



# COMRADE TRUSTEE SERVICES LIMITED

DEFENCE FORCE RETIREMENT BENEFITS FUND

# 2025 ANNUAL REPORT



*Let your savings serve your future*

SECURITY • SERVICE • STEWARDSHIP

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# 2025 AUDITED RESULTS

**12.5%**  
**Interest**  
Credited to members



**K899  
Million**

Net asset value

2024: K804 million –  
increase of 11.8%\*



**K38  
Million**

Member  
contributions



**K99.3  
Million**

Total comprehensive  
income

2024: K75 million –  
increase of 32%



**K21  
Million**

Management  
expenses

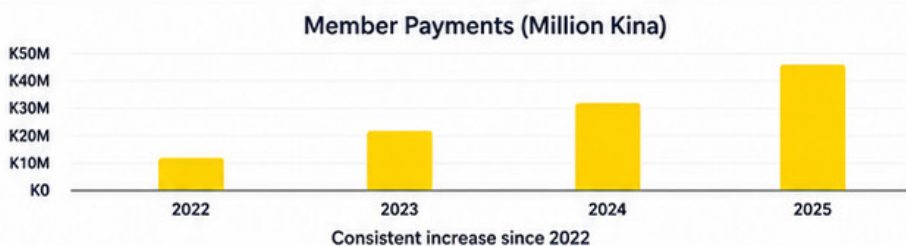
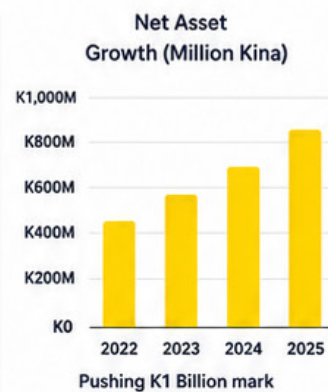


**K41.7  
Million**

Member  
payments



## Consistent Fund growth since 2022



Note: All figures are in Million Kina (K) unless otherwise stated.  
The 2025 results have been audited.



# VISION, MISSION & VALUE STATEMENT



## Our Vision

To create wealth and improve the well-being of members through the prudent management of investments of the fund.

## Our Mission

To continuously deliver services to meet the identified needs of the Accumulation & Defined Benefit scheme members and to prudently manage the Fund to ensure their values are maintained and enhanced.

## Our Corporate Values

To achieve our mission statement, all CTSL directors and employees, and our core service providers, must adhere to our corporate values:

01

### ACT WITH HONESTY

Operating in honesty and integrity. Demonstrates principled leadership and sound business ethics. Shows consistency among principles, values and behaviours.

02

### MAINTAIN INTEGRITY

Demonstrates honest and ethical behaviour in all business transactions. Ensures that company/ professional standards are maintained and being transparent in our dealings with all parties.

03

### POSSESS UBUNTU

Behaving well towards others and acting in ways that benefit the company. Always putting the interests of our members first. We will avoid drama by exhibiting civility, empathy and restraint. "I am because we are", and also "humanity towards others".

04

### PRACTICE EXCELLENCE

Aiming continually to improve our services and efficiency levels. Pursuing an employment policy that is based on merits and does not discriminate on the gender, race, religion or ethnic persuasion.

05

### DEMONSTRATE LEADERSHIP

Treating each other with respect and consideration and encouraging team work and cooperation. Being responsible and accountable for our actions.

06

### PROVIDE PROFESSIONALISM

We are capable, lifelong learners, who model the competencies associated with our field, specialty or area of expertise.

07

### BE COMMITTED

Builds trust with others through personal authenticity and follows through commitments. We are committed to the organisation and generally feel a connection with the organisation, feel that

we fit in, and feel we understand the goals of the organisation. We tend to be more determined in our work, show relatively high productivity and more proactive in offering our support.

# INCOMING CHAIR'S STATEMENT

It is my pleasure to present my first report as the new Chair of the CTSL Board and reaffirm the Fund's commitment to serving the men and women of the Papua New Guinea Defence Force community.

2025 was a landmark year for CTSL. As its strategic three-year journey approached the finish line, the interim Board appointed in 2023 has left the Fund in a strong position for the future. And so, 2025 saw strengthened governance, portfolio renewal and continued operational improvements, which has positioned CTSL as a stable and well-governed fund dedicated to delivering excellent retirement outcomes for our members.

## FINANCIAL HIGHLIGHTS 2025

Key highlights from the Fund's balance sheet include:

- Net Asset Value:  
K899 million (2024: K804 million  
– increase of 11.8%)
- Comprehensive Income:  
K99.3 million (2024: K75 million  
– increase of 32%)
- Management Expenses:  
K21 million (MER of 2.3%)
- Member Contributions:  
K38 million
- Member Payments:  
K41.7 million

## CREDITING RATE

Based on this excellent performance, the Board announced a 12.5% crediting rate for the 2025 financial year – a significant improvement in returns for our members. This result is on par with some of the country's top funds and reflects a stronger Fund with disciplined investment management and prudent financial oversight.

## INVESTMENT PORTFOLIO

As part of its investment strategy, in 2025, the Fund reviewed its portfolio, exited underperforming assets and reinvested capital into opportunities aligned with its long-term return objectives. CTSL is also evaluating investment opportunities across provinces in Papua New Guinea to support member outcomes and broader national development.

## OUR PEOPLE CONTINUE TO BE OUR STRENGTH

The progress we have made over the last three years is due to the dedication of the interim and current Board, our entire management and staff team. Under the steadfast leadership of our Chief Executive Officer, Charlie Gilichibi, the Fund has transitioned from a period of uncertainty to an era with a strengthened and highly committed management team. Today, CTSL is increasingly recognised as an employer of choice within the Papua New Guinea superannuation industry – something we are extremely proud of.

In my first report as your Chairman, I must acknowledge the contribution of our former Chairlady, Her Excellency Michelle Hau'ofa. Under her steady leadership, the Fund made significant progress in strengthening stakeholder engagement and developing internal capability. It is fitting that Michelle now serves our country as Papua New Guinea's Ambassador to Geneva. We wish her every success in that role and we know that she will continue to be a strong supporter of CTSL in the future.

Under the leadership of the Remuneration and Nominations Committee Chair, Director Vera Raga, the Fund has invested



significantly in building internal capability. I would also like to recognise the contribution of Colonel Fred Aile, who retired from the Defence Force at the end of 2025. Colonel Aile has been involved with the Fund for more than a decade and played a critical role during the transition from a defined benefits structure to an accumulation based fund. His knowledge and expertise are unparalleled and I thank him for his dedicated service and wish him a fulfilling retirement.








I would like to thank Commander of the Defence Force, Rear Admiral Philip Polewara MBE for his leadership, which has been instrumental in maintaining strong relationships with our important stakeholders – the Department of Treasury, the Department of Finance, the Department of Defence and the Bank of Papua New Guinea, and our valued members of the Papua New Guinea Defence Force.

This year we introduced two new Board members, and I would like to welcome them here formally. Judy Kuk brings extensive experience in financial management and stakeholder engagement, and her financial sector skills will greatly strengthen the Board's oversight and governance capability. Colonel Rodney Yahamani brings experience within the Defence Force, plus a strong legal background and practical commercial understanding, providing a valuable perspective for the Fund.

### LOOKING TO 2026 AND BEYOND

Looking to the future, an increasing number of our members are transitioning from the accumulation phase into retirement. Our next strategic focus will be on developing innovative solutions to support them to manage their savings through retirement. To continue to build a sustainable and resilient superannuation Fund, we remain committed to our foundational strategic pillars: Membership engagement and growth; Strengthening the investment portfolio; Governance and institutional strength; People and capability; and Financial performance and risk management.

### Our priorities for 2026 include:

-  Continued engagement with members, regulators and government.
-  Strengthening the Fund's balance sheet and asset management.
-  Expanding investment opportunities across Papua New Guinea.
-  Further development of Toea Homes Limited.
-  Maintaining disciplined cost management.
-  Continued development of skills.
-  Preparing for future growth by potentially opening up the Fund.

Our commitment at CTSL remains to protect and grow retirement savings for the men and women who serve our nation. And I look forward to meeting you at our Annual General Meeting and other forums as we move into a new phase of growth in 2026 and beyond.



**Chetan Surinder Chopra**  
Chair of the Board

# OUTGOING CHAIR'S REPORT

I am proud that CTSL has continued its impressive growth trajectory, delivering once again our strongest financial performance to date.

I wish to thank our Chief Executive Officer Charlie Gilichibi, Executive Management and staff for the commitment, dedication and sheer hard work that goes into delivering these results for our shareholders. I wish to also acknowledge the efforts of our Directors for not just providing the expected fiscal and administrative governance but also handling legacy issues as exigent, acknowledging the direct impact they have on our financial performance.

It is my pleasure to update you on the progress of some of these issues:

## ACCUMULATION AND DEFINED BENEFITS ACCOUNTS

Our work on the distribution of annual nett income between the Accumulated account and Defined Benefits account continues, with the timely completion of the Actuary Report and presentation at the 4th Quarter Board Meeting. The Board is considering the recommendations for an outcome that balances immediate benefits for members and prudent and strategic planning for the future. In the meantime, through payments from the State to reduce its liability, we have shifted the income split from 49/51 for 2024 to 53/47 for 2025.

## OPENING OF THE FUND

This continues to be a moving target as we consider legal, regulatory and practical ramifications. Please be assured that this remains a priority as we consider the future of the Fund.

## UNFUNDED STATE LIABILITY

In 2025 we received K36.5 million from the Department of Treasury to reduce the State's liability to our members. We extend our sincere thanks to the Department of Treasury and the Department of Finance for their continued support as we strive towards a systematic reduction of the State's liability which at year end is K185.1 million.

## TOEA HOMES LIMITED

In 2025 we engaged KPMG to explore the potential merger or amalgamation of Toea Homes Limited (THL) into CTSL as it was identified by our Regulator as a risk in its current form. The report was tabled at the 4th Quarter Board Meeting of 2025, and discussions at Board level continue around the findings.

## ANNUAL GENERAL MEETING

I am pleased to announce that on 15 April 2025 we successfully held our first Annual General Meeting since 2018. We thank former Chairman Moses Koiri and Shareholder Directors Colonel Fred Aikung (Ret'd), Major General Gilbert Toropo (Ret'd), Moses Koiri and Rear Admiral Philip Polewara for their support and presence as we delivered on this integral part of our Board mandate. We held a minute silence in respect of former Shareholder Director, the late Col. Raymond Numa who passed away just before the AGM.

## BOARD REVIEW AND EVALUATION AND SUCCESSION PLANNING

Another milestone in 2025 was our Board Evaluation, CEO 360 and Board Chair 360 – an exercise which identified strengths and opportunities for improvement and enhancement of Board members' skills and contributions. We engaged BoardOutlook, a company used by the Australian Institute of Company Directors. I wish to thank our Company Secretary, Ms Raka Raula, for driving this important process.

The Board Evaluation was also an important tool in recruiting two new Directors to the Board: Ms Judy Kuk, Independent Director, and Colonel Rodney Yahamani, replacing Colonel Fred Aile as Shareholder Director. Ms Kuk and Col. Yahamani are both highly respected professionals in their fields and bring extensive experience to the Board. I extend my congratulations to them both.

I wish to also take this opportunity to thank Col. Fred Aile for his distinguished service as Shareholder Director and wish him well in his retirement.



## THANKS AND FAREWELL

This is my final address as Chair and Director of CTSL. I have accepted the role of Permanent Representative to the United Nations and Other International Organisations in Geneva and Ambassador to Switzerland, where I am the inaugural Head of Mission in this new office.

To have served CTSL as Board Chair since February 2023 – initially in an interim capacity and subsequently on a permanent basis – has been both a significant honour and a demanding responsibility. It has been a privilege to serve our members, safeguard the Fund, and consistently strive to enhance value.

Throughout my tenure, I have engaged constructively in challenging matters, questioned practices where necessary, and pursued practical solutions in members' best interests, while upholding strong governance standards and maintaining the integrity of our processes.

I wish to thank our valued stakeholders – the Department of Treasury, the Department of Finance, the Department of Defence and the Bank of Papua New Guinea, and most importantly you, our valued members of the Papua New Guinea Defence Force – for your support. I believe that the professionalism, integrity and diligence we have demonstrated as a Board played a critical role in forging a strong relationship of trust between us.

Finally, I wish to thank our CEO, Charlie Gilichibi, his Executive Management and staff for their excellent stewardship of CTSL, and the Board of Directors for their commitment to good governance and integrity. Thank you for the opportunity to lead as Chair and for your trust in my leadership.

A handwritten signature in black ink that reads "Michelle Hau'ofa". The signature is written in a cursive style and is positioned above the printed name and title.

**Michelle Hau'ofa**  
Chair, Board of Directors

# CEO'S STATEMENT

**Dear Members and Stakeholders,**

I am pleased to report that 2025 has been a highly successful year for CTSL, marked by strong performance across our strategic, governance, operational, and financial pillars.

The progress achieved during the year reflects the continued commitment of the Board, management, and staff in delivering sustainable value to our members and stakeholders.

## STRATEGY

Our strategic focus remains on strengthening the balance sheet, improving investment outcomes, and positioning for long-term growth. It has been two years since the Board's adoption of the 2024–2026 Strategic Plan, and significant progress has been made, with CTSL achieving approximately 80% of its targeted objectives.

The Board has commenced development of the next Strategic Plan (2027–2029), which will be effective from 1 January 2027.

## GOVERNANCE

Reinforcing our commitment to strong governance and institutional stability, CTSL has maintained a stable and fully constituted Board for the past two and a half years. In keeping with our statutory and regulatory obligations, CTSL's 2025 audited financial statements were completed and submitted ahead of the required deadline of 31 March 2026.

As part of its regulatory oversight responsibilities, the Bank of Papua New Guinea (BPNG) conducted a standard onsite review of CTSL's operations in 2024. All matters and responses arising from the review were comprehensively addressed and completed during 2025. The next scheduled BPNG onsite review is expected to take place in August 2026.

A key strategic priority for CTSL in 2025 was the strengthening of our Risk and Compliance framework to ensure the organisation remains resilient, accountable, and aligned with evolving regulatory expectations and industry best practice. I am pleased to report that this critical function is now fully operational. In March 2025, CTSL appointed Rossie Ronnie Kambua as General Manager – Risk and Compliance, alongside the appointment of a Team Leader – Risk and Compliance and a Compliance Officer to further strengthen the department's operational capability.

Governance oversight at the Board level was also enhanced through the appointment of Independent Director Judy Nete Kuk as Chair of the Audit, Risk & Compliance Committee effective 1 January 2026. In addition, the appointment of new Independent Director Flare Namaliu in 2026 further strengthens the Board's expertise and oversight capability, particularly in the area of digital risk and emerging governance challenges.

## OPERATIONS

CTSL continued its nationwide member engagement program, conducting outreach visits across Port Moresby, Lae, Wewak, Lombrum, and Vanimo. Through these engagement activities, approximately 1,300 members were directly reached, providing valuable opportunities to strengthen member relationships, improve awareness of member benefits, and receive feedback on services and support.

As part of our commitment to improving financial capability among members, more than 230 CTSL members participated in a financial literacy program jointly developed and facilitated with the PNG Stock Exchange (PNGX) during the first year of the program's rollout. The initiative was well received and forms part of CTSL's broader objective of empowering members to make informed financial and investment decisions. Participation is expected to increase further in 2026 as the program expands to reach more members nationwide.

CTSL also made significant progress in recovering outstanding State unfunded contributions, with K36.5 million recovered during 2025. This brings the total amount recovered since 2022 to more than K80 million, further strengthening the company's financial position and supporting long-term sustainability.

In addition, CTSL expanded its member benefits program in 2025 by onboarding five new discount service providers,



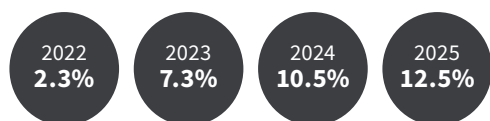
bringing the total number of participating providers to twenty. Through these partnerships, members are able to access discounts across a wide range of goods and services, including household items, medical services, hotel accommodation, vehicle rentals, and other essential services, delivering greater value and practical benefits to members and their families.

**Milestones achieved by Toea Homes Limited (THL) include:**

- Launch of Igam Project (December 2025) with Igam sales expected Q3 2026
- Taurama Stages 1 & 2A completed
- Stage 2B under development (pre-sales ongoing)

**FINANCIAL PERFORMANCE**

Our financial performance is shown by interest crediting rates:



CTSL recognised impairment provisions of 5% in 2024 and 1% in 2025 as part of a prudent strategy to address legacy asset quality challenges and strengthen the integrity of the Fund's balance sheet. These measures were undertaken to improve asset quality, enhance financial resilience, and better position the Fund for sustainable long-term growth and stronger future investment performance.

CTSL's Net Asset Value increased from K840 million in 2024 to K899 million in December 2025, reflecting the continued growth and strengthening of the Fund's financial position. Subject to asset performance and prevailing market conditions, the Fund is projected to exceed K1 billion in Funds Under Management (FUM) by the end of 2026, marking a significant milestone in CTSL's long-term growth trajectory.

**ACKNOWLEDGEMENTS**

I would like to acknowledge our key stakeholders for their continued support:

- Bank of Papua New Guinea
- PNGDF Command and Hierarchy
- Department of Treasury
- Department of Lands
- Deputy Prime Minister's Office

I extend my sincere appreciation to the former Chairwoman, Her Excellency Michelle Hau'ofa, for her dedicated service and leadership during her tenure from 3 February 2023 under the interim Board through to her resignation on 30 November 2025 to take up an overseas posting. During her time as Chairwoman, she championed the institutionalisation of strong governance standards, ethical leadership, and accountability across the organisation. Her leadership was grounded in a principled, first-principles approach to decision-making, both at the Board level and in her engagements with the CEO and management team, leaving a strong foundation for the continued growth and governance of CTSL.

I also acknowledge and thank the Board, under the leadership of the new Chairman, Chetan Chopra, for their continued stewardship, commitment, and leadership in carrying out their roles and responsibilities as trustees of the savings entrusted to CTSL by PNGDF members. Their guidance and oversight continue to play a critical role in safeguarding members' interests and positioning the organisation for long-term sustainability and success.

To our management and staff, thank you for your unwavering dedication, professionalism, and hard work throughout the year. Your commitment continues to drive the organisation forward, and I look forward to building on our achievements together as we pursue even greater success in the years ahead.

