AE KiwiSaver Plan

Financial Statements

For the year ended 31 March 2024

AE KIWISAVER PLAN
Annual Financial Statements
For the year ended 31 March 2024

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DIRECTORY

Fund Management Company
Always-Ethical Limited

Management Company Registered Office
5 Hauraki Road
Takapuna
Auckland

Directors of the Management Company
Gregory Fortuin
Faruk Balli
Dennis J Gates
Dr Anwar Ghani
Brian Phillip Henry

Trustee
Trustees Executors Limited
Level 11, 51 Shortland Street
Auckland

Auditors
William Buck Audit (NZ) Limited
Level 4, 21 Queen St
Auckland

APPROVAL OF FINANCIAL STATEMENTS

The directors of Always-Ethical Limited are pleased to present the financial statements of AE KiwiSaver Plan for the year ended 31 March 2024.

Director, Dennis Gates

Director, Gregory Fortuin

11th July 2024

Date

AE KIWISAVER PLAN
Statement of Changes in Net Assets Available for Benefits
For the year ended 31 March 2024

	Notes	2024 $	2023 $
Investment activities			
Investment Income			
Net changes in fair value of financial assets	3	8,255,222	3,613,897
Net Investment Income		**8,255,222**	**3,613,897**
Other Income			
Management fee rebates from Always-Ethical	9	1,594,728	755,705
Total Income		**9,849,950**	**4,369,603**
Expenses			
Management fee and administration fees	4, 9	1,129,230	816,947
Total Expenses		**1,129,230**	**816,947**
Net profit before membership activities		**8,720,720**	**3,552,656**
Membership activities			
Membership activities			
Contributions	5	17,313,940	11,713,317
Withdrawals	5	(4,237,244)	(1,825,429)
PIE tax refund attributable to members	5	184,024	20,828
Net Membership Activities		**13,260,720**	**9,908,716**
Movements in Members' funds for the year		21,981,440	13,461,372
Members' fund at the start of the year		51,376,385	37,915,013
Members' Funds at the end of the year		**73,357,825**	**51,376,385**

The Notes to the Financial Statements set out below should be read in conjunction with these Financial Statements

AE KIWISAVER PLAN
Statement of Net Assets Available for Benefits
As at 31 March 2024

	Notes	2024 $	2023 $
Members' Funds		**73,357,825**	**51,376,385**
Represented by:			
Assets			
Cash held in application account	6, 7	581,574	253,902
Accounts Receivable (Always-Ethical)	9	149,963	103,608
Prepaid Expenditure		23,274	8,551
Financial assets held at fair value through profit or loss	7	72,832,140	51,173,343
Total Assets		**73,586,951**	**51,539,404**
Liabilities			
Trade & other payables	8	61,125	47,324
Related party payables	9	168,001	115,695
Total Liabilities		**229,126**	**163,019**
Net Assets available for Benefits	**10**	**73,357,825**	**51,376,385**

The Notes to the Financial Statements set out below should be read in conjunction with these Financial Statements

These Financial Statements were authorised for issue by the Manager, AE KiwiSaver Limited.

Director _____ Date 11th July 2024
Dennis Gates

Director _____ Date 11th July 2024
Gregory Fortuin

AE KIWISAVER PLAN
Statement of Cash Flows
For the year ended 31 March 2024

	Notes	2024 $	2023 $
Cash flows from operating activities			
Cash was received from:			
Rebates Received		1,548,373	724,580
Cash was applied to:			
Pie Tax Refunded / (Paid)		181,908	19,871
Payment to Suppliers		(1,075,730)	(797,319)
Purchase of Investments		(13,403,575)	(11,769,936)
Net cash flows from operating activities	5	**(12,749,024)**	**(11,822,804)**
Cash flows from financing activities			
Cash was provided from:			
Contributions - voluntary	5	535,338	422,038
Contributions - employee	5	5,407,025	3,978,266
Contributions - employer	5	3,230,943	2,455,563
Transfers from Other Schemes	5	7,273,746	4,191,018
Crown Contributions	5	866,887	666,432
Cash was applied to:			
Transfers out to Other Funds	5	(929,615)	(346,074)
Withdrawals	5	(3,307,629)	(1,479,356)
Net cash flows from financing activities		**13,076,696**	**9,887,888**
Net increase / (decrease) in cash flows		327,672	(1,934,916)
Add: Opening cash and cash equivalents		253,902	2,188,818
Closing cash and cash equivalents	6, 7	**581,574**	**253,902**

The Notes to the Financial Statements set out below should be read in conjunction with these Financial Statements

1 General Information

These financial statements are for the reporting entity AE KiwiSaver Plan (the "Scheme"), and represent the operating result for the year ended 31 March 2024 (the "balance date").

