



# AE Investor

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Financial Statements

For the year ended 31 March 2024

**AE INVESTOR**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**  
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**AE INVESTOR**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

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**Fund Management Company**

Always-Ethical Limited

**Registered Office**

5 Hauraki Road

Takapuna

Auckland 0622

**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

**Legal Advisor**

Brian P Henry

Auckland

**Auditors**

William Buck Audit (NZ) Limited

Level 4, 21 Queen St

Auckland

## AE INVESTOR

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 US\$	2023 US\$
<b>Revenue</b>			
Unrealised Gains on investments		2,827,401	1,171,218
Realised Gain on Investments		2,192,638	-
Dividends Received		268,139	354,209
Interest Income	4	300,564	109,506
<b>Total Operating Revenue</b>		<b>5,588,742</b>	<b>1,634,933</b>
<b>Expenses</b>			
Realised Losses on Investments		-	926,020
Operating Fees – Administration	5	547,377	410,642
Operating Fees - Performance	5	534,196	130,689
Brokers Fee		293,339	243,433
Auditor Remuneration	17	24,723	15,112
Purification Costs	4	300,564	113,474
Supervisors & Custodian Fee		50,913	36,872
Share Registry & Compliance Fees		31,544	31,806
Bank Charges		592	573
<b>Total Expenses</b>		<b>1,783,248</b>	<b>1,908,621</b>
<b>Income/(Loss) for the period</b>		<b>3,805,494</b>	<b>(273,688)</b>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income/(Loss) attributable to:</b>			
Unit Holders		<b>3,805,494</b>	<b>(273,688)</b>
Management Expense Ratio	14	2.60%	2.06%

The Statement of Accounting Policies and Notes form an integral part of these Financial Statements.

**AE INVESTOR**  
**STATEMENT OF CHANGES IN UNIT HOLDERS FUNDS**  
**FOR THE YEAR ENDED 31 MARCH 2024**


	Note	Unit Numbers	US\$
<b>Balance at 1 April 2022</b>		4,082,250	29,980,896
Comprehensive Income / (Loss) for the year		-	(273,688)
PIE Tax attributable to Unit Holders	9	-	(66,186)
Applications for units during the year		912,000	6,423,134
<b>Balance at 31 March 2023</b>		<b>4,994,250</b>	<b>36,064,156</b>
Comprehensive Income / (Loss) for the year		-	3,805,494
PIE Tax attributable to Unit Holders	9	-	(39,480)
Applications for units during the year		1,091,722	8,250,805
<b>Balance at 31 March 2024</b>		<b>6,085,972</b>	<b>48,080,975</b>


The Statement of Accounting Policies and Notes form an integral part of these Financial Statements.

**AE INVESTOR**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2024**

	Note	2024 US\$	2023 US\$
<b>UNIT HOLDERS FUNDS</b>		<u>48,080,975</u>	<u>36,064,156</u>
<b>Represented by:</b>			
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	4	22,311,598	1,186,105
Receivables		15,335	41,976
Fund Investments	4	<u>25,884,762</u>	<u>34,932,416</u>
<b>Total Current Assets</b>		<b><u>48,211,695</u></b>	<b><u>36,160,497</u></b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accrued Income & Payables	7	<u>130,720</u>	<u>96,341</u>
<b>Total Current Liabilities</b>		<b><u>130,720</u></b>	<b><u>96,341</u></b>
<b>NET ASSETS</b>		<u>48,080,975</u>	<u>36,064,156</u>

These financial statements are authorised for issue by the Manager, Always-Ethical Limited.