**Charlie Gilichibi**  
Chief Executive Officer

# FIVE YEAR FUND PERFORMANCE



STATISTICAL INFORMATION	2025	2024	2023	2022	2021	2020
<b>Assets &amp; Liabilities</b>						
Net Asset Value (K)	899,363,441	803,793,245	713,945,989	630,335,046	615,041,308	618,845,051
Growth Rate	11.89%	12.58%	13.26%	2.49%	-0.61%	3.40%
<b>Profitability</b>						
Total Comprehensive Income (K)	99,260,563	75,108,079	48,844,850	15,299,986	10,746,300	24,654,300
Interest Crediting Rate	12.50%	10.50%	7.30%	2.30%	2.00%	5.00%
Reserves (% NAV)	0.09%	0.00%	0.07%	0.08%	0.01%	0.00%
<b>Members</b>						
Accumulation Members	4,216	3,953	4,275	4,257	4,324	4,104
Defined Benefits Members incl Pensioners	1,764	1,768	1,589	1,784	1,904	1,903
<b>Expenses</b>						
Total Expenses (K)	21,488,506	17,733,023	13,229,893	13,406,362	15,045,104	11,661,330
Management Expense Ratio	2.39%	2.21%	1.85%	2.13%	2.45%	1.88%
Cost to Income Ratio	17.80%	17.58%	21.12%	41.20%	57.88%	32.73%
Fund Administrator's Fees (K)	1,091,344	1,044,092	924,438	988,810	916,947	795,356
Investment Manager's Fees (K)	1,391,283	1,309,999	1,088,998	1,287,787	1,558,048	1,296,635
Full Time Staff	41	40	38	33	34	26
<b>Cashflows</b>						
Contributions (K)	38,002,739	48,048,827	63,315,250	31,935,186	30,818,508	30,381,376
Benefit Payments (K)	41,693,107	33,309,650	28,549,157	31,941,434	45,368,551	34,829,027
Net Contributions (K)	-3,690,368	14,739,177	34,766,093	-6,248	-14,550,043	-4,447,651
Number of AC Members Paid	320	363	397	357	301	288
<b>Member Returns</b>						
Gross Return (Fair Value Gains)	75,044,290	97,936,483	26,796,490	-3,017,899	8,039,290	14,342,603
Impairment	-8,928,602	-40,688,681	-6,190,515	-3,240,015	-15,056,697	-5,138,153
Net Return (Fair Value Gains)	66,115,688	57,247,802	20,605,975	-6,257,913	-7,017,407	9,204,450
Gross Return (Cash Income)	50,538,064	43,606,380	42,049,698	38,800,759	32,306,495	26,167,485





# CORPORATE GOVERNANCE

## THE FUND

The Fund is an established Authorised Superannuation Fund (ASF) pursuant to Section 8 of the Superannuation (General Provisions) Act 2000 (SGP Act) with a current active contributor base of 4,392 and 1,588 pensioners as of 31 December 2025.

The primary objective of the Defence Force Retirement Benefits Fund (DFRBF) is to provide retirement benefits to members and their dependents upon discharge from the Defence Force, or in the event of medical discharge and/or death.

In addition to this, the SGP Act allows access to retirement savings before retirement for purposes related to housing.

## LICENSED CORPORATE TRUSTEE

Comrade Trustee Services Limited (CTSL) has been approved by the Bank of Papua New Guinea (BPNG) as the licensed corporate trustee for the Fund.

As the licensed trustee, it has ultimate legal responsibility for the prudent management of the Fund and, subject to the requirements of the Superannuation Act and the governing rules of the Fund, has the power, authority and the discretion generally, to do all such acts as it considers necessary or expedient for the sound administration, maintenance, investment and preservation of the Fund.

The trustee company is administered under the direction of a Board of Directors comprising seven Directors, two of whom are drawn from the members of the Fund and five independent Directors who collectively plan, oversee and set corporate goals, and determine the strategic direction of the Fund.

## CORPORATE GOVERNANCE

The Board is committed to upholding and implementing the principles of good corporate governance. This is considered critical as recent experiences have shown that the lack of good corporate governance has contributed directly to corporate fraud and, in worst-case scenarios, corporate failures leading to a serious erosion of confidence in those entrusted with the responsibility of managing companies – the Directors.

The enhanced accountability, transparency and integrity flowing from improved corporate governance creates value for shareholders and other stakeholders, reduces costs, increases competitiveness and restores confidence.

The Board is responsible for the corporate governance of the Fund, including its corporate planning, establishing goals for management and monitoring achievement of these goals. This statement sets out the principle corporate governance practices and disclosures that were in operation during the year.

## THE TRUSTEE

CTSL is the successor in law to the DFRBF Board and has been approved by the BPNG as the licensed trustee for the Fund. As a licensed trustee, it has ultimate legal responsibility for the prudent management of the Fund and, subject to the requirements of the Superannuation Act and the governing rules of the Fund, has the power, authority and the discretion generally to do all such acts as it considers necessary or expedient for the sound administration, maintenance, investment and preservation of the Fund.

## SHAREHOLDER INFORMATION

Historically, the Company had five shareholders, each holding one ordinary share in trust on behalf of the members of the Fund. These shares did not confer any beneficial or economic interest on the individual shareholders and existed solely to support compliance with the Companies Act 1997 and the Superannuation (General Provisions) Act 2000.

At the Annual General Meeting held on 15 April 2025, shareholders approved a restructuring of the Company's shareholding arrangements pursuant to Resolution 150425\_ AGM-25/3.5. Under the approved restructuring, four shareholders resigned and transferred their shares to Comrade Trustee Services Limited (CTSL), and the share previously held by the late Colonel Raymond Numa was formally removed from the register.

Following the restructuring, CTSL holds four ordinary shares, while the remaining one ordinary share is held by the Commander of the Defence Force, Rear Admiral Philip Polewara, in trust on behalf of the members of the Fund.

The revised structure streamlines the Company's shareholding arrangements while maintaining compliance with statutory requirements and reinforcing that the underlying beneficial interest in the Company remains attributable to the members of the Fund.

NAME OF SHAREHOLDER	Comrade Trustee Services Limited (CTSL)	Rear Admiral Philip Polewara
<b>Class of shares</b>	Ordinary	Ordinary
<b>Number of shares</b>	4	1
<b>Value (K)</b>	K4.00	K1.00
<b>Special Notes</b>	Shares held in trust on behalf of Fund members	Share held in trust in capacity as Commander of the Defence Force

# CORPORATE GOVERNANCE

## BOARD OVERVIEW

Comrade Trustee Services Limited (CTSL) is governed by a skills-based Board responsible for strategic oversight, performance monitoring and safeguarding members' interests in accordance with the prudential framework of the Bank of Papua New Guinea (BPNG).

The Board operates as Trustee of the Defence Force Retirement Benefit Fund and Accumulation Account and maintains a strong focus on governance, risk oversight and long-term sustainability.

The Board confirms that all Directors satisfied Fit & Proper requirements throughout their period of appointment.

The Board maintained a majority of Independent Directors throughout the year.

### Board at a Glance (Year-End 2025)

METRIC	Position
<b>Total Board Positions</b>	8
<b>Directors Serving</b>	7
<b>Vacancy</b>	1
<b>Independent Directors</b>	5
<b>PNGDF Shareholder Representatives</b>	2

## Board Changes During the Year

### Appointments

- Judy Nete Kuk - Independent Director (Effective 25 September 2025)
- Colonel Rodney Manihuazi Yahamani - Shareholder Representative Director (Effective 25 September 2025)
- Flare Namaliu – Independent Director (Effective 26 March 2026)

### Cessations

- Colonel Fred Italou Aile - ceased 25 September 2025
- Michelle Hau'ofa - ceased 27 November 2025

### First Meeting Attendance

- Judy Nete Kuk - first meeting attended 27 November 2025
- Colonel Rodney Manihuazi Yahamani – first meeting attended 27 November 2025

### Committee Leadership Update

- Judy Nete Kuk was appointed Chair of the Audit, Risk & Compliance Committee effective 1 January 2026

## Board Meetings and Attendance (2025)

The Board held six (6) meetings during the year. Attendance reflects meetings held during each Director's period of appointment. Attendance levels reflect scheduling constraints during the year. The Board remains satisfied that all Directors actively contributed to deliberations and decision-making.

DIRECTOR	POSITION	APPOINTMENT PERIOD	ATTENDED	ELIGIBLE	ATTENDANCE %
<b>Chetan Chopra</b>	Chairman & Independent Director	Full year	5	6	83.3
<b>Rear Admiral Philip Polewara</b>	Shareholder Representative Director	Full year	4	6	66.7
<b>Charles Lee</b>	Independent Director	Full year	4	6	66.7
<b>Warwick George Vele</b>	Independent Director	Full year	6	6	100
<b>Vera Raga</b>	Independent Director	Full year	6	6	100
<b>Judy Nete Kuk*</b>	Independent Director	From 25 Sept 2025	1	1	100
<b>Colonel Rodney Manihuazi Yahamani*</b>	Shareholder Representative Director	From 25 Sept 2025	1	1	100
<b>Colonel Fred Italou Aile**</b>	Former Director	To 25 Sept 2025	4	4	100
<b>Michelle Hau'ofa**</b>	Former Chairperson	To 27 Nov 2025	6	6	100

\* Appointed 25 September 2025

\*\* Ceased during the year



Strategic oversight, performance monitoring and safeguarding members' interests.

## COMMITTEE ATTENDANCE (2025)

Attendance reflects meetings held during each Director's period of appointment. Committee attendance may vary due to overlapping meeting schedules and availability across multiple committees.

### Audit, Risk & Compliance Committee (ARCC)

DIRECTOR	Role	Attended	Eligible
<b>Chetan Chopra</b>	Chair	5	5
<b>Colonel Fred Italou Aile</b>	Member	4	4
<b>Michelle Hau'ofa</b>	Member	4	5
<b>Vera Raga</b>	Member	5	5

### Investment Committee (IC)

DIRECTOR	Role	Attended	Eligible
<b>Charles Lee</b>	Chair	7	7
<b>Rear Admiral Philip Polewara</b>	Member	7	7
<b>Warwick George Vele</b>	Member	7	7

### Remuneration & Nomination Committee (RANC)

DIRECTOR	Role	Attended	Eligible
<b>Vera Raga</b>	Chair	5	5
<b>Chetan Chopra</b>	Member	5	5
<b>Colonel Fred Italou Aile</b>	Member	4	4
<b>Michelle Hau'ofa</b>	Member	3	5

### Membership Committee (MC)

DIRECTOR	Role	Attended	Eligible
<b>Warwick George Vele</b>	Chair	5	5
<b>Colonel Fred Italou Aile</b>	Member	4	4
<b>Michelle Hau'ofa</b>	Member	3	5
<b>Rear Admiral Philip Polewara</b>	Member	3	5
<b>Vera Raga</b>	Member	4	5

### Committee Structure

- Audit, Risk & Compliance Committee (ARCC)
- Investment Committee (IC)
- Remuneration & Nomination Committee (RANC)
- Membership Committee (MC)

Each Committee operates under Board-approved charters and reports directly to the Board.

# BOARD GOVERNANCE

## Directors' Interests and Conflicts

### DIRECTORS' INTERESTS REGISTER

The Board maintains a formal Directors' Interests Register in accordance with the Companies Act 1997 and applicable prudential standards issued by the Bank of Papua New Guinea. The register records each Director's external directorships and advisory roles, shareholdings and other financial interests, professional memberships and affiliations, and any actual or perceived conflicts of interest. The register is reviewed on appointment, updated annually and amended as interests change. Directors are required to disclose any conflicts as they arise and, where a material interest exists, to abstain from deliberations and decision-making on the relevant matter, consistent with the CTSL Constitution.

### DIRECTOR INDEPENDENCE AND CONFLICTS MANAGEMENT

The Board assesses the independence of each Director in line with recognised governance practice and the expectations of the Bank of Papua New Guinea. This assessment is supported by annual independence declarations, ongoing conflict disclosure obligations and oversight of related-party matters. The Board remains committed to ensuring that decision-making is independent, objective and free from undue influence.

ELEMENT	DESCRIPTION
<b>Annual declarations</b>	Formal independence and interest declarations completed by all Directors
<b>Ongoing disclosure</b>	Requirement to disclose conflicts as they arise
<b>Board oversight</b>	Review of related-party matters and conflict management
<b>Decision protocols</b>	Exclusion from deliberation and voting where a material interest exists

### REGULATORY ENGAGEMENT

The Board maintained active and constructive engagement with the Bank of Papua New Guinea throughout the year. This included Fit and Proper confirmations for all Directors, regulatory approval of Board appointments and changes, approval of constitutional amendments, and prudential consultations on matters affecting the Fund's operations and governance.

### BOARD PERFORMANCE EVALUATION

#### Process

Continuously monitoring and improving its performance, as well as that of its Committees and individual Directors, remains a priority for the Board. Under its Charter, the Board is required to annually assess its effectiveness, the performance of its Committees and the Chair's leadership.

During the year, the Board undertook a comprehensive evaluation of its governance effectiveness, composition and dynamics. The evaluation was independently facilitated through a structured, confidential survey administered via an independent digital platform. The dual-perspective approach drawing on the views of both Directors and senior management was designed to provide a balanced and rigorous assessment of the Board's effectiveness across its core governance responsibilities.

	DETAIL
<b>Participants</b>	7 Non-Executive Directors and 9 members of the senior management team
<b>Method</b>	Independent, confidential survey comprising quantitative ratings and qualitative feedback
<b>Coverage</b>	Board effectiveness, committee performance, Chair leadership
<b>Domains assessed</b>	Board Composition · Chair Leadership · Strategy · Risk Management · Monitoring Performance · Board Culture · Board-Management Relationship · Board Processes and Papers · Talent, Succession and Remuneration · Stakeholder Engagement · Board Committees

The findings were presented to the Board and have directly informed governance priorities for the year ahead



## KEY FINDINGS

The evaluation confirmed that the Board is functioning effectively and that meaningful progress has been made in establishing sound governance practices since the Board's reconstitution following the conclusion of statutory management. Respondents recognised the Board's role in stabilising governance and oversight during a period of organisational transition.

DOMAIN	SUMMARY
<b>Board Culture</b>	A constructive and engaged culture grounded in accountability, robust debate and willingness to challenge. Directors consistently give meetings their full energy and attention.
<b>Stakeholder Engagement</b>	Among the highest-rated domains. Engagement and positioning with regulators, government and shareholders is well established and actively maintained.
<b>Talent, Succession and Remuneration</b>	Oversight rated positively, with results above external benchmarks. Access to external remuneration benchmarks and Board engagement with the broader management team were identified as particular strengths.
<b>Chair Leadership</b>	Positive assessment, with the Chair's working relationship with the CEO, accessibility and inclusive approach to drawing out contributions from all Directors most frequently recognised.
<b>Strategy</b>	The Board is engaged as a genuine partner in the strategy process. The current strategic direction is well understood and supported.

### Areas identified for continued focus

DOMAIN	SUMMARY
<b>Risk Management</b>	The domain requiring greatest attention, with results meaningfully below external benchmarks. While the Board devotes appropriate time to risk and maintains a sound risk appetite, feedback identified the need for a more systematic risk management framework, strengthened oversight of emerging risks, and a clear policy and accountability framework for ESG considerations in the investment portfolio.
<b>Board-Management Relationship</b>	The evaluation identified a clear opportunity to further delineate the boundaries between the Board's strategic oversight role and management's operational responsibilities. This was the area of most pronounced divergence between Board and Management perspectives.
<b>Board Committees</b>	Results below external benchmarks. Investment Committee composition and quorum resilience, and the governance structure and remit of THL, were the areas most frequently flagged for attention.
<b>Board Processes and Papers</b>	Timely circulation of Board papers was the most frequently cited improvement area. Minute quality was also identified for continued focus.
<b>Board Composition</b>	Industry experience, independence and mix of thinking styles are recognised strengths. Gender diversity and the development of a formal plan for Board renewal and succession planning for the Chair and committee chairs are priorities for development.

The evaluation also identified differing perspectives between the Board and Management regarding the boundaries between governance and operational matters. The Board has acknowledged this feedback and is taking steps to reinforce appropriate role clarity.

# BOARD GOVERNANCE

## ACTIONS ARISING FROM THE EVALUATION

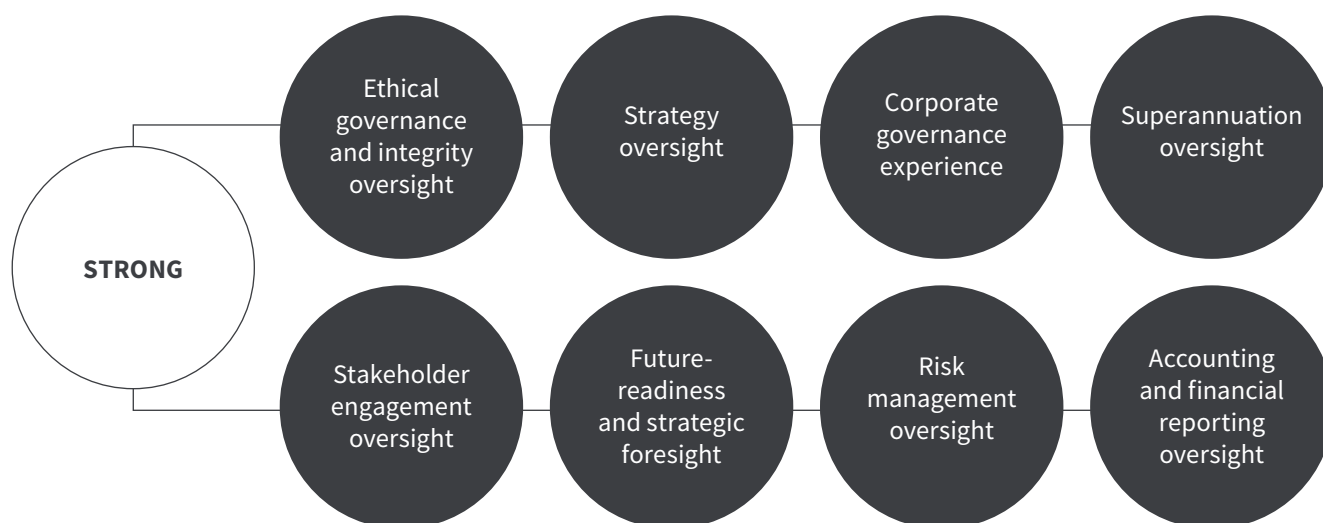
The Board has taken or initiated a number of actions in response to the evaluation findings. Progress is monitored through the Board's governance calendar and will be assessed as part of the next annual evaluation cycle.

PRIORITY AREA	ACTION	STATUS
<b>Risk management</b>	Appointment of a General Manager, Risk and Compliance to strengthen the risk management framework	Completed
<b>Investment oversight</b>	Addressing Investment Committee composition, financial expertise requirements and quorum resilience	Completed
<b>Board processes</b>	Reinforcement of the seven-day paper circulation standard; improvement of minute quality and timeliness	Ongoing
<b>Succession planning</b>	Development of formal succession plans for the Chair and committee chairs	To be progressed during the coming year
<b>Strategic focus</b>	Refinement of the strategic plan to strengthen the balance between long-term strategic direction and operational priorities	In progress
<b>Governance boundaries</b>	Targeted clarification of Board and management roles, reinforced through the Board Charter and meeting practices	In progress
<b>Board diversity</b>	Consideration of pathways to improve gender and skills diversity	Ongoing

## Board Skills Assessment

As part of the evaluation process, Directors completed a structured skills self-assessment across sixteen capability areas. These were classified as critical or general based on their relevance to the Fund's regulatory obligations, strategic priorities and governance requirements.

### CRITICAL CAPABILITY AREAS



The assessment confirmed that the Board's critical capability areas are collectively strong, with all eight areas reflecting predominantly Advanced or Expert-level depth across Directors.

