

STATEMENT OF ADVICE/ ANNUAL REVIEW FOR Jane & Jim Smokey

Review Date: Tuesday 4th February 2025

Prepared by Moneyworks NZ Ltd (FSP 15281)

On 21/01/2025

Carey Church
Financial Adviser

LLB (Hons 1st), CFP^{CM}, CLU, F Fin, BSc, GradDipAppFin, Dip Bus (PFP)
Member of Financial Advice New Zealand, IFAA and RIAA (Responsible
Investment Association of Australasia)

RIAA Certified Ethical Adviser

FSP 86101



Dear Jane & Jim

Investment Markets

2024 saw the 'revenge of the markets'. The downturn started in January 2022, closely followed by the Russian invasion in March 2022. Inflation was racing, which led to interest rates being increased and as with all 'bear markets', it took a number of months for the markets to fight their way back into positive territory.

The average bear market lasts for 20 months from peak to trough. The Magnificent Seven started roaring ahead in early 2023, but it wasn't until November 2023 that the rest of the companies started recovering and putting on value and increasing profits. From January 2022 to October 2023 we had a 22 month bear market (excluding the Magnificent Seven).¹

The current bull market started in earnest at the end of 2023 and we have seen terrific returns in 2024, reflecting the health of economies around the world (not New Zealand, but your portfolio has very little exposure to New Zealand apart from Fixed Interest).

The world is now anticipating a four year Trump Government. What we do know is that Trump considers the stock market to be his job performance score. He is doing a good job if the stock markets increase. Whilst it may be difficult to separate your feelings about what a Trump Government means for people in the USA and other countries, our job is to focus on what it means for your investments.

At this stage, we don't have any concerns about your investments, and we are continually monitoring the fund managers that we have recommended to ensure that they are doing their job, and are tracking, analysing and assessing the global environment continually, and incorporating the outcomes in their investment decisions.

Investment Platform change around June/July 2025

As you will be aware, after 18 years using the ANZ OneAnswer WRAP platform, we are moving to the much more modern technology – NZX Wealth Technologies.² We only need you to sign three forms to make this change, but we consider that there will be many benefits for you.

If you log in to review your portfolio, you will see a better interface, with more information (these logs ins will be sent after everything is bedded down, maybe a month or so after). There are many more tools available to us on the platform that we will gradually incorporate.

But the things you need to know are:

1. Your investments are not sold down and reinvested, they are transferred as they are.
2. There will be a 'trading freeze' for around 4 weeks after the transfer and for a time period after the transfer. What this means for you is
 - a. If you are making regular contributions, we will move these earlier onto the new system, so that you don't have any delays (otherwise we might have to suspend the investments for a period of 4-6 weeks)
 - b. If you have regular withdrawals, we will manually pay you several months of withdrawals to make sure you don't miss any before we move then start them again when the new system is operational
3. We are able to define the amount of GST that is assessable on your fees on this platform. This will be a reduction in GST cost to you, we have outlined how much of a saving that is for you in the Steps to Take Now.

¹ Apple, Amazon, Alphabet (Google), Meta (Facebook), Microsoft, Nvidia and Tesla.

² New Zealand Stock Exchange Wealth Technologies (NZXWT)

4. It is likely that the historic performance will only be available for one year from the date of transfer. However, we have backed up all your transactions and historic performance for the time period that it is available to your client file, if it is ever needed.
5. If you have term deposits that mature after the move that are with ANZ, BNZ or Westpac, we can't move these to the new platform. They will remain on the old platform but we will mirror them on the new platform for reporting

Taxation changes from 31st July 2024

These tax cuts apply to everyone, and it is IMPORTANT TO NOTE that these will also apply to your PIR (Prescribed Investor Rate) for your PIE (Portfolio Investment Entity) investments (eg in your portfolio and KiwiSaver, and if you have a PIE Cash or Term Deposit investment with your bank.

These changes will have applied from 31st July 2024.

Existing Tax Threshold	New Tax Threshold	Tax Rate
Up to \$14,000	Up to \$15,600	10.50%
\$14,0001 - \$48,000	\$15,601 - \$53,500	17.50%
\$48,001 - \$70,000	\$53,501 - \$78,100	30.00%
\$70,001 - \$180,000	\$78,101 - \$180,000	33.00%
\$180,000+	\$180,000+	39.00%

Project 2025

Continuing with our series of education on how your fund managers make their investment decisions, this year we are telling you about BetaShares – one of our two 'defined index' or passive investors.

The main discussion that we are having this year is about scams. What you need to do to protect yourself (and for you to share this with other people you care about in your lives).

We have also been working on how we can be around for many more years to work with you, so we will update you on our work/life plans – including more annual leave (where we will still be available if needed) and a 4-day week from 2026.

We are taking on new clients and would love referrals from you³

Please note that we have also updated the layout of our Investment Rebalancing, we hope that this is more user friendly.⁴ We have changed our investment research provider to Mapua Wealth (from Morningstar) which is reflected in this updated information as well.

We look forward to seeing you at our annual review meeting this year. Please don't hesitate to contact us if you have any queries before our meeting.

Yours sincerely
Moneyworks NZ Ltd



Carey Church
Ethical Investments Adviser & Financial Adviser
LLB(Hons-1st), CFPCM, CLU, F Fin, BSc, GradDipAppFin, Dip Bus (PFP), RIAA Certified Ethical Adviser

³ Some minimum investment conditions may apply.

⁴ Thank you Tony for your help

Contents

CONTENTS	4
DISCLAIMER	5
CLIENT DETAILS	6
STEPS TO TAKE NOW	10
YOUR GOALS/OBJECTIVES	11
NOTES ON THINGS THAT HAPPENED RELATING TO YOUR FINANCIAL PLANNING SINCE THE LAST ANNUAL REVIEW	11
HEALTH & WELLBEING & UNDERSTANDING INFORMATION	12
INVESTMENT SUMMARY	12
OTHER FINANCIAL INFORMATION – PLEASE UPDATE INFORMATION	12
MORTGAGE	12
ETHICAL INVESTMENT ANALYSIS	14
2025 PROJECT – TALKING ABOUT SCAMS AND BETASHARES FUND MANAGER PROFILE	20
INVESTMENT ARRANGEMENTS	25
INVESTMENT RISK PROFILE	26
LONG TERM STRATEGIC ASSET ALLOCATION	27
ADDITIONAL VOLUNTARY DISCLOSURE	28
APPENDICES	29

Disclaimer

Any personalised information or advice given to you has been prepared based the information you have given to us. Decisions made in reliance upon or in relation to such advice are made by you. You are therefore exclusively responsible for all acts and decisions made as a result of the information supplied by us to you.

Any calculated projections or any predictions given by us to you are not guaranteed and are merely an expression of opinion and are intended for illustration purposes only.

We do not guarantee the repayment of your capital or any particular rate of return. Although historical information may be provided, the information may not necessarily be a good guide to future performance.

Any taxation, asset protection or estate planning information is provided as a guide only. You should seek independent taxation and legal advice where appropriate.

While every care has been exercised and the advice and statements made by us are based on information believed to be accurate, no liability can be accepted for any error or omission that may occur. Further, our responsibilities, in connection with any material or advice given, are to you alone and neither we nor our employees accept any responsibility arising on any grounds to any other party.

The recommendations made in this Statement of Advice/Annual Review are based on current information and economic conditions available at the time of writing this document. These recommendations should not be acted on after that time without further consultation with the adviser.

