



NIUE INTERNATIONAL TRUST FUND

2025 ANNUAL REPORT



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ANNUAL UPDATE - 2025

Dear All

As per clause 18 of the Deed of Trust, I am pleased to present to the Governments of Niue, New Zealand and Australia, the Annual Report of the Niue International Trust Fund (the NITF), for the financial year ended 30 June 2025.

As required in the Deed of Trust, the Annual Report includes the NITF's audited financial statements, Auditor's report, any Advisory Committee report advisable to the Board of Trustees and the independent Fund Monitor report.

The NITF was established on 25 October 2006 with the main objective to contribute to the long-term financial stability and viability of Niue, by providing the Government of Niue with an additional source of revenue for recurrent budgetary and development expenditure.

Yours Sincerely



Hon. Dalton Tagelagi

Chairman

PURPOSE AND DIRECTION

Background

The Government of New Zealand had opened and contributed to a trust account for Niue in 2004. The Niue International Trust Fund (NITF) was established by the Governments of Niue, New Zealand and Australia in 2006, with the signing of the Deed of Trust. NITF subsumed the trust account.

Management of the NITF is overseen by a three-member Board of Trustees, one each of which is appointed by Governments of Niue, New Zealand, and Australia. The Trustee appointed by the Government of Niue is the Chairperson. The Trustees meet at least twice a year, and are supported by an Advisory Committee, NITF Legal Consultant and an independent Fund Monitor.

Purpose

To contribute to the long-term financial stability and viability of Niue by providing the Government of Niue with an additional source of revenue for recurrent budgetary and development expenditure, and in particular to:

- (i) Assist the Government of Niue to achieve greater financial autonomy in the management of its budget;
- (ii) Enable the Government of Niue to maintain and if possible improve existing levels of social infrastructure and services;
- (iii) Enhance the capacity of the Government of Niue to receive and effectively utilise external assistance;
- (iv) Enable the Government of Niue to meet long-term maintenance and operating costs of social and economic infrastructure and services; and
- (v) Assist the Government of Niue to develop the economy of Niue.

About NITF

The NITF is intended to be an intergenerational fund, that is, it is intended that capital contributions be made to the NITF be protected against changes in the cost of living and population over the long term and, thus, that any “Fund returns” will be made to the Government of Niue after the costs of the administration and operation of the NITF and the protection of contributions have been met in full. The intention is for the Government of Niue to use Fund returns as an additional source of revenue for recurrent budgetary expenditure and development.

As at June 2025, the NITF had a value of NZD \$80.7 million with the funds held in a call account and a managed investment fund.

GOVERNANCE

As per the Fund's Deed of Trust, there is one Trustee appointed by the Government of Niue, one Trustee appointed by the Government of New Zealand, and one Trustee appointed by the Government of Australia.

Trustees

Hon. Dalton Tagelagi
(GON)



Mr Quentin Hay
(GONZ)



Ms Stacey Nation
(GOA)



Service Providers

Secretariat



Auditor

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Fund Monitor



NITF Legal Consultant

Rhonda Powell
Barrister

INVESTMENT PERFORMANCE

2024/2025 Investment Market Commentary

Market results

In the financial year ended 30 June 2025 investment markets delivered strong positive results.

The financial year began on a positive note as international central banks began cutting interest rates after a prolonged period of elevated rates worldwide. Inflation, which had been a major theme of investment discussions for several years, had eased, and mounting economic pressures prompted rate reductions across multiple economies. Falling interest rates provided a short-term boost to bond funds through mark-to-market gains. This positive sentiment also extended to equity markets, with most major indices, including New Zealand's, delivering strong performances.

Upward momentum continued into the December quarter, and investment markets rallied through to year-end. Donald Trump's election win was viewed as positive for US corporates, and this drove a stronger US dollar and further gains in US equities. However, as prices climbed, concerns grew over stretched valuations and rising market concentration. Driven by strong performance, mega-cap US technology stocks dominated performance, with the "Magnificent Seven" accounting for the majority of the gains.

In the first quarter of 2025, market performance softened, with small to moderate losses recorded across most major asset sectors. As the quarter progressed, concerns intensified over the US's trade policy with announcements of duties on aluminium and steel imports, as well as tariffs on automobiles and automotive parts.

