ANNUAL REPORT 2026

Australian Air Pilots MBF

1 May 2025 to 30 April 2026




Australian
Air Pilots MBF



ABOUT MBF

Our Origins
The Australian Air Pilots Mutual Benefit Fund was established by pilots, for pilots. Its origins date to May 1961, when AFAP delegates at the Annual Convention in Perth sought an alternative to commercial loss-of-licence insurance. The Fund was formally established that year, with its first monthly benefits paid by September.

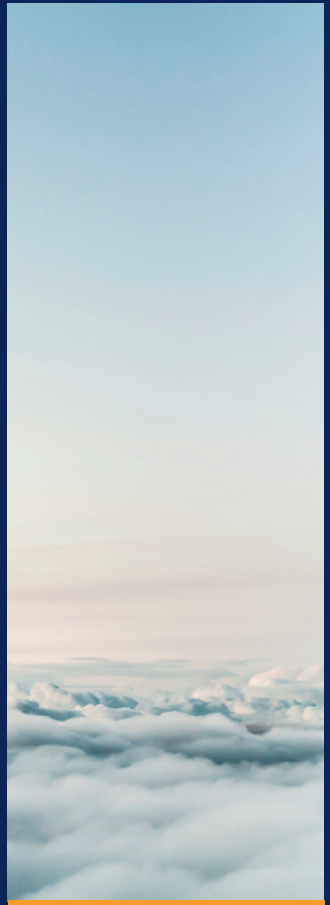
The Mutual Principle
AAPMBF operates on a strict mutual, not-for-profit basis. Members contribute to a common fund that exists to provide financial assistance to fellow pilots and their dependants. The Fund is member-owned and is not an APRA-regulated insurance company.

Today, AAPMBF is managed by its corporate trustee, Austair Pilots Pty Ltd, which holds an Australian Financial Services Licence (AFSL 344259) regulated by ASIC.

Its directors are elected by Fund members and are responsible for administering the Fund, safeguarding its assets and applying its Rules.

Evolution and Modernisation
Over more than six decades, AAPMBF has evolved alongside the aviation profession. A comprehensive modernisation program was launched in the 2025–26 financial year, including the introduction of the Nominated Capital Benefit (NCB) to replace the former Standard and Premium Capital Benefits.

Our Purpose Today
While MBF has evolved, its purpose remains unchanged: pilots supporting pilots. Today, the Fund protects more than 3,900 members, providing financial support when the loss of a Class 1 Medical Certificate prevents a professional pilot from continuing to earn a piloting income.



2025/26 AT A GLANCE

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3912
MBF Members

$1.66m
Refund of Contributions

$2.02m
Monthly Benefits paid

$2.75m
Capital Benefits paid

MEET THE BOARD

Australian Air Pilots MBF



Capt. David Harget (Chair)
Qantas Group



Capt. Tim Glabbatz
Qantas Group



Capt. Troy Mussio
PHI International



Capt. Simon Brownscombe
Former Atlas Air



Capt. Cameron Tribe
Boeing



Capt. Walter Gowans
Virgin Group



Capt. Matthew Nielsen
Babcock



F/O Matthew O'Keeffe
Virgin Group



Capt. Steven Vidler
Qantas Group

The MBF's Directors are fellow pilots with your interests at heart. They have a firm understanding of the life you live and the risks you take. They each serve a three year term and may stand for re-election after that time.

David Harget - Chair
Check Captain with Eastern Australian Airlines (Qantas Group) in Sydney.

"As a Director I believe it is essential to be strategically innovative in order to guide the direction of the MBF".

FROM THE CHAIR



DAVID HARGET
MBF BOARD CHAIR

It is my pleasure to present the Chairperson's Report for 2026, at the conclusion of a year of dealing with the most ambitious projects ever undertaken by AAPMBF (MBF – the Fund). This report also marks the end of my term as a Director and as Chair of the Fund. I was privileged to be elected to the MBF Board in 2005 and elected Chairperson in 2011. I have enjoyed the challenges during my long journey in periods where the Fund faced challenges but grew from strength to strength.

Product and System Upgrades
The Fund has navigated significant changes in 2025-26, overcoming system development and new product implementation challenges to grow and strengthen, with:

- Introduction of Nominated Capital Benefit (NCB) product with a new maximum cover of $1.2m.
- Development and implementation of a new CRM software and operational model to support NCB.
- An extended Renewals and Appeals period due to system delays and ironing out bugs.
- All Members given the opportunity to increase cover, irrespective of age as at 1 May 2026.

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These changes generated a positive response, with;

- Just under half of the 3,695 Members taking out increased cover under NCB.
- Of the 1,740 increases more than 1,100 were with new medical declarations to be processed and approved by the Board.
- A successful take-up rate for maximum NCB cover from 1 May 2026 with nearly 800 Members at maximum level.

