

**SHARESIES KIWISAVER SCHEME  
FINANCIAL STATEMENTS  
31 MARCH 2023**

**SHARESIES KIWISAVER SCHEME  
DIRECTORY  
FOR THE PERIOD ENDED 31 MARCH 2023**

**MANAGER**

***Sharesies Investment Management Limited***

Registered office      Level 6  
111 Customhouse Quay  
Wellington

Investor enquiries      PO Box  
Manners Street  
Wellington

Directors                      Alison Gerry (*Chair*)  
Jonathan Macdonald  
Kirsty Mactaggart  
Leighton Roberts  
Brooke Roberts  
Sonya Williams

**SUPERVISOR AND CUSTODIAN**

***Trustees Executors Limited***

Registered office      Suite 3, Level 5, Spark Central, Boulcott Tower  
70 Boulcott Street  
Wellington 6011

**AUDITOR**

***KPMG***

Registered office      10 Customhouse Quay  
Wellington Central  
Wellington 6011

**SHARESIES KIWISAVER SCHEME**  
**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS**  
**FOR THE PERIOD ENDED 31 MARCH 2023**

	Sharesies Pathfinder Ethical Growth Fund	Sharesies PIE Global Growth 2 Fund	Sharesies Smartshares Growth Fund
	2023	2023	2023
	\$	\$	\$
<b>Income</b>			
Net gains/(losses) on financial assets at fair value through profit or loss	6,583	8,894	(2)
Other income	-	-	-
<b>Total income/(loss)</b>	<b>6,583</b>	<b>8,894</b>	<b>(2)</b>
<b>Increase/(decrease) in net assets (before tax)</b>	<b>6,583</b>	<b>8,894</b>	<b>(2)</b>
Tax expense	-	-	-
<b>Net profit/(loss) after tax</b>	<b>6,583</b>	<b>8,894</b>	<b>(2)</b>
<b>Membership activities</b>			
<b>Contributions/transfers in;</b>			
Transfers in from other schemes	381,322	452,859	31,573
Member contributions	3,787	3,558	455
Employer contributions	2,452	1,991	319
Portfolio investment entity taxation rebate	-	6	17
<b>Total contributions/transfers in</b>	<b>387,561</b>	<b>458,415</b>	<b>32,363</b>
<b>Transfers out</b>			
Portfolio investment entity taxation expense	(221)	(247)	-
<b>Total transfers out</b>	<b>(221)</b>	<b>(247)</b>	<b>-</b>
<b>Net increase in net assets during the period</b>	<b>393,923</b>	<b>467,061</b>	<b>32,361</b>
<b>Net assets attributable to members at 14 December 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net assets attributable to members at 31 March 2023</b>	<b>393,923</b>	<b>467,061</b>	<b>32,361</b>


*The accompanying notes form an integral part of these financial statements*

**SHARESIES KIWISAVER SCHEME  
STATEMENTS OF NET ASSETS  
AS AT 31 MARCH 2023**


		<b>Sharesies Pathfinder Ethical Growth Fund</b>	<b>Sharesies PIE Global Growth 2 Fund</b>	<b>Sharesies Smartshares Growth Fund</b>
		<b>2023</b>	<b>2023</b>	<b>2023</b>
	<b>Notes</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Assets</b>				
Financial assets at fair value through profit or loss	<b>5</b>	393,923	467,061	32,361
Tax receivable on behalf of Unitholders		-	6	17
<b>Total Assets</b>		<b>393,923</b>	<b>467,068</b>	<b>32,378</b>
<b>Current Liabilities</b>				
Tax payable on behalf of Unitholders		221	247	-
<b>Total liabilities</b>		<b>221</b>	<b>247</b>	<b>-</b>
<b>Net assets attributable to Unitholders</b>		<b>393,702</b>	<b>466,820</b>	<b>32,378</b>

*The accompanying notes form an integral part of these financial statements*

**Signed**

DocuSigned by:  
  
Alison Gerry  
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**Director**

DocuSigned by:  
  
Leighton Roberts  
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**Director**