The Scheme is a defined contribution KiwiSaver Scheme with the principal purpose to provide benefits to Members in accordance with the KiwiSaver Act 2006. It was registered on 15 January 2014, registration number 10076.

The Scheme is domiciled in New Zealand and was established under a Trust Deed dated 24 October 2013, and revised under a Trust Deed dated 4 November 2016 between AE KiwiSaver Limited (the "Manager") and Trustee Executors Limited (the "Trustee") and Deed of Amendment for Name change on 30th September 2021.

The Manager is incorporated (company number: 4674859) and domiciled in New Zealand. The ultimate holding company of the Manager is Always-Ethical Limited. The registered office of the Manager is located at 5 Hauraki Road, Takapuna, Auckland, 0622.

The Scheme commenced operations on 15 January 2014 and Members were accepted into the Scheme from 24 March 2014.

The Scheme is an FMC Reporting Entity under the Financial Markets Conduct Act 2013.

The Scheme may be comprised of various underlying funds (the "Funds"). Currently the Scheme is comprised of one underlying fund, the AE KiwiSaver Plan. As at balance date the only investments that AE KiwiSaver Plan held were cash and units in AE Investor ("AEI") which is managed by Always-Ethical Limited.

Notwithstanding the division of the Scheme into one or more underlying Funds, the Scheme comprises a single fund with the value of Members' interests in the Scheme determined by reference to the value of the units they hold in the Fund.

2 Summary of Material Accounting Policy Information

The following accounting policies that materially affect the financial statements have been consistently applied to all periods presented in these financials statements.

(a) Basis of Preparation

These financial statements have been prepared in accordance with the Trust Deed governing the Scheme, the KiwiSaver Act 2006, the Financial Markets Conduct Act 2013 and the New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). These financial statements comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS"), International Financial Reporting Standards ("IFRS"), and other applicable reporting standards that are applicable for profit orientated entities.

The financial statements of the Scheme comply with the Financial Markets Conduct Act 2013 for the year ended 31 March 2024.

The functional and presentation currency of AE Kiwisaver Plan is New Zealand dollars.

2 Summary of Material Accounting Policy Information (continued)

These financial statements have been prepared on a historical cost basis as modified by revaluation of certain Financial Assets at fair value through profit & loss. The accrual basis of accounting has been applied as has the going concern assumption.

The Statement of Net Assets Available for Benefits is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current.

There have been no changes in accounting policy (2023: None).

There are no standards issued but not yet effective that will have a material impact on the Scheme.

(b) Investment entities

These financial statements are the separate financial statements for the Scheme. The Scheme meets the definition of an investment entity and thus is not required to consolidate the assets and liabilities of its underlying investments. The Scheme's investment assets are accounted for at fair value through the Statement of Changes in Net Assets available for Benefits.

(c) Revenue

Revenue is recognised in the Statement of Changes in Net Assets available for benefits as follows:

Fund Investment Gains/Losses:

Gains or losses on financial assets at fair value through profit or loss are recorded in the Statement of Changes in Net Assets available for benefits as disclosed in Note 2 (d).

Dividends:

Revenue is recognised when the right to receive the payment is established.

(d) Financial Instruments

i. Classification

The Scheme's financial instruments are categorised as follows:

Financial Assets at Fair Value through Profit & Loss:

The Scheme's financial asset (units in AE Investor) is managed, and performance evaluated on a fair value basis. The KS Plan is primarily focused on fair value information and uses that information to assess the asset's performance and to make decisions. The financial asset measured at fair value are those mandatorily measured at fair value. Financial assets at fair value comprise investment in a unitised unlisted trust.

