



**AB** | **Alistair Bean & Associates**  
FINANCIAL ADVISERS

INVESTMENTS AND KIWISAVER

**MAKING DECISIONS FOR YOU  
SO YOU DON'T HAVE TO**

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Personal Disclosure documents are available free on demand

10 YEARS  
OF BUSINESS

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FINANCIAL ADVISERS

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## **Alistair Bean & Associates - Financial Advisers**

*"making decisions for you, so you don't have to!"*

### **Quarterly Newsletter – to 31 March 2024**

*This newsletter is created specifically for existing clients of*

*"Alistair Bean & Assoc's Financial Services Limited"*

*Please feel free to share this newsletter with any prospective clients you believe may benefit from our services.*

PROUD MEMBER OF



**Hello**

and welcome to the latest newsletter of

**Alistair Bean & Associates – Financial Advisers**

**In this issue:**

- Market/Portfolio Commentary
- KiwiSaver - Claim your \$521.43 before mid-June each year
- Annual Tax Reports – delivered around 25 May 24
- Estate Planning
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- ABAFS10 Limited Index
- Conclusion
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***“Guaranteed No Fee Increases FOR LIFE!” \****

***for investment portfolio clients of  
ABAFS Limited, fees’.***

*\*conditions apply, please enquire.*

**The Lay and the Technical**

*As always, my intention is that I will use as much of “the Lay” as possible. I’m required for legislative and compliance reasons to also use “the Technical.” Please feel you can come to me if you would like a definition of any technical term or phrase that I include in any report.*

# "AI, Supply and Demand, Risk, Gold, Interest Rates, Inflation, Property Prices, FOMO and Bitcoin..."



*source – public domain, internet.*

I have been mulling... **"What happens to the value of Bitcoin if AI cracks it's (Bitcoins) codes?"**

If all the value in Bitcoin and any other Crypto currency is in the uncrackability of their Cryptographic Keys, then would the record value of Bitcoin in NZ dollars, that touched NZD\$118,803.18 on 13 March 2024 drop to maybe 7 cents, if anything at all?

So I asked the master of AI (Artificial Intelligence) - **Chat GPT** on my laptop the same question and the answer that I got is detailed at the bottom of this section. Which in summary says - All sorts of hell would break loose, but finally, AI could also possibly be used to further strengthen the codes. The reality is, is that someone is always trying to break codes of not just Bitcoin, but of many algorithms of assets of value. The uniqueness of Cryptocurrency is that no Country or Sovereignty owns Cryptocurrency, it is fully independent and retains its independence even in times of War, whereas other currencies may declared void and therefore worthless, by the Victors, as has been the case in the past.

This subject came about due to record prices, of not only Bitcoin but also Gold, Technology Stocks, Property Prices and several other assets. The market and myself, tend to get many enquiries, when different types of investments are at record supply and demand prices. Many people start wanting to consider buying Bitcoin, Property, Shares, Gold etc. when they are at their market highs, due to "FOMO" fear of missing out, however what is a market high?

The prices of many assets, 20 years ago (which may also have been at record highs), are far less than what they are now. The risk is often replacement technology, just ask the now non-existent, Blockbuster Video and the latest market replacement format of online streaming through the likes of Netflix and so on that certainly superseded DVD hires.

One of the prime things I always look for when making investment purchase decisions is quality at bargain prices. New Zealand Investment Markets, that did so well for around seven consecutive years prior to Covid has appeared to have been neglected by overseas and domestic buyers in recent times. This has resulted in the opportunity of purchase for Quality Companies listed both on the NZ market and dual-listed offshore at bargain prices and therefore risk is lower than normal for Equities, many having excellent dividend payment yields and reinvestment plans, which are showing the rapidly, exponential, (now consistent) restart of increasing prices for those Companies.

Overseas, supply and demand has pushed many prices up particularly in the technology and AI area (which is still very much in its infancy in my opinion) where I have had investments held on Client's behalf for several years now at the beginning of covid, whereas supply has been fine for NZ shares, but particularly overseas demand has been low, hence lower NZ prices. Trends may now dictate that we will see a turnaround as offshore investors will likely begin to look, offshore from their home Country again after their recent large gains in many of their own domiciles for bigger gain opportunities in days ahead, further afield.