**Date**

**27 July 2023**

**SHARESIES KIWISAVER SCHEME**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31 MARCH 2023**

	Sharesies Pathfinder Ethical Growth Fund	Sharesies PIE Global Growth 2 Fund	Sharesies Smartshares Growth Fund
	2023	2023	2023
	\$	\$	\$
<b>Cash flows from operating activities</b>			
<i>Cash was applied to:</i>			
Payments for purchase of financial assets	(387,561)	(458,409)	(32,346)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(387,561)</b>	<b>(458,409)</b>	<b>(32,346)</b>
<b>Cash flows from financing activities</b>			
<i>Cash was provided from:</i>			
Transfers in from other schemes	381,322	452,859	31,573
Member contributions	3,787	3,558	455
Employer contributions	2,452	1,991	319
<b>Net cash inflow/(outflow) from financing activities</b>	<b>387,561</b>	<b>458,409</b>	<b>32,346</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at 14 December 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at 31 March 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>

**RECONCILIATION OF OPERATING CASH FLOWS**

*Reconciliation from the net profit/(loss) after tax to the net cash flows from operating activities*

	Sharesies Pathfinder Ethical Growth Fund	Sharesies PIE Global Growth 2 Fund	Sharesies Smartshares Growth Fund
	2023	2023	2023
	\$	\$	\$
Net profit/(loss) after tax	6,583	8,894	(2)
<i>Changes in working capital items</i>			
(Increase)/decrease in financial assets at fair value through profit or loss	(393,923)	(467,061)	(32,361)
Increase/(decrease) in tax receivable	-	6	17
(Increase)/decrease in tax payable	(221)	(247)	-
<b>Net cash flows from operating activities</b>	<b>(387,561)</b>	<b>(458,409)</b>	<b>(32,346)</b>

*The accompanying notes form an integral part of these financial statements*

## Notes to the Financial Statements

### 1 GENERAL INFORMATION

These financial statements are for the Sharesies KiwiSaver Scheme (the 'Scheme') which comprises the following five investment funds (each a 'Fund', together the 'Funds'):

- *Sharesies Pathfinder Ethical Growth Fund*
- *Sharesies PIE Global Growth 2 Fund*
- *Sharesies Smartshares Growth Fund*
- *Sharesies Smartshares Balanced Fund (no units currently on issue)*
- *Sharesies Smartshares Conservative Fund (no units currently on issue)*

The Scheme is a defined contribution superannuation scheme registered under the KiwiSaver Act 2006, which means that members contribute to the Scheme over time and benefits payable depend on the amount of contributions made and any returns on contributions received.

The Scheme was registered on 14 December 2022 and commenced accepting members on 7 February 2023. The Scheme was established with the purpose of providing retirement benefits to members, with a focus on growing members confidence, connection and control. During the period, 16 members joined the Scheme. No members exited.

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. The assets of each Fund are the exclusive property of that Fund, and all liabilities incurred in relation to a Fund are exclusive liabilities of that Fund. Trustees Executors Limited is also the custodian of the Scheme's financial assets at fair value through profit or loss.

The principal objective of the funds is described below:

- The objective of the Sharesies Pathfinder Ethical Growth Fund is to achieve medium to high returns via an ethical portfolio with a higher exposure to growth assets and a lower exposure to income assets. The underlying portfolio is actively managed and includes cash, fixed interest, Australasian equities, International equities, listed property and other assets. The Fund has medium volatility.
- The objective of the Sharesies PIE Global Growth 2 Fund is to generate capital growth which outperforms the market index by investing predominantly in listed international large companies. The underlying portfolio is actively managed and includes international equities. The Fund has medium to high volatility.
- The objective of the Sharesies Superlife Growth Fund is to maximise long term returns by investing 80% in growth assets, such as shares and property, with a small diverse allocation to income assets. The Fund keeps fees low by passively tracking market indexes. The underlying portfolio includes cash, fixed interest, Australasian equities, International equities, listed property and other assets. The Fund has medium to high volatility.
- The objective of the Sharesies Smartshares Balanced Fund is to achieve a balance between stability of returns and growth of their investment over the long term by providing exposure to a diverse mix of growth and income assets. The Fund keeps fees low by passively tracking market indexes. The underlying portfolio includes cash, fixed interest, Australasian equities, International equities, listed property and other assets. The Fund has medium volatility. There are currently no units on issue in this fund.
- The objective of the Sharesies Smartshares Conservative Fund is to achieve a conservative investment option that aims to provide more stable returns over the short to medium term. The Fund keeps fees low by passively tracking market indexes. The underlying portfolio includes cash, fixed interest, Australasian equities, International equities, listed property and other assets. The Fund has medium volatility. There are currently no units on issue in this fund.