Financial Assets at Amortised Cost

These include assets with fixed and determinable payments that are not quoted in an active market.

ii. Recognition and derecognition

The Scheme recognises financial instruments on the date they become party to the contractual agreement (trade date) and recognises changes in fair value from this date. Financial assets are derecognised when the right to receive cash flows from the asset has expired or the Scheme has transferred substantially all risks and rewards of ownership.

iii. Measurement

Financial Assets at Fair Value through Profit or Loss

Financial Assets at fair value through Profit or Loss are measured initially at fair value, being the consideration paid excluding transaction costs which are expensed. After initial recognition, Financial Assets at fair value through Profit or Loss are revalued to fair value with changes in their fair value recognised in Statement of Changes in Net Assets available for Benefits.

2 Summary of Material Accounting Policy Information (continued)

(d) Financial Instruments (continued)

iii. Measurement (continued)

Financial Assets at Amortised Cost

Financial Assets at Amortised Cost are measured initially at fair value plus transaction costs and subsequently at amortised cost. Such assets are reviewed at each balance date to determine whether there is objective evidence of impairment to their value, and if necessary, value adjustments are made.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits held at call with banks and are measured at fair value.

(f) Payables

Payables may include liabilities and accrued expenses owing by the Scheme which are unpaid as at balance date. Payables are initially recognised at fair value and subsequently measured at amortised cost.

(g) Income tax and other taxes

i. Portfolio Investment Entity Tax

The Scheme elected to become a Portfolio Investment Entity ("PIE") as defined under the Income Tax Act 2007. Under the PIE regime, income is effectively taxed in the hands of the Scheme's Members and therefore the Scheme has no tax expense. Accordingly, no current or deferred income tax expense is recognised in the Statement of Changes in Net Assets Available for Benefits. For the period ended 31 March 2024, a net amount of PIE tax either paid to or due to be paid to the Inland Revenue on behalf of Members was $nil (2023 - $0).

ii. Goods and Services Tax ("GST")

The Scheme is not registered for GST. All items in the Financial Statements are stated inclusive of GST (if any).

(h) Scheme applications account

All contributions received and all benefit withdrawals paid by the Funds are cleared through the Scheme applications bank account. Contributions received via the Inland Revenue, directly from Members, directly from employers, or transfers in from other provider schemes are initially received into the Scheme application bank account, which acts as a clearing account only. When all necessary information has been supplied to identify existing and new Member's contributions, then the contributions are paid across to the appropriate Funds for investing.

Contributions received into the Scheme application bank account and not yet invested in the Funds as at balance date are recognised as a Trade and Other Payables liability in the Statement of Net Assets Available for Benefits.

(i) Members' funds

Each unit issued confers an equal interest in that Fund of the Scheme to which the unit relates. A unit does not confer any rights or interests in the individual investments of the Fund or Scheme to the Member. The unit price of the Fund is determined as the net asset value ("NAV") of the Fund divided by the number of units on issue to Members. Members have various rights under the KiwiSaver Act 2006. The right, obligations and restrictions attached to each unit, within a Fund, are identical in all aspects.

2 Summary of Material Accounting Policy Information (continued)

(j) Amounts available for Members' benefits

The amount available for Members' benefits is the Scheme's present obligation to pay benefits to Members and has been calculated as the difference between the carrying value of the assets and the carrying value of the liabilities. All available funds are allocated to Member accounts. The Scheme does not currently have separate employer accounts and does not have any reserve funds.

(k) Statement of Cash Flows

The following are definitions of terms in the Statement of Cash Flows:

"Operating activities" are those relating to the principal revenue producing activities of the entity and other activities that are not financing activities. These include cash flows relating to the acquisition, holding and disposal of investments.

"Financing activities" are those activities that result in changes in the size and composition of Members' funds.

(l) Foreign currency transactions

These financial statements are presented in NZD, which is the Scheme's functional and presentation currency. Transactions in foreign currencies are transacted at the foreign exchange rate prevailing at the date of the transaction. Assets and liabilities denominated in a foreign currency at the end of the reporting period are translated at the foreign exchange rate prevailing at that date. Foreign exchange differences arising on translation are recognised separately through the Statement of Changes in Net Assets available for Benefits, except those arising on financial assets and which are included in the "net changes in the fair value of financial assets" line in the Statement of Changes in Net Assets Available for Benefits.

(m) Fair value

The methods used to measure fair values are discussed below.

Fair value hierarchy

The carrying amounts of the Scheme's assets and liabilities at balance date are their fair values. Fair value measurements are categorised into a three level hierarchy that is based on the lowest level of input that is significant to the entire fair value measurement, being:

Level one – fair value in an active market

Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Financial assets are priced at current bid prices and financial liabilities at ask prices. Generally, a level one asset will have the most independent, reliable basis for measurement.