Where recommendations for investment or KiwiSaver are made, you will be provided with a copy of the Investment Statement or Product Disclosure Statement electronically. You need to read these documents. We will also provide you with a summary of the investment called an Investment Product Summary that you need to read. Reading the Investment Product Summary is not a substitute for reading the Investment Statement or Product Disclosure Statement.

Please note that the Disclosure documents are included in the Additional Financial Information shared with you by Millie. Please read these documents and note that there are limitations on the advice that we can provide to you as we do not provide advice on all financial solutions available. Please don't hesitate to ask us any questions about these limitations.

Client Details

Client Details			
Client Name(s) Jane & Jim Smokey			
Client Type Joint			
Address 5 Gasplast Place French Pass MADE UP 8025			
		Mobile Jim	027 3123 694
		Mobile Jane	027 123 5627
		Home	
Primary Email		Smokeyster@gmail.com	
Other Email			
AR Soft Copy		Yes	AR Hard Copy Yes
Document Sharing Preference		Google Drive	
Disclosure Provided		Version Five	
FNZ Disclosure Provided		Updated December 2024	
NZXWT Disclosure Provided		04/02/2025	

Individual Details			
Name Jim Smokey			
Date of Birth	13/08/1962	Tax Rate	33.00%
Age	62	PIR	28.00%
Photo ID on file	Yes	IRD No	018-917-521
Photo expiry date	10/07/2027	Income	\$93,000
Type of Photo ID	Passport	Occupation	Educational Developer
Proof of Address	Yes	Employer	
Smoker	No		
Name Jane Mary Smokey			
Date of Birth	20/04/1963	Tax Rate	33.00%
Age	61	PIR	28.00%
Photo ID on file	Yes	IRD No	012-646-909
Photo expiry date	24/7/2027	Income	\$100,000
Type of Photo ID	Passport	Occupation	Teacher
Proof of Address	Yes	Employer	Madeup School
Smoker	No		

Children			
Name	Simon Smokey	Tax Rate	10.50%
Date of Birth	16/05/1993	PIR	10.50%
KiwiSaver Provider	Nil	IRD No	
Financial Information Included	No		
Name	Adele Smokey	Tax Rate	0.00%
Date of Birth	30/05/1991	PIR	0.00%
KiwiSaver Provider	Nil	IRD No	
Financial Information Included	No		

Financial Details		
Client(s) Name	Jim and Jane Smokey	
Investments	One Answer Portfolio Service	
PIE Tax Settlement	Units	
Corporate Action Distribution	Cash	
Permission to invest cash (unless new investments)	Yes	
Custodial Reports sent how	Email	
Morningstar Risk Profile Score	25 (Jim), 23 (Jane)	
Morningstar Risk Profile	Growth (Jim), Balanced (Jane)	
Final Agreed Risk Profile	Growth Hybrid	
Regular Investments	\$1,800.00 Monthly	
Regular Withdrawals	Nil	
Do you meet the Foreign Investment Fund (FIF) De Minimis Exemption Status	No	
Additional Notes & Information		
Value of Family Home	\$750,000	
Client Name	Jim	Jane
KiwiSaver provider	Pathfinder	Fisher Funds KiwiSaver
KiwiSaver Start Date	03/09/2019	14/07/2008
Regular Investments	8.00% plus \$87.00 a month	\$87.00 + 10.00%
Regular Withdrawals	Nil	Nil
Insurance provider	Nil	Nil
How well do you feel you understand this information and advice? 1 - 5 (5 = Well)	3.50 - 4.00	3.00
Are you happy with that level of understanding, or would you like to understand the information better? 1 - 5 (5 = Very Happy)	4.00	4.00 - 4.50
What can we do to help you with your understanding?	It is specialised knowledge and I would have to spend more time to understand it better	Trust Carey
Will in Place	Yes	Yes
Will up to date	Yes	Yes
Letter to Executor provided	Yes	Yes
Enduring power of attorney	Yes	Yes
Location of Will	Those Lawyers	Those Lawyers

Next of kin info	Yes	Yes
Next of kin details	Adele Smokey (Melbourne) daughter - AdeleSmokey@gmail.com, +614 326 32740	Trudi Windy, Made up, trudiwindy6@gmail.com, 021 590 997
Third Party for support if required in our relationship	Nil	Nil
Are you a Trustee of any Family Trust?	Yes	Yes

Ethical Investment Preferences			
Category Name	Jim, Pathfinder	Jane, Fisher Funds	Jane & Jim, Jim and Jane Smokey
Scale	Rating from 1 to 3 showing how you feel about these 1 = Comfortable, 2 = Prefer not, 3 = No exposure if possible	Rating from 1 to 3 showing how you feel about these 1 = Comfortable, 2 = Prefer not, 3 = No exposure if possible	Rating from 1 to 3 showing how you feel about these 1 = Comfortable, 2 = Prefer not, 3 = No exposure if possible
Ethical Analysis Options	Yes	Yes	Yes
Degree of ethical exposure (Base (1), Hybrid (2), Ethical (3))	3	2	2.25
Animal Cruelty	1	2	1.5
Environmental Damage	2.3	2	2.2
Human Rights Violations	3	3	3
Fossil Fuels	2	1	1.5
Social Harm	2.8	2.3	2.5
Weapons	2	2	2

Please see notes in the Ethical Investment Analysis section that explain the sub categories for each category.

Other Details	
Bank Account Name	Jim Gordon Smokey and Jane Mary Smokey
Bank Account Number	06-0870-0059604-00
Membership Fee	\$500.00
Membership Fee Due Date	November
Lawyer	Those Lawyers
Accountant	Those Accountants, Chartered Accountants Ltd
Fire and General Insurer	

Please confirm that your client details as shown above are still correct.

Steps to Take Now

1. Update your Goals and Objectives for us.
2. Authorise the changes to your OneAnswer investment portfolio OA666093 Jim and Jane Smokey to bring it into line with your Growth Hybrid risk profile, as set out in the attached portfolio rebalancing worksheet.
3. Discussion about:
 - a. Scams – how to protect yourself and people you care about
 - b. BetaShares – Fund Manager Profile
 - c. Moneyworks Work/Life Balance, Annual Leave and 4 day week from 2026
4. Discussion about moving WRAP platform from OneAnswer around end June/July 2025 to the NZX Wealth Technologies system that is more modern.⁵

Your investments are not sold down and reinvested, they are transferred as they are.

Please note that there will be about a six week period where the assets are getting transferred, where we may not be able to do accurate reporting (but we will do a full backup of returns before we do the transfer) and where regular investments will be held in cash instead of being invested. If you have a regular withdrawal, we may need to do 2-3 of these for you before the move date to make sure that you have enough cash.

Documentation to sign - **please don't date, we will update the date so that these are valid when required:**

- a. New Direct Debit – Please add the Bank name and check the bank account number is correct
- b. Closing OneAnswer WRAP account
- c. Authority to Moneyworks to appoint a Custodian and WRAP service
- d. Please note that more information is available on the NZX Wealth Platform in the 'Additional Financial Information' folder shared with you including their client brochure and their disclosure document.
- e. This change will mean the following changes to your administration fees that you pay to the platform (these are not fees that you pay to Moneyworks and are tax deductible to you.)

Change in Platform Administration Fees when move to NZX Wealth⁶

\$ change pa	% change
\$-141.45	-0.03%

Change to the GST that you pay on your monitoring fee

OA Account Code	Current GST paid at 15.00%	New GST paid at 10.50%	\$ Change
OA666093	\$696.60	\$487.62	-\$208.98

⁵ This will depend on the transfer process from FNZ and how timely they are in getting the information to NZX Wealth.

