

**SHARESIES FUNDS SCHEME
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025**

**SHARESIES FUNDS SCHEME
DIRECTORY
FOR THE PERIOD ENDED 31 MARCH 2025**

MANAGER

Sharesies Investment Management Limited

Registered office	Level 6 111 Customhouse Quay Wellington 6011
Directors	Alison Gerry (<i>Chair</i>) Jonathan Macdonald Kirsty Mactaggart (<i>ceased 30 August 2024</i>) Leighton Roberts Brooke Roberts Sonya Williams

CUSTODIAN

Apex Investment Administration (NZ) Limited

Registered office	Level 25 125 Queen Street Auckland 1010
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SUPERVISOR

Trustees Executors Limited

Registered office	Level 9/42-52 Willis Street Wellington Central Wellington 6143
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AUDITOR

KPMG

Registered office	Level 6/44 Bowen Street Wellington Central Wellington 6011
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SHARESIES FUNDS SCHEME
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2025

	2025
	\$
Income	
Interest income at amortised cost	381,821
Total income	381,821
Expenses	
Management fees	(55,756)
Total expenses	(55,756)
Net profit/(loss) attributable to Members	326,065
Other comprehensive income	-
Total comprehensive income/(loss) for the period attributable to Members	326,065

The accompanying notes form an integral part of these financial statements

**SHARESIES FUNDS SCHEME
STATEMENT OF NET ASSETS
AS AT 31 MARCH 2025**

	2025
	\$
Assets	
Cash and cash equivalents	46,850,553
Total assets	46,850,553
Liabilities	
Related party payables	(18,470)
PIE tax payable	(28,636)
Total liabilities	(47,106)
Net assets	46,803,447
Represented by:	
Net assets attributable to Members	46,803,447

The accompanying notes form an integral part of these financial statements

Signed

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Alison Gerry
Director
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DocuSigned by: Leighton Roberts
Director
378A656117D149E...

Date

28 July 2025

28 July 2025



SHARESIES FUNDS SCHEME
STATEMENT OF CHANGES IN FUNDS ATTRIBUTABLE TO MEMBERS
FOR THE PERIOD ENDED 31 MARCH 2025

	2025
	\$
Net assets attributable to Members at the start of the period	-
Applications	74,834,445
Redemptions	(28,271,586)
PIE Tax Paid on behalf of Members	(85,477)
Net increase from Member transactions	46,477,382
Total comprehensive income for the period	326,065
Net assets attributable to Members at the end of the period	46,803,447

The accompanying notes form an integral part of these financial statements

**SHARESIES FUNDS SCHEME
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2025**

	Notes	2025 \$
Cash flows from operating activities		
<i>Cash was provided from</i>		
Interest received		381,821
<i>Cash was applied to</i>		
Management fee		(37,286)
Net cash inflow/(outflow) from operating activities	5	344,535
Cash flows from financing activities		
<i>Cash was provided from</i>		
Applications		74,834,445
<i>Cash was applied to</i>		
Redemptions		(28,271,586)
PIE Tax Paid on behalf of Members		(56,841)
Net cash inflow/(outflow) from financing activities		46,506,018
Net cash inflow/(outflow)		46,850,553
Net cash and cash equivalents at the beginning of the period		-
Net cash and cash equivalents at the end of the period		46,850,553

Notes to the Financial Statements

Note 1: General information

These financial statements are for the Sharesies Funds Scheme (the 'Scheme') for the period ended 31 March 2025 (the reporting date), which comprises the Sharesies PIE Save Fund (the 'Fund').

Statutory base

The Scheme is a Managed Investment Scheme as defined by the Financial Market Conduct Act 2013 ("FMCA") and is subject to the provisions of the Act. The Scheme is a trust vehicle governed by a Trust Deed dated 15 November 2024. The Scheme was registered on 18 November 2024 and commenced operations on 26 November 2024.

Sharesies Investment Management Limited is the Manager of the Scheme. It is responsible for the management and administration of the Scheme, including responsibility for the preparation and issue of the Scheme's financial statements.

Trustees Executors Limited is the Supervisor of the Scheme and is licensed under the Financial Markets Supervisors Act 2011 to act as Supervisor of the Scheme. Apex Investment Administration (NZ) Limited is the custodian of the Scheme's financial assets at amortised cost.

The financial statements of the Scheme for the period ended 31 March 2025 were authorised for issue in accordance with a resolution of the directors on 28 July 2025.

Investment objective

The principal objective of the Fund is described below:

- The Fund is designed for investors that want a conservative investment option that aims to provide a stable return over the short term, with easy access to their money, by investing wholly in demand deposits (on-call cash) at AA- rated registered NZ-based banks. The Fund targets the return (before deductions for Fund charges and tax) of the New Zealand Official Cash Rate (OCR).