  
 \_\_\_\_\_  
 Director, Dennis Gates

  
 \_\_\_\_\_  
 Director, Gregory Fortuin

11th July 2024

\_\_\_\_\_  
Date

**AE INVESTOR**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

	Note	2024 US\$	2023 US\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash was provided from (applied to):</b>			
Dividends Received		556,406	366,814
Interest & Sundry Income received	4	300,564	109,506
Payments to suppliers		(2,154,485)	(1,126,943)
Purchase of investments		(22,247,471)	(39,020,832)
Sale of investments		36,420,215	20,191,800
<b>Net cash inflow / (outflow) from operating activities</b>	8	<b>12,875,229</b>	<b>(19,479,655)</b>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Cash was provided from (applied to):</b>			
Receipts from issue of units		8,262,697	6,431,566
PIE Tax paid on behalf of Unit Holders		(12,433)	(8,537)
Advance from Manager		-	(200)
<b>Net cash inflow from financing activities</b>		<b>8,250,264</b>	<b>6,422,829</b>
 <b>Net increase/(decrease) in cash and cash equivalents</b>		<b>21,125,493</b>	<b>(13,056,826)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>1,186,105</b>	<b>14,242,931</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>22,311,598</b>	<b>1,186,105</b>
 <b>Comprising:</b>			
Cash at Bank – NZ\$ Account		2,359,843	369,453
Cash at bank – US\$ Account		19,951,755	816,652
		<b>22,311,598</b>	<b>1,186,105</b>

The Statement of Accounting Policies and Notes form an integral part of these Financial Statements.

## AE INVESTOR

### STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2024

#### 1 General Information

The financial statements of AE Investor (the Unit Trust) for the year ended 31 March 2024 were authorised for issue in accordance with a resolution of the directors of the Manager, Always-Ethical Ltd. The Unit Trust was registered on 27 August 2013 under the Unit Trust Act 1960 and is domiciled in New Zealand. The full details of the Trustees, Directors of the Manager, and Unit Trust Manager are set out in the General Information on page 3. The principal activities of the Unit Trust are described in Note 3 to the financial statements. The financial statements have been prepared in accordance with the Unit Trust Act 1960 and the Financial Markets Conduct Act 2013. The unit trust converted to a Portfolio Investment Entity ("PIE") on 10 July 2015. The first prospectus was issued on 6 September 2013 and the current product disclosure statement was issued on 20 December 2021.

On the 30th September 2021, the name changed to Always-Ethical Limited (formerly - Amanah Trust Management (NZ) Limited) and AE KiwiSaver Limited (formerly - AmanahNZ KiwiSaver Limited). The managed funds were also rebranded to AE KiwiSaver Plan (formerly - Amanah KiwiSaver Plan), AE Growth Fund, (formerly - Amanah Growth Fund) and AE Investor (formerly - AmanahNZ).

#### 2 Summary of Material Accounting Policy Information

##### Basis of Preparation

The financial statements of AE Investor have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP") as appropriate for profit oriented entities. The financial statements of the Unit Trust comply with the Financial Markets Conduct Act 2013 for the year ended 31 March 2024. The financial statements comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS"). The financial statements also comply with International Financial Reporting Standards ("IFRS"). The financial statements have been prepared on a historical cost basis, except for Fund Investments and Unit Holders Funds which are measured at fair value through profit & loss. The accrual basis of accounting has been applied, as has the going concern assumption.

There have been no changes in Accounting Policy (2023: None).

##### Standards issued but not yet effective

There are no NZIFRS standards issued but not yet effective that would materially impact the Unit Trust.



## AE INVESTOR

### STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2024

#### 2 Summary of Material Accounting Policy Information (continued)

##### Foreign Currency Translation

Both the functional and presentation currency of AE Investor is United States Dollars. The majority of the Unit Trust's transactions, including all fund investments, are undertaken in United States Dollars. The Unit Trust has therefore elected to use United States Dollars as the most appropriate functional and presentational currency. Transactions denominated in currencies other than the functional currency are translated into the functional currency using the exchange rate in effect at the transaction date.

Monetary items receivable or payable in a currency other than the functional currency are translated at balance date at the closing rate. Exchange differences are recognised in the Statement of Profit or Loss and Other Comprehensive Income as income or expenditure.

##### Fund Investments

Fund investments are initially recognised at fair value, being the transaction price at acquisition date.