⁶ Based on your portfolio balance on 03/09/2024

5. We would appreciate referrals to people who could benefit from our expertise and knowledge, please see the referral letter enclosed with this annual review document.
6. Increase contributions into OneAnswer portfolio.
7. Please update us on the value of your other investments (motel etc).
8. Progress with fixing the mortgage for 6 months to see how that went and saving the income from the motel or using it for mortgage repayments.
9. Review how much of the AIA insurance to keep, based on level of mortgage and savings.

Your Goals/Objectives

This section contains information on your financial goals and suggestions on what you need to do to achieve these goals and to be financially secure. **You need to ensure that you update this information for us as this is integral to your financial planning.**

PERSONAL GOALS

You stated your goals were as follows **(as at 30/01/2024):**

Short Term Goals (1-2 years)
Ideally live off one income and save the other, and repay the mortgage To capture your surplus funds towards your retirement. Buy new car Travel to Australia and UK to see children - or have them come to NZ To enjoy your work and travel while still putting away funds towards your future.
Medium Term Goals (2-10 years)
To enjoy your work and travel while still putting away funds towards your future. Repay mortgage to bank in full Be prepared to each work an extra year in current occupation until Jane turns 66 to fund retirement. Start managing spending to aim to stick to spending a total of \$90,000 after tax To have a financially comfortable retirement.
Long Term Goals (10 or more years)
To have a financially comfortable retirement.

Notes on things that happened relating to your financial planning since the last Annual Review

OA666093 Jim and Jane Smokey Standing Orders Loaded 02/02/24 (Millie)
 OA666093 Jim and Jane Smokey Lump Sum Orders Loaded 02/02/24 (Millie)
 12/02/2024 Heartland Bank TD 2 years 6.20% \$14,000
 05/08/2024 \$2,750AU each into Betashares NZ Ethi and Fair from aUD distributions
 14/08/2024 Transferred matured TD to Nikko NZCash \$14,500

Health & Wellbeing & Understanding Information

Jim prone to skin cancers

Investment Summary

Investment	Value 30/01/2024	Value 21/01/2025	Contributions (last 12 months)	Withdrawals (last 12 months)
OA666093 Jim and Jane Smokey (Growth Hybrid)	\$415,695.00	\$507,746.00	\$21,600.00	Nil
Pathfinder Jim (Growth)	\$46,193.11	\$65,731.43	\$55,667.67	(\$363.32)
Fisher Funds KiwiSaver Jane (Growth)	\$106,902.87	\$137,191.31	\$14,925.50	Nil
TOTAL	\$568,790.98	\$710,668.74	\$92,193.17	\$363.32

Investment Returns Per Annum for your non portfolio investments

Information from Morningstar Research – After Fees, Before Tax

Investment Name	Trailing Return Date	Total Rtn - 3mth	Total Rtn - 1yr	Total Rtn - 3yr	Total Rtn - 5yr	Total Rtn - 10yr
Pathfinder KiwiSaver Growth Fund	31/12/24	2.91	15.78	4.19	10.04	
Fisher Funds Growth KiwiSaver Fund	31/12/24	3.62	15.57	4.05	7.39	8.91

Other Financial Information – Please Update Information

Investment	Value 30/01/2024	Value 04/02/2025
Serious Saver ANZ – Aim to have \$50,000 most of the time and a minimum of \$30,000 at any time	\$500.00	
TOTAL BANK ACCOUNTS	\$500.00	

Mortgage

	Value 30/01/2024	Value 04/02/2025
Jim and Jane*	\$59,000	

Fix \$45,000 for 12 months Feb 2024 and repay \$900 a month (motel income). Don't increase the overall debt owing		
TOTAL Mortgage	\$59,000	

Ethical Investment Analysis

Together with Mindful Money we are proud to be able to provide you with an exact report on what your ethical exposures to 'nasties' are in your investments. We will update this for you annually, if you want to receive this information.

This information is updated by Mindful Money twice a year (as at 31st March and 30th September), based on publicly available information for New Zealand fund managers, and by the information provided through us by your other fund managers. The 'nasties' are identified by the consumer survey that Mindful Money and the Responsible Investment Association of Australasia run each year, so will change as public opinion changes.

Please note this information is based on the investment allocations AFTER your recommended rebalancing is implemented.

It is important to be aware that ethical investing is in its early stages, and our goal is to inform you of your actual exposures, and start adding more ethical and impact investments over time, as they become available and can prove that they have a consistent good investment performance track record. As a consequence, you will have an exposure to 'nasties' in your portfolio for some time.

Our goal is to start reducing that exposure and explain what that exposure actually represents to you. More information is available in the 2021 Annual Review project on ethical investing, greenwashing, the materiality of investing and fund managers approaches to 'active engagement' – which may mean that there is a strategic reason for holding that investment in your portfolio.

Please note that these categories have changed from mid 2023. The categories have been simplified to 7 categories as follows:

Animal Cruelty includes non-pharmaceutical Animal Testing, Fur & Specialty Leather, Animal Welfare issues and Factory Farming.

Environmental Harm includes Deforestation, Highly Hazardous Pesticides, Palm Oil, GMO's and Environmental Damage

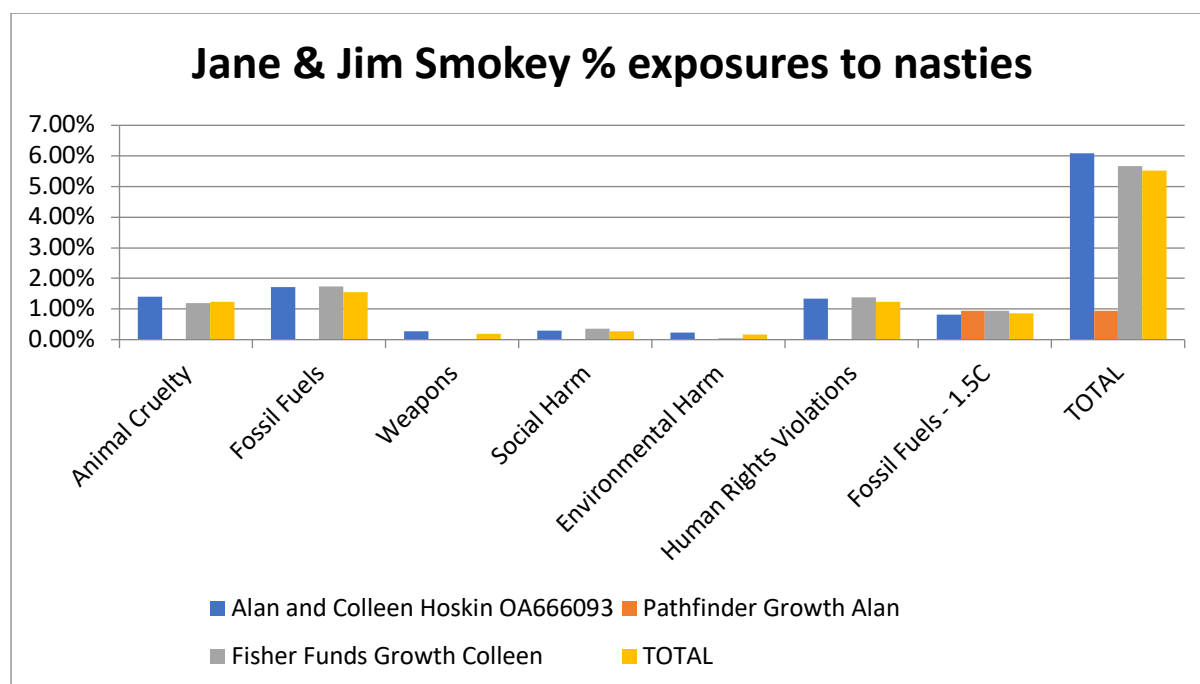
Fossil Fuel producers

Fossil Fuel – 1.5°C Split out to recognise the 9 companies that are investing heavily in renewable energy and are on a 1.5°C transition pathway.