Note 2: Basis of Accounting

2.1 Basis of preparation

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). The Scheme is a Tier 1 entity and, as such, the financial statements comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and other application Financial Reporting Standards, as appropriate for for-profit entities. The financial statements also comply with International Financial Reporting Standards ("IFRS").

The financial statements have been prepared in accordance with the Trust Deed governing the Scheme and the Financial Markets Conduct Act 2013.

For the purposes of complying with NZ GAAP, the Scheme is a for-profit entity. The measurement base adopted is historical cost. The accrual basis of accounting has been applied, as has the going concern assumption. All amounts are expressed in New Zealand dollars (the "presentation currency") which is the currency of the primary economic environment in which the Scheme operates (the "functional currency").

The financial statements are for the period beginning 18 November 2024 (the date of registration) to 31 March 2025. This is the first year of operations and as such no comparatives exist.

The preparation of financial statements can require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Any areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to these financial statements, are disclosed in Note 4.



Notes to the Financial Statements (continued)

a) Changes in accounting policies and disclosures

The accounting policies adopted have been applied consistently throughout the period.

b) Standards or interpretations issued but not yet effective

In May 2024 the External Reporting Board issued Presentation and Disclosure in Financial Statements (NZ IFRS 18). The objective of the standard is to set out the requirements for presentation and disclosures in financial statements. The new standard establishes new requirements for presentation within the statements of profit or loss by introducing new subcategories. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information on the face of the primary statements and supporting notes. It will be effective from periods commencing on or after 1 January 2027.

In June 2024 the External Reporting Board issued Amendments to the Classification and Measurement of Financial Instruments, which impacts NZ IFRS 9. The objective of the amendment was to provide guidance on the classification of financial assets with environmental, social and corporate governance features and introduce additional disclosure requirements regarding financial instruments with contingent features. It will be effective from periods commencing on or after 1 January 2026.

The Scheme is still assessing the impact the amendments will have on current practice.

2.2 Financial assets and financial liabilities

a) Classification, recognition and measurement

Financial assets and financial liabilities are recognised when the Scheme becomes a party to the terms of the contract, which is generally on the date payment is made.

Financial assets consist of cash and cash equivalents which have been classified at amortised cost for the purposes of NZ IFRS 9, *Financial Instruments*.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- i) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest.

Financial assets measured at amortised cost are initially measured at fair value plus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method. Interest income, and any expected credit losses and reversals, are recognised in the statement of comprehensive income.

The Scheme assesses financial assets for credit impairment based on expected credit losses. As the underlying bank account in which the financial assets are held is of a high credit quality, no credit impairment provision has been recognised.

b) Net assets attributable to Members

Net assets attributable to Members are measured at amortised cost and represent Members' funds and comprise units of \$1.00 each. The Scheme issues units that are redeemable at the Member's option and do not have identical features.

The assets of the Fund consist of demand deposits with no maturity dates. Units are redeemable upon demand.

As stated in the Trust Deed, each unit represents a right to an individual share of the relevant Fund and does not extend to a right in the underlying assets of the Fund.

c) Applications and redemptions

Applications represent Member applications for units in the Fund (cash deposits). Redemptions represent Member requests to redeem units (cash withdrawals). Units are issued and redeemed at the Member's discretion at \$1.00 each.

Notes to the Financial Statements (continued)

d) Taxation

The Scheme is a Portfolio Investment Entity (PIE). Under the PIE regime, the Manager attributes the taxable income of the Scheme to Members. The income attributed to each Member is taxed at the Member's 'prescribed investor rate' which is capped at 28%. The Manager accounts for tax on behalf of Members and undertakes any necessary adjustments to the Member's interests in the Funds to reflect that the Scheme pays tax at varying rates on behalf of Members. The income attributed to each Member is taxed at that Member's Prescribed Investor Rate up to 28% on redemptions, distributions and annually at 31 March each year. The Manager may also make distributions on other dates where necessary or desirable to enable compliance with the PIE tax regime.

The tax attributable to Members is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Positions taken in attributing taxable income to Members, with respect to situations in which applicable tax regulations are subject to interpretation, are evaluated by the Manager as required.

PIE tax payable on behalf of Members consists of amounts withheld from withdrawals or redemptions (or accrued) to meet Member tax liabilities under the PIE regime.

e) Goods and services tax (GST)

The Scheme is not registered for GST and consequently all components of the financial statements are stated inclusive of GST where applicable.

f) Statement of cash flows

Definitions of the terms used in the Statements of Cash Flows are:

- (a) 'Operating activities' include all transactions and other events that are not financing activities; and
- (b) 'Financing activities' are those activities that result in changes in the size and composition of Member's funds.