After initial recognition, fund investments, which are classified as "at fair value through the profit or loss", are measured at fair value. Realised and unrealised gains or losses on fund investments are recognised and separately disclosed as income or expenditure in the Statement of Profit or Loss and Other Comprehensive Income. Fair value is determined by reference to quoted market bid prices at close of business on each trading day in accordance with the main boards of the New York Stock Exchange. Transactions denominated in currencies other than the functional currency are translated into the functional currency using the exchange rate in effect at the transaction date.

Fund Investments are classified as "fair value through profit and loss" as they are acquired for a portfolio of investments that is managed and its performance is evaluated on a fair value basis in accordance with a documented risk management and investment strategy.

##### Cash and Cash Equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less where the investment is convertible to known amounts of cash and is subject to an insignificant risk of change in value. For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

##### Provisions and Payables

Provisions and payables are recognised when the Unit Trust has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation. Where the Unit Trust expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Profit or Loss and Other Comprehensive Income net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money, and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

## AE INVESTOR

### STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2024

#### 2 Summary of Material Accounting Policy Information (continued)

##### Unit Holders Funds

The units issued by the Unit Trust meet the definition of an equity instrument as:

- (i) unit holders are entitled to a pro rata share of the Unit Trust's net assets in the event of Liquidation
- (ii) all units have identical rights and are puttable
- (iii) there is a contractual obligation for the Manager to redeem the instrument for cash
- (iv) the total expected cash flows attributable to the units over their life is based substantially on the income & expenditure and changes in the recognised net assets or the change in fair value of the recognised and unrecognised net assets of the Unit Trust over their life.

Units can be redeemed at fair value on notice. The fair value of the unit is represented by the sum of the fair value of the underlying equity investments of the Unit Trust plus the fair value of cash holdings less the fair value of recognised liabilities of the Unit Trust.

##### Fair Value Hierarchy

The carrying amounts of the assets and liabilities at the 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.

###### *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.

## AE INVESTOR

### STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2024

#### 2 Summary of Material Accounting Policy Information (continued)

##### **Goods and Service Tax (GST)**

The Unit Trust is not registered for GST, and consequently all components of the financial statements are shown inclusive of GST where applicable.

##### **Applications for units and withdrawals**

Applications and withdrawals are made at the unit price for that day. The unit price for each unit is determined as the net asset value divided by the number of units on issue.

##### **Revenue**

Revenue is recognised in the statement of profit or loss and other comprehensive income 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 profit or loss and other comprehensive income as disclosed in Note 2 Fund Investments.

##### *Interest*

Revenue is recognised as the interest accrues.

##### *Dividends*

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

##### **Income Tax**

The unit trust is a Portfolio Investment Entity ("PIE"), the income is effectively taxed in the hands of the unit holders and therefore the funds have no taxation. Under the PIE regime, the Fund Manager attributes the taxable income of the fund to each of the unit holders in proportion to their interest in the funds. This income is taxed at the investors Prescribed Investor Rate (P.I.R.) which is capped at 28%.

Any PIE tax payable/refundable is paid/received by the fund on behalf of the unit holder and units are cancelled/issued to the value of the tax paid/refunded to adjust the value of the unit holder's position at 31 March. The PIE tax is calculated on the basis of the tax laws enacted at balance date.

##### **Expenditure**

Expenditure relating to trading within the Unit Trust's investment fund is advised by the Unit Trust's broker and recorded in the Statement of Profit or Loss and Other Comprehensive Income on a daily basis. All other items of operating expenditure are recognised in the Statement of Profit or Loss and Other Comprehensive Income as they are incurred.

## AE INVESTOR

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

#### 3 UNIT TRUST AND SEGMENT INFORMATION

The Unit Trust operates in one segment in the investment market in New Zealand. It manages investments purchased by the Unit Trust from monies raised from the issue of units. The funds acquired are invested in up to 50 stocks listed on the main boards of the New York Stock Exchange (NYSE), NASDAQ and cash or cash equivalents. The Unit Trust is based in New Zealand and all business is undertaken through its Auckland office. The Unit Trust operates in the investment market, managing an investment purchased by the Unit Trust from monies raised from the issue of units. All revenue, expenses, assets and liabilities relate to the stated geographical and industry sectors described above. There have been no changes to the Unit Trust's business during the period.