Human Rights Violations includes War and Conflict, Labour Rights Violations, Human Rights Abuses, Public Safety issues and Business Ethics

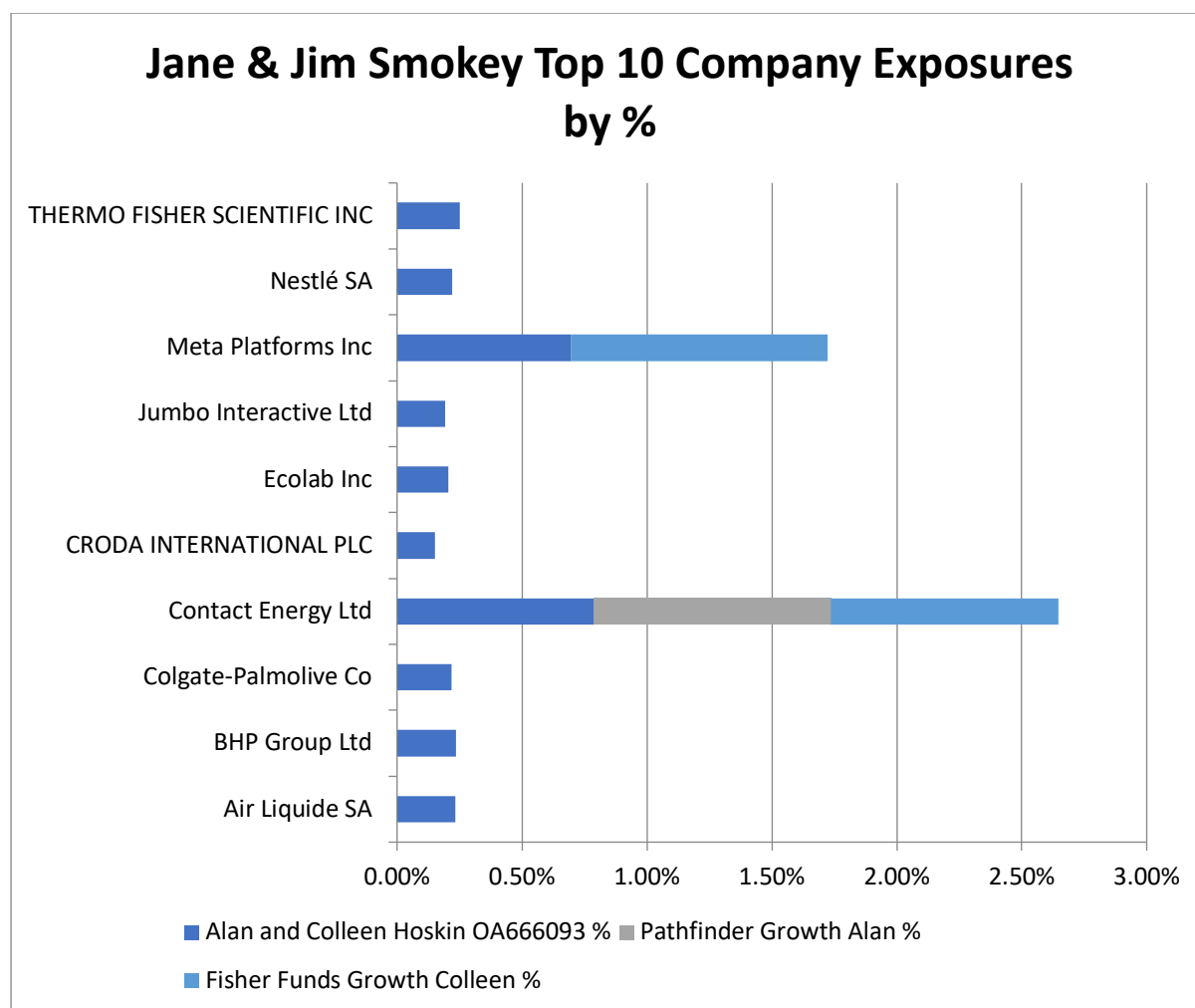
Social Harm includes Gambling, Tobacco, Alcohol, Adult Entertainment, Predatory Lending

Weapons – Nuclear Weapons, Controversial Weapons, Firearms, Military Weapons.



Dollar Value exposure to nasties

Investment	Jim and Jane Smokey OA666093	Pathfinder Growth Jim	Fisher Funds Growth Jane	Dollar Value Total
Value 21/01/2025	\$507,746.00	\$65,731.43	\$137,191.31	\$710,668.74
% of Wealth	71.45 %	9.25 %	19.30 %	100.00 %
Animal Cruelty	\$7,117.30	\$0.00	\$1,647.94	\$8,765.24
Fossil Fuels	\$8,684.26	\$0.00	\$2,387.13	\$11,071.39
Weapons	\$1,345.42	\$0.00	\$0.00	\$1,345.42
Social Harm	\$1,518.91	\$0.00	\$484.19	\$2,003.11
Environmental Harm	\$1,206.93	\$0.00	\$64.53	\$1,271.46
Human Rights Violations	\$6,838.89	\$0.00	\$1,899.55	\$8,738.44
Fossil Fuels - 1.5C	\$4,174.91	\$624.45	\$1,303.32	\$6,102.68
Total	\$30,886.63	\$624.45	\$7,786.65	\$39,297.73
% Exposures	6.08%	0.95%	5.68%	5.53%



Top 10 Company Exposures TOTAL \$ Value List

Company Name	Total \$ Value
Air Liquide Sa	\$1,184.31
Bhp Group Ltd	\$1,199.72
Colgate-palmolive Co	\$1,100.89
Contact Energy Ltd	\$5,863.62
Croda International Plc	\$769.38
Ecolab Inc	\$1,037.23
Jumbo Interactive Ltd	\$979.03
Meta Platforms Inc	\$4,938.61
Nestlé Sa	\$1,120.80
Thermo Fisher Scientific Inc	\$1,281.22

Information on your Top 10 Company Exposures

Company Name	Information and Exposure Location
Air Liquide SA	(Animal Cruelty – Animal Cruelty) Air Liquide SA is a multinational company that generates and supplies industrial gases and services to various industries including medical, chemical, and electronic manufacturers. Through its subsidiary, Seppic, the company develops specialty ingredients for the cosmetics, pharmaceutical and vaccine markets. These industries are highly likely to test products on animals. Seppic states that: "we test the efficacy and prove the safety of our

