

**SHARESIES KIWISAVER SCHEME
FINANCIAL STATEMENTS
31 MARCH 2025**

**SHARESIES KIWISAVER 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 (*Chair*)
Jonathan Macdonald
Kirsty Mactaggart (*ceased 30 August 2024*)
Leighton Roberts
Brooke Roberts
Sonya Williams

CUSTODIAN

Apex Investment Administration (NZ) Limited

Registered office

Level 25
125 Queen Street
Auckland 1010

SUPERVISOR

Trustees Executors Limited

Registered office

Level 9/42-52
Willis Street
Wellington Central
Wellington 6143

AUDITOR

KPMG

Registered office

Level 6/44 Bowen Street
Wellington Central
Wellington 6011

SHARESIES KIWISAVER SCHEME
STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS
FOR THE PERIOD ENDED 31 MARCH 2025

	Sharesies Pathfinder Ethical Growth Fund		Sharesies PIE Global Growth 2 Fund		Sharesies Smartshares Growth Fund		Smartshares Balanced Fund		Sharesies Smartshares Conservative Fund	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Notes	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income										
Interest income	18,376	4,337	44,330	10,319	46,810	9,564	17,815	3,761	3,328	525
Dividend income	-	7,045	-	18,229	-	17,938	-	6,924	-	1,045
Net gains/(losses) on financial assets at fair value through profit or loss	355,534	1,330,602	(1,242,097)	3,563,618	2,440,317	2,825,498	843,942	951,474	260,592	76,316
Total income/(loss)	373,910	1,341,984	(1,197,767)	3,592,166	2,487,127	2,953,001	861,757	962,159	263,920	77,886
Expenses										
Brokerage and Administration Fees	-	-	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-	-	-
Change in net assets before Membership activities	373,910	1,341,984	(1,197,767)	3,592,166	2,487,127	2,953,001	861,757	962,159	263,920	77,886
Membership activities										
Contributions										
Contributions	13,105,629	15,963,223	20,308,260	44,034,759	28,878,448	43,311,406	12,921,211	16,449,404	4,253,917	3,026,853
Portfolio investment entity (PIE) taxation rebate	396	326	302,808	73,680	101,195	25,943	29,473	9,063	9,053	1,854
Total contributions	13,106,024	15,963,549	20,611,068	44,108,439	28,979,643	43,337,349	12,950,684	16,458,467	4,262,969	3,028,708
Withdrawals										
Withdrawals	(2,296,056)	(933,606)	(7,407,325)	(2,971,511)	(4,327,042)	(1,275,771)	(2,677,011)	(1,132,951)	(1,481,773)	(446,804)
Portfolio investment entity (PIE) taxation expense	(89,132)	(33,416)	(28,768)	(52,109)	(8,527)	(17,007)	(8,803)	(5,160)	(1,216)	(349)
Total withdrawals	(2,385,188)	(967,022)	(7,436,094)	(3,023,620)	(4,335,569)	(1,292,778)	(2,683,814)	(1,138,111)	(1,482,989)	(447,153)
Transfers in/out										
Transfer in from other Sharesies KiwiSaver Funds	714,267	532,901	2,147,239	1,585,205	2,160,552	1,519,758	1,360,093	231,327	3,191,858	314,637
Transfer out to other Sharesies KiwiSaver Funds	(1,317,656)	(604,984)	(3,685,078)	(3,153,355)	(3,790,756)	(2,890,573)	(1,571,988)	(694,995)	(1,915,206)	(478,915)
Net transfers in/(out)	(603,389)	(72,084)	(1,537,840)	(1,568,150)	(1,630,204)	(1,370,815)	(211,895)	(463,668)	1,276,652	(164,278)
Net movement in assets during the year	10,491,357	16,266,428	10,439,368	43,108,835	25,500,997	43,626,757	10,916,732	15,818,848	4,320,553	2,495,164
Net assets attributable to Members at the start of the year	16,660,130	393,702	43,575,655	466,820	43,659,135	32,378	15,818,848	-	2,495,164	-
Net assets attributable to Members at the end of the year	27,151,487	16,660,130	54,015,023	43,575,655	69,160,132	43,659,135	26,735,580	15,818,848	6,815,716	2,495,164