## GENERAL CAPABILITY AREAS



Areas assessed as developing are those where the Board collectively holds a narrower depth of experience, with a higher proportion of General or Limited-level self-assessments. These findings are consistent with the Board's focus on strengthening ESG, emerging risk and technology capability over time.

## Board and Committee Effectiveness

The evaluation assessed the effectiveness of each Board Committee and the THL Board.

COMMITTEE	KEY STRENGTHS	KEY FOCUS AREAS
<b>Audit, Risk and Compliance</b>	Strong Board confidence; understanding of regulatory issues; quality of discussion	Chair succession planning; management presentations and risk reporting
<b>Remuneration and Nomination</b>	Well prepared; strong working relationship with management; Board confidence	Use of external expertise; chair succession planning
<b>Membership</b>	Committee composition and chairing; meeting frequency	Committee papers and management presentations; member engagement
<b>Investment</b>	Board updates; stakeholder understanding; management engagement	Committee composition and financial expertise; quorum resilience
<b>CTSL Board</b>	Governance oversight; quality of discussion and chairing	Use of external professional advice; chair succession planning
<b>THL Board</b>	Chairing; commitment; meeting frequency	Governance boundaries; Board–management working relationship; composition

The THL Board was the committee most frequently identified for a detailed review, reflecting the importance of clarifying governance boundaries and ensuring its structure and remit remain fit for purpose.

## CONCLUSION

The Board considers the evaluation process to have been thorough and constructive. The findings confirm genuine progress since the Board's reconstitution while identifying clear priorities for the year ahead. The Board is committed to continuous improvement in governance effectiveness, risk oversight, succession planning, diversity and the ongoing maturation of governance–management boundaries, in support of the Fund's long-term sustainability and the interests of members.



## BOARD OF DIRECTORS

A Board comprises individuals who can contribute critically needed skills, experience, perspective, wisdom, time and other resources to the organisation.



### **Chetan Chopra**

Chairperson & Independent Director

#### **Experience**

Financial governance leader with over 35 years' experience across superannuation, banking and professional services.

#### **Contribution**

Provides leadership in financial stewardship, risk oversight and governance transformation.

#### **Skills**

Financial governance • Risk • Strategy • Audit



### **Rear Admiral Philip Polewara, CBE**

Shareholder Representative Director

#### **Experience**

Senior Papua New Guinea Defence Force leader with over 30 years of command experience.

#### **Contribution**

Provides disciplined leadership and strong stakeholder alignment with contributing members.

#### **Skills**

Leadership • Defence strategy • Governance

# BOARD OF DIRECTORS



## Charles Lee

Independent Director | Chair —  
Investment Committee

### Experience

Investment specialist with extensive experience across superannuation, banking and financial markets.

### Contribution

Leads investment governance, portfolio discipline and framework development.

### Skills

Investment strategy • Financial markets • Funds management



## Warwick George Vele

Independent Director | Chair —  
Membership Committee

### Experience

Executive with experience across superannuation, ICT, banking and international development.

### Contribution

Strengthens member outcomes through oversight of service delivery and engagement.

### Skills

Technology • Operations • Strategy • Member services



## Vera Raga

Independent Director | Chair —  
Remuneration & Nomination Committee

### Experience

Legal and governance practitioner with experience across superannuation and statutory bodies.

### Contribution

Leads Board renewal, succession planning and governance frameworks.

### Skills

Legal • Governance • Policy



### **Judy Nete Kuk**

Independent Director | Chair — Audit, Risk & Compliance Committee

**Experience**

Chief Financial Officer with extensive experience in financial transformation and systems implementation.

**Contribution**

Strengthens financial oversight, audit integrity and risk governance.

**Skills**

Finance • Risk • Audit • Systems transformation



### **Colonel Rodney Manihuazi Yahamani**

Shareholder Representative Director

**Experience**

Senior Papua New Guinea Defence Force officer with over 25 years of experience in strategic planning and defence administration.

**Contribution**

Enhances governance discipline and ensures strong member representation.

**Skills**

Strategic leadership • Governance • Defence operations



## OUTGOING DIRECTORS



### **Michelle Hau'ofa**

Chairperson  
(ceased 27 November 2025)

#### **Experience**

Senior governance and business leader with extensive experience across corporate boards, property development and community-focused organisations. Has served on multiple boards including financial services and non-government organisations in Papua New Guinea.

#### **Contribution**

Provided strategic leadership as Chair, guiding the Board through governance strengthening, regulatory engagement and structured Board renewal.

#### **Skills**

Governance leadership • Strategy  
Stakeholder engagement • Community development



### **Colonel Fred Italou Aile**

Shareholder Representative Director  
(ceased 25 September 2025)

#### **Experience**

Senior Papua New Guinea Defence Force officer with extensive experience in military operations, leadership and administration, including command roles within the PNGDF.

#### **Contribution**

Provided strong representation of contributing members and reinforced Board discipline through operational and leadership expertise.

#### **Skills**

Leadership • Defence operations  
Governance • Stakeholder representation

# EXECUTIVE MANAGEMENT



## Charlie Gilichibi

CHIEF EXECUTIVE OFFICER

Charlie Gilichibi joined Comrade Trustee Services Limited as the Chief Executive Officer in January 2020, bringing with him over 21 years of extensive experience in the superannuation industry.

He holds a Master of Business Administration (MBA) from the University of Papua New Guinea, a Bachelor's degree in Information Technology from the University of Canberra, and a Diploma in Economics from the International Training Institute. In addition, his executive credentials include advanced management programs from INSEAD (Singapore) and Melbourne Business School (University of Melbourne), as well as an advanced finance program from the Wharton School, University of Pennsylvania, and specialization in finance and accounting from Harvard Business School.

Charlie's career achievements encompass a range of leadership roles, including IT Manager at Nasfund (2004–2013), Chief Operating Officer at Nambawan Super (2014–2016) and Chief Officer of Member Services at Nasfund (2017–2019). He is a professional member of the Papua New Guinea Institute of Directors (PNGID) and the Australian Institute of Company Directors (AICD), underscoring his commitment to excellence in corporate governance and leadership.



## Jackraho Morea

GENERAL MANAGER – FINANCE

Jackraho Morea joined Comrade Trustee Services Limited in March 2022 and was appointed as the General Manager – Finance, overseeing the fund's financial strategy, accounting operations, and risk management to drive strong and sustainable financial outcomes. With over 15 years of extensive experience in superannuation and financial services, Jackraho plays a pivotal role in ensuring financial efficiency, regulatory compliance, and long-term stability within an evolving economic and regulatory landscape.

Being a strong advocate for financial stewardship and operational excellence, Jackraho is committed to enhancing financial performance, optimizing fund management strategies, and fostering transparency. His leadership ensures that the fund remains resilient, adaptive, and positioned for sustained growth, delivering long-term value to its stakeholders.

Jackraho holds a Bachelor's degree in Accounting from the PNG University of Technology and is a professional member of Certified Practising Accountants (CPA) PNG, CPA Australia, and the PNG Institute of Directors. His expertise spans financial planning, corporate governance, and risk mitigation, making him an integral part of the fund's leadership team.



## Darusilla Musi

GENERAL MANAGER – CORPORATE SERVICES

Darusilla Musi joined Comrade Trustee Services Limited in June 2016 and was appointed as the General Manager – Corporate Services, overseeing administration, human resources, payroll, and ICT to ensure operational efficiency and strategic alignment. With extensive experience in human resources, corporate management, financial services, and ICT Darusilla plays a critical role in enhancing workplace efficiency, employee development, policy implementation, and ICT governance.

Passionate about leadership and organisational development, Darusilla is committed to driving sustainable growth, fostering a high-performance culture, and ensuring that CTSL's corporate services function effectively supports its mission and strategic objectives.

Darusilla holds an Executive Master's in Business Administration from the University of Papua New Guinea, a Bachelor's in Business & Management from University of Papua New Guinea, and a Diploma in Arts (PNG Studies) from Divine Word University. She is a dedicated professional with expertise in HR strategy, corporate governance, ICT management, and business operations.

Darusilla is a member of the PNG Human Resources Institute and Australia Human Resources Institute, Associate Member – PNG Institute of Directors



## Mary Tamarua

GENERAL MANAGER – INVESTMENTS

Mary Tamarua joined Comrade Trustee Services Limited in September 2018 and was appointed to the role of General Manager – Investments at Comrade Trustee Services Limited in April 2024, bringing over 14 years of experience in the investment industry. She holds a Bachelor of Commerce (Business Economics) with Merit from the PNG University of Technology, a Diploma in Accounting from the IEA College of TAFE, and an Investment Foundations Certificate from the CFA Institute. Before joining Comrade Trustee Services, Mary held various roles in prominent financial institutions where she developed deep expertise in portfolio management, financial analysis, and risk management. Her work spans across multiple asset classes, and she is skilled at navigating volatile markets to create tailored investment solutions that align with clients' unique financial objectives and risk profiles. Mary's leadership and strategic thinking have earned her a reputation as a trusted advisor in the industry.

In her role as General Manager – Investments, Mary is responsible for overseeing the company's investment portfolio and driving its growth and diversification. She works closely with her team to develop and implement strategies that maximize returns while mitigating risk, ensuring that investments align with Comrade Trustee Services Limited's long-term goals. Known for her collaborative leadership style, Mary fosters a culture of transparency and accountability within her team, while maintaining strong relationships across departments to ensure effective execution of investment strategies. She is also dedicated to professional development and mentorship, actively supporting her colleagues' growth. Beyond her professional work, Mary is passionate about contributing to community development and supporting initiatives related to financial literacy and education.



## Freddy Manihoru

GENERAL MANAGER – MEMBER SERVICES

Freddy Manihoru joined Comrade Trustee Services Limited in April 2019 and was appointed as the General Manager - Member Services. Freddy is a strategic and results-driven General Manager with nearly 15 years of experience in the financial services industry, including superannuation and banking.

Since joining Comrade Trustee Services Limited, Freddy has led key reforms and innovations within the Member Services Division, including the digital transformation of pension processing, the development of a CRM platform for enhanced member engagement, and the streamlining of member benefit payments and financial policies. Freddy has played an instrumental role in securing funding from the State to fund outstanding employer superannuation and pension obligations for PNGDF retirees, ensuring long-overdue entitlements were met. He also led the successful marketing and sales of land by CTSL's subsidiary, Toea Homes Ltd. The success of these sales provided vital liquidity for Toea Homes Ltd, enabling the company to progress to Phase 2 of its land development at the Taurama Residential Precinct. His leadership extends beyond CTSL. Freddy actively contributes to community development and financial inclusion initiatives and currently serves as the Chairman of the Board for Badili Vocational Centre. He holds a bachelor's degree in business management, a Diploma in Economic Policy Analysis, and has undertaken governance training with AICD and PNGID. Freddy continues to lead with integrity and innovation, driving member-focused service excellence while contributing to CTSL's long-term strategic goals.

## EXECUTIVE MANAGEMENT



### Seno Wekina

GENERAL MANAGER – LEGAL

Seno Wekina joined Comrade Trustee Services Limited in August 2020 and was appointed as the General Manager Legal. With a strong focus on statutory and fiduciary responsibilities, investment legalities, and organisational integrity, Seno ensures that the fund's operations are aligned with superannuation laws and best practice governance frameworks.

Prior to joining CTSL, Seno served in pivotal legal leadership roles, including General Manager Legal and Company Secretary at NASFUND and Chief Legal Officer at the National Superannuation Fund. He was responsible for the end-to-end legal oversight of fund governance, statutory compliance, litigation and contract management, property lease frameworks, and corporate secretarial duties. He also provided legal advice to the Board and Management on investment transactions, legislative interpretation, and organisational risk. Seno's earlier consultancy experience includes senior roles with various legal firms and the legal divisions of Steamships and Eda Ranu/ Water PNG. He has also served as Director on several boards including the PNG Land Board and private sector companies.

Seno brings over two decades of senior legal and corporate governance experience across both the public and private sectors. Seno holds a Bachelor of Laws from the University of Papua New Guinea and professional credentials from the Legal Training Institute, Mt Eliza Business School (General Management), and the Australian Institute of Company Directors.



### Rossie Ronnie Kambua

GENERAL MANAGER – RISK & COMPLIANCE

Rossie Ronnie Kambua joined Comrade Trustee Services Limited as the General Manager- Risk and Compliance in March 2025. Rossie is an accomplished governance, risk, and compliance leader with more than 20 years of progressive experience across financial services, taxation, regulation, internal audit & risk, organisational strategy, and change management.

Rossie has built a distinguished career at Nambawan Super Limited for over 15 years, serving in a series of senior leadership roles that span internal audit, risk management, strategy, business change, and organisational change. Her experience includes leading risk based audit programs, strengthening governance frameworks, driving organisational wide culture change initiatives, and overseeing strategic planning and performance reporting for the Executive and Board.

Rossie brings to the General Manager Risk & Compliance role a proven ability to strengthen assurance functions, uplift governance maturity, embed robust risk management practices, and support the organisation's commitment to accountability, transparency, and member value.

In addition to her professional achievements, Rossie has demonstrated strong leadership in industry and community organisations. She has served as a Board Director of ISACA PNG Chapter since 2011, contributing to multiple international chapter awards, and has held long term executive roles in sporting and professional clubs.

She holds a Bachelor of Economics (Business Studies) from University of Papua New Guinea, a Graduate Certificate in Organisational Leadership at Melbourne Business School (Melbourne University), and is a long standing member of professional bodies including CPA PNG, ISACA, and the Institute of Internal Auditors. She is also a member of the PNG Institute of Directors.



## Raka Numa Raula

### COMPANY SECRETARY

Raka joined Comrade Trustee Services Limited in August 2023. Raka leads CTSL's corporate secretariat and governance advisory function, supporting the Board in discharging its duties as trustee of the Defence Force Retirement Benefits Fund. Her priorities include strengthening board processes, overseeing director appointments and renewals, coordinating the Annual General Meeting, and delivering the Board's 2025–2026 governance improvement programme.

Raka brings over 16 years' legal, governance and policy experience across the superannuation, financial services and public sectors, including nine years in company secretariat roles. She serves as the principal governance advisor to the Board.

Prior to joining CTSL, Raka served as Assistant Company Secretary and Acting Company Secretary at Nambawan Super Limited from 2016 to 2023, where she was responsible for board operations, shareholder relations and governance oversight of investee companies. Her earlier career included senior legal and policy roles with the Governments of Papua New Guinea and Samoa, focusing on legislative reform, international law and governance frameworks.

Raka holds a Master of Law (Law & Development) from the University of Melbourne and a Bachelor of Laws (Honours) from the University of Papua New Guinea. She holds governance and company secretary certifications from the Australian Institute of Governance and the Australian Institute of Company Directors, and has completed executive education at Harvard Business School, including Becoming a Corporate Board Director and Dynamic Teaming. She is admitted to legal practice in Papua New Guinea, Fiji and Samoa.

In 2025, Raka was awarded Winner of the Private Sector Category at the Westpac Outstanding Women Awards. Beyond her professional role, she contributes to leadership and community development as founder of the CTSL Toastmasters Club, Pasifika Division Director 2025/2026 of Toastmasters International, and Co-Vice President of the PNG Women Lawyers' Association.



# 2025 HIGHLIGHTS

**FUND SIZE**  
**K899.36m**  
 Net Assets at 31 Dec 25

**NET SURPLUS**  
**K99.26m**  
 Net Surplus at 31 Dec 25

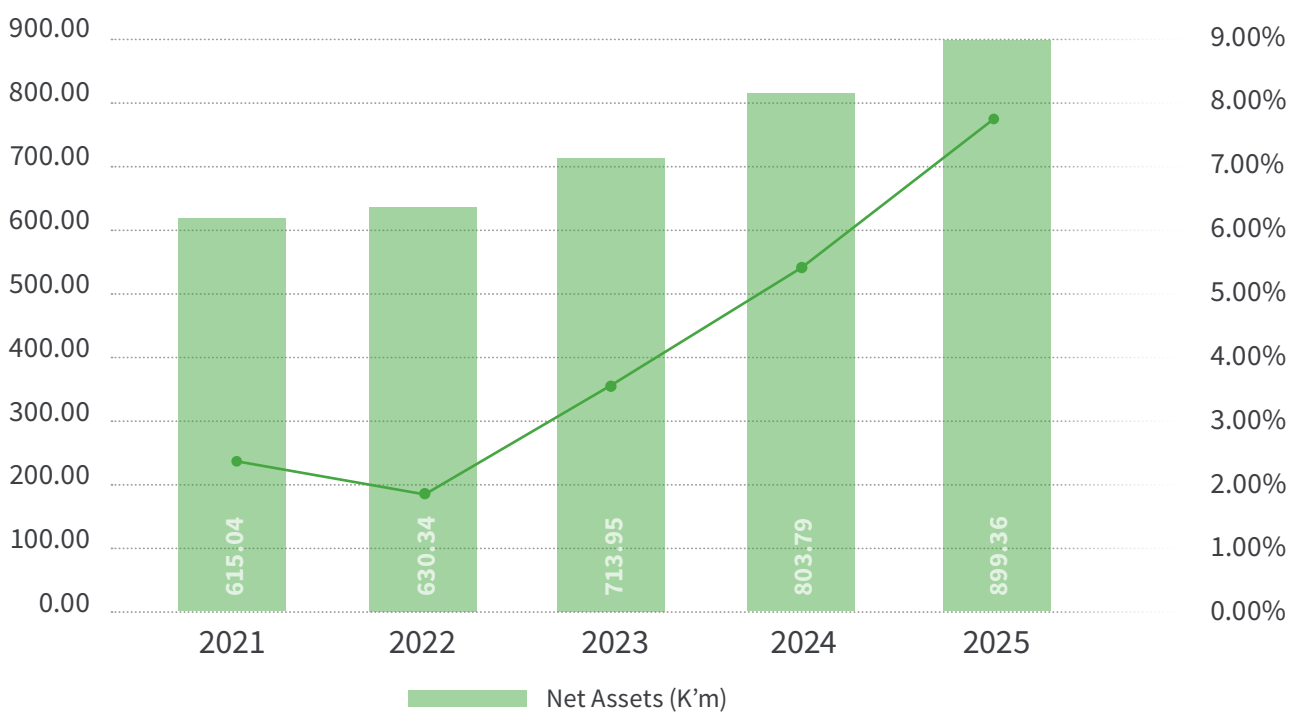
**MEMBERSHIP**  
**5,980** Members across both schemes

**CREDITING RATE**  
**12.5%** For the year 2025

## FIVE YEAR PERFORMANCE SUMMARY

Year	2021	2022	2023	2024	2025
Net Assets (K'm)	615.04	630.34	713.95	803.79	899.36
Net Asset Growth (K'm)	-3.81	15.30	83.61	89.84	95.57
5 Year CAGR	2.22%	1.97%	3.59%	5.37%	7.90%

## 5-YEAR NET ASSET GROWTH



# INVESTMENT PORTFOLIO

Investment Portfolio	2025	2024	Current Allocation	Target Allocation*
Asset Classification	K	K	%	%
<b>Domestic</b>				
Cash	74,181,685	22,898,950	8.2%	10.0%
Fixed	169,555,897	170,667,289	18.8%	20.0%
Equities	415,838,815	361,077,452	46.2%	27.0%
Properties	109,673,150	115,441,630	12.2%	15.0%
<b>DOMESTIC TOTAL</b>	<b>769,249,547</b>	<b>670,085,321</b>	<b>85.4%</b>	<b>72.0%</b>
<b>International</b>				
Cash	25,678,241	21,161,322	2.8%	1.0%
Fixed	0	0	0.0%	5.0%
Equities	106,064,232	85,414,327	11.8%	22.0%
<b>INTERNATIONAL TOTAL</b>	<b>131,742,473</b>	<b>106,575,649</b>	<b>14.6%</b>	<b>28.0%</b>
<b>TOTAL PORTFOLIO VALUE</b>	<b>900,992,020</b>	<b>776,660,970</b>	<b>100.0%</b>	<b>100.0%</b>

Value as at 31-Dec

## MAJOR INVESTMENTS\*\*

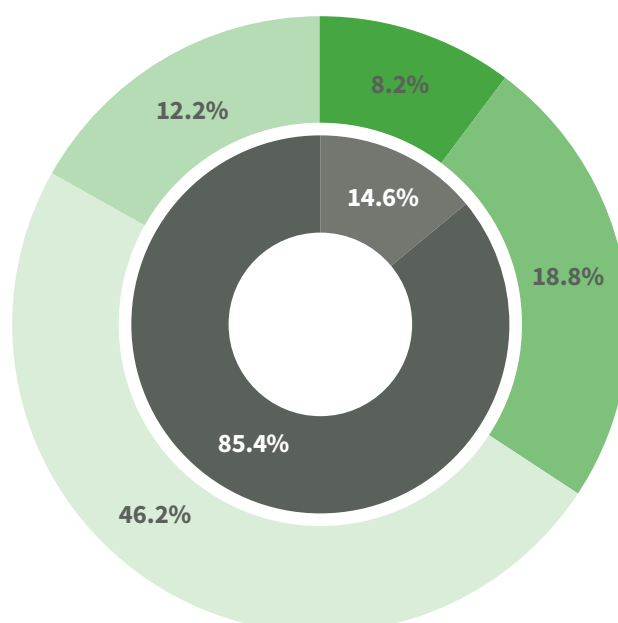
Investments	Asset Class	Exposure
<b>Bank South Pacific</b>	Listed Equities	33.94%
<b>Government Securities</b>	Fixed Income	10.72%
<b>Toea Homes Limited</b>	Unlisted Equities	6.41%
<b>Defens Haus</b>	Properties	4.83%

\*The Strategic Asset Allocation is subject to change upon review and acceptance of the revised Investment Strategy.