	<p>Montanide™ vaccine adjuvants by using mouse models and field trials." Additionally, Seppic also abides "by the rule of 3Rs (reduce, refine, replace) regarding the reduction of the number of animals and their suffering." Therefore, Air Liquide SA is considered to be involved in animal testing. Impax, ANZ OneAnswer, Booster, Capital, Harbour,</p>
BHP Group Ltd	<p>(Fossil Fuel) Anglo-Australian multinational mining, metals and petroleum company headquartered in Melbourne. Have just spun off their Fossil Fuel business. Alphinity, Booster (not SRI), ANZ OneAnswer, Milford, Harbour, Generate,</p>
Colgate-palmolive	<p>(Animal Cruelty) Colgate-Palmolive Co. manufactures oral and personal care products. Furthermore, the company states that it conducts animal tests on its products and ingredients only when "specifically required by regulatory agencies or where alternative testing methods are unavailable" to ensure the safety of its offering. Therefore, Colgate-Palmolive Co. is considered to be involved in animal testing.</p> <p>Mindful Money considers companies that test, to any extent, cosmetics, personal care, household, and chemical products on animals to be involved in animal cruelty. ANZ, Generate, Magellan Global, Booster non SRI, India Avenue,</p>
Contact Energy Ltd	<p>(Fossil Fuels - Fossil Fuel Power Generation (but 1.5 pathway aligned company)) One of the strongest renewable focused companies in New Zealand. Their carbon based business is legacy government assets which Contact have committed to selling down. Largest renewables investor in New Zealand (investing \$300m and making a commitment not to refurbish the Taranaki Combined Cycle plant). Contact Energy is one of Aotearoa New Zealand's largest electric utilities companies. Contact operates three thermal power stations that employ gas and diesel, and evidence shows that energy generated from fossil fuels accounts for 17% of generating capacity and 8% of the company's revenues. However, Contact has announced plans for further investment in renewable generation. This includes NZD \$1.2 billion in geothermal power, by constructing a new station and expanding capacity at an existing station, along with early developments in wind and solar generation. Therefore, the company is considered to be on a climate change pathway aligned with 1.5°C of global temperature rise. ANZ, Booster (non SRI), Fisher, Generate, Kernel Clean Energy, Milford, Pathfinder, Harbour</p>
CRODA INTERNATIONAL PLC	<p>(Animal Cruelty - Animal Testing) Croda International plc is a British specialty chemicals company based at Snaith, England. It is listed on the London Stock Exchange. The company states the following: "As a responsible global manufacturer of specialty ingredients, Croda is committed to the reduction, refinement, and replacement of animal testing across our portfolio. Animal testing on products may be required to meet legal requirements such as national or regional chemical safety regulations. Scientific testing may be required for substances in specific pharmaceutical applications but will only be approved in limited circumstances and where no accepted alternative exists. Croda is committed to the long-term goal of replacing animal testing and is working with external bodies such as the International Collaboration on Cosmetic Safety (ICCS) to progress validated alternatives." Thus, Croda International PLC is considered to be involved in animal testing. Impax, Pengana WHEB</p>
Ecolab Inc	<p>(Animal Cruelty - Animal Testing) Ecolab Inc. is specialised in developing a variety of chemicals technologies and services across segments such as water cleaning, food service, healthcare and energy. Additionally, the company reports that it conducts Animal Cruelty when required by law or when hazard characterization is not possible using alternatives. BetaShares EARTH, Booster (not SRI), Harbour Sustainable Impact Fund, Pengana WHEB, Lifetime</p>
Jumbo Interactive	<p>(Social Harm - Gambling) Jumbo Interactive Ltd. is a digital lottery software and services company, providing a proprietary lottery software platform and lottery management expertise. The company operates websites such as OzLotteries.com, which offer lottery tickets and games.</p>

	<p>Jumbo Interactive Ltd. reports that it derived 98.84% of its revenue from draw lottery games, charity lottery games, instant win games, software licensing fees, and lottery management services in FY2023.</p> <p>Mindful Money's definition of gambling includes companies engaged in the manufacture or retail of gambling specialised equipment, gambling supporting products and services, or gambling operations, with a >10% revenue materiality threshold for gambling operations, gambling specialised equipment, and/or gambling supporting products/services. Therefore, Jumbo Interactive exceed this criterion as they derive 98% of revenue from specialised operations/equipment. Milford, Pengana Emerging Companies, Booster (non SRI)</p>
Meta Platforms Inc	<p>(Human Rights Violations – Public Safety Issues) ex Facebook. Data and Privacy breaches 87m users data used to build political/psychological profiles without their informed consent (Cambridge Analytica 2018) and April 2021, data from 533, users scraped from the site was leaked online. Repeated failures to act on issues relating to Safety and Social Harm as evidenced by Haugen in widely reported testimony in 2021 including (inhouse research on Instagram's negative impacts on teenagers mental health and body image, actively shielding 6m high-profile users (including dictators) from moderation, failure to moderate content in Myanmar with direct evidence that this content led to ethnic violence against Rohingya people, Facebooks governance structure does not support robust oversight).Meta is the world's largest online social network consisting of the Facebook app, Instagram, Messenger, WhatsApp, and many features surrounding these products. The company has faced several investigations and legal action linked to privacy-related allegations, including its handling of user data, and breaches of user privacy. Meta has also been criticised for its poor governance model, as well as allowing its platform in non-English speaking countries to be used to incite ethnic violence. ANZ, Milford, Booster, Capital, Fisher, Generate, Hyperion, Lifetime, BetaShares NDQ, Magellan Global, Nikko ARK</p>
Nestlé SA	<p>(Human Rights Violations – Human Rights Abuses & Env Violations) Nestle manufactures and sells food and beverages. The company has been criticised for exploiting local water resources for its bottled water production, which has forced underprivileged communities to pay a premium for their groundwater while alternatives have been exhausted. There have also been several allegations of labour conflicts and human rights violations in Nestle's palm oil, coffee, fruits and seafood supply chains. Only on Mindful Money Human Rights lists rather than environment, but Mindful Money is watching the company's environmental impact due to links to deforestation in their supply chain.Swiss multinational company, make food, beverages, chocolate and confectionaries. Bad exposure is because of human rights infringements, child labour, unethical promotion, pollution and other issues. www.nestle.com. Commentary from Magellan: We acknowledge that the company, as the largest food and beverage company globally, manufactures goods globally. This includes in countries with less transparent labour laws. Nestle has made significant progress improving farming practices in cocoa, coffee and palm oil. They have engaged with local farming communities in Mexico, Indonesia, Philippines, Cote D'Ivoire and Ghana which has improved crop yields – improving farmer economics and livelihood, reduced the number of children engaged in farming related work – by building schools and childcare centres with close proximity to farming communities, and improved the skills of farming communities – by teaching improved crop rotation or planting techniques as well as investing in superior technology for milling activities, etc. It is our view that Nestle management have been improving and will continue to improve their community impact around the world. They have allocated large resources of people and capital to address the risks within their supply chain and to improve the communities that they operate in. Lastly, because of their huge size, brand penetrations, supply chains and enormous employee forces, it is</p>

	<p>obviously going to be the case that the largest multi-nationals appear in the press with a greater frequency than their smaller competitors. Given their size, footprint and impact on communities it is right that Nestle (and peers) are subject to greater scrutiny, however it is also appropriate to place that scrutiny in context of their overall activities and impact. Nestle is spending many billions to improve plastics used and its climate impact, as well as having real-life meaningful impact on thousands of communities and people around the world in regards to fair compensation for crops, child labour, water security and gender equality, amongst other efforts. Nil</p>
<p>THERMO FISHER SCIENTIFIC INC</p>	<p>(Human Rights Violations – Human Rights Abuses) US Based supplier of scientific instrumentation, reagents and consumables and software services. The Human Rights alert is based on the use of Thermo Fisher Scientific products to track Uighur populations in China (based on a NYT 2019 report). Thermo Fisher responded by stopping selling its equipment in Xinjiang, but it appears that although there are no direct sales, reselling is making the products available. Thermo Fisher Scientific sells scientific instruments and laboratory equipment, diagnostics consumables, and life science reagents. Thermo Fisher DNA testing kits have been linked to surveillance and discriminatory purposes by the legal authorities in Xinjiang (a region of China) for monitoring and tracking the Muslim Uyghur ethnic group and other minorities. Evidence shows Thermo Fisher Scientific continues to supply DNA sequencing products to the Xinjiang region, despite the company announcing it would halt sales to the region in 2019. ANZ, Booster, Capital, Genreate, Harbour, Lifetime, Milford, Pengana WHEB</p>

2025 Project – Talking about Scams and BetaShares Fund Manager Profile

Scams

We have previously had a focus on your digital security, passwords and cyber security, but the sophistication of scams is increasing more or less by the day. This is quite a threat to your wealth, so it is important that you take a lot of precautions, and if in doubt ask your adviser.