SHARESIES KIWISAVER SCHEME
STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS
FOR THE PERIOD ENDED 31 MARCH 2025

	Sharesies Milford Aggressive Fund		Sharesies Self Select Fund		Sharesies US 500 Fund		Total Scheme	
	2025	2024	2025	2024	2025	2024	2025	2024
Notes	\$	\$	\$	\$	\$	\$	\$	\$
Income								
Interest income	30,414	-	12,394	767	-	-	173,467	29,274
Dividend income	-	2,821	551,094	133,615	2	-	551,095	167,619
Net gains/(losses) on financial assets at fair value through profit or loss	584,930	(447,539)	116,580	241,337	6	-	3,359,805	8,641,307
Total income/(loss)	615,344	(444,718)	680,067	375,720	8	-	4,084,367	8,858,199
Expenses								
Brokerage and Administration Fees	-	-	(205,623)	(86,310)	-	-	(205,623)	(86,310)
Total expenses	-	-	(205,623)	(86,310)	-	-	(205,623)	(86,310)
Change in net assets before Membership activities	615,344	(444,718)	474,444	289,410	8	-	3,878,744	8,771,889
Membership activities								
Contributions								
Contributions	92,935,316	12,770,554	16,558,597	10,228,716	1,452	-	188,962,829	145,784,916
Portfolio investment entity (PIE) taxation rebate	1,218	1,065	61,797	21,127	-	-	505,940	133,058
Total contributions	92,936,535	12,771,619	16,620,394	10,249,843	1,452	-	189,468,769	145,917,974
Withdrawals								
Withdrawals	(7,230,817)	(310,505)	(2,025,813)	(201,752)	-	-	(27,445,837)	(7,272,899)
Portfolio investment entity (PIE) taxation expense	(318,185)	(313)	(27,197)	(3,962)	-	-	(479,827)	(112,316)
Total withdrawals	(7,549,002)	(310,818)	(2,053,010)	(205,713)	-	-	(27,925,665)	(7,385,215)
Transfers in/out								
Transfer in from other Sharesies KiwiSaver Funds	6,501,397	2,233,445	4,547,452	2,106,775	-	-	20,622,857	8,524,048
Transfer out to other Sharesies KiwiSaver Funds	(3,562,483)	(29,715)	(4,833,821)	(850,944)	-	-	(20,676,989)	(8,703,481)
Net transfers in/(out)	2,938,913	2,203,731	(286,369)	1,255,831	-	-	(54,131)	(179,433)
Net movement in assets during the year	88,941,790	14,219,814	14,755,460	11,589,370	1,460	-	165,367,717	147,125,215
Net assets attributable to Members at the start of the year	14,219,814	-	11,589,370	-	-	-	148,018,114	892,900
Net assets attributable to Members at the end of the year	103,161,604	14,219,814	26,344,830	11,589,370	1,460	-	313,385,831	148,018,114