Level two – fair value in an inactive or unquoted market using valuation techniques and observable market data

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly.

2 Summary of Material Accounting Policy Information (continued)

(m) Fair value (continued)

Level three - fair value in an inactive or unquoted market using valuation techniques without observable market data

Unobservable inputs for the asset or liability. The fair value is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustment based on unobservable inputs.
Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed can be subjective.

Details of the Scheme's assets and liabilities have been categorised is provided in Note 7.

3 Net changes in fair value of financial assets and liabilities

Designated at fair value through the Statement of Changes in Net Assets available for Benefits	2024 $	2023 $
- net changes in fair value of investments	7,978,350	3,602,841
- foreign currency gain	276,872	11,056
	8,255,222	**3,613,897**

4 Other Expenses

Expenses may comprise performance fees, management fees, administration fees, trustee fees, custody and accounting fees, auditor's remuneration for audit fees, auditor's remuneration for trustee reporting, legal fees, membership communication expenses, regulatory fees and other expenses. These expenses are recognised in Operating Activities in the Statement of Changes in Net Assets Available for Benefits. The manager charges fees according to the formula in Note 9 and from these fees paid the various expenses of the Scheme (refer Note 9).

Management Fees and Administration fees comprise:

	2024 $	2023 $
Audit Fees charged to the Scheme	47,562	18,428
Managers Administration Fee	912,209	653,397
Share Registry & Compliance Fees	119,441	100,029
Sundry Expenses	10,742	13,762
Trustee Fees	39,277	31,331
	1,129,230	**816,947**

Members' fees, (which include part of the registry fees) are charged monthly per Member via unit redemption and are recognised in Membership Activities in the Statement of Changes in Net Assets Available for Benefits. Audit fees for the audit of annual financial statements paid to William Buck are $19,393 (2023 - $16,186).

Transaction fees are incurred and expensed directly by the Scheme.

5 Contributions and withdrawals

Contributions are received from Members either directly or via the Inland Revenue (the "IR"). Contributions in the form of member tax credits are received from the Crown via the IR. Members can also arrange to transfer funds in from other sources, such as from previous KiwiSaver providers or registered superannuation schemes and pension funds.

All contributions and withdrawals flow through the Scheme Registry bank account, which is controlled by the Supervisor.

The independent outsource service provider, Appello Services Limited, maintains the Members' accounts and register of the Scheme and receive a monthly administration fee from each Member by way of unit redemption. This is accounted for as a withdrawal shown in the Membership Activities section of the Statement of Changes in Net Assets Available for Benefits and does not impact the Investment Activities.

Contributions received during the year ended 31 March:	**2024**	**2023**
	$	**$**
- Contributions - voluntary	535,338	422,038
- Contributions - employee	5,407,025	3,978,266
- Contributions- employer	3,230,943	2,455,563
- Contributions - Crown	866,887	666,432
- Transfers from other funds	7,273,746	4,191,018
	17,313,940	**11,713,317**
Withdrawals for the year ended 31 March:		
- Transfers to other funds	(929,615)	(346,074)
- Withdrawals – First Home Purchases	(1,362,065)	(814,013)
- Withdrawals – End Payment Date	(125,000)	(142,382)
- Withdrawals – Financial Hardship	(177,290)	(79,418)
- Withdrawals – Emigration	(1,643,273)	(443,542)
	(4,237,244)	**(1,825,429)**
- PIE Tax refund attributable to members	184,024	20,828
	(4,053,220)	**(1,804,601)**
Net Contributions	**13,260,720**	**9,908,716**

Reconciliation of benefits accrued as a result of operations to net operating cashflow.	**2024**	**2023**
	$	**$**
Movements in Members' funds for the year	**21,981,440**	**13,461,372**
Increase in accounts payable	80,714	8,494
Deduct increase in accounts receivable and prepayments	(61,078)	(32,005)
Increase in cost of investment Assets	(13,403,575)	(11,769,936)
Net movement in Member's contributions	(13,091,302)	(9,887,888)
Adjust for non-cash items		
Change in fair value of financial assets	(8,255,222)	(3,602,841)
Net cash from operations	**(12,749,024)**	**(11,822,804)**

6 Cash and Cash Equivalents

As at 31 March 2024, the Scheme held $581,574 as funds available for investment (2023: $253,902). All cash is held in New Zealand with ANZ and ASB banks and is denominated in NZ$.