\*\*The Trustee has provided an Exposure Exit Plan and Request for Exemption to the Bank of Papua New Guinea for assets exceeding the single asset exposure limit as required by the Prudential Standards.

## PORTFOLIO AT A GLANCE

■ Cash      ■ Equities      ■ International  
■ Fixed      ■ Properties      ■ Domestic



## EQUITIES PORTFOLIO

		2025	2024
Domestic	GICS Sectors	K	K
<i>Listed</i>			
Bank South Pacific	Financials	305,796,077	247,875,435
City Pharmacy	Consumer Staples	0	1,778,075
Kina Asset Management Ltd	Financials	10,526,492	8,681,643
Credit Corporation	Financials	9,641,202	5,622,299
<b>TOTAL DOMESTIC LISTEDS</b>		<b>325,963,771</b>	<b>263,957,452</b>
BPT(PNG) Ltd	Consumer Discretionary	11,340,000	14,236,000
Post Courier	Consumer Discretionary	2,724,000	2,509,000
South Pacific Brewery	Consumer Discretionary	18,077,000	18,885,000
Toea Homes Limited	Real Estate	57,734,044	61,490,000
<b>TOTAL DOMESTIC UNLISTED</b>		<b>89,875,044</b>	<b>97,120,000</b>
<b>TOTAL DOMESTIC EQUITY PORTFOLIO</b>		<b>415,838,815</b>	<b>361,077,452</b>
International	GICS Sectors	K	K
<i>Listed</i>			
Santos Ltd	Energy	16,729,911	12,684,857
Kina Securities Ltd	Financials	35,722,204	16,470,902
<b>TOTAL INTERNATIONAL LISTEDS</b>		<b>52,452,115</b>	<b>31,043,071</b>
<i>Unlisted</i>			
Vanguard International Shares Indexed Fund	Financials	53,612,117	35,069,351
<b>TOTAL INTERNATIONAL UNLISTED</b>		<b>53,612,117</b>	<b>35,069,351</b>
<b>TOTAL INTERNATIONAL EQUITY PORTFOLIO</b>		<b>106,064,232</b>	<b>66,112,422</b>
<b>TOTAL EQUITY PORTFOLIO</b>		<b>521,903,047</b>	<b>342,784,192</b>

## PROPERTY PORTFOLIO

		2025	2024
Properties	Type	K	K
Defens Haus	Commercial	43,500,000	43,500,000
Comrade Haus	Commercial	18,100,000	18,100,000
Latitude 9	Residential	9,000,000	9,070,000
Ela Makana 2	Residential	5,500,000	8,292,180
Ela Makana 1	Land Bank	2,000,000	4,906,300
Taurama Commercial	Land Bank	31,573,150	31,573,150
<b>TOTAL PROPERTIES</b>		<b>109,673,150</b>	<b>115,441,630</b>



## CASH & FIXED INCOME

	2025	2024
	K	K
<b>Cash</b>		
Cash on hand	3,000	3,000
Cash in Banks	64,588,126	24,915,480
Term Deposits with maturities less than 90 days	35,268,800	19,141,792
<b>TOTAL CASH</b>	<b>99,859,926</b>	<b>44,060,272</b>
<b>Fixed Interest</b>		
Inscribed Stock	81,470,986	69,235,663
HBS Convertible Note	0	2,580,500
Treasury Bills	72,991,188	98,851,126
IBD more than 90 days	15,093,723	98,851,126
<b>TOTAL FIXED INTEREST</b>	<b>169,555,897</b>	<b>170,667,289</b>
<b>TOTAL CASH &amp; FIXED</b>	<b>269,415,823</b>	<b>214,727,561</b>

We are making a significant investment in nation building through educated, informed, productive citizens.





## Licensed Investment Manager's Statement Frontier Equities Limited



Dear Members,

The Trustee (CTSL) continued to deliver positive outcomes for its members by building on the Fund's growth trajectory. The increase in total income of 20.3 % was the result of several key factors. Organic inflows from new and existing members played a significant role in boosting the Fund's income base. In addition, the Fund benefited from valuation gains across various asset classes, alongside higher interest income and dividend distributions. Foreign exchange movements also contributed to the overall growth in income for the year.

### 2025 Synopsis

In 2025, global economic growth remained modest, continuing to fall short of the levels observed prior to the COVID-19 pandemic. The international investment landscape was notably affected by ongoing geopolitical conflicts and heightened trade tensions, including the introduction of increased tariffs by several countries. These developments contributed to considerable market volatility and a subdued investment outlook throughout the year.

Domestically PNG's economy experienced modest growth underpinned by strong gold prices supported by the expansion of the Porgera mine operations. Non-resource sector experience significant growth with agricultural commodities such as oil palm, cocoa and copra increasing export volumes despite softening of prices. Other sectors such as fisheries also experienced an increase in export growth in 2025. In terms of PGK performance, the Bank of Papua New Guinea continued "crawling peg" intervention with slow controlled devaluation of the Kina whilst inflation remained subdued.

### Portfolio Review

In 2025 Funds Under Management (FUM) grew by 15.8% from K775.5 million to K898.1 million before fees and tax.

The international asset outperformed in 2025 delivering 22.7% of overall portfolio performance comprising of capital gains, dividend income and foreign exchange gains. This was on the backdrop of double digit returns in global equity markets for the year. The returns in the Fund's

international equities asset class were led by Kina Securities Limited and supported by the Fund's Global Equity exposure through Vanguard International Shares Index Fund and a weakening Kina against the major currencies.

The Fund's PNG asset delivered a return of 77.3% during 2025. This strong performance was primarily driven by domestic listed equities, which contributed 70.4 % to the overall results through capital gains and dividend income. BSP Financial Group maintained its position as the leading contributor in the group, with additional support from Kina Asset Management Limited and Credit Corporation. Though government securities provided reliable interest cash income adding 9.9% to the portfolio's overall performance.

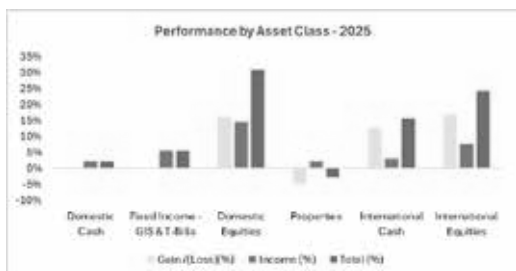
Active management of the property asset class has remained a priority for the Fund throughout 2025. Ongoing initiatives have focused on improving operational efficiency and increasing rental returns from property holdings. These measures are designed to maximise the income generated from the portfolio and ensure that assets are performing to their potential.

Additionally, the Fund continues to prioritise the divestment of non-performing property assets. This strategy aims to optimise the overall performance of the property asset class and minimise investment drag. By identifying and disposing of underperforming properties, the Fund is seeking to enhance returns and align asset management practices with its broader investment objectives.





# Licensed Investment Manager’s Statement Frontier Equities Limited

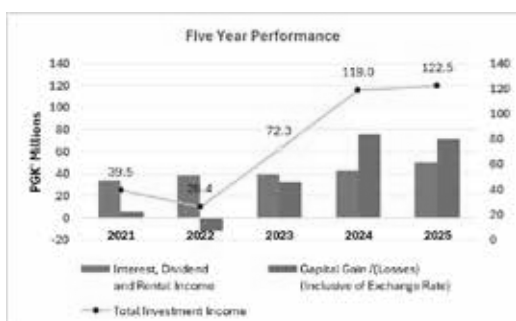


## Portfolio Composition

CTSL maintains a strong commitment to aligning investment holdings with the approved Strategic Asset Allocation (SAA). At the end of 2025, the Fund’s domestic investments stood at 85.3%, significantly exceeding the SAA target of 72%. In contrast, the international portfolio represented only 14.7% of total assets, falling short of the SAA target of 28%. This positioning reflects the Fund’s ongoing focus on prudent portfolio management, while also highlighting the challenges in achieving the desired balance between domestic and international assets within the parameters set out by the SAA and constraints in the domestic market.

In 2025 Frontier Equities Limited (FEL) in consultation with CTSL completed the development of the Fund’s new 5-year SAA which was approved by the Board in its last meeting of the year. Implementation of the new SAA will commence in 2026.

The Fund’s investment performance in 2025 by asset class is illustrated in the chart below.



The Fund’s portfolio as at 31<sup>st</sup> December 2025, and the corresponding SAA targets, are illustrated in the table below.

Asset Class	Actual Portfolio Weightings	SAA Target
Domestic Cash	9.6%	10.0%
Domestic Fixed Income	17.2%	20.0%
Domestic Equities	46.3%	27.0%
Domestic Properties	12.2%	15.0%
<b>Domestic Assets - Total</b>	<b>85.3%</b>	<b>72.0%</b>
International Cash	2.9%	1.0%
International Fixed Income	0.0%	5%
International Equities	11.8%	15.0%
Emerging Markets Equities	0.00%	7.0%
<b>International Assets - Total</b>	<b>14.7%</b>	<b>28.0%</b>
<b>Total Investment Assets</b>	<b>100%</b>	<b>100%</b>



FEL would like to express our sincere appreciation to the CTSL Board and Management for entrusting us with the privilege of working together over the past six years. This collaboration has enabled us to pursue prudent investment growth on behalf of the Fund and its members. We value the opportunity to contribute to the Fund’s ongoing success and look forward to continuing this productive partnership in the future.

**Adam Kramer**  
Director  
Frontier Equities Limited

**Robbie Namaliu**  
General Manager  
Frontier Equities Limited

# Comrade Trustee

## Your Fund



On 1 January 2003, Comrade Trustee Services Limited (CTSL) was appointed trustee for the Fund in line with the Superannuation (General Provisions) Act 2000.



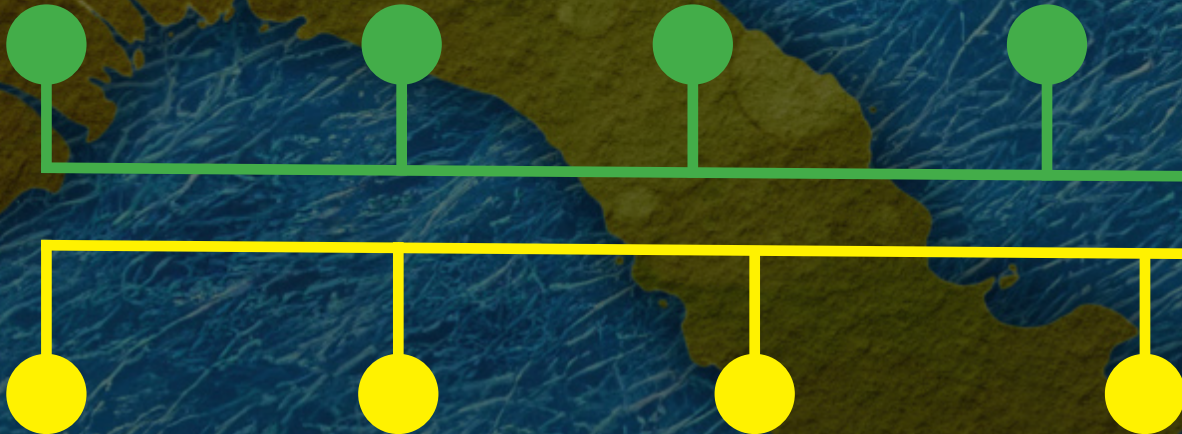
Mid-2000s – Fund Growth & Stabilisation  
Strengthening of governance frameworks and investment strategies.  
Growth in member contributions



2010–2013 – Expansion of Member Services  
Introduction of improved benefit processing systems.  
Increased focus on member awareness and financial literacy programs for PNGDF personnel.



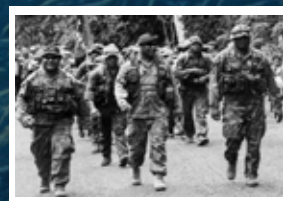
2014–2016 – Investment Diversification  
CTSL expanded investments beyond traditional assets into:  
Property and real estate  
Equities and fixed income portfolios  
Aimed at improving returns for members.



1973 – PNGDF formally established (evolving from the Pacific Islands Regiment under Australian administration)



1975 – Independence of Papua New Guinea; PNGDF becomes the national military force at independence



1975 (symbolic event) – Soldiers conduct the historic Wewak–Port Moresby march, demonstrating the need for a national defence force.



1980 – PNGDF deploys troops to Vanuatu. Its first overseas operation.

# PNG DEFE

Honouring Our Journey

# Services Limited

of Choice



2019 – The Toea Homes housing scheme became operational when the first houses were completed and handed over to PNG Defence Force members



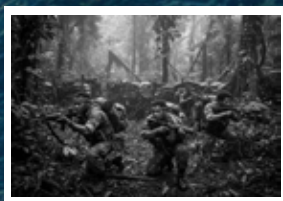
3 February 2023 – An interim board was appointed by the Bank of Papua New Guinea (BPNG)  
3 August 2023 – The full (new) board was officially established and endorsed



27 January 2020 — Charlie Gilichibi was appointed Chief Executive Officer of Comrade Trustee Services Limited.



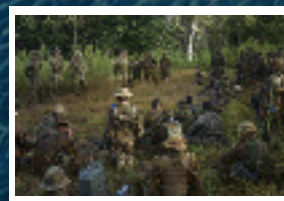
2025 - CTSL Announces 12.5% Interest Credit Rate



1989–1997 – PNGDF heavily involved in the Bougainville Civil War.



2003 – PNGDF deploys troops to the Regional Assistance Mission to Solomon Islands (RAMSI)—a major regional peacekeeping role.



2010s – Continued modernization efforts with strong support from partners like Australia, New Zealand, and the US



2025 – PNG marks 50 years of independence (PNG50) with major military displays, joint exercises, and ceremonial events highlighting PNGDF capability and partnerships

# NCE FORCE

Securing Your Future



## Fund Administrator's Statement

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

### 2025 Year in Review

Kina Investment & Superannuation Services Limited (KISS) is pleased to present its annual fund administration statement for the period ending 31 December 2025, for Comrade Trustees Services Limited (CTSL).

Throughout the year, KISS has maintained its commitment to providing superior fund administration services and has continued to enhance its technological infrastructure to effectively support the evolving requirements of CTSL and the members of the fund.

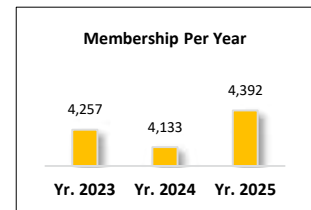
### Key highlights for 2025:

Membership	Funds under Administration	Contributions	Benefit Payments	Pension
Fund membership grew by 6% to 4,392 members as of 31 December, 2025.	Total funds under administration increased by 25%, from PGK553.7 million in 2024 to PGK691 million as of 31 December, 2025.	Total of PGK31.8 million in contribution receipts in 2025 compared to PGK58 million in 2024.	Total of PGK28.5 million paid out as member benefits compared to PGK32 million in 2024.	Active pension members remained unchanged at 1,588 although a 7% increase in total fortnightly payments to PGK15 million in 2025.

### Fund membership

Total membership for the fund was 4,392 on 31 December 2025, comprising of 4,216 Accumulation scheme members and 176 Defined Benefit Scheme members, an increase of 6% since December 2024.

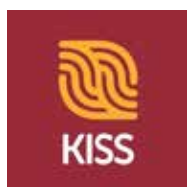
Year	Accumulation Scheme			Defined Benefit Fund			Total
	Active	Inactive	Total	Active	Inactive	Total	
2025	3,916	300	4,216	80	96	176	4,392
2024	3,714	239	3,953	87	93	180	4,133
2023	3,789	286	4,075	88	94	182	4,257



### Funds under administration

Closing the year on 31 December 2025 total funds under administration reached PGK691 million, an increase of 25% representing PGK137 million from December 2024.

Scheme	Year 2024			Year 2025		
	Active Membership	Inactive Membership	Total	Active Membership	Inactive Membership	Total
Accumulation	538,196,714.58	10,054,922.81	548,251,637.39	667,098,339.42	18,020,583.91	685,118,923.33
Defined Benefit	4,310,533.00	1,165,667.35	5,476,200.35	4,310,886.63	1,648,420.57	5,959,307.20
<b>Total</b>	<b>542,507,247.58</b>	<b>11,220,590.16</b>	<b>553,727,837.74</b>	<b>671,409,226.05</b>	<b>19,669,004.48</b>	<b>691,078,230.53</b>

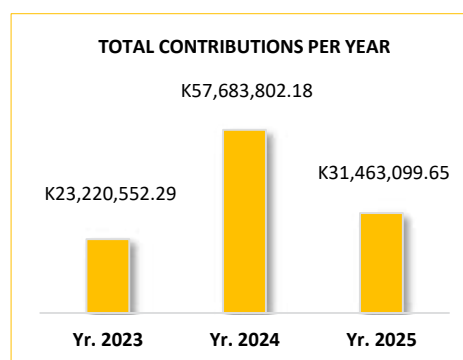


## Contributions

Total contributions received and allocated was PGK31.8 million for both the Defined Benefit and Accumulation Schemes.