The accompanying notes form an integral part of these financial statements

SHARESIES KIWISAVER SCHEME
STATEMENTS OF NET ASSETS
AS AT 31 MARCH 2025

	Sharesies Pathfinder Ethical Growth Fund		Sharesies PIE Global Growth 2 Fund		Sharesies Smartshares Growth Fund		Smartshares Balanced Fund		Sharesies Smartshares Conservative Fund	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Notes	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Assets										
Cash and cash equivalents	51,047	148,597	257,157	172,810	555,426	397,482	216,346	76,911	29,228	189,997
Financial assets at fair value through profit or loss	5 27,235,050	16,628,329	53,525,819	43,221,665	68,943,904	43,592,074	26,708,658	15,808,789	6,729,259	2,472,753
Other receivables	222	63,752	193,331	327,829	125,371	57,335	4,640	6,269	79,351	20,931
Tax receivable on behalf of Members	317	267	297,424	68,454	96,996	25,031	27,560	8,582	7,858	1,636
Total Assets	27,286,636	16,840,945	54,273,730	43,790,758	69,721,698	44,071,932	26,957,204	15,900,550	6,845,696	2,685,317
Current Liabilities										
Unallocated contributions	(51,047)	(97,022)	(70,111)	(27,001)	(273,135)	(262,623)	(104,944)	(28,045)	(29,219)	(182,291)
Unsettled trades	-	-	(73,802)	(11,249)	-	-	-	-	-	-
Withdrawals payable	-	(51,576)	(113,244)	(134,560)	(282,291)	(134,869)	(111,402)	(48,866)	(10)	(7,705)
Tax payable on behalf of Members	(84,103)	(32,219)	(1,550)	(42,293)	(6,140)	(15,306)	(5,278)	(4,792)	(751)	(157)
Total liabilities	(135,150)	(180,816)	(258,707)	(215,102)	(561,566)	(412,798)	(221,624)	(81,703)	(29,980)	(190,154)
Net assets attributable to Members	27,151,487	16,660,130	54,015,023	43,575,655	69,160,132	43,659,135	26,735,580	15,818,847	6,815,716	2,495,164

SHARESIES KIWISAVER SCHEME
STATEMENTS OF NET ASSETS
AS AT 31 MARCH 2025

	Sharesies Milford Aggressive Fund		Sharesies Self Select Fund		Sharesies US 500 Fund		Total Scheme	
	2025	2024	2025	2024	2025	2024	2025	2024
Notes	\$	\$	\$	\$	\$	\$	\$	\$
Assets								
Cash and cash equivalents	241,191	1,034,546	161,749	283,925	3,386	-	1,515,531	2,304,277
Financial assets at fair value through profit or loss	5 103,304,813	14,129,633	26,260,706	11,553,094	901	-	312,709,109	147,406,337
Other receivables	160,164	89,429	50,691	19,114	-	-	613,770	584,658
Tax receivable on behalf of Members	1,044	1,065	57,590	21,124	-	-	488,789	126,160
Total Assets	103,707,212	15,254,672	26,530,735	11,877,257	4,287	-	315,327,199	150,421,432
Current Liabilities								
Unallocated contributions	(201,192)	(990,611)	(155,894)	(58,915)	(2,817)	-	(688,359)	(1,646,509)
Unsettled trades	-	-	-	(189,254)	(10)	-	(73,813)	(200,502)
Withdrawals payable	(40,000)	(43,934)	(5,855)	(35,756)	-	-	(552,801)	(457,266)
Tax payable on behalf of Members	(304,417)	(313)	(24,157)	(3,962)	-	-	(426,396)	(99,040)
Total liabilities	(545,608)	(1,034,858)	(185,905)	(287,887)	(2,827)	-	(1,941,368)	(2,403,318)
Net assets attributable to Members	103,161,604	14,219,814	26,344,830	11,589,370	1,460	-	313,385,831	148,018,114

The accompanying notes form an integral part of these financial statements

Signed

Alison Gerry
Director

DocuSigned by:



06CB69CF6BD7422...

28 July 2025

Leighton Roberts
Director

DocuSigned by:



378A656117D149E...