#### 4 FUND INVESTMENTS AND CASH

	2024	2023
	US\$	US\$
Fund Investments – listed	25,884,762	34,932,416
– cash	22,196,213	1,131,739
	<b>48,080,975</b>	<b>36,064,155</b>

The fund investments represent up to 50 stocks listed on the main boards of the NYSE, NASDAQ and cash or cash equivalents. The fund investments represent quoted equities having no set maturity date.

The Unit Trust provides an ethical investment for the unit holders. The Investments all comply with the Memorandum Recording Strict Ethical Mandate and are strictly Shari'ah compliant. Shari'ah compliance is measured against the standards set by Accounting and Audit Organisation for Islamic Financial Institutions – AAOIFI. The fund holds certificates from IdealRatings for each investment certifying the investments as at 31st March 2024 were Shari'ah Law compliant to the standards established by AAOIFI.

To ensure strict shari'ah compliance, purification payments were made at each quarter end and these totaled \$300,564 net of interest received (2023: \$113,474). The unit trust investments must comply strictly with the investment mandate. Investments are permitted to earn up to 5% non-permitted income provided the non-permitted income is isolated for the accounts and donated to a charity for the poor. This is called purification. If the non-permitted income is interest, then the registry pays it to a separate account and the non-permissible income from that source never enters the fund but is purified as above.

During the period of this financial statement the fund purified \$300,564 which came from interest income (2023: \$113,474). This was donated to KidsCan, Pearl of Islands Foundation, FIANZ, Red Crescent Charity for Gaza.

The performance of AE Investor in each financial year were:

01/01/2014 to 31/12/2014	5.28%	01/04/2019 to 31/03/2020	9.07%
01/01/2015 to 31/03/2016	-2.40%	01/04/2020 to 31/03/2021	29.12%
01/04/2016 to 31/03/2017	-2.87%	01/04/2021 to 31/03/2022	4.12%
01/04/2017 to 31/03/2018	1.74%	01/04/2022 to 31/03/2023	-1.68%
01/04/2018 to 31/03/2019	6.53%	01/04/2023 to 31/03/2024	9.41%

The unit prices at 31 March each year were:

31/03/2014	\$ 4.4060	31/03/2020	\$ 5.4618
31/03/2015	\$ 4.6056	31/03/2021	\$ 7.0524
31/03/2016	\$ 4.4913	31/03/2022	\$ 7.3442
31/03/2017	\$ 4.6202	31/03/2023	\$ 7.2211
31/03/2018	\$ 4.7004	31/03/2024	\$ 7.9003
31/03/2019	\$ 5.0075		

All changes in fair value of fund investments represent changes in market risk. There has been no fair value impact resulting from changes in credit risk. All listed fund investments are recorded at fair value - Level 1.

#### *Cash and Cash Equivalents*

As at 31 March 2024 the Unit Trust held \$22,311,598 in cash and cash equivalents (2023: \$1,186,105). All cash is in banks in New Zealand (ANZ, ASB and JP Morgan). Cash held in USD is \$19,951,755 (2023: \$816,653) and NZD \$2,359,843 (2023: \$369,452).

## AE INVESTOR

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

#### 5 RELATED PARTY BALANCES

A party is related to the Unit Trust if:

- (i) Directly or indirectly through one or more of its intermediaries, it controls, is controlled by, or is in common control with the Unit Trust
- (ii) It is a parent, subsidiary or fellow subsidiary of a party defined in (i) above
- (iii) It has an interest in/relationship with the Unit Trust giving it significant influence over the Unit Trust.
- (iv) The Unit Trust has an interest in/relationship with the party that gives significant influence over the party. They are a member of the Unit Trust's key management personnel.