The Scheme undertook no investing activities during the reporting period.

g) Related parties

A party is related to the Scheme if:

- (a) directly or indirectly through one of its intermediaries, it controls, is controlled by, or is under common control with, the Scheme;
- (b) it is a parent, a subsidiary or fellow subsidiary or a party, defined in (a) above;
- (c) it has an interest in or relationship with the Scheme that gives it significant influence over the Scheme;
- (d) the Scheme has an interest in or relationship with the party that gives it significant influence over the party;
- (e) the entity provides key management personnel services to the Scheme.

Note 3: Financial Instruments

Financial instruments carried on the Statement of Net Assets include cash and cash equivalents of which all are classified as current.

(a) Fair value of financial assets and financial liabilities

The Scheme's financial instruments are stated at amortised cost in the Statement of Net Assets. The carrying amounts of financial instruments are considered to be a reasonable approximation of fair value due to their short-term nature.

(b) Currency risk

The Scheme is not exposed to currency risk as all assets are in New Zealand dollars.

Notes to the Financial Statements (continued)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk is managed as interest rates are effectively matched between the deposits the Scheme hold in custody and the investments the Members hold in the Scheme. An analysis of the sensitivity of the Scheme's interest income due to movements in interest rates is shown below, based on the balances at balance date.

	2025
	\$
Increase in interest rate of 1% of cash and cash equivalents	468,506
Decrease in interest rate of 1% of cash and cash equivalents	(468,506)

(d) Price risk

The Scheme is not exposed to price risk as all assets are cash holdings New Zealand dollars.

(e) Credit risk

The Scheme is exposed to credit risk through its investment activities, in that the failure of external counterparties to honour the terms and conditions of a contract may result in a financial loss to the Scheme. The maximum credit risk of financial instruments is considered to be the carrying amount. The Scheme's assets are held with a New Zealand based registered bank whose credit rating applicable at the reporting date is AA-. This credit rating is granted by S&P Global. There are no assets which are past due, and no credit impairment provision has been recognised by the Scheme.

(f) Liquidity risk

Liquidity risk is the risk that under certain conditions cash outflows can exceed cash inflows in a given period, and that the Scheme may therefore not be able to meet their obligations as they fall due. The units within the Scheme have no contractual maturities and hence are redeemable on demand by Members.

(g) Capital risk management

The Scheme's primary purpose is to ensure that its net assets are sufficient to meet all present and future obligations of the Scheme, as represented by the Members' liability. The Scheme achieves this through obtaining contributions from Members and investing these into financial assets with similar liquidity and maturity profiles. The net assets attributable to Members represent what the Scheme manages as capital.

Note 4: MATERIAL ACCOUNTING POLICIES

(a) Significant Assumptions, Estimates and Judgements

In applying the Scheme's accounting policies, management evaluates judgements, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Scheme. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available. Actual results may differ from the judgements, estimates and assumptions.

There are no areas involving a higher degree of judgement or complexity, or areas where assumption and estimates are significant to the financial statements.

Notes to the Financial Statements (continued)**Note 5: Reconciliation of Operating Cash Flows**

Reconciliation of net cash provided by operating activities to change in net assets attributable to Members for the period.

	2025
	\$
Changes in net assets attributable to Members	
Interest income	381,821
Management fee expense	(55,756)
Net increase/(decrease) in management fees payable	18,470
Net cash flows from operating activities	344,535

Note 6: Related Parties

- (a) The Manager of the Scheme is Sharesies Investment Management Limited. The Manager receives management fees from the Scheme. For the period ended 31 March 2025 fees paid or payable to the Manager were \$55,756 (2024: nil) which includes a current payable balance owing at period end of \$18,470 (2024: nil). The auditor of the Scheme and the Scheme's registry is KPMG.

The Manager has paid and/or accrued for the following amounts on behalf of the Scheme for the period ended 31 March 2025. All balances are current.

Fees paid or payable to KPMG:

	2025
	\$
Audit of the financial statements of the Sharesies Funds Scheme	16,100
Other assurance services and agreed-upon procedures	
Sharesies Funds Scheme Registry Audit	9,200
Total fees	25,300



Notes to the Financial Statements (continued)

(c) Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Scheme, directly or indirectly. These include the Chief Executives, Founders, Chief Commercial and Finance Officer and Directors of Sharesies Group Limited, the parent entity of the Manager. The key management personnel are paid by Sharesies Limited.

Key management personnel have transacted with the Scheme during the period as follows:

	2025
	\$
Balance at the beginning of the period	-
Applications	101,876
Interest distributed net of tax	317
Redemptions	17,000
Balance as at 31 March 2025	119,193

Note 7: Contingent liabilities

There were no contingent liabilities as at 31 March 2025.

Note 8: Capital commitments

There were no capital commitments as at 31 March 2025.