We have outlined some actual scams below and have put information for you to read in your Additional Financial Information folder. But the important thing is to know what to do when a scammer is contacting you.

Romance scams can be particularly egregious, leaving the person bereft as well as out of pocket when the person vanishes after they get the last of the money in the scam. There is a booklet from Netsafe on signs of romance scams in the Additional Financial Information shared with you.

The examples keep on coming – here is one from Wall Street Journal (article in the Additional Financial Information folder.

Fraudsters are deploying AI to more efficiently perform a variety of tasks. That includes blasting out text messages to bait victims and writing programming to test huge volumes of stolen credit card information, she said.

AI is also helping scammers generate more fake online ads and shopping sites that entice people to share credit-card information. One person was duped by such a scam after clicking on an ad for an advent calendar based on a children's game his 10-year-old son loves. The ad took him to what looked like a Macy's webpage, where the calendar was listed for half its normal price at \$39.97. A countdown showed they were rapidly selling out. It was only after his second attempt at the purchase went through that he realized he was never asked for an email address for shipping confirmation. "Then I knew I got scammed," he said.

And, thanks to Rachel for sending me this information - **What I wish I'd known before my smartphone was snatched** (free to read on FT at <https://www.ft.com/content/26be349d-4717-4815-a221-a749e29de2b2> and printed to PDF in the Additional Financial Information folder.

Examples of Scams

A fraudulent transaction on your bank account

On the day that I wrote this, I got a phone call from an 'unknown number' with a scratchy phone line. The person sounded like a New ZeJimder, and they said that they were calling me from Kiwi Bank and that there was a suspicious transaction on my account and they needed to talk to me about it. Fortunately, I only have a credit card with Kiwi Bank, so I kept asking 'what account is this from'. I had to ask this three times before they actually engaged with me and veered from their script. When they said it was from my cheque account, I said 'I don't have a cheque account with Kiwi Bank, goodbye', and hung up. It would have been more tricky if I did and I would have had to ask a whole lot more questions.

The first tip is:

RULE 1 - BE SUSPICIOUS, Don't trust anyone who is ringing you to talk about money unless you absolutely know who they are (eg Peter, Carey, Paul) and can prove that it is us and not some AI replica of us. We won't ring you with an 'offer'. If there is an 'offer' we will always email you and if you are suspicious of

an email you get from us, ring 0800 225 621 and leave a message for us to call you back.

A 'too good to be true' investment offering

One of our clients fell for this scam and lost over \$100,000, You may recall that we wrote two articles in our blog about it – read them again to remind yourself and share them with friends. You can find them at:

<https://www.moneyworks.co.nz/blog/post/113837/sexy-investment-or-an-investment-scam/>

<https://www.moneyworks.co.nz/blog/post/135191/update--sexy-investment-or-scam/>

More articles that we have written can be found at:

<https://www.moneyworks.co.nz/blog/post/132378/investor-warning--online-educational-courses--from-fma/>

<https://www.moneyworks.co.nz/blog/post/113836/scam-warnings--again--but-this-is-important/>

Remember – real investments don't just 'come out of the blue'. It is illegal in New Zealand to sell a financial product through a cold call or an email that you haven't agreed to receive.

MOST IMPORTANT – if the company or issuer is not registered in New Zealand as a Financial Services Provider, you don't have any redress against them. Like the situation with our client who got caught out, they might threaten to sue you to deliver on your contract, but they have no legal standing to do this. But worse – you have no way to hold them accountable. They can just ghost you – stop answering your emails and phone calls, and then you have no way to get your money out of them.

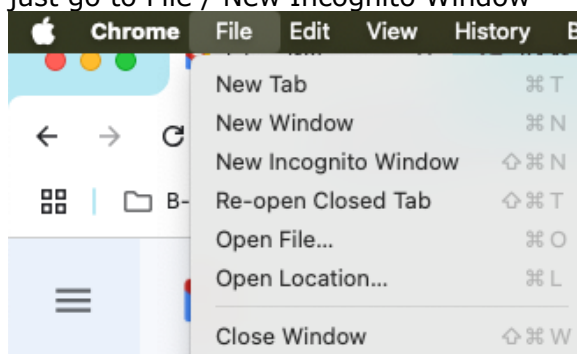
RULE 2 - IF IT LOOKS TOO GOOD TO BE TRUE IT USUALLY IS – IF YOU DON'T UNDERSTAND IT – WALK AWAY

If you are looking at any investments that look really exciting, talk to your adviser about it, we have a lot of experience in looking at investments and can usually tell within 5 minutes (if not 1 minute) whether it is a scam.

Imposter websites

There are so many imposter websites now (we get a long list several times a month from the Financial Markets Authority (FMA)). This is where someone sets up a fake website for a bank, or a term deposit comparison website. It might be hidden in a link that you click on Facebook or on Google. NEVER buy anything from these sites. If you want to look at the potential offer from the organisation these are the steps you should take:

1. Open another browser (ideally an incognito one) – so that your cache doesn't just remember the potentially dodgy site. This is easy to do if you are using Chrome, just go to File / New Incognito Window



2. Manually type in the search eg ASB Bank Term Deposit offer 1 year.
3. If you still aren't sure – ask your adviser to look.

RULE 3 – DON'T TRUST THINGS YOU CLICK ON WHEN YOU ARE SEARCHING.
Always check whether it is real by googling the offer in an incognito window. If in doubt, ask your adviser.

RULE 4 – DO A GOOGLE SEARCH USING THE WORDS - 'IS XYZ A SCAM'

RULE 5 – CHECK THE FMA's SCAM REGISTER <https://www.fma.govt.nz/scams/>

The types of scams are continually evolving, one of the latest ones is a **NZ Post Delivery (possibly other couriers too) Scam.**

A new method which has just reached NZ's shores is a QR based scam, where an unexpected parcel is delivered, and requests the receiver to scan a QR code to reveal the mysterious sender. This poses a great threat to your customers as they risk granting access to all data, including stored financial information, within their phone if they were to follow these instructions.

NZ Post Scams (this applies to IRD and many other Government Agencies)

These include Text Messages with a hyperlink in it (NZ Post doesn't send hyperlinks, nor does IRD), Emails from NZ Post with a Hyperlink. Emails with NZ Post Branding that are from an email address that has nothing to do with NZ Post. New scams are where a message with an organisations branding has a QR Code to click on.

Read more here <https://www.nzpost.co.nz/contact-support/scams-and-fraud>.

RULE 6 – IF YOU GET AN EMAIL - CHECK THE EMAIL ADDRESS AND DON'T CLICK ON HYPERLINKS or QR CODES IN TEXT MESSAGES AND EMAILS OR SOCIAL MEDIA POSTS OR IF YOU GET AN UNEXPECTED PARCEL

There are many scams where fraudsters use famous faces and make social media posts and advertisements and even fake videos with that person endorsing their product.

