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FINANCIAL ADVISERS

INVESTMENT | INSURANCE | KIWISAVER

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

TRUSTED ADVISER
FINANCIAL ADVICE NEW ZEALAND

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Personal Disclosure documents are available free on demand

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Alistair Bean & Associates - Financial Advisers

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

Quarterly Newsletter – to 30 September 2021

*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

Financial Advice
NEW ZEALAND

Hello

and welcome to the latest newsletter of

Alistair Bean & Associates – Financial Advisers

For those of you who receive electronic copies... press ctrl + click on the below link to view the Alistair Bean & Assoc's Financial Services Limited commercial.

<https://www.youtube.com/watch?v=txPD7ftmlEw>

In this issue:

- Market/Portfolio Commentary
- Estate Planning
- KiwiSaver - Additional and Regular Deposits

Consilium's – KiwiWRAP, choose your own investments in your own KiwiSaver and take control of your retirement savings Yourself with your Financial Adviser!

- ABAFS10 Limited Index
- Conclusion
- The Technical

“Guaranteed No Fee Increases FOR LIFE!” *
for investment portfolio clients of
ABAFS Limited.
**conditions apply.*

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.

Market and Portfolio Commentary

Current economic statistics and future outlook



- US Senate passes \$1 Trillion Infrastructure Bill
- \$3.5 Trillion Social Infrastructure Bill still under negotiation
- UK, Europe, Asia, and the rest of the world also planning on a combined trillion-dollar infrastructure investment
- US unemployment rate reduced from 8.0% in 2011 to 5.2% in 2021
- US inflation rate reduced from 3.14% in 2011 to 2.26% in 2021; and
- NZ Official Cash Rate (OCR) reduced from 2.5% in 2011 to 0.05% in October 2021 (however, the increase in October 2021 was the first since July 2014).

With the recovery of Covid-19 and vaccinations being rapidly and successfully administered, the above statistics show the distinct probability of a boom. A boom not seen since the prosperity of the post-World War II economic growth years of the 1950's and beyond.

Likely, the biggest single contributing factor will be the Global multi-trillion-dollar investment in infrastructure. Not only will salary and wage earners have secured employment, but small, medium, and large businesses and corporates will also benefit. So too will the associated industries related to the infrastructure needs. The flow-on effects will massively ripple through the economy. Many will benefit.

For many years, these trillions of dollars have been languishing away in banks' coffers, making banks obscenely rich as evidenced by their multibillion-dollar profit announcements, year after year. Of course, the banks will still benefit. Let's not forget another benefit: new infrastructure technologies will develop, which will assist in the greening of the planet by retiring old infrastructures.

This all bodes well for your portfolios. Managed funds and KiwiSaver are already showing traction to repeat the stella year they had last year. We are now six months into the year and we are already benefiting from the initiation of the above. Once the borders reopen, many companies will also benefit from the above, and we will continue to recover. Nations will start to let each other cross their borders. The near future is looking positive. Yes, I'll admit, I am more optimistic than normal.

A2Milk, Synlait and Aumake have just had positive momentum with alternative **Daigou** channels showing success. A2Milks next financial results are to be reported mid-November which all going well, will confirm this momentum.



Rocket Lab continues to gather momentum. It is signing more contracts and is receiving significant support from NASA by being named as a launch partner. They also received a contract from Japan to help clear space debris: so, Rocket Lab is doing its bit for the environment. Their next launch dates are from 11th November 2021 and the next being from 27th November. Then they will be off to the moon next year, in March 2022. You can watch these launches live on YouTube in your own home or on your device!



I have been performing due diligence on ESG (Environmental, Social, and Governance) and SRI (Socially Responsible Investment) Funds for over five years. I was not impressed about what was being offered five years ago, because many investments were charging higher fees than other funds, and their returns were typically less than other funds. I was of the view (still am actually) that you should not pay more but receive less. I also believe you should not have to pay for something that companies and corporates should be doing anyway. Fees of funds (that have been in existence for more than five years) have now reduced. At last! Their performance, since inception, is meeting, and in some cases, exceeding non-ESG and -SRI funds.

I have found a couple I am satisfied with, while others still remain on my watchlist. One of them is the **Alphinity Sustainable Share Fund**, which I am now including in your portfolio – link for the fund flyer below.