7 Fund Investments at fair value through profit or loss

Financial assets held at fair value through profit or loss:	2024	2023
	$	$
- Units in AE Investor (value)	72,832,140	51,173,343
Total Fund Investments	**72,832,140**	**51,173,343**
The carrying value of investments is reconciled as follows		
Opening Value of investments	51,173,343	35,800,566
Purchases	13,403,575	11,758,880
Net Changes in Fair Value of investments	7,978,350	3,602,841
Foreign currency conversion gain	276,872	11,056
Closing Value of investments	**72,832,140**	**51,173,343**

Units in AE Investor are valued using level 2 inputs on the fair value hierarchy. Units held at 31 March 2024 were 5,511,066 units at US$7.9003 (2023: 4,422,750 units at US$7.2211).

AE Investor ("AEI") is a Unit Trust that invests in substantial corporations that have a proven track record in satisfying global demand for their products and services. AEI's portfolio is diversified across up to 50 stocks to spread exposure across as many of the key Standard & Poor's industry sectors as meet the Ethical mandate. All of AEL's investments are Shari'ah compliant corporations domiciled internationally but listed on NYSE or main board NASDAQ.

Fund investments are measured at fair value and are classified under "net changes in fair value of financial assets" in the Statement of Changes in Net Assets available for Benefits". The underlying value of AE KiwiSaver Plan's investment in AEI is determined with reference to the fair value of the underlying securities held by AEI. These securities are level 1 and are accordingly measured at fair value based on the closing market price at the end of the reporting period.

Fund investments are denominated in USD and are converted to the presentation currency of NZD at the prevailing exchange rate at balance date. The applicable NZD/USD rate for 31 March 2024 was 0.5978 (2023: 0.6241).

8 Trade and other Payables

Trade and other payables include liabilities and accrued expenses owed by the Scheme which are unpaid at balance date.

Trade and other payables	2024	2023
	$	$
- Trade Payables	62,184	46,268
- PIE Tax Payable / (Receivable) on behalf of members	(1,059)	1,056
	61,125	**47,324**

9 Related Party Balances

A party is related to the Scheme if:

a) Directly or indirectly through one or more of its intermediaries, it controls, is controlled by, or is under common control with the Scheme;
b) It is a parent, subsidiary or fellow subsidiary of a party defined in (a) above;
c) It has an interest in or a 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; or
d) The Scheme has an interest in or relationship with the party that gives it significant influence over the party; or
e) They are a member of the Scheme's key management personnel

Faruk Balli and Denis Gates are directors of the Scheme Manager (AE KiwiSaver Limited) and directors and shareholders in the Fund Manager of AE Investor (Always-Ethical Limited). Brian Henry is a director and shareholder of the scheme, AE Investor and Always-Ethical Limited. Brian Henry also provides legal services to the Scheme in the normal course of business (the value of legal services charged for during the reporting period was $nil (2023 - $nil)).

The total value of units held in the Scheme by related parties at balance date were:

Investments in the Scheme by related parties:	2024	2023
	$	$
- Brian Henry & Family	153,831	128,889
- Faruk Balli & Family	273,552	220,380
	427,383	**349,269**

Other than for the payment of Member fees, no units were redeemed or purchased by related parties.

The sole investment of the Plan is in AE Investor, a unit trust managed by Always-Ethical Limited. Both AE Investor and Always-Ethical Limited have common directors and shareholdings to AE KiwiSaver Limited.

Always-Ethical Limited rebates all fees charged to AE Investor units held by AE KiwiSaver Plan then calculates and deducts administration fees (on behalf of AE KiwiSaver Plan) in accordance with a charges and expenses formula. These fees comprise 1.39% of FUM per annum as a management fee, 15% per cent return above the benchmark performance fee (management has waived this fee until 31 March 2023), and a registry fee NZ $2.70 per investor per month.

9 Related Party Balances (continued)

Transactions with related parties:	2024	2023
	$	$
Management and administration fees - Manager	912,209	653,397
Management fees (rebates) from AE Investor	(1,594,728)	(755,705)
Net transactions	**(682,519)**	**(102,308)**
Balances owing from (to) related parties:		
AE Investor rebates	149,963	103,608
Admin fees - Manager	(168,001)	(115,695)

Member contributions by related parties are on a normal basis. All transactions with related parties were based on terms defined in the Product Disclosure Statement (PDS). No related party balances were written off or forgiven during the period.