RULE 7 – FOLLOW THE PREVIOUS 6 RULES!!

Summary of the Rules to protect yourself from scams

RULE 1	BE SUSPICIOUS, Don't trust anyone who is ringing you to talk about money unless you absolutely know who they are (eg Peter, Carey, Paul) and can prove that it is us and not some AI replica of us. We won't ring you with an 'offer'. If there is an 'offer' we will always email you and if you are suspicious of an email you get from us, ring 0800 225 621 and leave a message for us to call you back.
RULE 2	IF IT LOOKS TOO GOOD TO BE TRUE IT USUALLY IS IF YOU DON'T UNDERSTAND IT – WALK AWAY If you are looking at any investments that look really exciting, talk to your adviser about it, we have a lot of experience in looking at investments and can usually tell within 5 minutes (if not 1 minute) whether it is a scam.
RULE 3	DON'T TRUST THINGS YOU CLICK ON WHILE YOU ARE SEARCHING. Always check whether it is real by googling the offer in an incognito window. If in doubt, ask your adviser.
RULE 4	DO A GOOGLE SEARCH USING THE WORDS - 'IS XYZ A SCAM'
RULE 5	CHECK THE FMA's SCAM REGISTER https://www.fma.govt.nz/scams/

RULE 6	IF YOU GET AN EMAIL - CHECK THE EMAIL ADDRESS AND DON'T CLICK ON HYPERLINKS or QR CODES IN TEXT MESSAGES AND EMAILS OR SOCIAL MEDIA POSTS OR UNEXPECTED PARCEL
RULE 7	FOLLOW THE PREVIOUS 6 RULES!!

More resources:**Consumer**

https://www.consumer.org.nz/articles/scams?gad_source=1&gclid=Cj0KCQiA6Ou5BhCrARIsAPoTxrCqmc2AF0MvB7IY0G-29AwEwkqVaIBpo_qwFRJVS3scXI5j-Hx-bv4aAIB6EALw_wcB

Consumer Protection

<https://www.consumerprotection.govt.nz/general-help/scamwatch/avoiding-scams>

Some extra hints:

1. Reserve the right to be impolite
2. Resist demands to act quickly
3. Keep your computer virus protection up to date
4. Never open attachments or click on emails if words or images make you feel unsure about the sender
5. Use different passwords for logging in to online services.

Fund Manager Focus – BetaShares (BetaShares Australian Leaders PIE, BetaShares Global Leaders PIE, BetaShares Nasdaq 100, BetaShares Climate Innovation Fund).

Over the last two years, we have given you a short summary about two of your funds and how the fund manager works – the Pathfinder Global Responsibility Fund (Top Down, Research Driven, Desk Based) and the Stewart Investors Worldwide Leaders Sustainability Fund (Bottom Up, People Driven). Both of these fund managers are 'active' managers – that is they use humans' brains to make investment decisions.

Most of your fund managers that Moneyworks recommends to you are active managers. But this year, we are going to tell you about BetaShares, who are what we call a 'Defined Index' fund manager, and they use computers to make the decisions about where your funds are invested.

The point of providing you with this quick overview of your fund managers is so that you can understand why we have different fund managers working for you and understand how they take different approaches to deciding what investments to invest in. This is a key part of us ensuring that you have diversification in the approach to investing in your investment portfolio.

Here are some of the key points of the BetaShares approach and investments:

1. Privately owned Australian Company, but has a private equity ownership share from TA Associates.
2. The funds that we recommend to our clients are as follows:
 - a. Betashares Global Sustainability Leaders Fund [ETHI] (NZ PIE and currency and imitates the Australian based fund)
 - b. Betashares Australian Sustainability Leaders Fund [FAIR] (NZ PIE and currency and imitates the Australian based fund)
 - c. Betashares NASDAQ 100 ETF [NDQ] (Listed on Australian stock exchange – AUD and Foreign Investment Fund)

- d. Betashares Climate Innovation Fund [ERTH] (Listed on Australian stock exchange – AUD and Foreign Investment Fund)
3. Betashares has over \$44 billion funds under management and has grown rapidly in the last four years.
4. These are low cost funds as there is no human decision making and research involved (ETHI NZ 0.77%, FAIR 0.67%, NDQ 0.48%, ERTH 0.65%)
5. Each fund is based on a 'defined' index. Betashares create the index with certain parameters and the fund reflects that index. They can use external organisations to develop the index – eg Solactive.
6. The funds have more or less the same number of stocks from year to year (ETHI NZ 200 FAIR 80, NDQ 100. ERTH 98).
7. Normally the portfolio constituents are only rebalanced once or twice a year based on the framework designed by the index provider. Decisions about which stocks to hold are not made on a daily basis by humans.
 - a. ETHI - May
 - b. FAIR - September
 - c. NDQ – December – but re-set each quarter
 - d. ERTH – February and August
8. The investments in the three Sustainable funds are overseen by an responsible investment committee with experts that check the bona fides of the investments.
9. While there is a 'portfolio management team' – these people don't actually make investment decisions. Their job is to manage the day to day technology and administration, to minimise the tracking error and costs and make sure that the funds are working properly.

Investment Arrangements

Your investment arrangements, including your KiwiSaver, are a central part of your financial planning. We are monitoring your investments on the wrap system and will advise you if we are concerned about any of the investments that you hold.

We request that you read the information included in your Statement of Advice/Annual Review annually, to ensure that you understand what is happening and why you have these investments. Please ask us any questions about your investments, to ensure that you can understand this information.

Your Investment Authority (in the Contract of Engagement)

Your Investment Philosophy (in shared Google Drive folder)

Your Investment Mandate (in shared Google Drive folder)

Your Investment Reports

These are attached and are specific to you. You can access the information on your wrap system investments online. If you would like to do this, please let us know and we will set up your access.

Transaction reports are available on request – just email us if you require this information, and the information is available on your login access.

Investment Commentary (in shared Google Drive folder)

The Quarterly Wrap is a recent commentary on the current investment market situation is included with this report.

Investment Principles (in shared Google Drive folder)

Appendix 2 sets out the financial principles, including asset allocation, fund selection and investment risk, associated with investment decisions.

Investment Product Summaries (in shared Google Drive folder)

Investment Product Summaries for each investment that you hold in your portfolio are provided to you **in the shared Google Drive folder**. Please note that we require you to read these, and that reading these is not a substitute for reading the product disclosure statement for each investment.

We encourage you to become familiar with this information and ask us any questions relating to these summaries or reports.

Investment Risk Profile

The following statements define your profile as a **Growth or Balanced Growth** investor:

- Timeframe: 8 – 10 years - Long Term
- Income/Growth Expectations: Mainly GROWTH with minimal income
- The anticipated returns over 30 year period (returns gross of tax and fees) are 7.1%.
- Expected probability of a negative return over any single year 25.4%
- Expected risk or volatility: The volatility is the relative rate at which the price of a security moves up and down. Volatility is found by calculating the annualised standard deviation of daily change in price. If the price of a portfolio moves up and down rapidly over short time periods, it has high volatility.
- Investment Attitude: I am normally a mildly aggressive investor who prefers most investments to be in higher-risk areas that could offer a higher long-term return and some in low-risk areas.

Moneyworks seeks to manage your portfolio within the criteria set and will seek to give you exposure to investments that are performing in the top half of all funds over time and to adjust your asset allocation to meet current economic conditions whilst maintaining your Investment Profile. Most investments are medium to long term. Fixed interest is medium to long term; fixed interest trusts 1-3 years; shares 5 years; property 5-7 years.