[HTTPS://WWW.FIDANTE.COM/-/MEDIA/SHARED/FIDANTE/ALPH/ASSF_PROFILE.PDF?LA=EN](https://www.fidante.com/-/media/shared/fidante/alph/assf_profile.pdf?la=en)

Alphinity has been a signatory to the United Nations backed Principles for Responsible Investment since 2011. The funds' performance since inception is an impressive 11.10%pa, earning 32.7% last year and 13.80%pa. for the last five years. The current management fees are 0.95%pa.

"Past performance is no guarantee of future performance!"

More information is in the Technical section below.

KiwiSaver

- **Claim your \$521 and don't unnecessarily change your fund!!**
- **For additional lump sum or regular deposits, contact me and I will advise the procedure for your respective funds**
- **New KiwiSaver Option Announced (*excerpt from Transcript below*)**



In the news, there have been reports of so many clients changing from growth funds to conservative funds. If your timeline for investment has not changed, then this is the worst thing you can do. In short, speak to me if you are considering doing this; so, I can talk you (and also anyone else you know) out of it if individually appropriate to your own situation!

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 receive your eligible \$521 free money from the Government for the year – 50 cents in the dollar for \$1,042 (\$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 also this year as well.



Consilium

Consilium have launched their new KiwiSaver Facility called KiwiWrap that allows for over 400 investments options to choose from for the Investor and their Financial Adviser.

The KiwiWRAP minimum investment is for balances of \$50,000 (or over). I thoroughly recommend KiwiWRAP to any Client who wishes to select their own investments in their KiwiSaver account from a choice and selection of Investments, that other KiwiSaver Fund Managers choose, Managed Funds and direct individual International Shares like Apple, Microsoft and other well-known Company names.

I will work with you to develop a KiwiSaver Portfolio that you can have control of, with the assistance of your Financial Adviser.

Tell all your Friends and family about this, it is truly the smarter choice with better opportunities for retirement!

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.

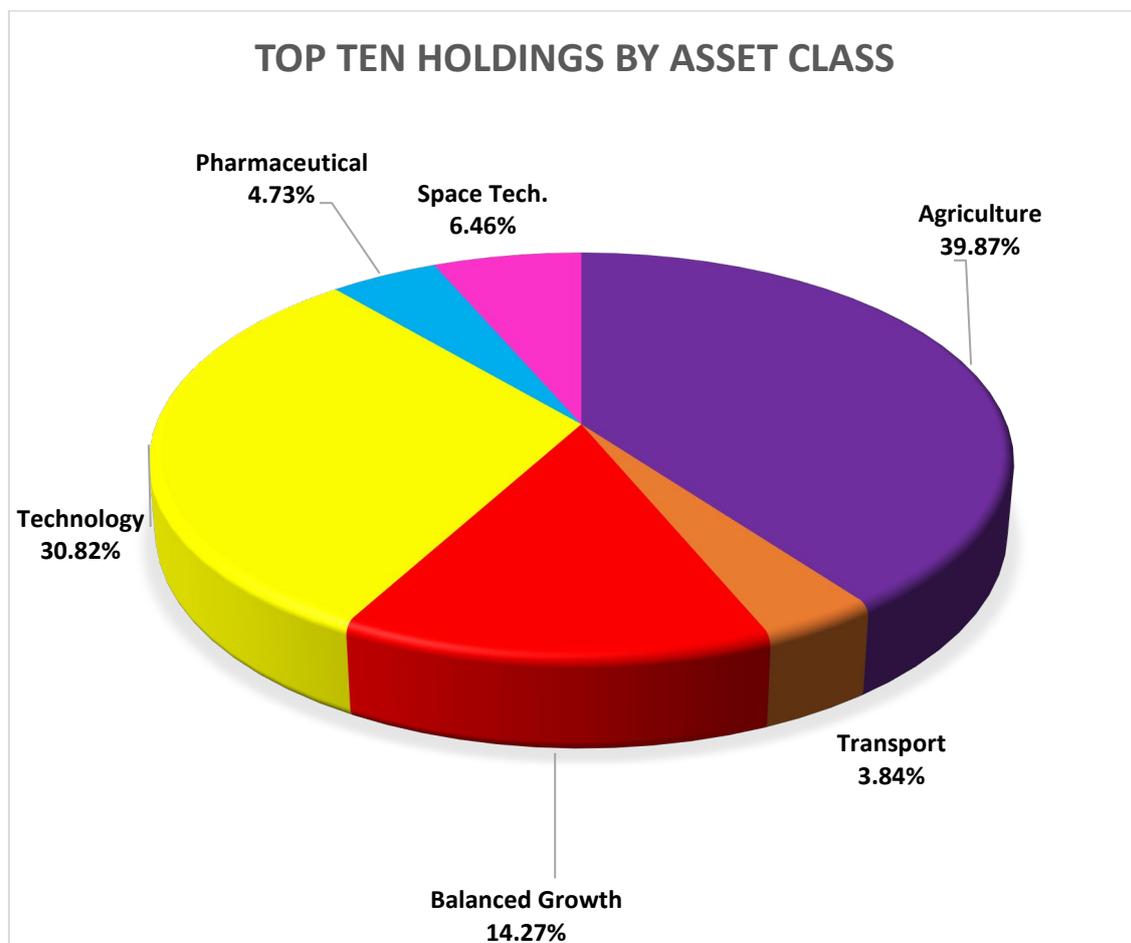
*(The investment names held are commercially sensitive, but the information is available to all clients of **ABAFS Limited.**)*