President Trump's "Liberation Day" tariff announcement kicked off the final quarter of the Fund's financial year on 2 April. Sharp negative returns were seen in both equities and bonds as the extent of the tariffs surprised the market. Despite these announcements causing significant losses in early April, the June quarter was positive overall. A subsequent 90-day "pause" and more conciliatory language from the White House helped markets quickly recover. Momentum remained strong for the rest of the quarter and through to the Fund's financial year end on 30 June.

Overall, the global developed equity markets ended the financial year up 14 per cent (in local currency terms). In New Zealand dollar terms, the result was slightly higher. New Zealand's share market lagged, delivering an overall return of eight per cent, while Australia did well, finishing the year up 14 per cent (in Australian Dollar terms). Emerging market equities rose by about 16 per cent in New Zealand Dollar terms.

Fixed income markets saw positive results for the year. New Zealand bonds, which were up by about seven per cent, beat global bonds, which were up by about five per cent. The New Zealand cash sector delivered just under five per cent.

All figures quoted in this section are gross of fees and tax.

Investment manager results

The Fund invests in an approximately equal mix of the Milford Balanced Fund and the Nikko AM Balanced Fund. The performance results for the periods ending 30 June 2025 are shown in the following table.

Periods ending 30 June 2025	One year (per cent)	Three years (per cent per annum)	Five years (per cent per annum)
Milford Balanced Fund	11.8	10.9	9.5
Composite Market Index	10.9	10.8	8.1
Nikko Balanced Fund	10.7	8.9	5.9
Composite Market Index	10.0	9.1	6.3

Over the twelve months to 30 June 2025, Milford's fund rose by 11.8 per cent (before fees and tax). This was ahead of its composite market index, which returned 10.9 per cent. Over the same period, Nikko's fund saw a return of 10.7 per cent (before fees and tax), which was ahead of its composite benchmark, which returned 10.0 per cent.

The Trust Fund invested into the Milford fund in September 2024, and into the Nikko fund in October 2024. These managers replaced the Trust Fund's previous manager, ANZ Investments.

Outlook

Our medium-term outlook is guardedly positive. Although we anticipate bouts of volatility due to the capricious nature of President Trump, the global economy is in relatively good health. Bond yields, while somewhat below long-term averages, are above their rock-bottom levels reached in the early 2020s and, importantly, are above current inflation rates. Equity valuations do appear stretched in certain sectors compared to historical levels, but these largely reflect the strength of economies and resilient customer demand.

Ben Trollip, written 11 August 2025.





FINANCIAL STATEMENTS

The **NIUE INTERNATIONAL TRUST FUND**

Financial Statements

For The Year Ended 30 June 2025

**STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE
FOR THE YEAR ENDED 30 JUNE 2025**

	Notes	2025 \$	2024 \$
Revenue			
Contributions	3	2,473,845	0
Interest Revenue		971,174	2,258,191
Gain (Loss) on Managed Funds		5,026,919	1,895,636
Total Revenue		<u>8,471,938</u>	<u>4,153,827</u>
Operating Expenses			
Audit Fees		26,368	24,382
Fund Management Fees		325,042	133,815
Fund Monitor Fees		14,972	18,722
Accounting Services		(360)	2,240
Other		3	599
Total Operating Expenses		<u>366,025</u>	<u>179,758</u>
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		<u>8,105,913</u>	<u>3,974,069</u>

The accompanying Notes form part of these Financial Statements.

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025**

	Notes	2025	2024
		\$	\$
EQUITY			
Accumulated Funds		(3,702,358)	(7,166,226)
Restricted Funds	3	84,364,984	79,722,939
TOTAL EQUITY		<u>80,662,626</u>	<u>72,556,713</u>
REPRESENTED BY:			
ASSETS			
Current Assets			
Cash & Cash Equivalents	4	11,024,694	42,179,376
Debtors		11,218	0
Total Current Assets		<u>11,035,912</u>	<u>42,179,376</u>
Non-current Assets			
Investments	4	69,714,499	30,485,899
Total Non-current Assets		<u>69,714,499</u>	<u>30,485,899</u>
Current Liabilities			
Accrued Audit Fees		50,715	75,600
Other Accrued Expenses		37,070	32,962
Total Current Liabilities		<u>87,785</u>	<u>108,562</u>
TOTAL NET ASSETS		<u>80,662,626</u>	<u>72,556,713</u>

The accompanying Notes form part of these Financial Statements.