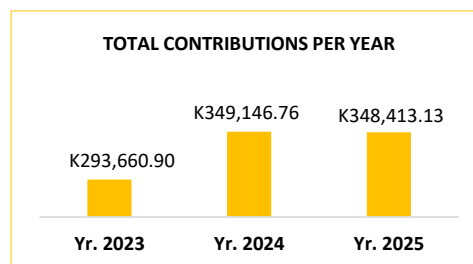
### Accumulation fund

Description	Year 2023	Year 2024	Year 2025
Member Contributions	7,891,868.06	8,946,927.53	11,358,385.23
Employer Contributions	11,975,921.86	13,109,261.02	15,071,051.54
Member Voluntary	2,726,780.94	3,147,194.55	4,132,592.54
Employer Voluntary	0.00	0.00	0.00
Member Salary Sacrifice	11,150.22	0.00	0.00
Housing Advance Repayment	459,483.76	571,068.20	901,070.34
Transfers from other ASF	155,347.45	145,182.70	0.00
State Share	0.00	31,764,168.18	0.00
Unallocated Contributions	0.00	0.00	0.00
<b>Total</b>	<b>23,220,552.29</b>	<b>57,683,802.18</b>	<b>31,463,099.65</b>



### Defined Benefit fund

Description	Year 2023	Year 2024	Year 2025
Member Contributions	233,852.89	252,037.72	260,128.62
Employer Contributions (Gratuity)	0.00	4,483.47	0.00
Housing Advance Repayment	21,514.45	37,819.30	29,130.02
Member Voluntary	38,293.86	54,806.27	59,154.49
Unallocated Contributions	0.00	0.00	0.00
<b>Total</b>	<b>293,660.90</b>	<b>349,146.76</b>	<b>348,413.13</b>



### Key Highlights:

- **Accumulation scheme** – Underwent a considerable increase in member contributions from K8.9 million in 2024 to K11.4 million while employer contributions rose from K13.1 million in the previous period to K15 million in 2025. Member voluntary and housing advance repayments also experienced remittance increase by a K1 million and K330k respectively.
- **Defined Benefit Scheme** – Contributions remained relatively stable in 2025, experiencing only a minor decrease from K349k to K348k.

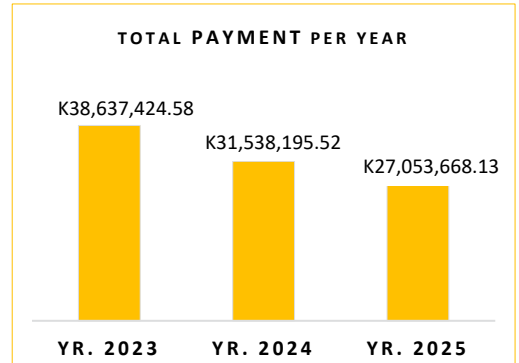
## Benefit Payments

Total benefit payments disbursed in 2025 was K28.48 million for and on behalf of the members of both the Defined Benefit and Accumulation schemes.



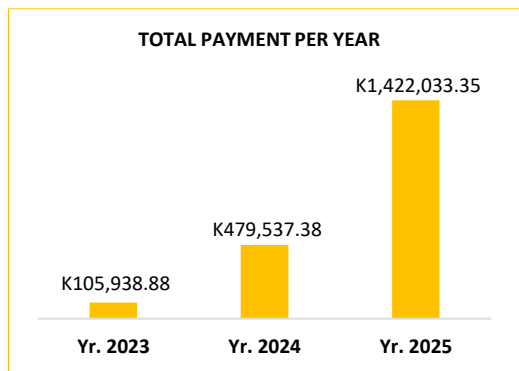
#### Accumulation fund

Description	Year 2023	Year 2024	Year 2025
Normal Retirement	1,509,408.30	5,252,876.43	17,075,987.18
State Share Payments	25,986,076.72	16,092,672.57	3,327,272.98
Medical Retirement	0.00	-	237,334.34
Death	549,541.15	1,856,813.53	1,776,157.64
Transfer Out (to other ASF)	338,883.22	4,346,896.95	-
Unemployment Benefits	8,756.46	4,596.13	20,321.26
Housing Advance	2,878,527.22	3,535,958.16	4,493,353.93
Tax on Full Benefits	74,197.09	448,317.86	121,365.08
Tax on Partial Benefits	558,898.27	63.89	1,875.72
<b>Total</b>	<b>31,904,288.43</b>	<b>31,538,195.52</b>	<b>27,053,668.13</b>



#### Defined Benefit fund

Description	Year 2023	Year 2024	Year 2025
Refund/Commutation	0.00	304,871.89	1,018,468.27
Normal	12,616.35	0.00	33,412.94
Medical	0.00	0.00	0.00
Death	0.00	0.00	0.00
Transfer Out (to other ASF)	0.00	0.00	0.00
Transfer Out (to DFAC)	0.00	0.00	24,562.89
Housing Advance	92,905.46	170,962.59	344,000.01
Tax on Full Benefits	417.07	3,702.90	1,589.24
Tax on Partial Benefits	0.00	0.00	0.00
<b>Total</b>	<b>105,938.88</b>	<b>479,537.38</b>	<b>1,422,033.35</b>

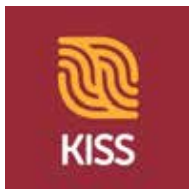


#### Key Highlights:

- **Normal Benefit Payment** – The fund recorded a high outflow of payments totalling K17 million in 2025 to 130 members from the Accumulation Scheme compared to the previous year of K5 million been for reaching compulsory retirement age and refunds of late contributions.
- **Housing Advance Payment** – Rose by more than K900k in 2025 with 151 members from both the Accumulation and Define Benefit Schemes accessing their savings indicating proactive approach to build a home prior retirement.
- **Unfunded State Share** - Upon receiving government funding, the Accumulation Scheme paid 12 members totalling K3.3 million.
- **Defined Benefited Scheme** – Withdrawal payments saw a substantial rise of 197% in 2025 totalling K1.42 million, up from K479.5k in the previous year, largely driven by a commutation payout.

#### Pension

Pension benefits paid to pensioners in 2025 increased by 7% totalling PGK 16 million compared to the previous year 2024 of K15 million. The number of pension members remained unchanged at 1,588 with no new pensioner

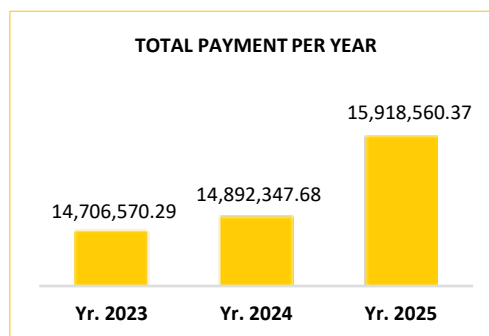


### Pension statistics

Description	Yr. 2023	Yr. 2024	Yr. 2025
Normal*	1,186	1,178	1,176
Suspended*	403	410	412
Widow	482	481	481
Child	12	12	12
Age greater than 65	1,147	1,188	1,225
Eligible for six months advance	720	892	890
<b>Total (Normal* + Suspended*)</b>	<b>1,589</b>	<b>1,588</b>	<b>1,588</b>

### Pension payments

Payments	Yr. 2023	Yr. 2024	Yr. 2025
On-off Pension	2,344.33	0.00	0.00
Regular	14,704,225.96	14,892,347.68	15,918,560.37
<b>Total</b>	<b>14,706,570.29</b>	<b>14,892,347.68</b>	<b>15,918,560.37</b>



### Looking Ahead 2025 and beyond

We are committed to our partnership with CTSL and we are positioning ourselves to continue investing in advanced technologies to further enhance the value of our fund administration services for CTSL and its members.

Our envisioned future initiatives include the exploration of an Intelligent Document Analysis (**IDA**) software - a tool that will provide robust capabilities for automated, high-quality data capture, extraction, and understanding, and specifically designed to streamline the management of manual forms including member details update forms, benefit payment application forms and other manual forms.

We remain committed to our long-standing partnership with CTSL and look forward to continued collaboration in 2026 and beyond.

**Deepak Gupta**  
Executive General Manager

# DEFENCE FORCE RETIREMENT BENEFITS FUND

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Annual financial  
report for the  
year ended  
31 December  
2025



## Trustee's Declaration to Members

For the year ended 31 December 2025.

**In our opinion, as Trustee of the Defence Force Retirement Benefits Fund (the "Fund"), the accompanying financial statements of the Fund which comprise of the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Net Assets, the Statement of Cash Flows, and the Notes to the financial statements, including a summary of significant accounting policies, give a true and fair view of the Fund's financial position and performance as at 31 December 2025 in accordance with International Financial Reporting Standards, the Superannuation (General Provisions) Act 2000, the Defence Force Retirement Benefits Fund Act and the Superannuation Prudential Standards issued by the Bank of Papua New Guinea.**

Further, we are of the opinion that:

- a) the results of the Fund's operations for the year have not been materially affected by items, transactions or events of an abnormal nature or character. All significant transactions during the year have been appropriately identified and disclosed in the financial statements.
- b) no circumstances have arisen which would: (i) adversely impact the Fund's ability to meet its financial obligations and commitments as and when they become due and/or (ii) render any amount in the financial statements misleading.
- c) there are no contingent liabilities that could materially affect the ability of the Fund to meet its obligations as and when they become due; and
- d) The Trustee has satisfied itself that:
  - i. key financial and operational risks have been identified and mitigating processes set in place;
  - ii. systems to control and monitor those risks have been established including adherence to prudent policies and procedures, reasonable operating limits and adequate and timely reporting processes;
  - iii. established risk management systems are operating effectively and are adequate to address the risks they are designed to control; and
  - iv. there are no apparent conflicts of interest with respect to the Fund's engagement of independent external auditors which may compromise their performance.

Dated at Port Moresby this 24th day of March 2026.

**For and on behalf of the Board of Comrade Trustee Services Limited.**



**Chetan Chopra**  
Chairman



**Judy Kuk**  
Director

## Management Declaration

For the year ended 31 December 2025.

**In our opinion, as management of the Trustee of the Defence Force Retirement Benefits Fund ("the Fund"), the accompanying financial statements of the Fund which comprise of the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Net Assets, the Statement of Cash Flows, and the Notes to the financial statements including a summary of significant accounting policies, give a true and fair view of the Fund's financial position and performance as at 31 December 2025 in accordance with International Financial Reporting Standards, the Superannuation (General Provisions) Act 2000, the Defence Force Retirement Benefits Fund Act and the Superannuation Prudential Standards issued by the Bank of Papua New Guinea.**

Further, we are of the opinion that:

- a) the results of the Fund's operations for the year have not been materially affected by items, transactions or events of an abnormal character. All significant transactions during the year have been appropriately identified and disclosed in the financial statements.
- b) no circumstances have arisen which would: (i) adversely impact the Fund's ability to meet its payment obligations and commitments as and when they become due and/or (ii) render any amount in the financial statements misleading;
- c) there are no contingent liabilities that could materially affect the ability of the Fund to meet its obligations as and when they become due; and
- d) Management has satisfied itself that:
  - i. key financial and operational risks have been identified and mitigating processes set in place;
  - ii. systems to control and monitor those risks have been established including adherence to prudent policies and procedures, reasonable operating limits and adequate and timely reporting processes;
  - iii. established risk management systems are operating effectively and are adequate to address the risks they are designed to control; and
  - iv. there are no apparent conflicts of interest with respect to the Fund's engagement of independent external auditor which may compromise their performance.

Dated at Port Moresby this 24th day of March 2026.

**For and on behalf of the Management of Comrade Trustee Services Limited.**



**Charlie Gilichibi**  
Chief Executive Officer



**Jackraho Morea**  
General Manager, Finance

# Report of the Trustee of the Fund

For the year ended 31 December 2025.

**The directors of Comrade Trustee Services Limited take pleasure in submitting this report and the annual financial statements of the Fund for the financial year ended 31 December 2025 in compliance with the provisions of the Companies Act 1997 and the Superannuation (General Provisions) Act 2000.**

## Activities

The principal activity of the Fund was the management of retirement funds for the members of the Papua New Guinea Defence Force.

## Results

The net profit after tax was K99,260,563 (2024: K75,108,079) and increase in net assets for the year K95,570,195 (2024:K89,847,256).

## Board of Directors

The directors of the Trustee at the date of the report of the Fund are listed on page 20. No director of the Trustee had any material interest in any contract or arrangement with the Fund or any related entity during the year ended 31 December 2025.

- Chetan Chopra - Chairman (Appointed 27/11/2025)
- Michelle Hau'ofa - (Resigned 27/12/2025)
- Warwick Vele
- Charles Lee
- Colonel Fred Aile - (Resigned 25/09/2025)
- Rear Admiral Philip Polewara
- Colonel Raymond Yahamani - (Appointed 25/09/2025)
- Judy Kuk - (Appointed 25/09/2025)

## Trustee Secretary

Ms. Raka Raula

## Change in accounting policies

There were no changes in accounting policies for the current year.

## Entries in the interest register

Interest of the Directors of the Trustee as recoded in the interest register are disclosed in note 22.4

## Remuneration of Trustee Directors

Remuneration paid to Directors has been disclosed in note 22.3 to the financial statements.

## Remuneration of Employees

The number of employees (not including directors) whose remuneration exceed K100,000 in the bands of K50,000 is disclosed in note 22.2.

## Independent audit report

The financial statements have been audited by Ernst & Young and should be read in conjunction with the Independent Auditor's report on pages 51–53. Fees paid for external audit services are disclosed in Note 20.2 to the financial statements.

## Subsequent events

There has not been any other matter or circumstance other than that referred to in the financial statements, that has arisen since the end of the financial year that has significantly affected, or may significantly affect the operations of the Fund, the results of those operations or the state of affairs of the Fund in future financial years that would require an adjustment or disclosure in the financial statements.

## Signed in accordance with a resolution of the Directors.

Dated at Port Moresby this 24th day of March 2026.

On behalf of the Directors.



**Chetan Chopra**  
Chairman



**Judy Kuk**  
Director



**Shape the future  
with confidence**

Ernst & Young  
Credit House, Level 4  
Cuthbertson St, Port Moresby  
PO Box 1380, Port Moresby 121  
National Capital District Papua New Guinea

Tel: 675 305 4100  
Fax: 675 305 4199  
ey.com/pg

## Independent auditor's report to the members of Defence Force Retirement Benefits Fund

### Opinion

We have audited the financial report of the Defence Force Retirement Benefits Fund (the Fund) for the year ended 31 December 2025 comprising the statement of financial position, statement of comprehensive income, statement of changes in net assets and statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, and the Trustee's declaration

- a) In our opinion, the accompanying financial report of the Fund is in accordance with the *Superannuation (General Provision) Act 2000*, and the *Superannuation Prudential Standards issued by the Bank of Papua New Guinea* giving a true and fair view of the Fund's financial position as at 31 December 2025 and of its performance for the year ended on that date; and
- b) complying with International Financial Reporting Standards.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial report in Papua New Guinea, and we have fulfilled our ethical responsibilities in accordance with these requirements.

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

### Information Other than the Financial Report and Auditor's Report Thereon

The Fund's Trustee is responsible for other information. The other information is the Management Declaration and Report of the Trustee of the Fund.

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

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

If, based on 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.

### Responsibilities of the Trustee for the Financial Report

The Fund's Trustee is responsible for the preparation of the financial report that gives a true and fair view in accordance with International Financial Reporting Standards, the *Superannuation (General Provision) Act 2000*, the Superannuation Prudential Standards issued by the Bank of Papua New Guinea and for such internal control as the Trustee determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



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In preparing the financial report, the Trustee is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Trustee either intends to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit 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 the International Standards on Auditing 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 report.

As part of an audit in accordance with the International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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



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## Report on other legal and regulatory requirements

The *Superannuation (General Provision) Act 2000* and the Superannuation Prudential Standards issued by Bank of Papua New Guinea requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

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

*Ernst & Young*

Ernst & Young

*M Savage*

Matthew Savage  
Partner

Registered under the Accountants Act 1996  
Port Moresby  
24 March 2026

## STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2025

	Note	2025	2024
		K	K
<b>Assets</b>			
Cash and cash equivalents	7	99,859,926	44,060,272
Receivables from State	8	20,533,050	14,632,064
Financial assets:			
At fair value through profit or loss	9.1	521,898,047	446,491,780
At amortized cost	9.2	169,555,897	170,667,289
Investment properties	10	109,673,150	115,441,630
Asset classified as held for sale		1,018,203	-
Property and equipment		10,859,458	849,678
Other assets	11	16,292,995	9,372,314
Related party receivables	21.1	(5,011,499)	16,292,995
Current tax assets	12.4	655,609	(6,863,230)
Deferred tax assets	12.3(a)	600,411	600,411
<b>Total assets</b>		<b>945,334,836</b>	<b>811,545,203</b>
<b>Liabilities</b>			
Member's Benefits Payable	13	4,244,986	3,593,993
Employee provisions		1,694,774	1,187,279
Deferred tax liabilities	12.3(b)	55,276	50,518
Other liabilities	14	39,976,359	2,920,168
<b>Total liabilities</b>		<b>45,971,395</b>	<b>7,751,957</b>
<b>Net assets available to pay benefits</b>	15	<b>899,363,441</b>	<b>803,793,246</b>

Full notes to the financial statements are provided beginning page 56.

# STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

		2025	2024
	Note	K	K
<b>Revenue</b>			
<b>Investment revenue</b>			
Interest income	16	14,271,888	9,384,049
Dividends		33,881,472	31,356,193
Property income net of property expenses	17	2,384,704	2,227,141
Change in fair value on investment properties	10	(8,928,602)	(39,276,944)
Change in fair value of financial assets	9.3	75,044,290	96,524,746
<b>Net investment revenue</b>		<b>116,653,752</b>	<b>100,215,186</b>
Other net income/(expense)		4,044,878	638,997
<b>Total revenue</b>		<b>120,698,630</b>	<b>100,854,183</b>
<b>Administrative and management expenses</b>			
Trustee administration and management expenses	19	(19,005,879)	(15,378,932)
Fund administration and investment fees	20	(2,482,627)	(2,354,091)
<b>Total administrative and management expenses</b>		<b>(21,488,506)</b>	<b>(17,733,023)</b>
<b>Net profit before income tax</b>		<b>99,210,124</b>	<b>83,121,160</b>
Income tax expense	12.1	50,439	(8,013,081)
<b>Net profit after income tax</b>		<b>99,260,563</b>	<b>75,108,079</b>
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income</b>		<b>99,260,563</b>	<b>75,108,079</b>

Full notes to the financial statements are provided beginning page 56.