	<b>2024</b>	<b>2023</b>
<b>Payables</b>	<b>US\$</b>	<b>US\$</b>
Always-Ethical Limited – Fund Manager	101,285	74,899

#### Transactions

The following table provides the total amount of transactions entered into with related parties for the relevant financial period:

##### *Related Party*

##### **Always-Ethical Ltd**

Administration Fees	547,377	410,642
Performance Fees	534,196	130,689

Sales and purchases to and from related parties, including administration fees and performance fees to Manager Always-Ethical Limited, are normally settled at the date they fall due. Payables or receivables have no fixed term of repayment and have no interest charged on outstanding balances. There have been no guarantees provided or received for related party balances. For the year ended 31 March 2024 no related party debts have been written off, provided or forgiven (2023: Nil). An assessment of the collectability of related party balances is made at the end of each period.

Denis Gates and Brian Henry are both directors and shareholders of fund Manager Always-Ethical Limited and are unit holders in the Unit Trust. Brian Henry is also a Trustee of the Almanar Hope Trusts, both of which are unitholders in the Unit Trust. Carmel Barnao is the wife of Brian Henry. Jaime Henry, Jules Pedersen, Chiara Pedersen and Georgia Pedersen are children related to either Brian Henry or Carmel Barnao and all are unit holders in the Unit Trust.

Brian Henry provides legal services to the Unit Trust in the normal course of business. The value of legal services provided during the period was \$nil (2023: Nil).

Claudio Oberto is a member of the senior management committee.

The total value of units held by directors and other related parties is:

##### **Related Party**

Brian Henry	13,622	60,886
Carmel Barnao	193,892	156,507
Jaime Henry, Chiara, Georgia & Jules Pederson	190,430	155,864
Claudio Sandro Oberto & Family	50,083	56,919
Almanar Hope Trusts	62,487	56,316
	<b>510,514</b>	<b>486,492</b>

## AE INVESTOR

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

#### 5 RELATED PARTY BALANCES (continued)

During the period, there were \$78,198 in units purchased (2023– \$171,754) by related parties. There were \$54,100 in units redeemed (2023 – \$99,587) by related parties.

The remaining movements in the value of the units disclosed above relate to market value movements in the value of the units. All unit transactions with related parties are on the same terms as transactions with non-related parties.

The primary unit holder in the Unit Trust is AE Kiwisaver Plan, which holds units to the value of USD\$43,537,323 (2023: USD\$31,938,417), representing 90.55% (2023: 88.56%) of the unit holders balance at 31 March 2024. AE Kiwisaver Plan is a defined contribution Kiwisaver Plan managed by AE Kiwisaver Ltd. The Directors of AE Kiwisaver Ltd are also Directors of Always-Ethical Ltd, the management company of AE Investor. Transactions between AE Investor and AE Kiwisaver Plan are on an arm's length basis.

#### 6 EMPLOYEE BENEFITS

The Unit Trust has not had any employees during the period ended 31 March 2024 (2023: none) Accordingly there were no employee benefits paid. The Unit Trust does not have any employee share incentive plans, share options, or superannuation plans (2023: none).

Operating costs of the Unit Trust are in accordance with a management agreement between the Unit Trust and the management company Always-Ethical Limited as described in Note 12.

#### 7 TRADE & OTHER PAYABLES

Trade Payables are non-interest bearing and are normally settled on 30-day terms. All routine operational expenses of the Unit Trust are paid by the Manager in accordance with Note 12. As a result, the Unit Trust has no significant trade or other payable balances. Income is accrued in line with the Unit Trust's income accounting policies.

#### 8 NET CASH FLOW FROM OPERATING ACTIVITIES

*Reconciliation of statement of profit after tax with net cash flow from operating activities:*

	<b>2024</b>	<b>2023</b>
	<b>US\$</b>	<b>US\$</b>
Reported comprehensive income/(loss) for the year	3,805,494	(273,688)
<b>Non-cash items:</b>		
Unrealised gains/(losses) on investments	2,827,401	(1,171,218)
<b>Movements in working capital</b>		
Increase / (Decrease) in Cost base of Investments	6,234,596	20,885,047
Increase / (Decrease) in Trade Receivables	(26,641)	41,976
Increase / (Decrease) in Trade Payables	34,379	(2,462)
<b>Net Cash Inflow / (Outflow) from Operating Activities</b>	<b>12,875,229</b>	<b>(19,479,655)</b>

## AE INVESTOR

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

<b>9 TAXATION</b>	<b>2024</b>	<b>2023</b>
	<b>US\$</b>	<b>US\$</b>
PIE Tax attributable to unit holders	39,480	66,186

The unit trust is not subject to tax in itself but calculates taxation commitments of individual unit holders and accounts for that taxation to the Department of Inland Revenue.