Trustee for Niue
Date: 22/12/2025


Secretary/Treasurer
Date: 22/12/2025

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025**

	Notes	2025 \$	2024 \$
Accumulated Funds as at 1 July			
Total Comprehensive Revenue and Expense		(7,166,226)	(8,570,609)
Deduct: Contributions	3	8,105,913	3,974,069
Deduct: Real Value Adjustment	3	(2,473,845)	0
Accumulated Funds as at 30 June		<u>(2,168,200)</u>	<u>(2,569,686)</u>
		<u>(3,702,358)</u>	<u>(7,166,226)</u>
Restricted Funds as at 1 July			
Add: Contributions	3	79,722,939	77,153,253
Add: Real Value Adjustment	3	2,473,845	0
Restricted Funds as at 30 June		<u>2,168,200</u>	<u>2,569,686</u>
		<u>84,364,984</u>	<u>79,722,939</u>
TOTAL EQUITY AS AT 30 JUNE		<u>80,662,626</u>	<u>72,556,713</u>

The accompanying Notes form part of these Financial Statements.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025**

	Notes	2025 \$	2024 \$
Cash flows from/(used in) Operating Activities			
Payments to Suppliers		(96,331)	0
Contributions		2,473,845	0
Interest Received from Investments		971,174	2,258,192
Other		0	(600)
Net Cash Flows from/(used in) Operating Activities		<u>3,348,688</u>	<u>2,257,592</u>
Cash flows from/(used in) Investing Activities			
Investments in Managed Funds		(34,503,370)	0
Net Cash Flows from/(used in) Investing Activities		<u>(34,503,370)</u>	<u>0</u>
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS		<u>(31,154,682)</u>	<u>2,257,592</u>
Cash & Cash Equivalents as at 1 July		42,179,376	39,921,784
CASH & CASH EQUIVALENTS AS AT 30 JUNE	4	<u>11,024,694</u>	<u>42,179,376</u>

**RECONCILIATION FROM TOTAL COMPREHENSIVE REVENUE AND EXPENSE TO NET CASH
FLOWS FROM OPERATIONS**

Total Comprehensive Revenue and Expense		<u>8,105,913</u>	<u>3,974,069</u>
Add back: Movements in the Fair Value of Managed Funds		(5,026,919)	(1,895,636)
Add back: Fees Deducted from Managed Funds		301,689	133,815
Movements in the Fair Value of Managed Funds		<u>(4,725,230)</u>	<u>(1,761,821)</u>
Movements in Working Capital			
(Increase)/Decrease in Debtors		(11,218)	0
Increase/(Decrease) in Accrued Audit Fees		(24,885)	24,382
Increase/(Decrease) in Other Accrued Expenses		4,108	20,962
Total Movements in Working Capital		<u>(31,995)</u>	<u>45,344</u>
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		<u>3,348,688</u>	<u>2,257,592</u>

The accompanying Notes form part of these Financial Statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

1 REPORTING ENTITY

The Financial Statements of the Niue International Trust Fund (hereafter: the "Trust Fund") for the year ended 30 June 2025 were authorised by the Trustee for Niue on behalf of the Board of the Trust Fund on 22 December 2025.

The Trust Fund is governed by the Trust Deed executed on 25 October 2006. The purpose of the Trust Fund is to contribute to the long-term financial stability and viability of Niue by enabling it to meet financial commitments from the proceeds of investments.

Governance of the Trust Fund is provided by its Board, which consists of Trustees and alternate Trustees of the Trust Fund's main contributors, these being the Governments of Niue, New Zealand and Australia.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The Financial Statements of the Trust Fund have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Trust Fund has applied all IFRS that were issued and effective as at balance date.

The Financial Statements have been prepared on a historical cost basis, except for some financial assets and liabilities, which have been measured at fair value.

The Financial Statements are presented in New Zealand dollars, and all monetary values are rounded to the nearest dollar, unless mentioned otherwise.

Transactions in foreign currencies are translated into New Zealand dollars at the time the transactions occur.

2.2 Cash & Cash Equivalents and Investments

Investments are held in managed funds, term deposits, and call deposits in New Zealand.

Investments in managed funds are measured at the provided fair value as at balance date. Changes (other than deposits or withdrawals) in the value of managed funds are recognised as revenue (positive or negative) in the Statement of Comprehensive Income.