# STATEMENT OF CHANGES IN NET ASSETS

For the year ended 31 December 2025

		2025	2024
	Note	K	K
Net profit for the year available to pay benefits		99,260,563	75,108,079
Contributions from members and state	18.2	38,002,739	48,048,827
Benefits paid to members	18.1	(41,693,107)	(33,309,650)
<b>Change in net assets for the year</b>		<b>95,570,195</b>	<b>89,847,256</b>
Net assets available to pay benefits at the beginning of the year		<b>803,793,245</b>	<b>713,945,989</b>
<b>Net assets available to pay benefits at the end of the year</b>		<b>899,363,441</b>	<b>803,793,245</b>

Full notes to the financial statements are provided beginning page 56.

## STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	2025	2024
Note	K	K
<b><i>Cash flows from operating activities</i></b>		
Interest received	12,984,414	10,185,879
Dividends received	33,648,774	30,311,804
Property income received	2,301,231	2,227,141
Benefits paid to members	(41,682,312)	(36,432,508)
Cash payment to employees and suppliers	(19,587,327)	(17,587,543)
<i>Net cash flows from operating activities</i>	<b>(12,335,221)</b>	<b>(11,295,226)</b>
<b><i>Cash flows from investing activities</i></b>		
Proceeds from maturity of government inscribed stock	7,764,677	6,000,000
Purchase of treasury bills	86,721,675	(91,449,396)
Purchase of government inscribed stock	(61,284,440)	(37,000,000)
Investment in convertible note	(20,000,000)	-
Payment received on convertible note	-	12,159,500
Purchase of property and equipment	(12,486,568)	(73,394)
Additions to investment properties	(741,011)	(2,434,461)
Investment in Toea Homes Limited	-	(1,900,104)
Advanced receipt from sale of investment properties	792,000	-
<i>Net cash flows used in investing activities</i>	<b>(2,393,790)</b>	<b>(114,697,855)</b>
<b><i>Cashflow from financing activities</i></b>		
Contributions received from members & state	74,502,738	48,048,827
Cash receipt from the state share of benefits	(3,974,075)	(6,864,043)
Contributions from members other than PNGDF	-	(4,281,745)
<i>Net cashflows used in financing activities</i>	<b>70,528,663</b>	<b>36,903,038</b>
<i>Net increase in cash and cash equivalents</i>	<b>55,799,653</b>	<b>(89,090,043)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>44,060,273</b>	<b>133,150,316</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>7</b>	<b>44,060,273</b>

Full notes to the financial statements are provided beginning page 56.

# NOTES TO THE FINANCIAL STATEMENTS

## 1. DESCRIPTION OF THE FUND

Defence Force Retirement Benefits Fund (the “Fund” or “DFRBF”) was established and recognised as a Superannuation Fund on 1 January 2003 pursuant to Section 8 of the Superannuation (General Provisions) Act 2000 and governed under the Defence Force Retirement Benefits Fund Act, Chapter 79 (DFRBF Act) with the repeal of Section 17 of the DFRB Act (provision through which the Fund was initially established on 31 December 2002). DFRBF was a Defined Benefits Fund until November 2015, when Parliament passed a bill creating a defined contribution fund and allowing members to choose between the existing Defined Benefits and the newly established Defined Contribution (Accumulation) Fund. This has effectively changed the Fund from being a Defined Benefits Fund to a hybrid Fund with both Defined Benefits and Defined Contribution (Accumulation) Schemes as at 1 January 2016.

The Trustee at balance sheet date is Comrade Trustee Services Limited (“CTSL” or “Trustee”). CTSL is licensed by the Bank of Papua New Guinea as the corporate Trustee for the DFRBF. As the licensed corporate Trustee, it has ultimate legal responsibility for the prudent management and preservation of the Fund subject to the requirements of the Superannuation Act and governing rules of the Fund.

The Fund is operated for the purpose of providing benefits to members of the DFRBF who are members of the PNG Defence Force on retirement and/or to their families in the event of death and for related purposes. The objective of the Trustee is to ensure that the benefit entitlements of members and their declared beneficiaries are fully funded by the time they become payable.

Total membership for the Fund as at 31 December 2025 was:

	ACCUMULATION BENEFIT MEMBERS	DEFINED BENEFIT MEMBERS	TOTAL
Contributors	4,216	176	4,392
Pensioners	-	1,588	1,588

The fund administration and investment management functions were outsourced to and performed by Kina Investment & Superannuation Services Limited (KISS) and Frontier Equities Limited (FEL) respectively, in compliance with the Superannuation (General Provision) Act 2000.

The principal place of business of the Fund is:

### Comrade Trustee Services Limited

Level 1, Comrade Haus,  
Off Frangipani Street, Hohola  
Port Moresby, National Capital District  
Papua New Guinea

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Statement of compliance

The financial statements of Defence Force Retirement Benefits Fund (the “Fund”) have been prepared in accordance with the Superannuation (General Provisions) Act 2000, International Financial Reporting Standards (“IFRS”), and the Superannuation Prudential Standards issued by the Bank of Papua New Guinea.

### 2.2 Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and financial assets at fair value through profit and loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Fund’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 6. The principal accounting policies are set out below.

Defence Force Retirement Benefit Fund meets the definition of an investment entity under IAS 10 Consolidated Financial Statements in accordance with the consolidation exemption for investment entities in IAS 10, the Fund measures its investments at fair value through profit or loss in accordance with IAS 9 Financial instruments. There are no significant restrictions on the ability of any unconsolidated investments to transfer funds to the Fund.

### 2.3 Summary of significant accounting policies

#### (a) Revenue recognition

The Fund’s income items are recognised on an accrual basis and are presented in the Statement of Comprehensive Income.

#### Interest revenue

Interest income is recognised when it is probable that the economic benefits will flow to the Fund and the amount of income can be measured reliably. Interest income is accrued on a periodic basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount on initial recognition.

#### Dividend revenue

Dividend revenue from investments is recognised when the shareholder’s right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Fund and the amount of income can be reliably measured).

For listed equity, this is usually the ex-dividend date. For unlisted equity securities, this is usually the date on which the shareholders approve the payment of a dividend.

### Property rental income

Rental income from operating leases are recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

### (b) Taxes

The Fund is exempted from paying income taxes on Capital gains and dividends. However, interest income received by the Fund is subject to interest withholding tax while rental income is fully taxable.

Income that is subject to such tax is recognised gross of the taxes and the corresponding withholding tax is recognised as tax expense.

### Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted, at the reporting date in the countries where the Fund operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change.

The adjustment is either treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

### (c) Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation. Depreciation is calculated on the basis of straight line to write-off the cost of such assets to their residual values over their estimated useful lives as follows:

<b>Furniture and fittings</b>	15%
<b>Motor vehicles</b>	30%
<b>Office equipment</b>	20%
<b>Renovations</b>	10%
<b>Software</b>	33%

The asset's residual values and useful lives are reviewed and adjusted, if appropriate at each balance sheet date.

Profits or losses on disposal (being the difference between the carrying value at the time of sale or disposal and the proceeds received) are taken into account in determining operating profit for the year. Repairs and maintenance costs are charged to the profit and loss and other comprehensive income statement when the expenditure is incurred.

### (d) Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

Land and buildings, classified as investment property, are valued at 31 December 2025. In determining the fair value for financial reporting purposes, reference is made to the valuations performed by registered valuers ("the valuers") whose valuation reports indicate several methods that have been considered as a part of the valuation process and include methods such as capitalisation method, summation method and discounted cash flow method.

The valuation reports provided by the valuers are performed independently and the valuation methodology used takes into consideration the applicability of each methodology respectively with the type of assets being valued which are reflective of prevailing economic and market conditions to ensure that the values adopted are fair and appropriate for financial reporting purposes.

The registered valuers:

REGISTERED VALUER	PROPERTIES
<b>CJ Valuers</b>	Defens Haus
<i>Qualifications</i>	Latitude 9
BLST (PNGUT), PNGIVLA,	Ela Makana 1 & 2
Member no. 29, Certified	Taurama Commercial
Valuer No. 124	Comrade Haus

### (e) Financial assets

#### i. Recognition and initial measurement

The Fund's financial assets are initially recognised at

fair value through profit and loss (FVTPL) on acquisition. Other Financial Assets not recognised as FVTPL are recorded at cost. The classification depends on the purpose for which the investments are acquired. Management of the Trustee of the Fund determines the classification of its investments at initial recognition.

#### ii. Classification and subsequent measurement

With the introduction of IFRS 9 effective January 2018, financial assets are classified under the following three categories:

- financial assets at fair value through profit or loss (FVTPL);
- financial assets at fair value through other comprehensive income (FVOCI) and;
- amortized cost financial assets.

##### (1) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and those assets managed for which their performance is evaluated on a fair value basis in accordance with the Fund's investment strategy.

The Fund after the introduction of IFRS 9 has maintained classifying its listed and unlisted equities under Financial Assets at Fair Value through Profit and Loss. These two-asset class basically met the "Other" business model test where they were not held for contractual cash flow or sale. The main purpose is for capital growth and dividends.

##### (2) Amortized cost

Financial assets held to maturity are non-derivative with fixed or determinable receipts and fixed maturities that the Fund's management has the positive intention and ability to hold to maturity.

A financial asset is measured at amortized cost if the business model requires holding assets to collect contractual cash flows and the term of contract will give rise on specified dates to cash flows that are Solely Payment of Principal & Interest (SPPI) and that it is not designated as at FVTPL.

For BPNG Treasury bills, under investment securities classification, the 12-month ECL for these financial instruments are not material as:

- The financial instruments have a low risk of default;
- The BPNG, in the short term, is expected to have a strong capacity to meet its obligations given past behaviour, despite Papua New Guinea's relatively poor international credit rating; and
- The Fund's management, in the longer term, believe the adverse changes in economic and business conditions, will not reduce the ability of BPNG to meet its obligations to pay Treasury bills upon maturity.

The Funds' investment in Government Inscribed Stock are measured at Amortized Cost as it is held to collect contractual cash flow. Upon settlement on specific dates in the future, the cashflow is "Solely Payment of Principal and Interest".

### (3) Reclassifications

Financial assets are not reclassified subsequent to their initial recognition unless the Fund was to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

### (4) Financial Liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. The Fund carries no Financial Liabilities as the Bank regulations do not allow for it.

### iii. Fair value measurement

Changes in fair market value of Financial Assets and Investment properties are recognised as income and are determined as the difference between the fair market value at year end or consideration received (if sold during the year) and the fair market value as at the prior year end or cost (if the investment was acquired during the period).

'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 in the principal or, in its absence, the most advantageous market to which the Fund has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Fund measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Fund measures instruments quoted in an active market at a mid-price, because this price provides a reasonable approximation of the exit price.

If there is no quoted price in an active market, then the Fund uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

Unlisted shares were independently valued as at 31 December 2025 as adopted by the Board. This valuation was performed by Kina Investment Banking as an independent professional valuer. The methodology used in the analysis was a combination of future maintainable earnings, dividend yields and discounted cash flows of assets, respectively as appropriate to the shares except

for Toea Homes Ltd, a 100% subsidiary, where the adjusted net asset value is applied.

### iv. Amortized cost measurement

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference.

### v. Impairment of financial assets

Subsequent to the introduction of IFRS 9, the Fund recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost.

The Fund measures loss allowances at an amount equal to lifetime ECL, except cash and cash equivalents which are measured as 12 month ECL as credit risk (i.e the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for receivables are always measured at an amount equal to lifetime ECL.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

The Bank does not allow the Fund to issue loans to members and also does not allow interest bearing deposits with Financial Institutions that are not on the Bank's approved list. This mitigates the risk of possible impairments for the assets held at amortised cost. In addition, the Fund has K154 million out of its total assets of K945 million sitting as investments with BPNG through purchasing of the Government Inscribed Stocks and Treasury Bills. These have a high credit risk rating which further reduces the possible risk of impairments of these assets.

### (f) Loans and impairment losses

Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Loans originated by the Fund by providing money directly to the borrower are recognised as loans originated by the Fund and are carried at cost, which is defined as the fair value of cash consideration given to originate those loans as is determinable by references to market prices at origination date.

Third party expenses, such as legal fees, incurred in securing a loan are treated as part of the cost of the transaction.

The Fund does not issue or take loans as per Prudential Standards issued by the regulator, the Bank of Papua New Guinea.

#### **(g) Cash and cash equivalents**

For the purpose of the statement of cash flows, cash and cash equivalents comprise balances with less than 90 days maturity from the date of acquisition including cash and term deposits.

#### **(h) Foreign currency**

##### **Functional presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The financial statements are presented in Kina, which is the Fund’s functional and presentation currency.

##### **Transactions and balances**

Foreign exchange transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency gains and losses resulting from the settlement of such transactions and from the transaction at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of changes in net assets.

#### **(i) Changes in accounting policies and comparatives**

No changes to accounting policies in the current year impacted the Fund. See details IFRS Standards in Note 2.4.

#### **(j) Employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, including salary sacrifices, annual leave and long service leave, when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled wholly within 12 months are measured as the present value of the estimated future cash outflows to be made by the Fund in respect of services provided by employees up to reporting date.

##### **Defined contribution plans**

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. The employees of the Trustee of the Fund do not contribute to the Fund but to a different Superannuation Fund.

#### **(k) Provisions**

Provisions are recognised when the Fund has a present obligation (legal or constructive) as a result of a past event, it is probable that the Fund will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

#### **(l) Goods and services tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

#### **(m) Payables**

Trade payables and other accounts payable are recognised when the company becomes obliged to make future payments resulting from the purchase of goods and services.

## **2.4 Application of new and revised International Financial Reporting Standards (IFRSs)**

### **(a) New Accounting Standards with impact on the Fund introduced in 2024.**

The new and amended standards which are effective for annual periods beginning 1 January 2024 had no impact on the operations of the Fund in terms of its applications.

### **(b) Standards to be issued on and after 1 January 2025**

The Fund will adopt, where applicable, the following standards, amendments to existing standards and interpretations when these become effective. Except as otherwise indicated, the Fund does not

expect the adoption of these new standards and interpretations to have a significant impact on its financial statements:

#### Effective on or after 1 January 2025

Amendments to IAS 5 – Lack of Exchangeability

#### Effective on or after 1 January 2026

IFRS Practise Statement 1

Amendments to IFRS 9 and IFRS 7

Annual Improvements 2026

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 19 Subsidiaries with Public Accountability: Disclosures

### 3. CONTRIBUTION ARRANGEMENTS

#### Defined Benefit scheme

Contributions are made to the Fund in accordance with Part IV of the DFRBF Act at 6% of members' gross salaries for member contributions while the employer (State) contribution is 60% of pension benefits or resignation benefits calculated based on a formula provided in the DFRBF Act on retirement of a member.

#### Accumulation scheme

Contributions are as per the provisions of the Superannuation Act where the employer pays 8.4% and employees 6% every pay period. Additional contribution is up to each contributing members by way of voluntary contributions.

#### Contribution Receipts

##### Member contributions

Contributions received from members are recognised on cash basis by way of bank credits from the Finance Department.

##### State (Employer) Contribution

#### Defined benefit scheme

Contributions from the state are recognised on an accrual basis, based on 60% of the benefit payments made to pension members monthly.

#### Accumulation scheme

Employer contributions of 8.4% of gross salary are recognised when received by way of bank credits from the Finance Department.

### 4. LIABILITY FOR ACCRUED BENEFITS UNDER DEFINED BENEFIT

The liability for accrued benefits for Defined Benefit Scheme Members has been determined based on the present value of the expected future payments that arise from membership of the Fund up to the measurement date. The figure reported has been determined by reference to the expected future salary levels and, by application of the market-based, risk-adjusted discount rate and relevant actuarial assumptions. The actuary (Mercer) undertook the valuation of accrued benefits for the Defined Benefit scheme as part of an actuarial review as at 31 December 2024. The actuarial investigation used an aggregate

costing method, whereby the discounted values of future benefits were compared with the net assets of the Fund, plus the discounted value of contributions paid by the existing members only. No assumptions were made regarding new entrants. Detailed discussion of the review is provided in the 2024 actuarial report.

Significant assumptions applied in the actuarial report are as follows:

	2024
Investment Yield	5%
Salary Increase	6%
Pension Increase	4%
Pension Commutation	40%

Accrued benefits were valued as part of a comprehensive review undertaken as at 31 December 2024 as follows:

	2024
	K
Liability for accrued benefits	115,733,000
Net value of assets	397,889,000

The vested benefits are calculated as the total benefits payable if every contributor to the Fund left voluntarily at the review date as follows:

	2024
	K
Liability for vested benefits	112,432,000
Net value of assets	397,889,000

Net value of assets under Defined Benefit scheme for the purposes of the above disclosure is calculated as net asset value as at balance sheet reporting date for the period of review, the actuarial value of the pensions currently paid is as follows:

	2024
	K
Total net assets available to pay benefits	803,794,000
Accumulation Fund	(405,905,000)
Net value of assets under Defined Benefit	397,889,000

The actuarial investigation indicated that 410 pensioners had suspended pensions. For the purpose of the valuation, suspended pensioners are valued as if they were alive and eligible to receive payment. The actuarial value of accrued benefits allocated to these suspended pensioners is K15.9 million which is 13.7% of the Fund's total actuarial value of accrued benefits. The Board and the actuary are satisfied that, while the valuation approach will likely overestimate the liability for these suspended pensioners, it is a prudent

approach, suitable for the purpose of the actuarial investigation.

In addition, inactive contributors are assumed to ultimately be deemed to have continuous full-time service for benefit purposes despite a period of inactivity. In practice, the vast majority of inactive contributors receive a return of member contributions rather than a pension. If the actuarial report assume that all inactive contributors receive a return of member contribution balances only, a lower liability will result, as shown in the sensitivity below:

	Value	Difference from member contribution balances	Proportion of Fund's total liabilities
Member contribution balances	<b>1,282,000</b>		
Vested benefits	<b>2,971,000</b>	<b>+1,689,000</b>	<b>1.5%</b>
Actuarial value of accrued benefits	<b>4,259,000</b>	<b>+2,977,000</b>	<b>2.6%</b>

Although the actuarial report is prepared as at 31 December 2024, in terms of the requirements of Section 24 of the Defence Force Retirement Benefits Act, Chapter 76, the next actuarial investigation of the fund should be carried out no later than 31 December 2027 for the year ending 31 December 2026.

## 5. LIABILITY FOR ACCRUED BENEFITS UNDER ACCUMULATION SCHEME

Under the Accumulation Scheme, the Fund's liability does not include the State component of the enhancement value and interests at the time of the transfer from the Defined Benefit Scheme to the Accumulation Scheme and annual interest credited to the members annually on those balances.

The Fund is only liable to pay the 6% component of the member's contribution, the Fund's enhancement values and interest earned at the time of transfer in addition to the interest and contributions received after the transfer to the date of exit from the Fund. This liability is limited to the AC scheme net asset of K437.4 million (see note 15(ii)).

## 6. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continuously evaluated and are based on historical experience and other factors, including future events that are believed to be reasonable under the circumstances.