The financial statements of the Scheme for the period ended 31 March 2023 were authorised for issue in accordance with a resolution of the directors on 27 July 2023.

#### Funding arrangements

Funding in the form of contributions is received primarily from three sources: Members of the Scheme; employers of members of the Scheme; and the Government (in accordance with the provisions of the KiwiSaver Act 2006). Members may contribute to the Scheme at varying designated additional contributions in excess of any salary or wage linked contributions. As of 31 March 2023, employer contribution rates are either 3% or greater of each relevant Member's gross salary or wages. Employer contributions to KiwiSaver are subject to Employer Superannuation Contribution Tax. The Crown will also contribute \$0.50 for every \$1.00 of member contributions annually up to a maximum of \$521.43 for qualifying members.

#### Statutory base

The Scheme is registered under the Financial Markets Conduct Act 2013 as a KiwiSaver Scheme. The Scheme is a trust vehicle governed by a Trust Deed dated 09 December 2022.

### 2 BASIS OF ACCOUNTING

#### Basis of preparation

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP") and on the assumption that the Scheme is a going concern. 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 applicable Financial Reporting Standards, as appropriate for profit-oriented 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, the KiwiSaver Act 2006 and the Financial Markets Conduct Act 2013.

For the purposes of complying with NZ GAAP, the Scheme is a for-profit entity. The financial statements are being presented on a segregated fund basis in accordance with the requirements of the Financial Markets Conduct Act 2013. The financial statements have been prepared on an accruals basis. The measurement base adopted is historical cost modified by the revaluation of financial assets at fair value through profit or loss, other than where described in the notes below. Unless otherwise stated, 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 14 December 2022 (the date of establishment) to 31 March 2023. Given that this is the first year of operations, no comparative figures are presented in these financial statements.

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 3.

#### **Changes in accounting policies and disclosures**

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

#### **Standards or interpretations issued but not yet effective**

There are no standards or amendments that have been issued but are not yet effective that are expected to have a significant impact on the Scheme. The Scheme has not adopted, and currently does not anticipate adopting, any standards prior to their effective date.

### **Financial instruments**

#### **(a) Classification**

##### **Assets**

Financial assets are recognised initially at fair value. After initial recognition, financial assets are measured at fair value or amortised cost, determined on the basis of both (a) the Schemes business model for managing the financial assets, and (b) the contractual cash flow characteristics of the financial asset.

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

Financial assets at fair value through profit or loss can be either designated as such upon initial recognition or measured at fair value in accordance with NZ IFRS 9. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Scheme is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. All investments are measured at fair value through profit or loss.

##### **Liabilities**

##### *Financial liabilities at amortised cost*

These include payables which may include liabilities owed by the Scheme which are unpaid as at the balance date. All financial liabilities are included in this category. Financial liabilities measured at amortised cost are measured at amortised cost using the effective interest method.

The Funds did not hold any financial liabilities at reporting date.

#### **(b) Recognition, measurement and derecognition**

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

The Funds recognise financial assets at fair value through profit or loss on the date they become parties to the contractual agreement. Financial assets at fair value through profit or loss are initially recognised at fair value.

Subsequent to initial recognition, all financial assets are measured at fair value. Gains and losses arising from changes in the fair value are recognised in the Statement of Changes in Net Assets when they arise.

Financial assets at fair value through profit or loss are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all the risks and rewards of ownership. Any gain or loss arising on derecognition of the financial asset at fair value through profit or loss is included in the Statement of Changes to Net Assets in the period the item is derecognised.

#### **(c) Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. The fair value of units held by the Fund in managed investment funds is determined by reference to provided bid prices at the close of business on the reporting date being the redemption price established by the relevant underlying investment manager.