Financial Performance
MBF delivered another pleasing financial result for 2025/26, achieving a net surplus of $12.94m, despite write-downs in property assets, where the market continues to fall. Investment returns were strong, and further financial details are outlined in the General Manager's report.

- A record number of members at 30 April 2026 of 3,912, up from 3,695 in 2025.
- The highest ever net asset value of $100.7m compared to $87.8m in 2025.

DAVID HARGET
MBF BOARD CHAIR

Property and Infrastructure
MBF purchased a replacement investment property in East Malvern to support CGT rollover relief following the compulsory acquisition of the Box Hill property. Final compensation from the Suburban Rail Loop Authority was received and paid fully in June 2026.

Planning is underway for refurbishment projects at the South Melbourne building. Level 6 has been completed and MBF staff moved in at the end of May 2026.

Staffing and Leadership
MBF extends thanks to Chris Henderson as interim GM covering for Michelle Vong, who plans to return from parental leave part-time in January and then full-time in March 2027. The introduction of the new CRM software has given the Board the opportunity to commission an independent review of the staffing, structure and operations. This has recently been undertaken and the implementation phase will follow with the emphasis on role flexibility, cross-training of skills within staff roles and greater cover for staff on planned or unplanned absences. Thanks to all the staff who have contributed to the Member Services and operational needs of MBF throughout the challenging period of 2025/26.

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Acknowledgements
I would like to thank Cameron Tribe and Matthew O'Keeffe, whose terms as Directors conclude at the end of the 2026 AGM. Matthew has served two terms and Cameron Tribe one term and due to their respective commitments have chosen not to stand for re-election. Both have made a significant contribution during their respective terms and their service is greatly appreciated.

MBF will welcome three new Directors (see GM's Report) to commence in October 2026. As I retire from the Board, I wish them every success. The continuing Directors look forward to welcoming them.

I extend my sincere appreciation to my fellow Directors for their voluntary service and to the entire MBF team for their commitment and professionalism.

This is your Mutual Benefit Fund and I thank you for your continued support as MBF strives to provide the best protection against the consequences of losing your Class 1 Medical Certificate.

FROM THE GENERAL MANAGER



CHRIS HENDERSON
INTERIM GENERAL MANAGER

Strategic Development
The Board took the opportunity to replace the Member relationship management software and revamp the MBF Loss of Licence cover for the 2026 Fund year, due to discontinuation of the previous software. The introduction of new CRM software was an opportunity to introduce Nominated Capital Benefit (NCB) with a maximum cover to $1.2 m. As an introductory offer, all Members were given the opportunity to increase, irrespective of age.

The new CRM software was a major development exercise and was unfortunately delayed beyond the standard 1 May Renewals commencement. Members approved a special Rule amendment in March 2026 to allow a delayed start date on the basis that all existing cover remained in place at 1 May 2026.

Financial Performance
MBF had another strong year in 2025/26, achieving net assets of $87.76m despite property asset write- downs. Investment performance was particularly pleasing and compensation for the compulsory acquisition of the Box Hill Investment Property added to the surplus . Full financial details are reported elsewhere.

Product and System Updates
Despite the delayed system introduction period as reported above, the Renewal increases in NCB cover and introduction of the new software has been well managed by the MBF staff. Extensive support to Members ensured the process difficulties were overcome and the applications for higher cover under NCB has settled to a manageable level. The Board has since initiated a change of service delivery so that more staff will be trained on the full range of services allowing for better coverage of staff absences and flexible working arrangements.

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CHRIS HENDERSON
INTERIM GENERAL MANAGER

Leadership and Staff
I continued as the Interim General Manager, whilst Michelle Vong remained on parental leave. It has been a privilege to serve with David Harget as Board Chair. His support and leadership for the GM role and the whole of the organisation is recognised and appreciated. Best wishes to David and his family for a happy and healthy retirement after 21 years on the MBF Board and 16 years as Chair.

Thanks to the entire staff team for their support and contributions for the 2025/26 year. It has been a very demanding time for them with the change from 2025 to 2026 Rules and introduction of NCB and the CRM development. All members of staff have been required to contribute to the new CRM process over and above their normal operations, which is acknowledged and appreciated.

Property and Infrastructure
MBF acquired a new investment property in East Malvern, benefiting from CGT rollover relief. During the year the Fund developed new administration offices on Level 6 of 132-136 Albert Road South Melbourne, having outgrown the small offices on L1 in the building. Further upgrades of the exterior and foyer are in planning stage.

Governance
MBF expresses sincere appreciation to its Trustee Directors for their voluntary service. Many thanks to Matthew O'Keeffe and Cameron Tribe who will complete their terms as Directors at the conclusion of the 2026 AGM on 15 October. A warm welcome to Maddison Bartlett (Qantas Group), Brett Shipp (Babcock Mission) and Adam Mowbray (Virgin Group), who will begin their directorship after the 2026 AGM on 15 October.