The current cumulative net value as of 30 September 2021 was

NZ\$295.69

(an increase of 26.39% for the quarter, NZX 50 4.91% for the quarter)

"Past performance is no guarantee of future performance!"



Conclusion

We have been fortunate in the South Island to be in Covid-19 Level 2. Personally, I think we should have more freedoms, so struggling businesses can operate. We should have the ability to travel overseas to conduct business and to bring family members home. We are capable of accepting the personal responsibility to look after others and ourselves!

Regularly, there seems to be misleading information on the latest figures; so, I always check the below link. It's a government website, with the most up-to-date and reliable information on vaccination numbers.

[COVID-19: Vaccine data | Ministry of Health NZ](#)

The Prime Minister has mentioned numbers of 90% of second dose vaccinations is desirable before more freedoms are granted but has additionally mentioned since, other conditions. As I write, the numbers of the eligible population received their first dose, or booked, is 85%; 76% received their second dose. So, we are getting there.

I also personally believe that, once we see global numbers of 90% and above, we will see a rapid opening of borders and rapid recovery of global health. My relatives overseas are now receiving a third booster injection. My key message here: borders will reopen and not in the too distant future, particularly as the new Premier of NSW in Australia, has just announced that their borders will be reopened on 1 November 2021 to fully vaccinated international travellers who will no longer need to quarantine.

Stay safe and as always
best regards to you and your families

AL.

A copy of my Personal Disclosure Statement is available on Request Disclaimer:

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Proud Supporter of



Riccarton Players

The Technical

WHY USE THE ALPHINITY SUSTAINABLE SHARE FUND?

The Alphinity Sustainable Share Fund (“SSF”) has a 11-year track record of investing in companies that support social priorities, using a unique investment process that does not compromise investment returns and is supported by a team of sustainable experts.

At Alphinity, our take on sustainable investing is to find companies that not only have good ESG scores but are also actively DOING GOOD for society and the environment and are DOING IT WELL.

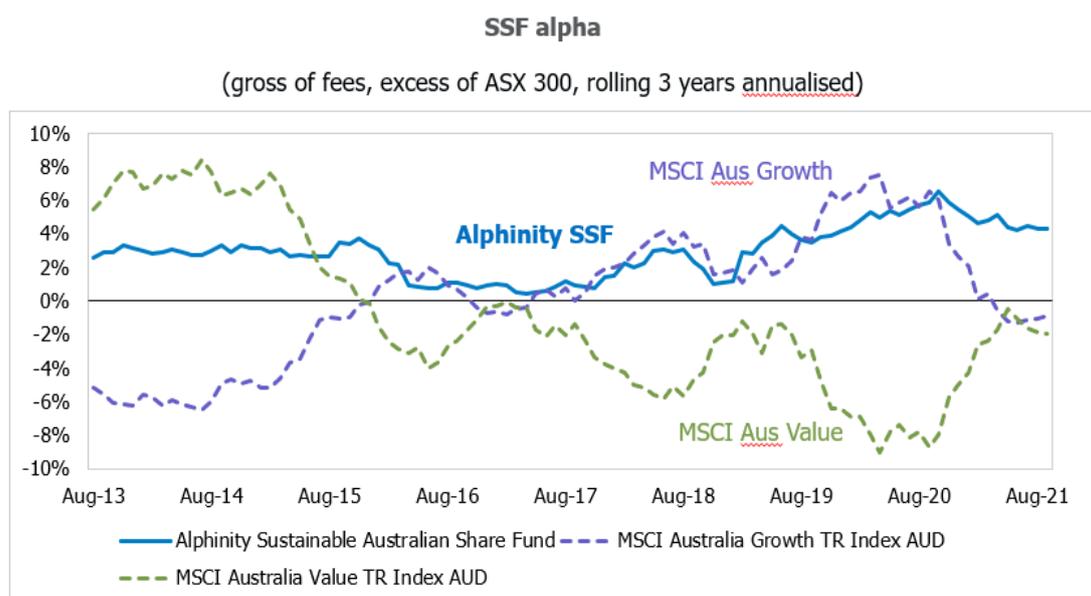
- Eleven-year track record of delivering strong alpha for investors through all market cycles (value/growth)
- Using a unique 3-step investment process: 1) Define the investable universe 2) Find compelling sustainable companies and 3) Construct a balanced portfolio by applying the proven Alphinity investment process (premised on earnings leadership)
- Experienced investment team supported by internal and external ESG/Sustainability experts to maintain the SSF Charter.
- Credible and Available