28 July 2025

Date

**SHARESIES KIWISAVER SCHEME
STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2025**

	Sharesies Pathfinder Ethical Growth Fund		Sharesies PIE Global Growth 2 Fund		Sharesies Smartshares Growth Fund		Smartshares Balanced Fund		Sharesies Smartshares Conservative Fund	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Notes	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash inflow/(outflow) from operating activities										
Interest income	18,376	4,337	44,330	10,319	46,810	9,564	17,815	3,761	3,328	525
Brokerage and Administration Fees	-	-	-	-	-	-	-	-	-	-
Dividends and distributions received	-	7,045	-	18,229	-	17,938	-	6,924	-	1,045
Payments for purchase of financial assets	(13,221,026)	(15,974,606)	(20,390,839)	(44,063,307)	(29,187,882)	(43,338,909)	(12,967,072)	(16,460,089)	(4,439,536)	(3,028,424)
Proceeds from sale of financial assets	2,296,056	933,606	7,407,325	2,971,511	4,327,042	1,275,771	2,677,011	1,132,951	1,481,773	446,804
Net cash outflow from operating activities	(10,906,594)	(15,029,617)	(12,939,184)	(41,063,248)	(24,814,029)	(42,035,635)	(10,272,246)	(15,316,453)	(2,954,435)	(2,580,050)
Cash inflow/(outflow) from financing activities										
Contributions	13,105,629	15,963,223	20,308,260	44,034,759	28,878,448	43,311,406	12,921,211	16,449,404	4,253,917	3,026,853
Net PIE tax received/(paid) on behalf of Members	(4,950)	(1,138)	(21,833)	(4,590)	1,812	(790)	388	113	730	26
Unallocated contributions	51,047	97,022	70,111	27,001	273,135	262,623	104,944	28,045	29,219	182,291
Unsettled trades	-	-	73,802	11,249	-	-	-	-	-	-
Withdrawals	(2,342,681)	(880,892)	(7,406,808)	(2,832,360)	(4,181,432)	(1,140,113)	(2,614,863)	(1,084,198)	(1,490,199)	(439,125)
Net cash inflow from financing activities	10,809,043	15,178,214	13,023,531	41,236,058	24,971,963	42,433,127	10,411,680	15,393,364	2,793,667	2,770,046
Net increase / (decrease) in cash and cash equivalents	(97,550)	148,597	84,347	172,810	157,934	397,492	139,435	76,911	(160,768)	189,997
Opening cash and cash equivalents at the start of the year	148,597	-	172,810	-	397,492	-	76,911	-	189,997	-
Closing cash and cash equivalents at the end of the year	51,047	148,597	257,157	172,810	555,426	397,492	216,346	76,911	29,228	189,997

**SHARESIES KIWISAVER SCHEME
STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2025**

	Sharesies Milford Aggressive Fund		Sharesies Self Select Fund		Sharesies US 500 Fund		Total Scheme	
	2025	2024	2025	2024	2025	2024	2025	2024
Notes	\$	\$	\$	\$	\$	\$	\$	\$
Cash inflow/(outflow) from operating activities								
Interest income	30,414	-	12,394	767	-	-	173,467	29,274
Brokerage and Administration Fees	-	-	(205,623)	(86,310)	-	-	(205,623)	(86,310)
Dividends and distributions received	-	2,821	551,094	133,615	2	-	551,095	187,619
Payments for purchase of financial assets	(93,956,341)	(12,773,375)	(17,164,630)	(10,276,789)	(1,453)	-	(191,328,780)	(145,915,498)
Proceeds from sale of financial assets	7,230,817	310,505	2,025,813	201,752	-	-	27,445,637	7,272,899
Net cash outflow from operating activities	(86,695,111)	(12,460,049)	(14,780,953)	(10,026,965)	(1,452)	-	(163,364,003)	(138,512,016)
Cash inflow/(outflow) from financing activities								
Contributions	92,935,316	12,770,554	16,558,597	10,228,716	1,452	-	188,962,829	145,784,916
Net PIE tax received/(paid) on behalf of Members	(13,593)	-	1,167	3	-	-	(36,280)	(6,377)
Unallocated contributions	201,192	990,611	155,894	58,915	3,376	-	888,917	1,646,509
Unsettled trades	-	-	-	189,254	10	-	73,613	200,502
Withdrawals	(7,221,159)	(266,571)	(2,056,881)	(165,998)	-	-	(27,314,022)	(6,809,257)
Net cash inflow from financing activities	85,901,756	13,494,594	14,658,777	10,310,890	4,838	-	162,575,256	140,816,294
Net increase / (decrease) in cash and cash equivalents	(793,354)	1,034,546	(122,176)	283,925	3,386	-	(788,747)	2,304,277
Opening cash and cash equivalents at the start of the year	1,034,546	-	283,925	-	-	-	2,304,277	-
Closing cash and cash equivalents at the end of the year	241,191	1,034,546	161,749	283,925	3,386	-	1,515,531	2,304,277

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') for the period ended 31 March 2025 (the reporting date), which comprises the following 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*
- *Sharesies Smartshares Conservative Fund*
- *Sharesies Milford Aggressive Fund*
- *Sharesies Self Select Fund*
- *Sharesies US 500 Fund*

Statutory base

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 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.