For investments with no active markets, fair values are determined using valuation techniques. Such techniques include: using recent arm's length transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible and keeping judgemental inputs to a minimum.

#### **Contributions**

Contributions are accounted for on an accruals basis. Contributions are initially recognised at fair value when the Manager has confirmed the validity of a Member's application details and instructions. Each Member contributes to the Scheme in accordance with the KiwiSaver Act, the Trust Deed and at a rate determined by the Member.

#### **Withdrawals**

Withdrawals are accounted for on an accruals basis and are recognised when the Manager has confirmed that a Member meets the conditions required for withdrawal eligibility. Withdrawals are paid on or after a Member's qualifying date for retirement. Early withdrawals are permitted for a first home purchase, significant financial hardship, serious illness, permanent emigration, life shortening congenital conditions and death.

#### **Net gain/(loss) on financial instruments at fair value through profit or loss**

Net gain/(loss) on financial instruments at fair value through profit or loss comprise gains, less losses related to investment assets. This includes all realised and unrealised fair value changes.

#### **Taxation**

The Funds are Portfolio Investment Entities (PIEs). Under the PIE regime, income is effectively taxed in the hands of the members and therefore the Funds have no tax expense. Accordingly, no income tax expense is recognised in the Statement of Changes in Net Assets.

Under the PIE regime, the Manager attributes the taxable income of the Funds to Members in accordance with the proportion of their overall interest in the Funds. 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.

Member's funds have been adjusted to reflect the impact of tax on the value of unit holdings.

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.

**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.

**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.
- (c) The Scheme undertook no investing activities during the reporting period.

**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) they are a member or the Manager's key management personnel.

**3 SIGNIFICANT ACCOUNTING 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.

*Fair value estimation of investments*

The valuation models employed use observable data, to the extent practicable. However, areas such as credit risk, volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

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



## 4 FINANCIAL RISK MANAGEMENT

### Financial instruments

Financial instruments recognised in the Statement of Net Assets consists solely of investments in underlying managed funds.

### Classification and fair values

The Scheme has carried out a fair value assessment of its financial assets and liabilities at 31 March 2023 in accordance with NZ IFRS 9. Under NZ IFRS 9, financial instruments are classified as either measured at amortised cost, fair value through other comprehensive income, or fair value through profit or loss. Based on the Scheme's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets, the Manager has determined that all financial assets of the Scheme are classified as fair value through profit or loss.

#### 4.1 Financial risk factors

The Scheme is subject to a number of financial risks which arise as a result of its activities, including: market risk (including price risk, currency risk and interest rate risk), credit risk and liquidity risk. The Scheme's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Scheme's financial performance.

##### a) Market risk

#### Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

As at 31 March 2023 the Scheme does not hold financial instruments denominated in currencies other than the New Zealand dollar, the functional currency. Therefore, there is no direct exposure to currency risk.

Currency risk has been considered on the basis of the Scheme's direct investments and not on a look through basis for investments held indirectly through unit trusts. Each Fund in the Scheme is indirectly affected by the impact of foreign currency changes on the earnings of their investments in unlisted unit trusts. This forms part of the price risk sensitivity below.

#### 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.

As at 31 March 2023, the Scheme does not hold any financial instruments which subject the Scheme to risk due to fluctuations in the prevailing levels of market interest rates. Therefore, there is no direct exposure to interest rate risk.

Interest rate risk has been considered on the basis of the Scheme's direct investments and not on a look through basis for investments held indirectly through unit trusts. Consequently the Scheme is exposed indirectly to interest rate risk where the Scheme has significant investments in unit trusts which have exposure to interest bearing financial instruments. This forms part of the price risk sensitivity below.

#### Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Scheme invests solely in underlying managed funds (for the period ended 31 March 2023, these were PIE Global Growth II Fund, Pathfinder Ethical Growth Fund and the Smartshares Growth Fund). It therefore has indirect risk exposure in relation to the underlying investments within each fund. The risks are borne and managed by the investment managers and the impact on the Scheme is restricted to movements in the unit pricing, outlined within the price sensitivity analysis below.