Inflation and interest rates have mainly dictated current market effects. The US Federal Reserve (Bank) has stated that it will reduce US interest three times before the end of 2024 and the market more often than not, immediately reacts to this each time there is a movement either up or down, however US rates remained the same this time in April and the DOW dropped 500 points in disappointment, clearly showing how the market reacts instantaneously.

Property Price announcements are now regularly showing signs of increases in New Zealand over recent months, reflecting current relaxing NZ Govt policies and this is likely to continue in the near future.

Further comments, later in this issue.

### *"What happens to the value of Bitcoin if AI cracks it's (Bitcoins) codes?"*

*If artificial intelligence (AI) were to successfully crack the cryptographic codes underlying Bitcoin, it could have significant implications for the cryptocurrency. Let's explore a few aspects:*

#### **Price Volatility:**

*Initially, if AI were to break Bitcoin's encryption, there might be panic and uncertainty in the market. Investors could lose confidence, leading to a sharp decline in Bitcoin's value.*

*However, the long-term impact would depend on how the situation unfolds. If the vulnerability is patched quickly, confidence may be restored, and the price could stabilize.*

#### **Ownership Manipulation:**

*Bitcoin transactions rely on cryptographic keys. If these keys were compromised, someone could potentially alter transactions, steal coins, or engage in fraudulent activities.*

*The severity of this impact would depend on the scale of the breach. If only a few transactions were affected, recovery might be manageable. But widespread manipulation could lead to a major crisis.*

#### **Quantum Computing:**

*Quantum computers have the potential to crack existing encryption methods, including Bitcoin's.*

*Researchers estimate that a quantum computer with 1.9 billion qubits could break Bitcoin's encryption within 10 minutes. To achieve this within an hour, a machine with 317 million qubits would suffice<sup>1</sup>.*

*However, building such large-scale quantum computers remains a challenge.*

#### **Market Confidence and Adaptation:**

*If AI cracks Bitcoin's codes, the community will likely rally to address the vulnerability. Developers would work on upgrading security protocols.*

*Investors' confidence would depend on how effectively the issue is resolved. If the community responds swiftly, the impact may be less severe.*

#### **AI in Bitcoin Trading:**

*Interestingly, AI is already playing a role in Bitcoin trading. Machine learning algorithms analyse historical data to predict price movements<sup>2</sup>.*

*AI-driven chatbots have forecasted Bitcoin values, with projections ranging from \$15,000 to \$45,000 per Bitcoin by year-end<sup>3</sup>.*

*The intersection of AI and cryptocurrencies continues to evolve.*

*In summary, while an AI breakthrough in cracking Bitcoin's codes could cause short-term chaos, the resilience of the community and technological advancements will ultimately shape the cryptocurrency's fate.*

## **Market and Portfolio Commentary**

Offshore Market Indexes, have once again reached record highs in many Countries. The Dow Jones nearly touched the 40,000 mark and the S&P500 and Nasdaq also broke through to their highest ever recorded levels. For many Client Portfolios and KiwiSaver Account holders, the returns are now looking excellent, in the current market recovery, with the last 6 months showing very high gains. Most of You will have these gains presented to you as I meet with you for annual reviews over the coming months, now reflecting Global market recovery.

A2Milk which touched \$4.07 on 15 Nov 2023 is now around \$6.37 as I write which is an increase of over 56% in around 5 months after their last financial results were reported. Apple, Amazon and Microsoft reached record all-time highs. Also many of the managed funds that you hold have also increased to significant highs, with stand outs being Capital Group New Perspective, Fiducian Technology, India and Property Funds.

### **ATM Price History**





## **KiwiSaver and Tax reports**

*"Start planning now to ensure you receive the full Government Contribution if you have not already done so!"*

**KiwiSaver** – Government Contributions are paid in early July each year to all Clients who qualify. The first year you become a KiwiSaver member, for the Govt. grant, the amount you receive is pro-rata to the time invested. For each successive year you receive the full contribution, provided you add the minimum amount of \$1,042.86 annually.

A pre-reminder, try and ensure you, your family, your friends have **deposited at least \$1,042.86** pa to get the free 50% net return of \$521.43 (approx. \$20/wk.) from the NZ Govt. Over 18 and under age 65 - Just do this !! (18-65 is ageist and the Govt should change the rules here!!)