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. The financial statements are for the period ended 31 March 2025. The Sharesies US 500 Fund was established on 13 February 2025 and as such has no comparative figures. For all other Funds, the comparative figures are for the period ended 31 March 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. 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. Apex Investment Administration (NZ) Limited is the custodian of the Scheme's financial assets at fair value through profit or loss.

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

Investment objectives

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 Smartshares 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 investment over the long term by providing exposure to a diverse mix of growth and income assets. The underlying portfolio includes cash, fixed interest, Australasian equities, International equities, listed property and other assets. The Fund has medium volatility.
- 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 underlying portfolio includes cash, fixed interest, Australasian equities, International equities, listed property and other assets. The Fund has **low** volatility.
- The objective of the Sharesies Milford Aggressive Fund is to maximise capital growth over the minimum recommended investment timeframe. The underlying portfolio primarily includes international equities, with a moderate allocation to Australasian equities. The Fund has medium to high volatility.
- The objective of the Sharesies Self Select Fund is to provide members with the flexibility to self select investments to suit their own risk profile, investment objectives and investment beliefs. Members are responsible for selecting their own investments and developing their own investment strategies.
- The objective of the Sharesies US 500 Fund is to achieve returns similar to its benchmark (Morningstar US Target Exposure TR NZD Index). The underlying portfolio is wholly a US ETF that invests in large US companies.



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 2025, 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. Effective 01 July 2025, the Crown contribution will be halved to a maximum contribution of \$260.72.

2 BASIS OF ACCOUNTING

(a) 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, 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 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. 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 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

Comparative information has been restated to conform with the current period's presentation where necessary.

All other accounting policies and disclosures adopted are consistent with those of the previous year.

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. The Scheme has not early adopted NZ IFRS 18 and is still assessing the impact the amendments will have on current practice.

There are no other 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.

(b) Financial instruments

(i) 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.

Classification (continued)

Financial assets at amortised cost

Financial assets at amortised cost includes cash and cash equivalents and other receivables, and is measured using the effective interest rate method.

Liabilities

Financial liabilities at amortised cost

Financial liabilities measured at amortised cost are measured using the effective interest rate method and comprise unallocated contributions, unsettled trades and withdrawals payable.

(ii) Recognition, measurement and derecognition

Financial assets at fair value through profit or loss

Purchases and sales of investments are recognised on the trade date, the date on which the Funds commit to purchase or sell the investment.

Subsequent to initial recognition, investments in unlisted unit trusts 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.

(iii) 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 financial instruments traded in active markets (such as trading securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Scheme is the current bid price. The Manager has determined that bid price is the most appropriate measure for fair value.

The fair value of units held by the Fund in managed investment funds is determined by reference to published bid prices at the close of business on the reporting date being the redemption price established by the relevant underlying investment manager.

(c) 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 2006, the Trust Deed and at a rate determined by the Member.

(d) 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.

(e) Unallocated contributions

Unallocated contributions arise when contributions have been received or amounts have been sold down for the purpose of reinvestment, but have not yet been allocated to Members' accounts or invested on their behalf at balance date.

(f) 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.

(g) Cash and cash equivalents

These balances represent Member monies held that are awaiting unitisation and transfer into a Fund and monies resulting from de-unitisation and are awaiting transfer to Members. Cash and cash equivalents are subject to an insignificant risk of changes in value and are held short-term for the purpose of investment into unit trusts.



(h) 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.

(i) 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.

(j) 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.

(k) Foreign currencies

(a) Functional and presentation currency

These financial statements are presented in New Zealand dollars (\$), which is the Scheme's functional currency, on the basis that the Scheme's investors are based in New Zealand and contributions and withdrawals are denominated in New Zealand dollars.