The managers of the underlying funds moderate this risk through careful asset selection and diversification of investments, daily monitoring of the positions and adherence to their investment policies. Price risks are managed by ensuring that all activities are transacted in accordance with mandates, overall investment strategy and within approved limits.

The maximum market risk resulting from financial instruments is determined by their fair value. At 31 March 2023 the overall market exposure was as follows:

	Sharesies Pathfinder Ethical Growth Fund	Sharesies PIE Global Growth 2 Fund	Sharesies Smartshares Growth Fund
	\$	\$	\$
<b>As at 31 March 2023</b>			
Carrying amount of unit trust investment	393,923	467,061	32,361

The table below shows the sensitivity analysis to a reasonably possible change in market price with all other variables held constant. As at 31 March 2023, the analysis is based on the assumptions that the unit market price increased or decreased by 10%. The Manager believes the 10% market price movement assumption to be management's best estimate of reasonably possible change in current market condition. This impact would be recognised on the Statement of Changes in Net Assets.

	Sharesies Pathfinder Ethical Growth Fund	Sharesies PIE Global Growth 2 Fund	Sharesies Smartshares Growth Fund
	\$	\$	\$
<b>As at 31 March 2023</b>			
Impact of a -10% change in prices	(39,392)	(46,706)	(3,236)
Impact of a +10% change in prices	39,392	46,706	3,236

Members' Funds would be impacted by the same amount less the PIE tax adjustment that would be attributed to members.

##### b) Credit risk

Credit risk represents the risk that the counterparty to the financial instrument will fail to perform contractual obligations, either in whole or in part, and cause the Scheme to incur a financial loss. The carrying amount of assets best represents their maximum credit risk exposure at balance date, and as such the Scheme is not exposed to counterparty credit risk on any financial instruments and no expected credit loss allowance has been recorded as at 31 March 2023.

Credit risk disclosures have been considered on the basis of the Scheme's direct investments and not on a look through basis for investments held indirectly through unit trusts. Consequently the Scheme is exposed indirectly to credit rate risk. This forms part of the price risk sensitivity above.

c) **Liquidity risk**

Liquidity risk is the risk that the Scheme will experience difficulty in either realising assets or otherwise raising sufficient funds to satisfy commitments associated with financial instruments. Liquidity risk is managed by holding liquid investments to enable the Scheme to meet liabilities as they fall due and withdrawals when requested.

Monies received from member contributions may be used to offset withdrawals and the Manager may in certain circumstances suspend withdrawals from the Scheme and/or various funds represented by the Manager in which the Scheme invests. The Scheme's investment policies do not state a minimum required level of investment in liquid investments, the investment into underlying instruments is performed by the investment managers of the underlying funds according to their investment policies and objectives, including with respect to liquidity. The Scheme does not have any financial liabilities at reporting date.

d) **Capital risk management**

Net assets available to pay benefits are considered to be the Scheme's capital for the purposes of capital management notwithstanding net assets available to pay benefits is classified as a liability for accounting. The Scheme does not have any externally imposed capital requirements. The Scheme's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns to its members and maximise the Scheme's members' values as well as ensuring its net assets available to pay benefits are sufficient to meet all present and future obligations. In order to meet its objectives for capital management the Scheme's management monitors the Scheme's performance on a regular basis.

**4.2 Fair value estimation**

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1 inputs are quoted price in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The following table provides an analysis of financial instruments that are measured at fair value subsequent to initial recognition, grouped into levels 1 to 3 based on the degree to which the fair value is observable.

	Sharesies Pathfinder Ethical Growth Fund	Sharesies PIE Global Growth 2 Fund	Sharesies Smartshares Growth Fund
As at 31 March			
<i>Financial assets at fair value through profit or loss</i>			
<b>Level 2</b>			
Unlisted unit trusts	393,923	467,061	32,361

**5 FINANCIAL INSTRUMENTS BY CATEGORY**

Financial instruments currently recognised in the Financial Statements comprise financial assets at fair value through profit or loss. The following table details the Scheme's financial assets by category:

