

Most enquiries or complaints: If you have an enquiry or complaint, please contact our administrator (see page 32 for contact details).



Normally the administrator will be able to answer quickly. If it cannot respond quickly, it will:

- ask you to make your complaint in writing;
- acknowledge in writing to you that it has received your complaint within 7 days of receipt; and
- refer it to the Trust's internal complaints resolution committee.

Our internal complaints resolution committee: this committee includes all trustee directors. If it reviews your complaint it will try to resolve it as soon as possible. It will advise you in writing of its decision within 7 days of making a decision. If it cannot make a decision to resolve the matter it will advise you within 90 days of receiving your complaint.

External complaints resolution: Under Section 49(3) of the Superannuation (General Provisions) Act 2000, the Trust must subscribe to an industry funded complaints resolution process satisfactory to the Central Bank. This is the Complaints Committee of the Association of Superannuation Funds of Papua New Guinea (ASFPNG).

If you complain to the Complaints Committee, it will normally refer you to the internal complaints resolution committee if you have not already done so. If you have already complained to the internal complaints resolution committee and are not satisfied with its decision, the Complaints Committee will act.

Actions of ASFPNG Complaints Committee: the process that the Complaints Committee will take is set out at www.asfpng.org. You can contact the Complaints Committee or ask for a copy of their guidelines by writing to ASFPNG, Level 2, BSP Haus, Konedobu, NCD, Port Moresby or you can telephone: 320 1225.



Compliance

The Trustee has managed the Trust in accordance with the Trust Deed and relevant law. No penalties have been imposed on the Trust and/or the Trustee for non-compliance during 2025.

Prudential Standard requirements ASF 1/2014 Authorised Superannuation Fund Investments

Interim Crediting Rate Policy

At least quarterly, or more often at the request of the Trustee, calculations are made of the estimated values of each Sub-Funds assets, the investment returns achieved since the last annual review date and the expectations of the returns likely to be earned for the remainder of the year. Based on these calculations the Administrator proposes the Interim Crediting Rate that should apply for each Sub-Fund in that quarter. To view the policy please log into the Pac Super website or access the member portal.



Kina Interim Interest Rate as at Dec 2025: 3.0%



AUD Interim Interest Rate as at Dec 2025: 1.0%

Annual Crediting Rate Policy

The recommended Annual Crediting Rate for each Sub-Fund is advised to the Trustee Board, which also meets with the auditor to review the draft annual accounts for each Sub-Fund and the auditor's opinions on the accounts and any other relevant matters. The Trustee then determines to adopt and sign the accounts for each fund and approves the Annual Crediting Rate for each Sub-Fund.

Derivatives Policy

The Trustee Board will ensure that all requirements of this policy are met before approving any investment in derivatives, or an investment in a collective investment vehicle which may contain an investment in derivatives.

In 2025 the Fund did not engage in any derivatives trading. The Sub-funds may be indirectly exposed to derivatives where these are utilised in any underlying funds for currency hedging, or efficient portfolio management purposes.

ASF 7/2012 Corporate Governance

Trustee Remuneration Disclosure

PacSuper Limited is the licensed Trustee of PacSuper and is regulated by the Bank of Papua New Guinea under the Superannuation (General Provisions) Act 2000 and applicable Prudential Standards.

Directors of PacSuper Limited are paid fixed fees only for their services as Trustees. No performance based remuneration, bonuses, incentives, or variable pay are provided. This ensures Directors act in the best interests of members without financial incentives influencing decision making.

Director remuneration is governed by the Trustee Remuneration Policy and overseen by the PacSuper Limited Remuneration Committee in accordance with Superannuation Prudential Standard 7/2012 – Corporate Governance. Remuneration is reviewed annually and benchmarked against market data, with fees set at no more than the market median.

External (Non Executive) Directors are paid Director's fees that reflect their roles and responsibilities. These fees are disclosed on PacSuper's website.

Internal Directors (employees of related entities) do not receive additional Director fees, as Trustee duties form part of their existing roles.

Any Director who receives fees for representing PacSuper Limited on the board of another entity in which PacSuper has an interest must disclose those fees in the Trustee's annual accounts.

Directors Remuneration

Directors Fee included under Other's in the Financial Summary on Page 22 (PGK sub-fund) and Page 23 (AUD sub-fund):

- **The directors of the Trustee, PacSuper Limited, received AUD A\$ 58,724 (2024: A\$ 44,872) as remuneration.**
- **The directors of the Trustee, PacSuper Limited, received PGK 177,737 (2024: PGK 90,000) as remuneration.**

Directors	Position	Status	Board Sitting 2025
Jason Mcilvena	Independent Director - Chairman	Continue	6
Michael Jon Mayberry	Independent Director - Audit and Risk Chairman	Ceased July 2025	-
Adam Langley Hill	Executive Director - ceased as Investment Chairman on 31.12.24	Continue	6
Chris Hagan	Independent Director	Ceased June 2025	3
Bruce Watson	Independent Director - appointed as Investment Chairman on 23.03.25	Appointed January 2025	6
Linda Paru	Independent Director - appointed as Remuneration Chair on 25.07.25	Appointed June 2025	3
Anthony Westaway	Independent Director - appointed as the Audit and Risk Chairman 25.07.25	Appointed July 2025	3

Trustee Board

The Trustee of PacSuper is PacSuper Limited.

The Trustee directors in the year 2025 were:

- **Jason Mcilvena**, Independent Director and Chairman
- **Adam Langley Hill**, Director
- **Bruce Watson**, Independent Director (appointed 01.01.2025)
- **Linda Paru**, Independent Director (appointed 20.06.2025)
- **Anthony Westaway**, Independent Director (appointed 25.07.2025)
- **Michael Jon Mayberry**, Director and Chairman Audit and Risk Committee (ceased July 2025)
- **Chris Hagan**, Independent Director (ceased 31.05.2025)

Corporate **Directory**

Trustee

PacSuper Limited

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Papua New Guinea
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Licenced Fund Administrator

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Licenced Investment Manager

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