(b) Transactions and balances

Transactions denominated in foreign currencies are recognised at the exchange rates on the date of the transactions. Financial assets and liabilities as at balance date denominated in foreign currencies are translated at the foreign currency exchange rates on that date. Realised and unrealised exchange gains and losses during the financial year are recognised in profit and loss in the Statement of Changes in Net Assets.

(l) 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.

3 MATERIAL ACCOUNTING POLICIES

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.

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 Membership activity

The Membership activity of the Scheme is presented in the Financial Statements for each Fund that comprises the Scheme. This by its nature will include activity between Funds. The Membership activity of the overall Scheme is presented below.

	Total Scheme	
	2025	2024
	\$	\$
Contributions		
Member contributions	19,719,974	5,129,884
Employer contributions	10,064,891	2,778,730
Crown contributions	2,553,685	230,026
Transfers in from other KiwiSaver schemes	154,060,689	136,028,567
Transfers in from trans-tasman superannuation schemes	2,336,451	1,501,634
Transfers in from other superannuation schemes	16,950	116,074
Other contributions	210,223	-
Total contributions	188,962,862	145,784,916
Withdrawals		
Eligible member withdrawals	8,019,708	1,365,601
Transfers out to other KiwiSaver schemes	19,144,799	5,864,754
Other withdrawals	281,330	42,545
Total withdrawals	27,445,837	7,272,899

5 FINANCIAL RISK MANAGEMENT

Financial instruments

Financial instruments recognised in the Statement of Net Assets consist of investments in underlying managed funds. The Sharesies Self Select Fund consists of investments in listed equities and exchange traded funds (ETFs). The Sharesies US 500 Fund invests wholly in an underlying exchange-traded fund.

Classification and fair values

The Scheme has carried out a fair value assessment of its financial assets and liabilities at 31 March 2025 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 the financial assets and the contractual cash flow characteristics of the financial assets, the Manager has determined that investment assets of the Scheme are measured at fair value through profit or loss. Other financial assets and liabilities, such as cash and cash equivalents, other receivables, unallocated contributions, unsettled trades and withdrawals payable, are initially recognised at fair value and subsequently carried at amortised cost using the effective interest rate method.

5.1 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 currency risk, interest rate risk and price 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

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Scheme can be exposed to currency risk through holding foreign currency denominated cash and cash equivalents and investments in underlying instruments held in the Sharesies US 500 Fund, which are priced in foreign currencies. The Scheme was not exposed to material foreign currency risk at balance date as the majority of underlying assets are priced in New Zealand Dollars.

(ii) 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.

At balance date the majority of the Scheme's financial assets are non-interest bearing. As a result, the Scheme is not currently subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

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.

(iii) 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 (other than those arising from interest rate risk or currency risk). The Scheme's investments are susceptible to market price risk arising from uncertainties about future values of the investments which will directly affect net investment income.

The Scheme invests in underlying managed funds (for the year ended 31 March 2025, these were the Pathfinder Ethical Growth Fund, PIE Global Growth 2 Fund, Smartshares Growth Fund, Smartshares Balanced Fund, Smartshares Conservative Fund and Sharesies Milford Aggressive Fund). It therefore has indirect risk exposure in relation to the underlying investments within each fund. The risks are 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 Scheme invests in an underlying listed unit trust (Vanguard S&P 500 ETF) and equities. All changes in market conditions will directly affect investment returns. The overall market exposure for each Fund is equivalent to the carrying value of the financial assets at fair value included in each Fund's balance sheet.

The table below shows the sensitivity of each Fund to a change in price risk with all other variables held constant. As at 31 March 2025, a variable of 10% (2024: 10%) is considered appropriate for market price risk sensitivity analysis based on historical price movements. This impact would be recognised in the Statement of Changes in Net Assets.