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

### Valuation of investment properties

The Fund has adopted the fair value approach in determining the carrying value of its investment properties. In determining the fair value for financial reporting purposes, reference is made to the valuations performed by registered valuers ("the valuers") whose valuation reports indicate several methods that have been considered as a part of the valuation process and include methods such as capitalization method, summation method and discounted cash flow method. The valuation reports provided by the valuers are performed independently and the valuation methodology used takes into consideration of the applicability of each methodology respectively with the type of assets being valued which are reflective of prevailing economic and market conditions to ensure that the values adopted are fair and appropriate for financial reporting purposes.

### Valuation of financial assets and liabilities

The Fund carries most of its non-quoted financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgment. While significant components of fair value measurement were determined using verifiable objective evidence, i.e., foreign exchange rates, interest rates, and volatility rates, the amount of changes in fair value would differ if the Fund utilised a different valuation methodology. Any changes in fair value of these financial assets and liabilities would affect profit or loss and equity. (See note 2.3.e.4.iii).

### Receivable from the State

The State owes significant debts to the Fund in relation to:

- (1) State's share of the Accumulation (AC) member exit payments. This component is not reflected in the Fund's accounting records until it is received;
- (2) The balance of the initial AC members crystalized liability paid by the Fund;
- (3) State's share of the Defined Benefits (DB) member payments including the fortnightly pensions; and
- (4) Interest accrued on the outstanding payments.

Management continuously assesses the recoverability of these receivables considering the nature of the debt, history, likelihood of settlement and any relevant information available to management.

These are then communicated to the Board of Directors. The Board of Directors considers the State's share of exit payments receivable to be fully recoverable.

As at 31 December 2025, the State owes the Fund K20.5 million (Refer to Note 8) in respect of the State's share of members' benefits payments made by the Fund for both the AC and DB schemes.

The Fund pays pensions and commutations to eligible DB members on behalf of the State. Since 2018, the Fund has also made a one-off State share benefit payment to AC members who have retired on behalf of the State. The Fund recognises

these payments as receivables when invoiced to the State. All outstanding payments in respect of these invoices attract penalty interest of 5% plus the Treasury bill rate as at the end of each month.

As at 31 December 2025 the State's crystallised liability due for settlement to AC members who have since resigned and exited the PNG Defence Force stands at K18.1million out of a total of K149.0 million owed to the AC members. This balance does not include the current year's interest. The Fund is not

obliged to pay on behalf of the State and this liability is not recognised in the books of the Fund until the State releases money into the Fund.

## 7. CASH AND CASH EQUIVALENTS

	2025	2024
	K	K
Cash on hand	3,000	3,000
Cash in banks	64,588,126	24,915,480
Term deposits with original maturity less than 90 days	35,268,800	19,141,792
	<b>99,859,926</b>	<b>44,060,272</b>

## 8. RECEIVABLES FROM STATE

	2025	2024
	K	K
State's share on benefits paid	20,533,050	14,632,064
	<b>20,533,050</b>	<b>14,632,064</b>

## 9. FINANCIAL ASSETS

### 9.1 Financial assets at fair value through profit or loss

	Note	2025	2024
		K	K
Listed shares	23.1.1	432,023,003	349,371,780
Unlisted shares	23.1.2	89,875,044	97,120,000
		<b>521,898,047</b>	<b>446,491,780</b>

### 9.2 At Amortized Cost

	Note	2025	2024
		K	K
Government Inscribed stock	23.2	81,470,986	69,235,663
Convertible note in HBS	23.2	-	2,580,500
Treasury bills	23.2	72,991,188	98,851,126
IBD more than 90 days		15,093,723	-
		<b>169,555,897</b>	<b>170,667,289</b>

HBS (PNG) Ltd issued a K10 million and K5 million convertible note to the Fund in 2021 and 2022 respectively. The interest was payable at a rate of 8% per annum, accruing daily from the issue date up to and including the date on which the convertible notes are converted or redeemed in accordance with the agreement. The Fund would have the option to convert the Convertible Notes into shares upon the occurrence of a liquidity event (IPO, trade sale, capital raising).

In 2023, the Fund entered a deed of variation with HBS (PNG) Limited following a default on the first convertible note. The variation agreement included the deletion of a clause on converting notes into secured debt instruments with interest, replacing the clause with an extension on the repayment schedule for the total redemption amount of K21 million.

Government inscribed stocks are held to their maturity which varies between 2025 and 2031. Interest ranges from 4.3% to 15.5%.

The fund purchased Treasury bills with Bank of Papua New Guinea during the year. These are short-term discounted paper with fixed maturities redeemable at par on maturity.

Government inscribed stock, -loan receivable from HBS and Treasury Bills are carried at amortised costs in accordance with IFRS 9.

### 9.3 Change in value of financial assets

	2025	2024
	K	K
Net fair valuation gain/(loss) for listed financial assets at fair value through profit or loss	82,021,958	94,822,985
Net fair valuation gain/(loss) for unlisted financial assets at fair value through profit or loss	(7,244,956)	2,180,000
Net gain movement for amortised cost assets	267,288	(478,238)
Gain/(loss) on change in fair value through profit and loss	<b>75,044,290</b>	<b>96,524,746</b>

## 10. INVESTMENT PROPERTIES

	2025	2024
	K	K
Balance at beginning of financial year	<b>115,441,630</b>	153,695,850
Additions	<b>3,160,122</b>	2,434,461
Reclassification to Assets held for sale	-	(1,411,737)
Net loss from fair value adjustments *	<b>(8,928,602)</b>	(39,276,944)
Balance at end of financial year	<b>109,673,150</b>	<b>115,441,630</b>

The fair value of the Fund's investment properties as at 31 December 2025 has been arrived at by considering valuation assessments carried out by CJ Valuers (2024: CJ Valuers) which is an unrelated entity to the Trustee and having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

\*The Fund undertook an impairment assessment of its properties in accordance with applicable accounting standards. At the end of the reporting period, the carrying values of certain properties were compared with their recoverable amounts. For the year ended 31 December 2025, an impairment loss of K8,928,602 was recognised in relation to these underperforming properties.

Investment property comprises a number of commercial and residential properties that are leased to third parties as follows:

Investment Property	Valuation Basis 2025	Value as at 31 December 2025	Valuation Basis 2024	Value as at 31 December 2024
		K		K
Comrade Haus	Capitalization	<b>18,100,000</b>	Capitalization	18,100,000
DefensHaus	Capitalization	<b>43,500,000</b>	Capitalization	43,500,000
Taurama Commercial**	Direct Comparision	<b>31,573,150</b>	Direct Comparision	31,573,150
Ela Makana 1 Residential House	Direct Comparision	<b>2,000,000</b>	Direct Comparision	4,906,300
Ela Makana 2 Apartment	Direct Comparision	<b>5,500,000</b>	Direct Comparision	8,292,180
Latitude 9 Apartment	Direct Comparision	<b>9,000,000</b>	Capitalization	9,070,000
		<b>109,673,150</b>		<b>115,441,630</b>

Fair values were determined using the direct capitalization and comparison valuation methods, having regard to current market characteristics for similar properties located in Papua New Guinea. In the current year, the Board assessed that the carrying value of the investment properties are fairly stated. Measurement of fair value, fair value model and significant unobservable inputs. Information about how the fair values of the Fund's investment properties are determined (in particular, the valuation method(s) and inputs used) is detailed as follows:

Direct capitalisation is a fair valuation model, which considers the annual gross income of the property adjusted for vacancies and expenses. The net operating income is divided by a capitalisation rate. The capitalisation rate is derived from comparable markets transactions and adjusted for certain property specific characteristics such as the physical deterioration of the property and its location (prime or secondary). Key unobservable input includes the capitalisation rates of 9.7% - 11.5% (2024: 9.7% - 11.5%), vacancy rates of 5% (2024:5%) and outgoings of 15% - 23%

(2024:15% - 23%). The estimated fair value would increase or decrease if capitalization rate, vacancy rate or outgoings will be higher or lower.

### Operating lease arrangements

Operating leases, in which the Fund is the lessor, relate to investment property owned by the Fund with lease terms of between 1 to 3 years, usually with an extension option. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

The unguaranteed residual values do not represent a significant risk for the Fund, as they relate to property which is located in a location with a constant increase in value over the last 3 years. The Fund did not identify any indications that this situation will change. Rental income earned from investment properties and costs of property operations recognised are disclosed in note 18.

## 11. OTHER ASSETS

	2025	2024
	K	K
GST tax receivable	4,673,568	4,673,568
Debtors – Corporate	1,204,717	1,368,793
Accrued interest:	1,755,846	1,348,241
Term deposits and Government Inscribed Stock		
Prepayments	852,438	547,353
Sundry debtors	260,508	486,047
Other sales tax	2,570,038	1,653,518
Allowance for Doubtful Debts	(457,657)	(705,206)
<b>Total</b>	<b>10,859,458</b>	<b>9,372,314</b>

GST receivable represents credits sitting in CTSL books. This has accumulated over time as GST credits received, in particular those on investment projects, surpassed the GST payable collected from the Fund's rental income. Dividends and interest income do not attract GST while capital gain is exempt from tax.

## 12. INCOME TAXES

### 12.1 Income tax expense recognised in profit or loss

	2025	2024
	K	K
<b>Comprising:</b>		
Current tax	-	-
Current tax:	-	9,033,505
Uncertain tax provision		
Deferred tax:	(50,439)	(1,020,424)
Current year charge		
<b>Income tax expense</b>	<b>(50,439)</b>	<b>8,013,081</b>

### 12.2 The tax expense for the year can be reconciled to the accounting surplus as follows:

	2025	2024
	K	K
<b>Income Tax expense</b>		
Profit before tax	99,210,124	83,121,160
Income tax expenses calculated at 25%	24,802,531	20,780,290
Tax effect of permanent differences	(16,658,490)	(14,341,709)
Dividends rebate	(8,196,537)	(6,657,665)
Tax effect of temporary differences	22	(20,473)
Uncertain tax provision	-	9,033,505
Under/(over) provision in prior year	2,036	(780,867)
<b>Income tax expense</b>	<b>(50,439)</b>	<b>8,013,081</b>



### 12.3 Deferred tax recognised during the year

	Opening balance	Prior Year adjustments	Recognised in P&L	Closing Balance
(a) Deferred tax assets	K	K	K	K
<b>2025</b>				
<i>Temporary difference</i>				
Accruals	264,279	-	(80,189)	184,089
Employee benefits	296,782	-	120,948	417,730
Depreciation	39,351	-	14,438	53,789
	<b>600,411</b>	-	<b>55,198</b>	<b>655,609</b>
<b>2024</b>				
<i>Temporary difference</i>				
Accruals	75,083	-	189,196	264,279
Employee benefits	219,654	-	77,128	296,782
Depreciation	15,995	-	23,356	39,351
	<b>310,732</b>	-	<b>289,679</b>	<b>600,411</b>

	Opening balance	Prior Year adjustments	Recognised in P&L	Closing Balance
(a) Deferred tax liabilities	K	K	K	K
<b>2025</b>				
<i>Temporary difference</i>				
Interest receivable	50,518	-	4,758	55,276
Depreciation	-	-	-	-
	<b>50,518</b>	-	<b>4,758</b>	<b>55,276</b>
<b>2024</b>				
<i>Temporary difference</i>				
Interest receivable	781,263	(727,999)	(2,746)	50,518
Depreciation	-	-	-	-
	<b>781,263</b>	<b>(727,999)</b>	<b>(2,746)</b>	<b>50,518</b>

### 12.4 Current tax asset

	2025	2024
	K	K
Withholding tax	<b>1,851,731</b>	767,912
Uncertain tax provision	<b>(9,033,505)</b>	(9,033,505)
Income tax provision	<b>2,170,275</b>	1,402,363
	<b>(5,011,499)</b>	<b>(6,863,230)</b>

### 13. MEMBER'S BENEFIT PAYABLE

	2025	2024
	K	K
Members unclaimed monies and State accumulation scheme funding <sup>1</sup>	<b>4,244,986</b>	5,942,181
Payable to Nambawan <sup>2</sup>	-	5,056,416
	<b>4,244,986</b>	<b>10,998,597</b>

1 This reflects the crystallised balance of AC members due and payable pending further details from AC members. Also included here are the returned funds and unallocated funds pending confirmation of details for allocation.

2 In 2021, the Fund took responsibility of Accumulation Accounts from other entities other than PNGDF, which were previously administered by Nambawan Super. Per the Central Bank's directive, DFRBF is a closed fund limited only to member of PNGDF. Funds were transferred back to Nambawan Super in accordance with the Licenced Fund Administrator's (LFA) records. The remaining balance will be transferred subject to the conclusion of reconciliations between the Fund and LFA.

### 14. OTHER LIABILITIES

	2025	2024
	K	K
Advance receipt from sale of investment property	<b>792,000</b>	22,879
Unfunded state share received for allocations	<b>36,500,000</b>	-
BPNG Licence fees	-	40,442
Fund investment and administration	<b>203,747</b>	422,218
Tenants advance rentals & security bonds	<b>1,453,611</b>	1,061,104
Wages and salary tax <sup>1</sup>	<b>404,882</b>	330,017
Audit fees	<b>278,700</b>	351,908
Other accruals	<b>206,467</b>	550,114
Accounts Payable	<b>136,953</b>	141,486
	<b>39,976,359</b>	<b>2,920,168</b>

1 Wages and salary tax represents tax relating to staff and members benefits tax due and payable.

## 15. NET ASSETS AVAILABLE TO PAY BENEFITS

### 15.1 Statement of Members Funds

	Note	2025	2024
		K	K
<b>Members Funds</b>			
<i>(i) - Defined Benefit</i>			
Balance at beginning of year		397,888,694	365,313,782
Operating results (Note 16.2)		46,652,465	38,305,120
Net assets Available to pay Defined Benefits		444,652,465	403,618,902
Contributions received	19.2.1	10,076,788	9,369,351
Benefits paid	19.1.1	(17,201,421)	(15,099,559)
<b>Net assets Available to pay Defined Benefits at the end of the year</b>		<b>437,416,526</b>	<b>397,888,695</b>
<i>(ii) - Accumulation Benefit</i>			
Balance at beginning of year		405,904,551	348,632,208
Operating results (Note 16.2)		52,608,099	36,802,958
Net assets Available to pay Accumulation Benefits		458,512,650	385,435,166
Contributions received	19.2.2	28,063,144	38,679,476
Benefits paid	19.1.2	(24,628,879)	(18,210,091)
<b>Net assets Available to pay Accumulation Benefits at the end of the year</b>		<b>461,946,915</b>	<b>405,904,552</b>
<i>Comprising of:</i>			
Members Accounts - opening balance		405,904,551	348,114,283
Movements for the year		3,434,265	20,469,386
Interest allocation		51,824,661	37,292,671
Members Accounts - closing balance		461,163,477	404,810,835
Reserve		783,438	28,2124
<b>Total Accumulation Members Funds</b>		<b>461,946,915</b>	<b>405,904,552</b>
<i>(iii) - Total Members Funds</i>			
Defined Benefits		437,416,526	397,888,695
Accumulation Benefits		461,946,915	405,904,552
<b>Total Members Funds</b>		<b>899,363,441</b>	<b>803,793,246</b>

## 16. APPORTIONING OF NET OPERATING SURPLUS

The Fund's actuary provided the accounting apportioning basis for allocating revenue and cost from the investment and administrative operations to determine the net operating profit under each scheme. The opening net assets under each scheme (as a percentage of the total opening net assets) has been used as the basis for apportionment.

	Total	Accumulation Benefit	Defined Benefit
	K	K	K
Income	120,698,630	63,970,274	56,728,356
Expenses	(21,488,506)	(11,388,908)	(10,099,598)
Tax	50,439	26,733	23,706
<b>Net operating income from operations</b>	<b>99,260,593</b>	<b>52,608,098</b>	<b>46,652,465</b>
<b>Accounting apportioning ratios</b>	<b>100%</b>	<b>53%</b>	<b>47%</b>

## 17. INTEREST INCOME

	2025	2024
	K	K
<i>Interest income is earned from the following assets:</i>		
Financial assets at amortised cost	<b>6,098,049</b>	4,699,953
Cash and short-term funds	<b>8,173,838</b>	4,684,096
	<b>14,271,888</b>	<b>9,384,049</b>

## 18. PROPERTY INCOME NET OF PROPERTY EXPENSES

	2025	2024
	K	K
Rent	<b>6,796,631</b>	6,679,083
<i>Less:</i>		
Agent management expense	<b>(31,489)</b>	(317,633)
Other property expenses	<b>(4,380,438)</b>	(4,134,309)
	<b>2,384,704</b>	<b>2,227,141</b>

## 19. CONTRIBUTIONS RECEIVED AND BENEFITS PAID IN DETAIL

	2025	2024
	K	K

### 19.1 Benefits Paid

#### 19.1.1 Defined Benefit Scheme

Pension and back pension	16,292,048	14,919,937
Refunds	772,180	179,622
Housing Advance Benefit Payments	-	-
<b>Total Defined Benefits Payment</b>	<b>17,064,228</b>	<b>15,099,559</b>

#### 19.1.2 Defined Accumulation Scheme

Normal benefits paid	20,601,271	14,501,142
Unemployment benefits paid	1,516	4,660
Housing Advance Benefit Payment	4,026,092	3,704,289
<b>Total Defined Accumulation Payments</b>	<b>24,628,879</b>	<b>18,210,091</b>

#### 19.1.3 Total Benefits paid

Defined Benefit Scheme	17,064,228	15,099,559
Defined Accumulation Scheme	24,628,879	18,210,091
<b>Total Benefits Paid</b>	<b>41,693,107</b>	<b>33,309,650</b>



	2025	2024
	K	K

## 19.2 Contributions from members and state

### 19.2.1 Defined Benefit Contribution

State share of contributions towards defined benefits payments	9,670,555	9,001,292
Defined Benefits Scheme Members 6% contribution	239,363	329,181
Housing Repayments	29,676	38,877
<b>Total Defined Benefits Contribution</b>	<b>9,939,594</b>	<b>9,369,351</b>

### 19.2.2 Defined Accumulation Contribution

State 8.4% Contribution to Accumulation Scheme Members	17,441,132	46,111,345
Members 6% Employee Contributions	9,908,388	14,793,846
Housing Repayments	874,984	621,439
Unallocated Receipts*	(161,361)	(22,847,153)
<b>Total Defined Accumulation Contribution</b>	<b>28,063,143</b>	<b>38,679,476</b>

### 19.2.3 Total Contribution

Defined Benefit Scheme	9,939,594	9,369,351
Defined Accumulation Scheme	28,063,143	38,679,476
<b>Total Contribution Receipts</b>	<b>38,002,739</b>	<b>48,048,827</b>

## 20. TRUSTEE ADMINISTRATION AND MANAGEMENT EXPENSES

	Note	2025	2024
		K	K

Staff expenses	20.1	9,976,263	7,341,169
Operating lease		1,312,603	1,593,784
Depreciation		572,485	491,760
Software cost		451,533	212,756
Other administrative expenses	20.2	6,692,995	5,739,463
		<b>19,005,879</b>	<b>15,378,932</b>

### 20.1 Staff expenses

Salaries and wages	4,525,775	3,545,291
Sacrifice - accommodation	1,617,300	1,141,212
Sacrifice - Employer contribution	25,181	16,174
Training	348,371	435,110
Sacrifice - airfare	125,566	66,868

	Note	2025	2024
		K	K

Sacrifice - school fee		300,331	221,001
Insurance - medical		163,594	83,370
Other staff expenses		2,821,345	1,832,143
Housing scheme expenses		48,800	-
		<b>9,976,263</b>	<b>7,341,169</b>

### 20.2 Other administrative cost

<i>Details of other administrative expenses follow:</i>		<b>527,340</b>	
License fee		142,267	-
Insurance		-	519,520
Office expense		506,392	70,636
<i>Professional fees:</i>		-	
Audit services		335,172	528,163
Tax		382,552	-
Consulting		906,976	190,209
Legal		52,616	812,427
Other		296,344	566,194
Telephone		211,747	117,619
Internet service provider		417,362	200,282
Printing and stationery		19,775	125,074
Member services awareness		1,841,049	330,414
Electricity		917,390	-
Advertising		72,568	6,667
Board of Trustee expenses		18,572	937,219
Sundry expenses		-	438,618
Entertainment Expenses		(247,549)	83,939
Repairs & Maintenance		91,136	107,275
Disposal of fixed assets		6,692,995	-
Bad Debt Expense		705,206	705,206
Corporate social responsibility		-	-
		<b>5,739,463</b>	<b>5,739,463</b>

## 21. FUND ADMINISTRATION AND INVESTMENT MANAGEMENT FEES

	2025	2024
	K	K

Fund administration fee	1,091,344	1,044,092
Investment management fee	1,391,283	1,309,999
	<b>2,482,627</b>	<b>2,354,091</b>

## 22. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. The receivable from Toea Homes Ltd is unsecured, interest free and does not have a pre-determined payment term.