Term deposits which are invested for a term of more than 90 days, are classified as Investments; other investments are classified as Cash & Cash Equivalents.

For Investments that are held to maturity, measurement is initially at fair value and subsequently at amortised cost using the effective interest method. Accrued interest is calculated on a daily basis using normal banking conventions, and recognised as a separate current asset.

Investments with a remaining term of a year or less are classified as current assets, and investments with a remaining term of more than a year are classified as non-current assets.

2.3 Impairment of Financial Assets

Financial assets are reviewed regularly for impairment. Where an indication of impairment is identified and where the carrying values of assets exceed the estimated recoverable amounts, the assets are written down to their recoverable amounts. All impairment losses are recognised in the Statement of Comprehensive Revenue and Expense.

Where indications exist that a previously recognised impairment loss may have decreased, the recoverable amount will be re-estimated, and any resulting impairment gain will be recognised in the Statement of Comprehensive Revenue and Expense. A reversal shall not exceed the initial impairment loss.

2.4 Equity

The Deed of the Trust Fund requires all contributions to be protected from any distributions. In addition, the accumulated value of all contributions must be protected from the effects of inflation by adjusting it in accordance with the Consumer Price Index in New Zealand.

The resulting adjusted accumulated value of all contributions is referred to in the Deed as "Real Value", and is recognised as "Restricted Funds" as a separate portion of Equity.

The remaining portion of Equity is recognised as Accumulated Funds, and is in principle available for distributions to the Government of Niue and for other disbursements that are necessary for the operations of the Trust Fund.

The Deed stipulates that if these funds are not distributed to the Government of Niue in the following year, then they are deemed to be a contribution by the Government of Niue.

Like all other contributions, deemed contributions are recognised under Restricted Funds.

All revenue and expenditure incurred by the Trust Fund is recorded as such in the Statement of Comprehensive Revenue and Expense, and the total comprehensive revenue and expense at the end of each financial year is transferred to Accumulated Funds. Any necessary transfers *to* or *from* Restricted Funds are recorded *from* or *to* Accumulated Funds.

2.5 Revenue

Contributions are recognised as revenue in the year that they are received, with the exception of deemed contributions, which are not recognised as revenue in the Statement of Comprehensive Revenue and Expense.

Revenue from interest is recognised as the interest accrues.

Changes (other than deposits or withdrawals) in the value of managed funds are recognised as revenue (positive or negative) in the Statement of Comprehensive Income.

2.6 Taxation

The Trust Fund is exempt from all taxes, rates and duties in Niue by virtue of section 7 of the Niue Trust Fund Act 2004 (Niue).

Section CW 59B(1) of the Income Tax Act 2007 (New Zealand) exempts revenue from the Trust Fund from income tax in New Zealand.

Source deductions, if any, are recognised under Debtors if the likelihood of a tax refund is high, and the gross proceeds are recognised as revenue as they are earned.

The Trust Fund is not registered for NCT in Niue, nor for GST in New Zealand or Australia.

2.7 Changes in Accounting Policies

Changes in accounting policies are applied retrospectively (and comparatives are restated), unless the changes are required by International Financial Reporting Standards and retrospective application is not required or appropriate to do so.

There have been no changes in accounting policies during the financial year.

3 EQUITY

3.1 Contributions and Real Value Adjustment

The Trust Deed requires the value of the contributions to be protected against the effects of inflation. This is done by adjusting the values of the contributions to their real values at balance date, based on the New Zealand Consumer Price Index.

The base index for each contribution is the index at the end of the quarter in which the contribution was received. The real value of the contributions is then calculated using the the index as at 30 June of the current financial year.

The current real value as at 30 June 2025 was calculated, based on an index of 1306 (2024: 1272). This index was applied to the contributions received to date, as follows.

Contribution by:	Original Value \$	Date Received	NZ CPI at Contribut. Date	Real Value \$
Opening balance as at 1 June	79,722,939	30/06/24	1272	81,853,898
Government of Australia	1,833,382	25/07/24	1280	1,870,623
Government of Australia	640,463	30/06/25	1306	640,463
Contributions received during the year	2,473,845			2,511,086
REAL VALUE AS AT 30 JUNE	82,196,784			84,364,984

The Real Value Adjustment is calculated as the difference between the original value and the real value as at balance date, as follows.