Note 9: Events after balance date

There have been no significant events that have occurred between balance date and the date of the signing of these financial statements.





Independent Auditor's Report

To the members of Sharesies Funds Scheme

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements which comprise:

- the statement of net assets as at 31 March 2025;
- the statements of comprehensive income, changes in net assets attributable to members and cash flows for the five month period then ended; and
- notes, including material accounting policy information and other explanatory information.

In our opinion, the accompanying financial statements of Sharesies Funds Scheme (the **Scheme**) on pages 3 to 12 present fairly in all material respects:

- the Scheme's financial position as at 31 March 2025 and its financial performance and cash flows for the five month period ended on that date;
- In accordance with New Zealand Equivalents to International Financial Reporting Standards (**NZ IFRS**) issued by the New Zealand Accounting Standards Board and the International Financial Reporting Standards issued by the International Accounting Standards Board.



Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (**ISAs (NZ)**). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of Sharesies Funds Scheme in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (**IESBA Code**), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

Our firm has provided other services to Sharesies Investment Management Limited (the **Manager**) in relation to statutory financial statement audit and other assurance services. Subject to certain restrictions, partners and employees of our firm may also deal with the Scheme on normal terms within the ordinary course of trading activities of the business of the Scheme. These matters have not impaired our independence as auditor of the Scheme. The firm has no other relationship with, or interest in, the Scheme.



Materiality



The scope of our audit was influenced by our application of materiality. Materiality helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole. The materiality for the financial statements as a whole was set at \$460,000 determined with reference to a benchmark of the Scheme's total assets. We chose the benchmark because, in our view, this is a key measure of the Scheme's performance.



Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the members as a body may better understand the process by which we arrived at our audit opinion.

Our procedures were undertaken in the context of and solely for the purpose of our audit opinion on the financial statements as a whole and we do not express discrete opinions on separate elements of the financial statements.

The key audit matter

How the matter was addressed in our audit

Existence and Accuracy of Cash and Cash Equivalents held by Sharesies Funds Scheme

Refer to note 2 to the financial statements which discloses further information in relation to cash and cash equivalents held by the scheme.

The Scheme's cash and cash equivalents exceed 99% of the Scheme total assets. Due to the nature of the cash and cash equivalents balance, we do not consider there to be a high risk of significant misstatement, nor is the related accounting subject to a significant level of judgement. However, due to their size compared to materiality in the context of the financial statements as a whole, they are considered to be the areas which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.

Our audit procedures included

- gaining an understanding of the processes in place to record cash and cash equivalent transactions. This included evaluating the control environment in place at the custodian and reading a report issued by an independent auditor on the design and operation of those controls; and
- receiving a confirmation, directly from the custodian, of the cash balance held as at 31 March 2025 and agreeing the confirmation to the accounting records of the Scheme.

Existence and Accuracy of Member Contributions for the Sharesies Funds Scheme

Refer to note 2 within the financial statements which discloses further information in relation to member contributions made to the scheme.

The Scheme's contributions makes up the majority of member activities recorded within the statement of changes in net asset attributable to members. Due to the nature of member contributions, we do not consider there to be a high risk of significant misstatement, nor is the accounting for them subject to a significant level of judgement. However, due to their

Our audit procedures included

- gaining an understanding of the processes in place to record member contributions;
- testing the design and implementation and operating effectiveness of key controls surrounding member contributions made to the Scheme; and
- vouching a sample of contributions to member instructions and cash received in the bank statements.



The key audit matter

How the matter was addressed in our audit

size compared to materiality in the context of the financial statements as a whole, they are considered to be the areas which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.

Other information

The Manager, on behalf of the Scheme, are responsible for the other information. The other information comprises information included in the financial statements, but does not include the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Use of this independent auditor's report

This independent auditor's report is made solely to the members. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, none of KPMG, any entities directly or indirectly controlled by KPMG, or any of their respective members or employees, accept or assume any responsibility and deny all liability to anyone other than the members for our audit work, this independent auditor's report, or any of the opinions we have formed.

Responsibilities of Manager for the financial statements

The Manager, on behalf of the Scheme, are responsible for:

- the preparation and fair presentation of the financial statements in accordance with NZ IFRS issued by the New Zealand Accounting Standards Board and the International Financial Reporting Standards issued by the International Accounting Standards Board;
- implementing the necessary internal control to enable the preparation of a set of financial statements that is free from material misstatement, whether due to fraud or error; and
- assessing the ability of the Scheme to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objective is:



- 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 independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but it is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 the financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board (XRB) website at:

<https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-2/>

This description forms part of our independent auditor's report.

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

For and on behalf of:

A handwritten signature of the KPMG firm, written in dark ink, appearing as 'KPMG' in a stylized, cursive-like font.

KPMG

Wellington

28 July 2025