INVESTMENT COMMITTEE REPORT

Australian Air Pilots MBF



STEVEN VIDLER
INVESTMENT COMMITTEE CHAIR

During the MBF Fund year, the Investment Committee met regularly with our external Investment Advisors, Escala Partners. Our advisors, Ben James, Amanda Fong and Gemma Dawkins were supported by Tracey McNaughton (Chief Investment Officer), Simon Dawkins (Head of Capital Markets) and Stephen Dickinson (Head of Managed Funds). The Investment Committee consisted of Captains David Harget, Cameron Tribe and F/O Matt O'Keefe and myself as Chairperson.

The MBF Fund reported a $12.9 million surplus for the MBF Fund year on the back of an $8 million gain in investments and a substantial increase in dividends and distributions. This was despite a $2.9 million write-down in the value of our property in South Melbourne. At the end of the Fund Year, total assets were $169 million of which around $163 million was invested. Net assets, after allowing for various provisions, were $100.7 million. This year the report from our Actuary shows the Fund is in a strong financial position and this has enabled the increase in our benefits and Refunds of Contributions.

For the financial year ending 30th April 2026, the Advisors reported a strong annual return of 12.5% excluding direct property and 9.4% including direct property for the MBF Investment Portfolio. The Portfolio continued to benefit from diversification across growth and defensive asset classes, with exposures to Australian and international equities, fixed income, and alternatives, all contributing to risk-adjusted returns and overall portfolio resilience.

The 12 months ending 30 April 2026 were marked by heightened market volatility as investors navigated a rapidly changing economic and geopolitical landscape. Concerns around global trade, persistent inflation, shifting monetary policy expectations and elevated geopolitical tensions all contributed to periods of significant uncertainty. Despite this, investment markets proved resilient, supported by strong corporate earnings, continued investment in artificial intelligence and digital infrastructure, and the expectation that central banks were approaching the end of the global tightening cycle.

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Looking ahead, the Advisors expect the global economy to continue transitioning to a more moderate pace of growth. While inflation has eased from its post-pandemic highs, it remains above central bank targets in many economies, suggesting interest rates are likely to remain higher than the ultra-low levels experienced over the previous decade. Against this backdrop, maintaining a diversified portfolio with exposure across asset classes, regions and investment styles continues to be the most appropriate approach.

The Fund's allocation to equities, fixed income and alternative investments is designed to enhance long-term returns while providing resilience through varying market conditions. The Advisors are committed to preserving capital, managing risk and identifying attractive opportunities that support the Fund's long-term objectives.

Finally, I would like to thank my fellow Investment Committee members and fellow Board members for their support and guidance throughout the year. With David Harget, Cameron Tribe and Matt O'Keeffe, retiring from the Board this year, I thank them for their contribution to the Investment Committee and look forward to welcoming new Investment Committee members towards the end of the year.

STEVEN VIDLER
INVESTMENT COMMITTEE CHAIR

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Peace of mind
for what matters most



AUDIT & RISK COMMITTEE REPORT

Australian Air Pilots MBF



TIM GLABBATZ
AUDIT AND RISK COMMITTEE CHAIR

As Chairperson of the Audit and Risk (A&R) Committee, I am pleased to present the Committee's Annual Report for 2026.

The A&R Committee is an integral part of the MBF's governance framework, supporting the Trustees in overseeing financial integrity, risk management and compliance. The Committee's focus remains on identifying and managing key risks and maintaining strong governance, controls and accountability across the Fund.

The 2026 Committee comprised myself as Chair, together with Captains Simon Brownscombe, Troy Mussio and David Harget.

Throughout the year, the Committee provided oversight and advice to the Trustees across key areas including:

- Financial reporting and integrity.
- Legislative and regulatory compliance.
- Internal controls and protection of Fund assets.
- Risk management and internal audit.
- External audit independence and effectiveness.
- IT security and compliance.
- The quality and timeliness of information provided to the Trustees.
- Ethical culture and organisational conduct.

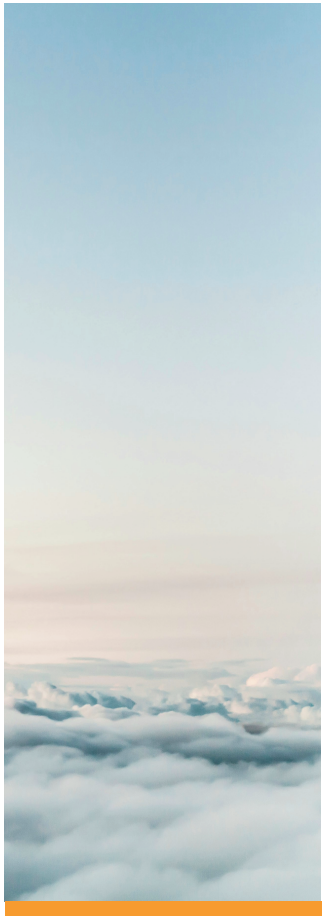
The Committee met regularly throughout the year to oversee the Statutory, AFSL and Internal Audits and assess their outcomes. The Committee also met annually with the external auditors and Fund actuary to consider the findings and recommendations arising from their reviews.