- **Claim your \$521.43 before mid-June each year**
- **For additional lump sum or regular deposits, contact me and I will advise the procedure for your respective funds**
- **New KiwiSaver Option Announced - *KiwiWRAP***



The KiwiSaver subsidy **cut-off date is 30 June each year.** Ensure those of you, and also any of your family members, (or anyone you know) who regularly contribute to KiwiSaver receives your eligible \$521.43 free money from the Government for the year – 50 cents in the dollar limited to \$1,042.86 (approx. \$20 per week) invested.

Remember: if you did not get it last year, simply start a \$20 per week direct credit to your fund, and you won't miss out next year.

Talk to me further if necessary. Tell friends, families, colleagues to do the same. One million KiwiSaver investors did not claim \$550,000,000 worth of Government contribution in 2018 and likely similar in successive years and this year as well.

Talk to me about **KiwiWRAP** – The KiwiSaver option that allows you to choose the investments you want in your own KiwiSaver Portfolio including direct shares worldwide and over 400 other options (switch or invest now, minimum \$50,000 deposit).



*source – public domain, internet.*

**Tax reports** will be with by around **25<sup>th</sup> May each year**, check with us after this date and we can send you another copy if you don't get one.

Also you may have found that you had tax to pay this year on overseas earnings in your portfolio, this may be because you did not have tax deducted from your overseas investments depending on which investments you hold in your individual portfolio, so you may already have received this gross amount of earnings into your portfolio without the deduction occurring. To pay any tax charged here, just contact me for a withdrawal if you would like to do this for payment. Your own tax professional will assist with an explanation of your own individual full tax circumstances.



## Estate Planning



It is crucial you and your family are aware of your estate planning wishes. Number one: you must have a will; so that, you do not die intestate, and nobody knows what to do for you.

You should review these plans at least every two years. Also, should a big life event occur, like building a new home, having children or grandchildren, buying or selling a company, or even having a major medical event etc., review your will.

### **Enduring Powers of Attorneys and Trusts**

A timely reminder to review these. I can assist with arranging new ones for you or assist with reviewing existing ones with the assistance of specialist referrals. Or use your own lawyers. But please feel you can discuss them further with me. This review is also essential to do at least every two years.

## **ABAFS10 Limited Index**

The ABAFS10 Limited Index represents the total of the individual current values of the top ten holdings of all investments I manage for clients (excluding cash) and represents their percentage asset allocations as charted below to the end of each calendar quarter.

*(The investment names held are commercially sensitive, but the information is available to all clients of **ABAFS Limited**.)*

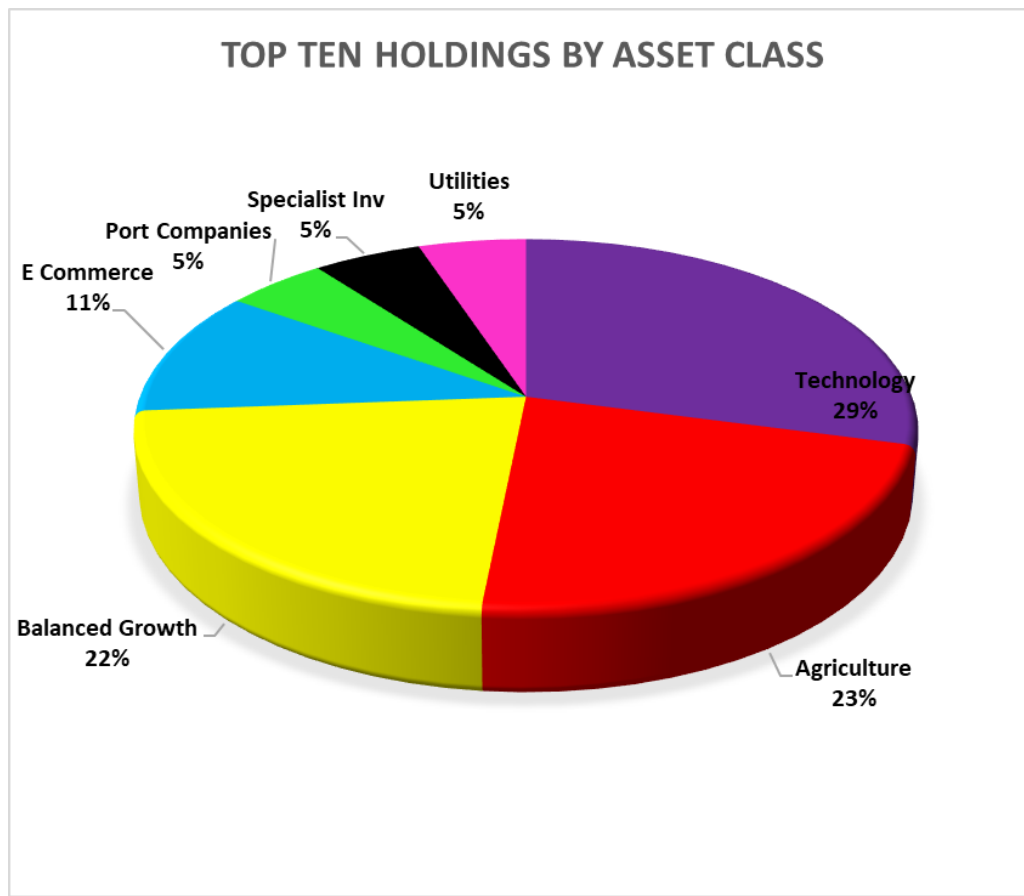
**The current cumulative net value as of 31 March 2024 increased by 5.97% for the quarter to**