	2025 \$	2024 \$
Real Value as at 30 June	84,364,984	79,722,939
Deduct: Value of contributions before Real Value Adjustment	<u>(82,196,784)</u>	<u>(77,153,253)</u>
REAL VALUE ADJUSTMENT	<u><u>2,168,200</u></u>	<u><u>2,569,686</u></u>

3.2 Distributions

Distributions are deducted from Accumulated Funds, and all contributions (including deemed contributions) and the Real Value Adjustment are transferred from Accumulated Funds to Restricted Funds. What remains in Accumulated Funds as at 30 June of the current financial year is available for distribution to the Government of Niue during the following financial year.

Any returns that are available for distribution to the Government of Niue during the following financial year but are not distributed during that following year, are deemed to be contributions made on 30 June of that following year by the Government of Niue.

As at 1 July 2024, an accumulated shortfall of funds available for distributions in the following year, represented by the negative balance of Accumulated Funds in the Statement of Financial Position, amounted to \$7,166,225. In the year ended 30 June 2025, this shortfall was reduced by the surplus excluding distributions of \$5,632,067, and increased by the Real Value Adjustment of \$2,168,200, resulting in an accumulated shortfall of funds available for distributions in the following year of \$3,702,358. This shortfall is represented by the negative balance of Accumulated Funds in the Statement of Financial Position.

3.3 Contributions Received Since Inception

The contributions received by the Trust Fund to date and the reconciliation to the balance of Restricted Funds as at 30 June can be summarised as follows.

	2025 \$	2024 \$
Government of New Zealand	25,500,000	25,500,000
Government of Australia	14,138,709	11,664,864
Government of Niue	50,000	50,000
Government of Niue - deemed contributions - refer Note 3.2, above	16,969,159	16,969,159
Niue Kaufakalataha Wellington Region Inc.	15,000	15,000
Estate of Jock McEwen	15,000	15,000
Contributions Received to Date	56,687,868	54,214,023
Real Value Adjustments	27,677,116	25,508,916
RESTRICTED FUNDS AS AT 30 JUNE	<u>84,364,984</u>	<u>79,722,939</u>

4 CASH, CASH EQUIVALENTS AND INVESTMENTS

The Trust Deed requires the Board of Trustees to protect contributions from any distributions. In addition, the accumulated value of all contributions must be protected from the effects of inflation by adjusting it in accordance with the Consumer Price Index in New Zealand. With the formal adoption of the Statement of Investment Policies and Objectives (S IPO) by the Board of Trustees, effective 1 November 2024, the primary investment objective of the Trust Fund is to achieve a return (net of expenses and fees) to exceed inflation (as measured by the New Zealand Consumer Price Index) by at least 2 per cent over rolling five year periods. The Trust Fund now invests through two fund managers: Milford Funds Limited and Nikko Asset Management New Zealand Limited (on 1 September 2025 Nikko changed its name to Amova Asset Management New Zealand Limited); in addition a holding of cash or cash equivalents is held directly.

At balance date, current and non-current investments were as follows.

	2025 \$	2024 \$
Current accounts and call accounts	11,024,694	42,179,376
Cash & Cash Equivalents	11,024,694	42,179,376
ANZ Investments	0	30,485,899
Milford Funds Limited	33,899,788	0
Nikko Asset Management New Zealand Limited	35,814,711	0
Non-current Investments	69,714,499	30,485,899
INVESTMENTS	80,739,193	72,665,275

5 FINANCIAL INSTRUMENTS

5.1 Overview

The Trust Fund's principal financial instruments are investments in managed funds in New Zealand, in addition to deposits with banks that are registered in New Zealand. From time to time other financial instruments may be held as a result of the Trust Fund's activities, such as debtors and creditors.

The main risks associated with the Trust Fund's financial instruments are: financial market volatility, interest rate risk, credit risk, liquidity risk, and potentially foreign currency risk.

When funds become available for investment, the Trust Fund's Fund Monitor prepares an investment proposal, using quotes from banks that are registered in New Zealand. Yield curves are taken into account when the preferred quote is selected.

5.2 Fair Values

The Trust Fund's investments may include term deposits with varying terms, that are designated to be held to maturity. As such, they are subsequently measured at amortised cost using the effective interest method.

As investments in deposits are designated to be held to maturity, and because of their relatively short terms, the fair values of all financial instruments at balance date were not considered to differ materially from their carrying values.