	Sharesies Pathfinder Ethical Growth Fund		Sharesies PIE Global Growth 2 Fund		Sharesies Smartshares Growth Fund		Sharesies Smartshares Balanced Fund	
	2025	2024	2025	2024	2025	2024	2025	2024
	\$	\$	\$	\$	\$	\$	\$	\$
Impact on value of assets of a -10% change in prices	(2,723,505)	(1,662,833)	(5,352,582)	(4,322,166)	(6,894,390)	(4,359,207)	(2,670,866)	(1,580,879)
Impact on value of assets of a +10% change in prices	2,723,505	1,662,833	5,352,582	4,322,166	6,894,390	4,359,207	2,670,866	1,580,879

	Sharesies Smartshares Conservative Fund		Sharesies Milford Aggressive Fund		Sharesies Self Select Fund		Sharesies US500 Fund	
	2025	2024	2025	2024	2025	2024	2025	2024
	\$	\$	\$	\$	\$	\$	\$	\$
Impact on value of assets of a -10% change in prices	(672,926)	(247,275)	(10,330,481)	(1,412,963)	(2,626,071)	(1,155,309)	(90)	-
Impact on value of assets of a +10% change in prices	672,926	247,275	10,330,481	1,412,963	2,626,071	1,155,309	90	-

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 Fund subject to those contractual obligations to incur a financial loss. The Funds are exposed to counterparty credit risk on cash and cash equivalents and other receivables. At balance date none of these assets were impaired or past due (2024: none).

The Funds' exposure to credit risk on cash and cash equivalents and other receivables arises on risk of default of the counterparty, with the current exposure equal to the carrying amount disclosed in the Statement of Changes in Net Assets. The Funds' cash balances are held with financial institutions with a credit rating of AA- or stronger (as measured by Standard & Poor's).

Management considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no expected credit loss allowance has been recorded as at 31 March 2025.

Credit risk disclosures have been considered on the basis of the Funds' direct investments and not on a look through basis for investments held indirectly through unit trusts. Consequently the Funds are 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 Funds 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 Funds 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 Funds and/or various funds represented by the Manager in which the Funds invests. The Funds' 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.

d) **Capital risk management**

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

5.2 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 Scheme's financial assets have been classified as Level 2 as they are unit trusts with fair values derived from quoted price in active markets.



6 RECONCILIATION OF OPERATING CASH FLOWS

Reconciliation from the change in net assets before membership activities to the net cash flows from operating activities

	Sharesies Pathfinder Ethical Growth Fund		Sharesies PIE Global Growth 2 Fund		Sharesies Smartshares Growth Fund		Sharesies Smartshares Balanced Fund	
	2025	2024	2025	2024	2025	2024	2025	2024
	\$	\$	\$	\$	\$	\$	\$	\$
Change in net assets before membership activities	373,910	1,341,984	(1,197,767)	3,592,166	2,487,127	2,953,001	861,757	962,159
Adjustments for non-cash items								
Net (gains)/losses on financial assets at fair value through profit or loss	(355,534)	(1,330,602)	1,242,097	(3,563,618)	(2,440,317)	(2,925,498)	(843,942)	(951,474)
Changes in working capital items								
Increase in financial assets at fair value through profit or loss	(10,873,136)	(15,009,268)	(13,253,226)	(41,118,199)	(24,941,970)	(42,072,847)	(10,308,552)	(15,330,929)
Increase in tax receivable	50	267	228,970	68,448	71,965	25,015	18,978	8,582
Increase/(decrease) in tax payable	(51,884)	(31,998)	40,742	(42,045)	9,166	(15,306)	(487)	(4,792)
Net cash flows from operating activities	(10,906,594)	(15,029,617)	(12,939,184)	(41,063,248)	(24,814,029)	(42,035,635)	(10,272,246)	(15,316,453)

	Sharesies Smartshares Conservative Fund		Sharesies Milford Aggressive Fund		Sharesies Self Select Fund		Sharesies US500 Fund	
	2025	2024	2025	2024	2025	2024	2025	2024
	\$	\$	\$	\$	\$	\$	\$	\$
Change in net assets before membership activities	263,920	77,886	615,344	(444,718)	474,444	289,410	8	-
Adjustments for non-cash items								
Net (gains)/losses on financial assets at fair value through profit or loss	(260,592)	(76,316)	(584,930)	447,539	(116,580)	(241,337)	(6)	-
Changes in working capital items								
Increase in financial assets at fair value through profit or loss	(2,954,446)	(2,583,099)	(87,030,377)	(12,463,622)	(15,106,137)	(10,092,199)	(18,615)	-
Increase in tax receivable	724	1,636	593	1,065	(56,524)	21,124	21,124	-
Increase/(decrease) in tax payable	(4,040)	(157)	304,260	(313)	23,844	(3,962)	(3,962)	-
Net cash flows from operating activities	(2,954,435)	(2,580,050)	(86,695,111)	(12,460,049)	(14,780,953)	(10,026,965)	(1,452)	-