10 Net Assets Available for Benefits

Upon receiving a valid redemption notice or a valid transfer notice, the Scheme will redeem units in accordance with the Trust Deed. All proceeds are either paid to members or transferred to the transferee scheme by the Manager within 3 business days of the notice being accepted.

There were $nil in member contributions (2023 - $nil) received but not yet allocated as at 31 March 2024.

	2024	2023
	$	$
Movement in Units on Issue		
- Number of Units on issue at the beginning of the year	24,427,562	19,611,520
- Number of Units issued	7,742,899	5,878,162
- Number of Units redeemed	(1,868,115)	(1,062,120)
- Number of Units on issue at the end of the year	**30,302,346**	**24,427,562**
Movement in Assets Available for Benefits		
- Balance at the beginning of the year	51,376,385	37,915,013
- Changes in accrued benefits	21,981,440	13,461,372
- Balance at the end of the year	**73,357,825**	**51,376,385**
Represented by Net Asset Available for Benefits	**73,357,825**	**51,376,385**

11 Financial risk management policies and objectives

Market Risk

Market risk is the risk that the value of the Scheme's future cash flows and financial position will fluctuate as a result of changes in the fair value of the financial assets resulting from fluctuations in market interest rates (interest rate risk) and foreign exchange rates (currency risk) and to market prices (price risk), whether such a change in price is caused by factors specific to an individual financial instrument or its issuer or to factors affecting the market as a whole.

The Scheme is exposed directly to price risk through unit price fluctuations of the unitised managed funds it may invest in. The scheme is also directly exposed to foreign currency risk due to the major investment being in US dollars. The quantifiable risk associated with a 10% variation in the unit price would amount to $7,283,214 (2023 - $5,117,334).

11 Financial risk management policies and objectives (continued)

Interest Rate risk

Interest rate risk is the risk that future fluctuations in market interest rates will impact on the value of the Scheme's future cash flows and financial position. The Scheme does not have any external term debt. There is no bank overdraft facility. Also given the Shari'ah law compliant nature of the Scheme, cash or cash equivalents are not placed into interest bearing accounts. Accordingly, the Scheme has no direct exposure to interest rate risk. However, through the Scheme's investment in unitised managed funds, the Scheme is indirectly exposed to interest rate risk, which because it is not a direct risk, may be treated as a component of the price risk.

Foreign Currency Risk

Foreign currency risk is the risk that the value of the Scheme's future cash flows and financial position will fluctuate as a result of changes in foreign currency rates.

The Scheme's functional and presentation currency is New Zealand dollars ("NZD"). The Scheme does not invest directly in foreign currencies. However, through the members NZD investment in the unitised AE KiwiSaver Plan which in turns invests United States Dollars ("USD") in AE Investor, which has USD as its functional and presentation currency, the Scheme is directly and indirectly exposed to foreign currency risk. Given the terms of the Trust Deed and Shari'ah law compliant nature of the Scheme, the Scheme does not enter into any foreign exchange derivatives or forward cover for any potential foreign currency risk. There are no other methods available to reduce foreign currency risk. The risk of a 10% variation in the US$/NZ$ exchange rate would amount to $7,283,214 (2023 - $5,117,334).

Credit Risk

Credit risk is the risk that a counterparty will fail to perform contractual obligations, either in whole or in part under a contract. Credit risk is managed by monitoring the investments held by AE Investor on a monthly basis and also reviewing AE Investor investment strategy. The Manager has assessed the likely impact of non-performance risk on the investment assets and liabilities subject to credit risk and determined that no fair value adjustment is needed.

The carrying amount of these assets best represents their maximum credit risk exposure at balance date. Cash and cash equivalents are held with registered banks with high financial strength.

Price Risk

Price risk is the risk that the value of the Scheme's future cash flows and financial position will fluctuate as a result of changes in the unit prices of the unitised managed funds invested in.

The Scheme is invested in a managed investment fund. The investment fund manager invests in a variety of securities, in a variety of industry classifications. This diversification reduces the impact of a particular security underperforming.