**NZ\$643.23**

**ABAFS Ltd Index** 01 January 2024 to 31 March 2024 previous quarter was \$607.01

*(As a comparison, **NZX50 Index** saw an increase of 2.84% over the previous period.)*

*"Past performance is no guarantee of future performance!"*



## Conclusion

I have a busy year of research and study ahead.

Once again, I have been exclusively invited, at my own cost, with a limited amount of other NZ Advisers to attend the Heathcote Investment Partners: Best of Breed Tour in Sydney to meet up with around 14 Fund Managers in their boardrooms and others and attend a conference in May 24. Also with Heathcote, I have been invited to attend their Adviser Masterclass Retreat in Queenstown in July.



For later in July, I have been invited to England for a UK Study Tour with Consilium to meet up with FNZ in their London office while we are there.

These annual attendances continue to assist me in my day-to-day research. They increase my knowledge to assist with decision making for your portfolios. They are an investment in the business. And they allow me to keep up-to-date as much as possible with markets' happenings and events.

No technical this month. But, attached is a little family advertising for your pleasure. **The Crucible** is the next **Riccarton Players** Show opening this month that I am Directing at The Rangi Ruru Drama Theatre. Book on this link [UPCOMING PRODUCTION | Riccarton Players](#) . Incidentally, I am now the President of Riccarton Players. Further, my wife, Liane, has re-entered the Real Estate field and is working for Harcourts Grenadier at their Cashmere office.

Feel free to contact me to discuss any of the above.

Have a great Autumn.

As always,

Best Regards

**AL.**

## *A copy of my Personal Disclosure Statement is available on Request*

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**Riccarton Players**



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*We are only  
what we  
always were...*

# The Crucible

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**Arthur Miller**

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**24 APRIL - 4 MAY 2024**

**DIRECTED BY ALISTAIR BEAN**

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To book phone 03 338 4699 or visit  
[www.riccartonplayers.co.nz](http://www.riccartonplayers.co.nz)

**HARCOURTS  
CASHMERE**



**Liane  
Bean**

Sales Consultant

Liane has a diverse working background, having previously worked in healthcare before transitioning to real estate. This experience has equipped her with valuable skills in critical thinking, decision-making and negotiation. Liane has a strong sense of empathy and client-centered thinking, known for her adaptability and flexibility, she will tailor her approach to meet the unique needs of each client.

Liane has a thoughtful and goal-orientated mindset with impeccable attention to detail to ensure clients are guided through the entire process, from property search to negotiation and finalizing deals. Liane ensures that her clients needs are met and provides exceptional client service.

Liane's passion for real estate and client service is evident in her approachable demeanor, and her sense of humor adds a touch of warmth and relatability to her interactions, making real estate an enjoyable and rewarding experience for everyone she has the privilege of working with.

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