7 RELATED PARTIES

a) The Manager of the Scheme is Sharesies Investment Management Limited. The auditor of the Scheme and the Scheme's registry is KPMG.

Audit fees of the Scheme are paid for by the Manager on behalf of the Scheme. The Manager has paid and/or accrued for the following amounts on behalf of the Scheme for the year ended 31 March 2025;

Fees relating to the audit of the Scheme (GST inclusive):

	2025	2024
	\$	\$
Audit of the financial statements of the Sharesies KiwiSaver Scheme	63,250	72,450
Other assurance services and agreed-upon procedures		
Sharesies KiwiSaver Scheme Registry Audit	9,085	8,625
Total fees	63,250	72,450

b) 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.

	Sharesies Pathfinder Ethical Growth Fund		Sharesies PIE Global Growth 2 Fund		Sharesies Smartshares Growth Fund		Sharesies Milford Aggressive Fund	
	2025	2024	2025	2024	2025	2024	2025	2024
	\$	\$	\$	\$	\$	\$	\$	\$
Key Management Personnel Holdings	314,858	348,913	143,159	205,869	916,554	868,573	193,938	109,461
Sharesies Self Select Fund								
	2025	2024						
	\$	\$						
Key Management Personnel Holdings	44,490	19,038						

8 CONTINGENT LIABILITIES

There were no contingent liabilities as at 31 March 2025 (2024: nil).

9 CAPITAL COMMITMENTS

There were no capital commitments as at 31 March 2025 (2024: nil).

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 members of

- Sharesies Pathfinder Ethical Growth Fund
- Sharesies PIE Global Growth 2 Fund
- Sharesies Smartshares Growth Fund
- Sharesies Smartshares Balanced Fund
- Sharesies Smartshares Conservative Fund
- Sharesies Milford Aggressive Fund
- Sharesies Self Select Fund
- Sharesies US 500 Fund

(Collectively referred to as the "Funds")

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements which comprise:

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

In our opinion, the accompanying financial statements of the Funds on pages 3 to 17 present fairly in all material respects:

- the Funds' financial position as at 31 March 2025 and their financial performance and cash flows for the 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 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 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 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.



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.



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

Valuation and existence of investments for the Funds

Refer to Note 3 Summary of Material Accounting Policies and Note 5 Financial Instruments by Category (for existence and valuation) to the financial statements.

The Funds' portfolios of investments make up the majority of the Funds' 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 size compared to materiality in the context of the Funds' 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

- 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;
- agreeing a sample of listed equities to market data; and
- agreeing investment holdings to confirmations received from the custodian.

Existence and accuracy of member contributions for the Funds



The key audit matter

Refer to Note 4 Membership Activities to the financial statements.

The Funds received material contributions from members during the period, recorded within the statement of changes in net assets attributable to members. Due to the nature of the 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 the volume of contributions during the period and their size, compared to materiality in the context of the Funds' financial statements as a whole, they are considered to be an area which had a significant effect on our overall audit strategy and allocation of resources in planning and completing our audit.

How the matter was addressed in our audit

Our audit procedures included

- understanding the processes in place to record member contributions;
- in conjunction with our internal IT specialists, testing the design and implementation, and operating effectiveness of the automated control associated with member contributions being actioned in line with member instructions; and
- vouching a sample of Fund contributions to member instructions and cash received in the bank statements.

Other information

The Manager, on behalf of the Funds, is responsible for the other information. The other information comprises the Directory included in the Funds' 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 Funds', is 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 Funds 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:

KPMG
Wellington
28 July 2025