Performance Track record

10 Year + track record of delivering consistent alpha through Value and Growth cycles
Net of fees Performance as at 30 September 2021

	6 months	1 year	2 years p.a.	3 years p.a.	5 years p.a.	7 years p.a.	10 years p.a.	Inception* p.a.	Inception* cumulative
Sustainable Share Fund	12.4%	32.7%	13.3%	13.0%	13.8%	11.5%	13.0%	11.1%	219.7%
Benchmark (ASX300)	10.4%	30.9%	8.5%	9.9%	10.5%	9.3%	10.8%	9.2%	166.0%
Alpha	1.9%	1.8%	4.8%	3.2%	3.3%	2.3%	2.2%	1.8%	53.7%

* Notes: Inception for the fund is 1 September 2010. Returns greater than 1yr are annualised. Returns are post fees.



Source: Alphinity, Fidante, Bloomberg, 30 September 2021

Unique & integrated investment process

We use our distinctive multi-disciplined research process to construct a portfolio of 35-55 companies, with good ESG characteristics and/or address one or more Sustainable Development Goal AND fit our investment process.



Three step investment process:

Step 1: We use the UN SDG's as a framework to define a sustainable universe.

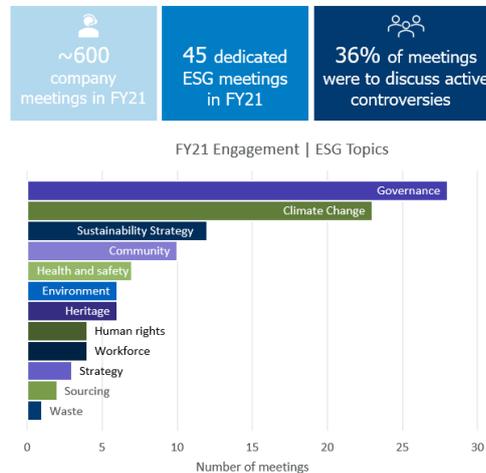
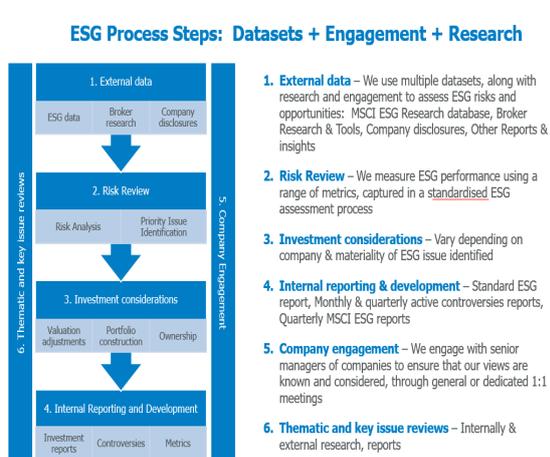
- We use the UN SDG framework to define what 'doing good' means and for aligning company revenue and product's contribution to one or more of these goals.
- We are looking for companies that support the 17 UN SDGs behind which sit 169 individual targets. Our Revenue Assessment (Upside + Downside) plus the Operational Assessment results in a "Net Alignment Score".
- We exclude companies whose activities are incongruent with the pursuit of the UN Sustainable Development Goals
- Our external sustainable experts help us to address the grey areas. They review the investable universe, ensure compliance with the charter, identify areas of company engagement and more.