### 10 FINANCIAL RISK MANAGEMENT POLICIES & OBJECTIVES

The Unit Trust's principal financial instruments are cash and fund investments. These financial instruments arise directly from the operations of the Unit trust.

The Unit Trust's policy is that no trading in financial instruments shall be undertaken for financing purposes.

#### *Interest Rate Risk*

The Unit Trust has no external term debt. There is no bank overdraft facility. Accordingly, the Unit Trust has no exposure to interest rate risk. The Unit Trust holds a portion of its funds in cash in a sweep account, however these funds do not earn interest.

#### *Foreign Currency Risk*

Both the functional and presentation currency of the Unit Trust is United States dollars. All units and purchases of fund investments are in United States dollars. Certain items of operating expenditure may be billed to the Unit Trust in currencies other than United States dollars and accordingly the Unit Trust's Statement of Comprehensive Income can be affected by movements in the respective exchange rates. The Unit Trust is prohibited, in terms of its Ethical Mandate, from entering into hedging investments or forward cover contracts to manage any foreign exchange risk.

#### *Credit Risk*

All investors purchasing units are required to remit funds prior to being allocated those units. Accordingly, the Unit Trust incurs relatively little credit risk. Any customers to whom credit is granted, which is rare, will be subject to credit verification procedures.

#### *Liquidity risk*

Liquidity risk is defined as being the ability of AE Investor meet its obligations to investors when they fall due as well as the ability of AE Investor to sell its investments in the open market. AE Investor is required, under its Ethical Mandate to invest in stocks that have high liquidity and are publicly quoted on recognised Stock Exchanges. AE Investor has no borrowings and therefore it is concluded that there is therefore no significant exposure to liquidity risk.

## AE INVESTOR

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

#### 10 FINANCIAL RISK MANAGEMENT POLICIES & OBJECTIVES (continued)

##### *Market Risk*

This is an investment where the Investment is dependent on the value of the stocks purchased from time to time on the instructions from the Manager. The value of the Investment is subject to market fluctuations.

Risks attributed to investments in US listed securities include economic, business, technological, political, tax and regulatory conditions. These factors and market sentiment can affect stock markets and the value of individual investments held by AE Investor

The normal risks of a stock-based investment in companies listed on a United States stock exchange exist. This includes the risk stock prices will decline after the investment is made. This could result in some of the capital invested being lost at the time the investment is sold or on redemption.

In the event of a "stock market crash" AE Investor has positioned itself to protect the asset value of all Investors by:

- Investing only in liquid stocks,
- Investing only on the major US stock exchanges,
- Investing in a spread of up to 50 stocks
- Monitoring, analysing and assessing the stocks on a daily basis,

The Unit Trust holds a portion of its investments in listed entities as disclosed in Note 4. The effect of a 10% change in equity prices on investments held at balance date would be \$2,588,476 (2023: \$3,493,242).

##### *Exit Risk*

There is a risk that at the time of a requested redemption, the fund is unable to redeem units of AE Investor In certain circumstances the fund may, in good faith, form an opinion that it is not practicable, or would be materially prejudicial to the interests of investors, to realise investments in order to permit unit redemptions. In such circumstances the fund may give notice suspending withdrawals to investors.

#### 11 FINANCIAL INSTRUMENTS

All of the Unit Trust's financial instruments are carried in the financial statements at their fair values. Market values have been used to determine the fair value of the Investments. Market Value is determined by reference to quoted market bid prices at the close of business on each trading day. The quoted market bid prices relate to the main boards of the NYSE and/or NASDAQ.

The Investments inputs are considered to be Level 1 in accordance with the fair value hierarchy of NZ IFRS 13, as they are based on quoted prices in active markets.