As at 31 March 2024 the fair value of the Scheme's investments by investment type are disclosed in Note 7.

11 Financial risk management policies and objectives (continued)

Liquidity Risk

Liquidity risk is the risk that the Scheme may not be able to generate sufficient cash resources to settle its future obligations in full as they fall due, or can only do so on terms that are materially disadvantageous to the Scheme. A further component of the liquidity risk is that there is no market to realise the investments of the fund within a reasonable time.

Members are able to transfer their balances to another KiwiSaver scheme at any time. As such the liability for promised retirement benefits is deemed to be repayable on demand.

The AE KiwiSaver Plan is invested in AE Investor which invests in USD equities. The value of units in the AE KiwiSaver Plan will change daily.

The Scheme however does not have any external borrowings, nor any significant exposure to withdrawal payments / liquidity risk as AE Investor holds readily tradable quoted equities with sufficient liquidity to repay investors when required.

Capital Risk

The Scheme's effective capital is the Net Assets available for benefits.
The Statement of Changes in Net Assets Available for Benefits shows the total amount payable to Members. The changes in the net assets available for benefits are brought about by the Scheme's net income earned and the changes in the Schemes' membership activities during the reporting period.

The Scheme redeems units in investments when a Member requires and is eligible to withdraw from the Scheme. As discussed under "Liquidity risk" above, when operating under normal investment market conditions and normal withdrawal levels, there are no foreseen difficulties in meeting Members' requirements for withdrawals. When a Member requires and is eligible to redeem their Member's units in the Scheme, the amount that they can withdraw is calculated as the number of units held multiplied by the unit price on the date of withdrawal.

The Scheme only invests in financial assets when there are adequate Member contributions available.

The Scheme does not take out loans to invest in financial assets or incur liabilities other than normal trade payables for payment of expenses.

12 Contingent Assets and Liabilities and Commitments

There are no contingent assets, liabilities or commitments as at 31 March 2024 (2023 - $nil).

13 Guaranteed Benefits

No guarantees have been made in respect of any part of the liability for accrued benefits (2023 - $nil).

14 Events after balance date

There are no material events that have occurred after Balance Date which could affect these Financial Statements.

William Buck
ACCOUNTANTS & ADVISORS

AE KiwiSaver Plan

Independent auditor's report to the Members

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of AE KiwiSaver Plan (the Entity), which comprise the statement of net assets available for benefits as at 31 March 2024, and the statement of changes in net assets available for benefits and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Entity as at 31 March 2024, and of its financial performance and its cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Entity 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Entity.

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 of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Investments – Valuation & Existence

Area of focus	How our audit addressed it
The Fund Investments represent AE KiwiSaver Plan's most significant asset, and accordingly the valuation and existence of the Fund Investments is the key aspect in the preparation of the financial statements. The Fund Investments comprise units in AE Investor, a unit trust, which in turn invests in up to 50 stocks listed on the main boards of the NYSE, and cash or cash equivalents (as described in Note 6 and 7 to the financial statements). AE Investor holds all of the Fund Investments through one custodian and one bank.	Our audit procedures included the following: - Agreeing AE KiwiSaver Plan's units held in AE Investor to the records of AE Investor, and agreeing AE Investor's investment holdings and values to confirmations received from the custodian, and checking these stock holdings and values to stock exchange closing prices and the trading records of AE Investor; - For stock held by AE Investor at balance date checking stock exchange volumes traded in the months after 31 March to ensure each has sufficient liquidity; - Obtaining information on AE Investor's custodian's registration and compliance record; - Obtaining a thorough understanding of the systems and process in place at the entity and performing walkthrough testing of a series of investment purchase and sale transactions during the period; - Obtaining a bank confirmation directly from the bank and agreeing all balances to the financial report.

Manager' Responsibilities

The directors of AE KiwiSaver Plan's management company are responsible on behalf of the entity for the preparation of financial statements that give a true and fair view in accordance with New Zealand equivalents to International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

https://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 director on the audit resulting in this independent auditor's report is Alison Anderson.

Restriction on Distribution and Use

This report is made solely to the Entity's members, as a body. Our audit work has been undertaken so that we might state to the Entity's members those matters which we are required to state to them in an 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 Entity and the Entity's members, as a body, for our audit work, for this report or for the opinions we have formed.

William Buck Audit (NZ) Limited
Auckland

15 July 2024