Our portfolio is well aligned across a range of SDG's



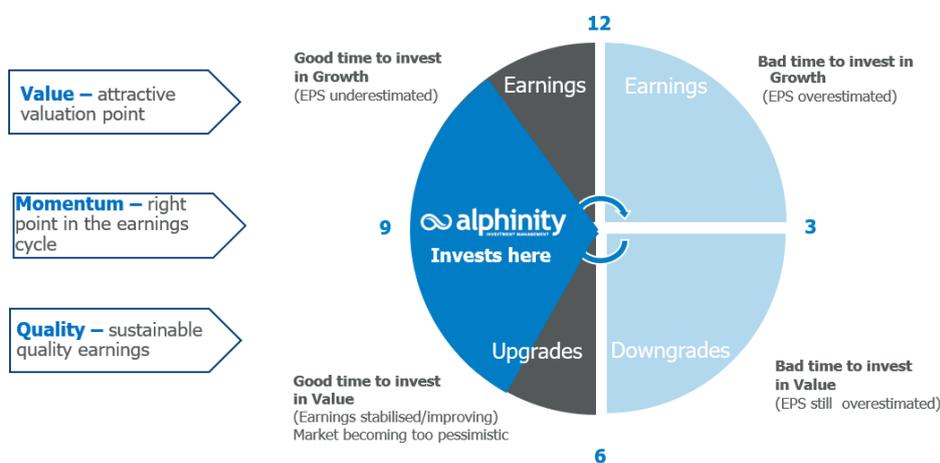
Step 2: ESG forms part of fundamental research

- We perform a positive screen by looking for companies with good ESG characteristics and also contribute towards the UN's sustainable development goals.
- Active Company Engagement a core part of our process (See FY21 Engagement highlights bottom right)



Step 3: Applying the Alphinity Investment Process - Using Alphinity's investment philosophy and process, we combine Fundamental and Quantitative research to assess stocks to ensure that they are quality, undervalued companies in or about to enter an earnings upgrade cycle.

Investing in quality, undervalued companies in or entering an earnings upgrade cycle



These stocks can be found at any point in the market cycle

Experienced team

- **Experienced & Aligned Investment team:** Alphinity IM – team of 5 PM's. Founders have worked together for 17 years, own 70% of the business
- **Own experienced ESG and Sustainability expert** – Jessica Cairns (11 yrs experience)
- **Sustainable Committee** with external ESG & Sustainability experts – Elaine Prior (42 yrs experience) & Melissa Stewart (27 yrs experience)

A Committee with two eminent external experts ensures that the Fund stays true to its Charter

<p>Elaine Prior</p> <ul style="list-style-type: none"> • Citi Head of ESG Research 2009-17 • Extensive industry, stockbroking and funds management background <p>Experience: 42 years</p>		<p>Melissa Stewart</p> <ul style="list-style-type: none"> • Globally recognised leader on international human rights & modern slavery • Varied leadership roles with the United Nations, World Vision, Australian Government and ASX listed companies (2000-current) <p>Experience: 27 years</p>	
<p>Stephane Andre</p> <ul style="list-style-type: none"> • Principal & Portfolio Manager, Alphinity <p>Experience: 26 years</p>		<p>Bruce Smith</p> <ul style="list-style-type: none"> • Principal & Portfolio Manager, Alphinity <p>Experience: 35 years</p>	

Transparent & Accessible

Ratings & awards:

Lonsec – Highly Recommended
 Zenith – Recommended
 Morningstar – Bronze
 RIAA – Responsible Leader



Model inclusions: Lonsec Sustainable Model, Zenith Sustainable Model, UniSuper model, Macquarie HCL Model, IOOF ESG Model, Centrepont ESG Model, CFS First Choice, Evergreen Sustainable, Clearview.

Platform Availability: Asgard eWrap, Asgard Infinity, Asset Administrator, BT Panorama, BT Wrap, Clearstream / Ausmaq, FinHQ, First Choice, First Wrap, HUB24, OneVue, IOOF Expand, IOOF Pursuit Select, Macquarie Investment Accumulator, Macquarie Investment Consolidator, Macquarie IM, Mentor, MLC Wrap, MLC Navigator, Netwealth, North, Oasis, OneVue / Investment Gateway, Praemium, Symetry, Symetry Active, Synergy Capital, uXchange, Voyage, WealthTrac