	Sharesies Pathfinder Ethical Growth Fund	Sharesies PIE Global Growth 2 Fund	Sharesies Smartshares Growth Fund
As at 31 March 2023	\$	\$	\$
Financial assets at fair value through profit or loss	393,923	467,068	32,378

**6 UNITS ON ISSUE**

	Sharesies Pathfinder Ethical Growth Fund	Sharesies PIE Global Growth 2 Fund	Sharesies Smartshares Growth Fund
Units on issue at the beginning of the year	-	-	-
Units issued during the year	387,082	465,995	32,355
Units redeemed during the year	-	-	-
Units on issue at the end of the year	387,082	465,995	32,355

**7 RELATED PARTIES**

The Manager of the Scheme is Sharesies Investment Management Limited. The Supervisor and Custodian of the Scheme is Trustees Executors Limited. In its capacity as supervisor and custodian, Trustees Executors Limited receives fees from the Manager for these services. The auditor of the Scheme and the Scheme's registry is KPMG.

Audit, custodial and supervisory fees of the Scheme are paid for by the Manager on behalf of the Scheme. The Manager paid and or accrued for the following amounts on behalf of the Scheme for the year ended 31 March 2023;

	<b>2023</b>
	<b>\$</b>
Audit fees paid to KPMG	20,500
Supervisory fees	322
Custodial fees	19

Holdings in the Funds by Directors and key management personnel of the Manager that are directly held;

	<b>Sharesies Pathfinder Ethical Growth Fund</b>	<b>Sharesies PIE Global Growth 2 Fund</b>
	<b>2023</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Holdings	186,576	236,733

**8 CONTINGENT LIABILITIES**

There were no contingent liabilities as at 31 March 2023.

**9 CAPITAL COMMITMENTS**

There were no capital commitments as at 31 March 2023.

**10 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 unitholders of

- Sharesies Pathfinder Ethical Growth Fund
- Sharesies PIE Global Growth 2 Fund
- Sharesies Smartshares Growth Fund

(Collectively referred to as the "Funds")

## Report on the audit of the financial statements

### Opinion

In our opinion, the financial statements of the Funds on pages 3 to 11 present fairly, in all material respects:

- i. the Funds' financial position as at 31 March 2023 and their financial performance and cash flows for the two month period ended on that date;

in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards issued by the New Zealand Accounting Standards Board.

We have audited the accompanying financial statements which comprise:

- the statement of net assets as at 31 March 2023;
- the statements of changes in net assets attributable to unitholders and cash flows for the two month period then ended; and
- notes, including a summary of significant accounting policies.

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

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## 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 1% of total assets of the Funds. We chose the benchmark because, in our view, this is a key measure of the Funds' performance.

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## 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 statutory audit opinion on the financial statements as a whole and we do not express discrete opinions on separate elements of the financial statements

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### **The key audit matter**      **How the matter was addressed in our audit**

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#### **Valuation and existence of investments for the Sharesies Pathfinder Ethical Growth, Sharesies PIE Global Growth 2, and Sharesies Smartshares Growth Funds**

Refer to Note 3 Summary of significant accounting policies and Note 5 financial instruments by category (for existence and valuation) of the financial statements.

The Funds' portfolio of investments makes up the majority of total assets. Due to the nature of these investments, 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 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:

- documenting and understanding the processes in place to record investment transactions and to value the portfolio. 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;
  - agreeing the valuation of investments to confirmations received from the respective investment managers; and
  - agreeing investment holdings to confirmations received from the custodian.
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## Other information

The Manager, on behalf of the Funds, are responsible for the other information included in the entity's financial statements. Other information includes the Directory. 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 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.

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## Use of this independent auditor's report

This independent auditor's report is made solely to the members as a body. 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, we do not accept or assume responsibility to anyone other than the members as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.

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## Responsibilities of the Manager for the financial statements

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

- the preparation and fair presentation of the financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards) and International Financial Reporting Standards issued by the New Zealand Accounting Standards Board;
  - implementing 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 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.
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## 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 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 these financial statements.

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



<http://www.xrb.govt.nz/standards-for-assurance-practitioners/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 blue ink. The letters 'KPMG' are written in a cursive, stylized font.

KPMG

Wellington

27 July 2023