#### 12 ADMINISTRATION FEES

The management agreement between Unit Trust and the Manager Always-Ethical Limited came into effect on 3 January 2013.

The administration and performance fees disclosed in the Statement of Profit or Loss and Other Comprehensive Income are charged to the Unit Trust by Always-Ethical Limited in accordance with the formulae specified in the Product Disclosure Statement (PDS).

With effect from the registration of the PDS in July 2019, all compliance, audit, supervision and share registry costs of the Fund were paid directly from the fund itself, rather than by the Manager on behalf of the Fund. Therefore, from this time onwards, the Fund no longer pays a contribution to the manager for expenditure incurred on its behalf.

#### 13 COMMITMENTS AND CONTINGENCIES

The Unit Trust has not entered into any lease agreements nor are there any capital commitments or contingent assets or liabilities at 31 March 2024 (2023: nil).



## AE INVESTOR

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

#### 14 MANAGEMENT EXPENSE RATIO

The Management Expense ratio was calculated as follows:

	<b>2024</b>	<b>2023</b>
	<b>US\$</b>	<b>US\$</b>
Operating Fees - administration	547,377	410,642
Audit Fees	24,723	15,112
Brokers Fees	293,339	243,433
Purification costs	300,564	3,968
Supervisors & Custodian Fees	50,913	36,872
Registry & Compliance Fees	31,544	31,806
Bank Charges	592	573
<b>Total Management Expenses</b>	<b>(1,249,052)</b>	<b>(742,406)</b>
<b>Total Funds Under Management</b>	<b>48,080,975</b>	<b>36,064,156</b>
<b>Annualised Management Expense Ratio</b>	<b>2.60%</b>	<b>2.06%</b>

#### 15 EVENTS AFTER THE BALANCE DATE

There are no material events that occurred after Balance Date which could affect these financial statements.

#### 16 KEY ASSUMPTIONS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of these financial statements has not involved the use of any significant assumptions leading to estimation uncertainty over assets and liabilities. Refer to Note 10 for information on Financial Risk Management policies.

#### 17 AUDIT

Audit fees comprise fees charged to the Unit Trust for the audit of the Unit Trust's financial statements.

Auditor remuneration for the period comprises:

	<b>2024</b>	<b>2023</b>
	<b>US\$</b>	<b>US\$</b>
Audit of the financial statements – William Buck	10,623	9,088
Custody Control Audit – Tripple Ledger Limited	6,463	6,024
Other audit fees charged	7,637	-
	<b>24,723</b>	<b>15,112</b>

There were no other services provided by William Buck during the year (2023 - Nil).

## AE Investor

Independent auditor's report to the Unitholders

## Report on the Audit of the Financial Statements

### Opinion

AE Investor (the Entity), which comprise the statement of financial position as at 31 March 2024, and the statement of profit or loss and other comprehensive income, statement of changes in unit holders funds 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 and Existence**

Area of focus	How our audit addressed it
<p>Fund Investments represent the entity’s most significant asset, and accordingly the valuation and existence of these investments is the key aspect in the preparation of the financial statements.</p> <p>The Fund Investments comprise up to 50 stocks listed on the main boards of the NYSE and NASDAQ, and cash or cash equivalents (as described in Note 4 to the financial statements). All of the Fund Investments are held under one custodian and one bank.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>- Agreeing investment holdings and values to the confirmations received from the Custodian and checking these stock holdings and values to stock exchange closing prices and the trading records of AE Investor.</li> <li>- For stock held at balance date checking stock exchange volumes traded in the months after 31 March to ensure each has sufficient liquidity.</li> <li>- Obtaining information on the custodian’s registration, internal controls and compliance record.</li> <li>- 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.</li> <li>- Obtaining a bank confirmation and a custodian confirmation directly from the respective third party and agreeing all balances to the financial report.</li> </ul> <p>Ensuring appropriate disclosures are made in the financial statements.</p>

**Directors’ Responsibilities**

The directors of the 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/assurance-standards/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 Unitholders, as a body. Our audit work has been undertaken so that we might state to the Entity's Unitholders 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 Unitholders, 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