Please also refer to the section on Investment Risks **in Appendix 2 in the shared Google Documents.**

[At each review you are confirming the strategy adopted as detailed above. If this is no longer appropriate you should notify your financial planner.](#)

Long Term Strategic Asset Allocation

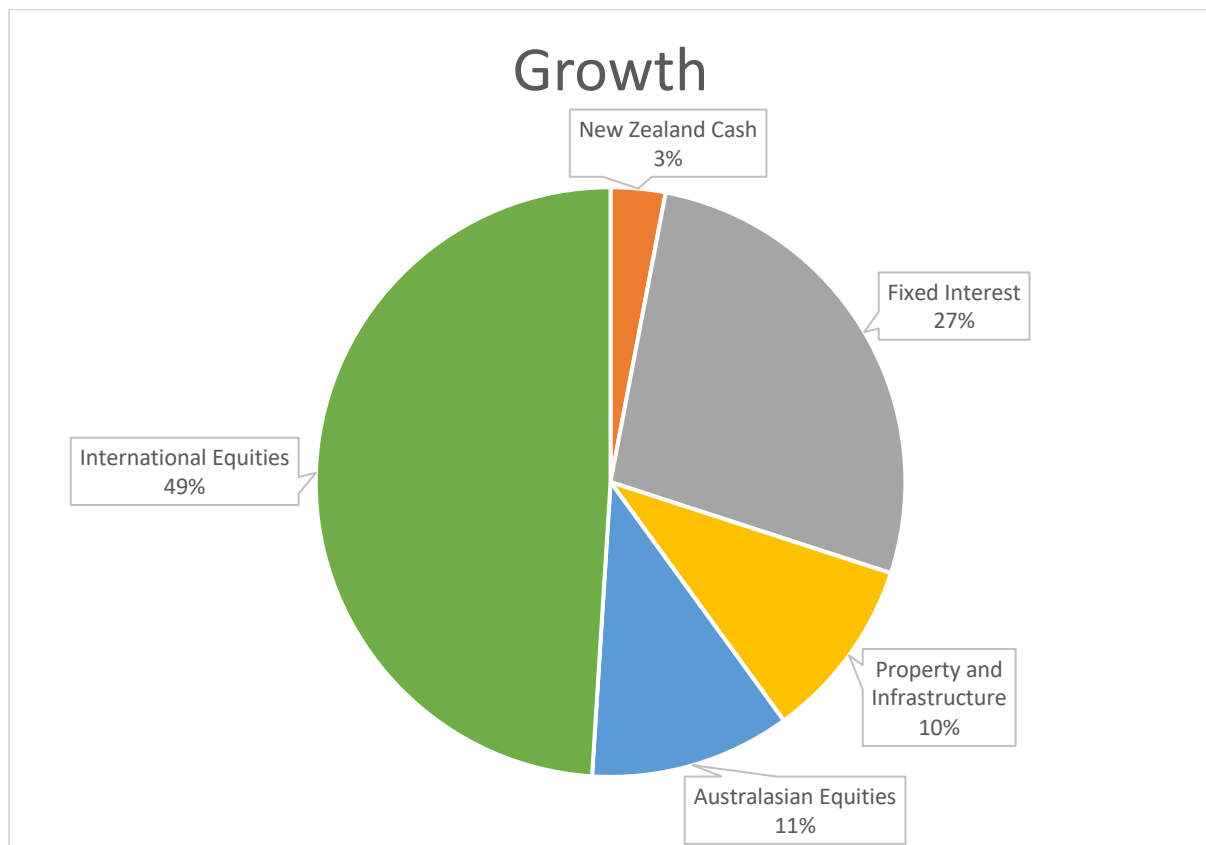
Investments require regular review in case changes need to be made. Therefore, asset allocation is vitally important to the future continued good performance of your investment portfolio.

Our company uses five risk profiles and asset allocations with the long-term base developed by Mapua Investments. We then overlay information from the quarterly Farrelly's asset allocation and research and other sources of research.

We also review the long-term strategic asset allocation below and apply it to the current environment. This is reviewed as needed and at least annually in our own internal Moneyworks model portfolio committee meeting – refer Appendix 1 in the Google Drive Legal and Regulatory information file.

The following graph shows the long term Mapua Investments strategic asset allocation for your investment risk profile(s).

If there is a difference between what you should ideally have, and what we are recommending, we will have reasons for this, which we can discuss with you.



Additional Voluntary Disclosure

We advise that the following is an estimate of the fees and income that we receive from working with you.

Direct Fees to you	Annually after year one	Amount (pa)
Membership Fee		
Annually in November	Includes GST	\$500.00
Investment/WRAP (OA) Platform Income		
		Plus GST
Jim and Jane Smokey OA666093 Implementation Fee (No GST)	Nil	Nil
Jim and Jane Smokey OA666093 Monitoring Fee (Plus GST)	All Assets under \$500k 1.00%, between \$500k- \$1m 0.90%, above \$1m 0.65%	\$4,644.01
Non-Direct Fees to you (part of the product cost)		
		Annually after year one
		Amount (pa)
Pathfinder Jim	Between 0.20% and 0.50% (usually 0.25%)	\$36.68
Fisher Funds KiwiSaver Jane	Between 0.20% and 0.50% (usually 0.25%)	\$328.56
TOTAL		\$5,509.25

Duties information

Moneyworks NZ Ltd and our financial advisers have duties when we give financial advice, under the Financial Markets Conduct Act 2013 relating to the way that we give advice.

We are required to:

- give priority to your interests by taking all reasonable steps to make sure our advice isn't materially influenced by our own interests
- exercise care, diligence, and skill in providing you with advice
- meet standards of competence, knowledge and skill set by the Code of Professional Conduct for Financial Advice Services (these are designed to make sure that we have the expertise needed to provide you with advice)
- meet standards of ethical behaviour, conduct and client care set by the Code of Professional Conduct for Financial Advice Services (these are designed to make sure that we treat you as we should, and give you suitable advice.)

This is only a summary of the duties that we have. More information is available by contacting us, or by visiting the Financial Markets Authority website at www.fma.govt.nz.

Appendices

The following reports relevant to your portfolio are attached:

1. One Answer Investment Report –

Performance Summary of your One Answer investment portfolio, including the valuation, gains/losses, tax, fees and rebates, performance by asset, graphical summary, and cash account balances of investments held under the One Answer wrap platform for the last 12 months.

2. One Answer Rebalancing Spreadsheet

3. KiwiSaver Report

The report that we have provided you with is the information available to us on your provider's website. The information relating to your investment returns are under the 'Investment returns for your non-portfolio investments' section.

Enclosures:

- Contract of Engagement
- NZXWT Direct Debit
- Authority to appoint Custodian and WRAP Platform
- Closing One Answer account.
- **Membership Fee invoice sent electronically when it is due**

Shared with you through Google Drive

- Investment/Product Disclosure Statements
- Investment Product Summary Sheets
- Appendix 1: Moneyworks Investment Philosophy
- Appendix 2: Investment Mandate
- Appendix 3: Investment principles
- Appendix 4: Investment Risks
- Appendix 5: Our fees and how they work
- Appendix 6: FNZ Disclosure Statement
- Appendix 7: Complaints Procedure
- NZXWT Disclosure Statement
- NZX Wealth Technologies Client Brochure

Insurers Financial Strength Ratings (these apply to you if you have insurance in place with these providers)

Resolution Life (A - Strong, Fitch Australia), Partners (A - Excellent, AM Best)