I thank my fellow Committee members for their continued commitment and the significant personal time they contribute to supporting the MBF and its Members.

The Board undertakes an annual review of the A&R Committee's performance. In 2026, the Board confirmed that the Committee had fulfilled its responsibilities and met the requirements of the Audit Committee Charter.



Early morning, Longford Gas Plant Heliport VIC
Photo credit to Capt. Troy Mussio



MEMBERSHIP AND BENEFIT PAYMENTS

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*	2026	2025	2024	2023
Membership	3912	3695	3552	3474
Average age	41	41	41	41
Average cover	$703,562	$695,393	$688,160	$698,288
Monthly Benefit	37 $2,021,216	32 $1,445,665	44 $2,130,805	41 $2,284,124
Capital Benefit	7 $2,751,484	8 $4,731,519	10 $4,743,800	7 $3,097,445
Death Benefit	$ -	$ -	2 $1,399,642	2 $1,612,240
Total Benefits paid	**$4,772,700**	**$6,177,184**	**$8,274,247**	**$6,993,809**
Refund of Contributions	33 $1,660,401	36 $1,856,787	27 $1,311,538	31 $1,424,313

* year ending 30 April



FINANCIALS

REVENUE, EXPENSES AND PROFIT

Australian Air Pilots MBF

Statement of financial performance (abbreviated) for the year ended 30 April 2026		
Revenue from ordinary activities	**2026**	**2025**
Member Contributions	$12,042,920	$11,155,752
(Increase)/Decrease in Movement of Provision for Contribution Refunds	($706,000)	($3,269,000)
Contribution Refunds	($1,660,401)	($1,856,787)
Sub-total	*$9,676,519*	*$6,029,965*
Dividend and distribution on listed securities	$6,204,554	$4,659,151
Interest on bank deposits and bank bills	$1,664,047	$1,705,278
Rental and sundry income	$1,343,273	$700,471
Total revenue	**$18,888,393**	**$13,094,865**
Less expenses		
Capital Benefit – lump sums	$2,751,484	$4,731,519
Death Benefit	$ -	$ -
Monthly Benefit	$2,021,216	$1,445,665
Increase/(Decrease) in Movement of Provision for Claims	$249,000	$1,274,000
Sub-total	*$5,021,700*	*$7,451,184*
Administration expenses	$5,089,045	$3,268,198
Property expenses	$488,429	$202,029
Total expenses	**$10,599,174**	**$10,921,411**
Net profit before changes in investments	**$8,289,219**	**$2,173,454**
Net fair value gain/(loss) on investment securities	$8,115,871	$4,479,616
Net fair value gain/(loss) on investment properties	($2,910,000)	($1,876,962)
Additional property market value compensation	$2,510,000	$ -
Reimbursement of replacement property costs	$986,086	$ -
Profit before income tax expense	**$16,991,176**	**$4,776,108**
Income tax expense	$4,053,605	$1,701,518
Profit for the period	**$12,937,571**	**$3,074,590**

These accounts have been independently audited by RSM Australia Partners



FINANCIALS

ASSETS AND LIABILITIES

Australian Air Pilots MBF

Statement of financial performance (abbreviated) for the year ended 30 April 2026		
Assets	**2026**	**2025**
Cash at call and receivables	$10,534,413	$3,931,830
Term deposits (up to 90 days)	$ -	$4,000,000
Total current assets	*$10,534,413*	*$7,931,830*
Fixed interest	$21,469,341	$16,054,050
Other financial assets at cost	$69,391,429	$65,408,294
Change in fair value of other financial assets	$41,610,532	$37,742,181
Total financial assets	*$132,471,302*	*$119,204,525*
Investment properties, plant and equipment	$25,778,808	$27,758,020
Other non-current assets	$403,314	$437,596
Total assets	**$169,187,837**	**$155,331,971**
Liabilities		
Payables	$2,287,160	$2,132,603
Current tax liabilities	$2,404,106	$3,916,789
Provisions – current and non-current	$46,516,619	$45,578,269
Deferred tax liabilities	$17,282,769	$15,944,697
Total liabilities	*$68,490,654*	*$67,572,358*
Net assets	***$100,697,183***	***$87,759,613***
Total equity – retained earnings	*$100,697,183*	*$87,759,613*

Note: These abbreviated accounts reflect the audited accounts for the financial years of 2025/26 and 2024/25 ending 30 April

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