### 22.1 Toea Homes Limited

	2025	2024
	K	K
Related party receivable from THL	<b>16,292,995</b>	16,292,995

Toea Homes Limited (THL) is a wholly owned subsidiary of CTSL and was formed as a vehicle to manage the CTSL member home ownership scheme.

In 2020, THL's business model was amended from a vehicle to manage the CTSL member home ownership scheme to a commercial housing development company. The change in business model relates to directives from the Bank of Papua New Guinea for the treatment of investment and requirement for commercial returns. The investment in THL is recorded at market value and is carried at K57,734,044 (2024: K61,490,000).

THL is a 100% subsidiary of Comrade Trustee Services Ltd.

### 22.2 Key management personnel remuneration specified in aggregate in the year 2025

The number of employees whose remuneration exceeds K100,000 for the year was K5,104,841 (2024:4,779,702).

	2025	2024
Total remuneration (Kina)	K	K
K100,000 - K150,000	8	7
K150,001 - K200,000	-	-
K200,001 - K250,000	2	4
K250,001 - K300,000	1	-
K300,001 - K350,000	-	-
K350,001 - K400,000	5	5
K400,001 - K450,000	2	1
K450,001 - K500,000	-	-
K500,001 - K550,000	-	-
K550,001 - K600,000	-	-
K600,001 - K650,000	-	-
K650,001 - K700,000	-	-
K700,001 - K750,000	-	-
K750,001 - K800,000	-	-
K850,001 - K900,000	-	-
K900,001 - K950,000	-	-
K950,001 - K1,000,000	-	1
K1,000,000 +	1	-

### 22.3 Board of Directors remuneration during the year

	2025	2024
Committee and director fees	K	K
Michelle Hau'ofa (Resigned 27/11/2025)	<b>341,250</b>	168,084
Chetan Chopra - Chairman (Appointed 27/11/2025)	<b>265,438</b>	136,283
Vera Raga	<b>275,188</b>	140,827
Warwick Vele	<b>255,612</b>	129,469
Charles Lee	<b>161,063</b>	122,654
Colonel Fred Aile (Resigned 25/09/2025)	<b>199,563</b>	122,656
Rear Admiral Philip Polewara	<b>236,563</b>	115,842
Colonel Rodney Yahamani (Appointed 25/09/2025)	<b>41,250</b>	-
Judy Kuk (Appointed 25/09/2025)	<b>41,250</b>	-
	<b>1,817,174</b>	<b>935,815</b>



## 22.4 Board Personal Interest

NAME	NATURE OF INTEREST	INTEREST
	K	K
Mr. Chetan Chopra	Director	Paradise Group Limited
	Director	Invexa Business Solutions Limited
	Director	Comrade Trustee Services Limited Board
Mr. Charles Lee	Shareholder	Alchemy Capital
	Shareholder	Traspacific
	Director	Comrade Trustee Services Ltd
	Director	Toea Homes Limited Board Chair
Ms. Michelle Hau'ofa	Director	Samaritan Aviation
	Deputy Chair, Advisory Board	Callan Services for Persons with Disabilities National Unit
	Founding President	Roger Hau'ofa Kidney Foundation
	Director	Teltentia Equities Pty Ltd
	Director	Lavongai Equities Ltd
	Director	Westpac Bank (PNG) Ltd
	Director	Toea Homes Ltd
	Director/Board Chair	Comrade Trustee Services Ltd
Rear Admiral Philip Polewara	Shareholder	Credit Corporation Ltd
	Shareholder	Kina Securities Ltd
	Director	Comrade Trustee Services Ltd
	Director	Toea Homes Ltd
Colonel Fred Aile	Director	Comrade Trustee Services Ltd
	Director	Toea Homes Ltd
Mr. Vera Raga	Director	Special Economic Zone Authority (SEZA)
	Director	Comrade Trustee Services Ltd
	Director	Toea Homes Ltd
Mr. Warwick Vele	Director	Comrade Trustee Services Limited Board
	Director	Toea Homes Limited Board
	Director	SP PNG Hunters Board
Mrs. Judy Kuk	Director	Bank of Papua New Guinea
	Director	Comrade Trustee Services Limited
	Director	Toea Homes Ltd
Colonel Rodney Yahamani	Director	Comrade Trustee Services Limited
	Director	Toea Homes Ltd

## 22.5 Other related party transactions

In 2025, the Fund acquired K1.7 million worth of Kina Securities Limited (KSL) shares. Kina Bank Limited provides Fund Administration services to the Fund, through its 100% owned subsidiary Kina Investment & Superannuation Services. Related fees paid are disclosed in Note 20.

During the 2025 financial year, the Fund earned interest on term deposits of K415,696 (2024: K386,717). The Fund also received dividends amounting to K2,662,829 (2024: K2,108,111) and generated unrealised capital gain of K7,621,508 (2024: K6,378 gain) from its investment in KSL.

## 23. FINANCIAL RISK MANAGEMENT

The Fund's strategy focuses on two primary objectives: to maximize long term Fund returns and to manage and control business and investment risks. This strategy inherently requires the Fund to pursue a balanced investment strategy which seeks capital growth over the medium to long term with moderate income streams.

All investment undertaken must balance risk against returns. In other words, the investment strategy pursued must determine a mix of growth and defensive assets that best suits the needs of the members.

The Fund can achieve better returns through disciplined application of a good investment process, one that is based on the analysis of investment fundamentals followed by an assessment of relative value.

The Fund is exposed to liquidity risk, interest rate risk, foreign exchange risk, credit risk, government security risk and country risk.

### 23.1 Liquidity risk

The Fund invests the majority of the assets in investments that are traded in an active market.

The Fund holds securities that are listed on both the Port Moresby Stock Exchange and the Australian Stock Exchange. Those securities that are listed on the Australian Stock Exchange are considered readily realizable while those listed on the Port Moresby Stock Exchange are not as the potential buyers may not be readily available at the point of sale.

The liabilities of the Fund are long term in nature and are well structured in terms of benefits comprising of a mix of a pension commutation and a fortnightly pension payable throughout the life-time of the member. The Fund is not exposed to liquidity risk arising from interest bearing financial liabilities.

### 23.2 Government security risk

The Fund has a significant exposure to the State through its holding of government inscribed stocks (Note 9.2) and through State contributions towards benefit payments (Note 8).

### 23.3 Country risk

To the extent that the Fund holds funds in foreign jurisdictions, a variety of risks may arise in addition to foreign exchange risk – such as changes in local economic condition, local regulatory requirements or non-transparent governance arrangements. The Fund's investments in foreign jurisdictions have been primarily in Australia as follows:

	2025	2024
	K	K
Listed securities (FVTPL)	<b>106,059,232</b>	85,414,327
Monetary financial assets (cash and cash equivalents)	<b>25,678,241</b>	21,161,322
<b>Total</b>	<b>131,737,473</b>	<b>106,519,644</b>

### 23.4 Interest rate risk

The majority of the Fund's financial assets and liabilities are non-interest bearing; as a result, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash equivalents are invested at short-term market interest rates.

The table in the following page summarizes the Fund's exposures to interest rates risk along with discounted contractual maturity profiles of financial assets and liabilities.



	Weighted average interest rate	Up to 1 Year	1 to 5 Year	Over 5 Year	Non-interest bearing	Total
		K	K	K	K	K
<b>31 December 2025</b>						
<b>Assets</b>						
Cash and cash equivalents	7.47%	99,859,926				99,859,926
Amount receivable from State	7.30%		20,533,050			20,533,050
<i>Financial assets: at:</i>						
FVTPL					521,898,047	521,898,047
Amortised Cost	6.96%	104,084,745	55,471,152	10,000,000	-	169,555,897
Other assets					1,782,500	1,782,500
<b>Liabilities</b>						
Other liabilities					(5,990,278)	(5,990,278)
<b>Total</b>		<b>203,944,671</b>	<b>76,024,202</b>	<b>10,000,000</b>	<b>517,690,269</b>	<b>807,639,142</b>

<b>31 December 2024</b>						
<b>Assets</b>						
Cash and cash equivalents	1.98%	44,060,272	-	-	-	44,060,272
Amount receivable from State	7.35%	-	14,632,064	-	-	14,632,064
<i>Financial assets:</i>						
FVTPL					446,491,780	446,491,780
Amortised Cost	6.96%	109,431,626	50,084,795	11,150,868	-	170,667,289
Other assets		-	-	-	1,149,634	1,149,634
<b>Liabilities</b>						
Other liabilities		-	-	-	(4,831,789)	(4,831,789)
<b>Total</b>		<b>153,491,898</b>	<b>64,716,859</b>	<b>11,150,868</b>	<b>442,809,625</b>	<b>672,169,249</b>

### 23.5 Foreign currency exchange risk

The Fund holds monetary assets denominated in currencies other than Kina, the functional currency. The Fund is therefore exposed to currency risk, in regards to assets denominated in foreign currency due to changes in exchange rates.

The table below summarizes Fund's exposure to currency risks.

	2025	2024
	K	K
PGK Value of overseas currency denominated in AUD	<b>20,654,027</b>	16,504,735
PGK Value of overseas currency denominated in USD	<b>5,024,214</b>	4,656,587
	<b>25,678,241</b>	<b>21,161,322</b>

Assuming that the impact of currency fluctuation is asymmetric, a 100 basis points shift in currencies in either direction would impact the profit or loss by K218,077 (2023: K246,172).

## 23.6 Fair values of assets and liabilities

### (a) Fair value versus carrying values

Financial assets other than held to maturity investments and other assets that are carried at amortised cost comprising of investments at fair value through profit or loss and available for sale investments are measured at fair value and carrying values are disclosed in the Statement of Financial Position.

Management and the Board are of the opinion that the fair values of the following financial assets and liabilities approximate their carrying values as these are short dated instruments carried at amortised cost such as cash and cash equivalents, receivable from State and related party and other assets and liabilities. Carrying values of the financial instruments are disclosed in the Statement of Financial Position.

### (b) Fair value hierarchy

Subsequent to initial recognition, the Fund uses the fair value hierarchy in determining the fair value of its available-for-sale financial assets, financial assets at fair value through profit and loss ("FVTPL") and financial liabilities at FVTPL. The fair value hierarchy groups the financial instruments into Levels 1 to 3 based on the degree to which the fair value is observable.

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

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

The table below presents the basis of determining the fair value of each class of the Fund's financial instrument measured at fair value subsequent to initial recognition. There were no transfers between level 1, level 2 and level 3 during the year.

Level 3 investments identified below consist of unlisted shares (Refer note 9.1) and investment properties. The unlisted shares and investment properties are stated at fair value, which are based on external valuation reports provided by independent experts. The main methodologies in determining the fair value of unlisted equities and investment properties are based on capitalisation of earnings, capitalisation of dividends, net tangible assets and discounted cash flows. It is appropriate to consider all of the above methods in arriving at a fair value.

	Level 1	Level 2	Level 3	Total
	K	K	K	K
<b>31 December 2025</b>				
At fair value through profit or loss (listed and unlisted shares)	432,023,003	-	89,875,044	521,898,047
At fair value through profit or loss (unlisted shares)	-	-	109,673,150	109,673,150
<b>Total</b>	<b>432,023,003</b>	<b>-</b>	<b>199,548,194</b>	<b>631,571,197</b>
<b>31 December 2024</b>				
At fair value through profit or loss (listed and unlisted shares)	349,371,780	-	97,120,000	446,491,780
At fair value through profit or loss (unlisted shares)	-	-	115,441,630	115,441,630
<b>Total</b>	<b>349,371,780</b>	<b>-</b>	<b>212,561,630</b>	<b>561,933,410</b>

## 23.7 Credit risk

The Fund is exposed to credit risk primarily through the balances it holds with banks, receivable from State and related party, investments in government inscribed stocks and other financial assets. The maximum exposure to credit risk is limited to the extent of the carrying values of these assets which are disclosed in the Statement of Financial Position. The Fund manages credit risk by dealing with reputed counterparties including financial institutions and the government and closely monitors receivables that are past due and the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

## 23.8 Equity price risk

The Fund is exposed to equity price risk mainly through its investments in listed shares that are listed in the stock exchanges in PNG and in Australia. The exposure to equity price risk is outlined in the table to the right.

Assuming that the impact of equity price volatility is asymmetric, a shift in indices by 1% in either direction would impact the profit or loss by K4,320,230 (2024: K3,493,718).

	2025	2024
	K	K
<b>At fair value through profit or loss</b>		
Listed securities in PNG	<b>325,963,771</b>	263,957,453
Listed securities in Australia	<b>106,059,232</b>	85,414,327
<b>Total</b>	<b>432,023,003</b>	<b>349,371,780</b>

## 24 DETAILED LISTING OF FINANCIAL ASSETS HELD BY THE FUND

### 24.1 Financial assets at fair value through profit or loss

#### 24.1.1 Listed shares

	Market Value 2025	Shareholding as a % of net assets of the Fund	Market Value 2024	Shareholding as a % of net assets of the Fund	Movements
	K		K		K
<b>Companies</b>					
Bank South Pacific	<b>305,796,077</b>	34.00%	247,875,435	30.87%	57,920,642
City Pharmacy	-	0.00%	1,778,075	0.22%	(1,778,075)
Santos Limited	<b>16,729,911</b>	1.86%	15,771,221	1.96%	958,690
Kina Asset Management Ltd	<b>10,526,492</b>	1.17%	8,681,643	1.08%	1,884,849
Credit Corporation	<b>9,641,202</b>	1.07%	5,622,299	0.70%	4,018,903
Newcrest Mining Ltd	<b>53,612,117</b>	5.96%	-	0.00%	10,389,170
Vanguard International Shares Index Fund	<b>35,722,204</b>	3.97%	43,222,947	5.38%	9,302,045
Kina Securities Ltd	<b>432,023,003</b>	48.04%	26,420,159	3.29%	82,696,224
<b>Total</b>	<b>349,371,780</b>	<b>43.47%</b>	<b>349,371,780</b>	<b>43.47%</b>	<b>101,527,588</b>

#### 24.1.2 Unlisted shares

	Fair Value 2025	Shareholding as a % of net assets of the Fund	Fair Value 2024	Shareholding as a % of net assets of the Fund	Movements
	K		K		K
<b>Companies</b>					
Toyota Tsusho (PNG) Ltd*	11,340,000	1.26%	14,236,000	1.77%	(2,896,000)
Post Courier Limited*	2,724,000	2.01%	2,509,000	0.31%	215,000
South Pacific Brewery Limited*	18,077,000	0.30%	18,885,000	2.35%	808,000
Toea Homes Limited**	57,734,044	6.42%	61,490,000	7.66%	(3,755,956)
<b>Total</b>	<b>89,875,044</b>	<b>9.99%</b>	<b>97,120,000</b>	<b>12.09%</b>	<b>(5,628,956)</b>

Unlisted equity investments are valued by the Fund based on the independent valuations by Kina Bank using net asset approach and capitalisation of maintainable earnings approach. Management adopted the mid range in 2024 (2023: mid range).

\* The fair value of these entities were arrived at using capitalisation of earnings approach.

\*\* The value of THL was determined using the adjusted net assets approach.

## 24.2 Government Inscribed Stock and Convertible note

	2025	2024
	K	K
Beginning balance	<b>71,816,163</b>	52,983,782
Purchases during the year	<b>20,000,000</b>	37,000,000
Maturity during the year	<b>(8,000,000)</b>	(18,326,075)
Adjustments through P&L	<b>(2,345,177)</b>	158,456
	<b>81,470,986</b>	<b>71,816,162</b>

## 25. AUDIT FEES

The independent external audit firm is Ernst & Young. The audit fees for the audit of the financial statements are disclosed in Note 20.2.

## 26. CONTINGENT LIABILITIES AND COMMITMENTS

The Fund has no contingent liabilities arising from its ordinary activities which are either pending decision by the courts or being contested, the outcome of which is not presently determinable. In the opinion of management and its legal counsel, the eventual liability under these claims, if any, is currently not determinable and is not expected to have a material adverse effect on the financial statements. There were no other contingent liabilities as at 31 December 2025, other than mentioned above.

## 27. EVENTS AFTER BALANCE SHEET DATE

There were no other events that occurred after 31 December 2025, the balance sheet date, other than what has been disclosed in the notes to the financial statements that would require an adjustment or disclosure in the financial statements.

## 28. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors and authorised for issue on 24th day of March 2026.



# CORPORATE DIRECTORY

## LICENSED TRUSTEE

### Comrade Trustee Services Limited

Level 1, Comrade Haus,  
Off Frangipani Street, Hohola  
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**Telephone:** +675 7998 7900

## FUND ADMINISTRATOR

### Kina Investment & Superannuation Services Limited

Level 2, Kina Haus  
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## MANAGEMENT

### Charlie Gilichibi

Chief Executive Officer

### Seno Wekina

General Manager – Legal

### Darusilla Musi

General Manager – Corporate Services

### Freddy Manihoru

General Manager – Member Services

### Jackraho Morea

General Manager – Finance

### Mary Tamarua

General Manager – Investments

### Rossie Ronnie Kambua

General Manager – Risk & Compliance

### Raka Numa Raula

Company Secretary

## INVESTMENT MANAGER

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## LAWYERS

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## ACTUARY

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## INDEPENDENT EXTERNAL AUDITOR

### Ernst & Young

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# CTSL MEMBER ENGAGEMENT



# GTSL MEMBER ENGAGEMENT



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**Comrade Trustee Services Limited**

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**MAILING ADDRESS**

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Benefits Fund