5.3 Market Volatility

Most of the Trust Fund's investments are in Milford Funds Limited and Nikko Asset Management New Zealand Limited, which are managed funds based in New Zealand. These funds invest in New Zealand and overseas equities, bonds, and cash. Equities and bonds are subject to market fluctuations, which are recognised in the Statement of Comprehensive Revenue and Expense.

The Trust Fund's investment horizon is long term, and it is therefore comfortable with market fluctuations that affect the value of its investments.

5.4 Interest Rate Risk (and the effect of changes in the Consumer Price Index)

The Trust Fund's main interest rate risk is that the increase in the Consumer Price Index in New Zealand exceeds the interest rates that apply to the Trust Fund's existing investments or that are available for new investments. This would result in not enough interest revenue being generated to protect the Real Value of the Trust Fund's contributions from the effects of inflation.

Although movements in the market interest rates and the Consumer Price Index are outside the control of the Trust Fund, the Trust Fund attempts to minimise the risk of adverse movements by taking into account yield curves and economic forecasts when investment decisions are being prepared.

The Trust Fund currently has no policy of hedging interest rate risks through forward deals.

Currently, the only interest bearing investments of the Trust Fund are those held by the managed funds and directly held call deposits.

Changes in the Consumer Price Index influence the returns that are available for distribution to the Government of Niue. If the Consumer Price Index had increased by an additional 1% in June 2025, then the returns that would have become available for distribution as at 30 June 2025 would have reduced by \$833,399 (30 June 2024: \$814,778).

5.5 Credit Risk

Credit risk is the risk that a debtor defaults on its obligations to the Trust Fund.

The Trust Fund's current investment policy is to invest all funds with banks and managed funds that are registered in New Zealand. The Board therefore considers the credit risk on investments to be minimal.

6 CONTINGENCIES

No contingent assets or liabilities existed as at balance date (2024: nil).

7 COMMITMENTS

There were no commitments as at balance date (2024: nil).

8 RELATED PARTIES

The Deed under which the Trust Fund operates, was executed on behalf of the Governments of Niue, New Zealand and Australia, and provides for these Governments to appoint one Trustee each. The Trust Fund is thus controlled by these three Governments.

The Government of Niue is the sole beneficiary of the Trust Fund. The Government of Niue is also represented on the Trust Fund's Board of Trustees.

Most contributions are made by the three Governments; the details are disclosed in Note 3.

9 SUBSEQUENT EVENTS

No events happened after balance date that may have a material impact on these Financial Statements.



Independent Auditor's Report

To the readers of the Niue International Trust Fund's financial statements for the year ended 30 June 2025

I have audited the financial statements of the Niue International Trust Fund (the Fund) for the year ended 30 June 2025 using my staff and resources.

Opinion

I have audited the financial statements of the Fund on pages 2 to 12, that comprise the statement of financial position as at 30 June 2025, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2025 and the notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements of the Fund on pages 2 to 12:

- give a true and fair view of the Fund's:
 - financial position as at 30 June 2025; and
 - financial performance and cash flows for the year then ended; and
- comply with International Financial Reporting Standards.

Our audit was completed on 22 December 2025. This is the date at which our opinion is expressed.

The basis for my opinion is explained below. In addition, I outline the responsibilities of the Trustees and my responsibilities relating to the financial statements and I explain my independence.

Basis for our opinion

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

I have fulfilled my responsibilities in accordance with the Auditor-General's Auditing Standards.

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

Responsibilities of the Trustees for the financial statements

The Trustees are responsible on behalf of the Fund for preparing financial statements that give a true and fair view and comply with internationally recognised generally accepted accounting practice. The Trustees are responsible for such internal control as they determine is necessary to enable them to prepare financial statements that are free from material misstatement, whether due to fraud or error.

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

The Trustee's responsibilities arise from section 7 of the Niue Trust Fund Act 2004 and clause 16 of the Deed concerning the Fund.

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

- I identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I 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.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- I conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

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

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

My responsibilities arise from clause 17 of the Trust Deed concerning the Fund.

Independence

While carrying out this audit, my staff complied with the Auditor-General's independence requirements, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

As an Officer of the New Zealand Parliament, I am constitutionally and operationally independent of the Government of Niue and the Niue International Trust Fund. Other than in my capacity as auditor, I have no relationship with, or interests, in the Fund.



Grant Taylor
Controller and Auditor-General
Wellington