

Fund Update for: the Pathfinder Managed Investment Scheme Pathfinder Ethical Growth Fund Quarter ended 30 June 2021

This fund update was first made publicly available on: 28th July 2021

What is the purpose of this update?

This document tells you how the **Pathfinder Ethical Growth Fund** has performed and what fees were charged. The document will help you to compare the fund with other funds. Pathfinder Asset Management Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

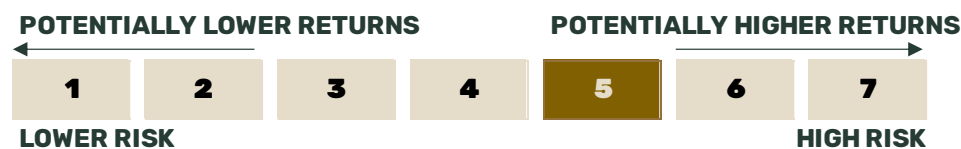
Description of this fund

The fund invests directly in growth and income assets that satisfy Pathfinder's ethical investment screening.

| | |
|---------------------------|------------------|
| Total value of the fund | \$ 11,457,528.50 |
| The date the fund started | 17 August 2020 |

What are the risks of investing?

Risk indicator for the Pathfinder Ethical Growth Fund



The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund's assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at www.sorted.org.nz/tools/investor-kickstarter.

Note that even the lowest category does not mean a risk-free investment, and there are other risks that are not captured by this rating.

This risk indicator is not a guarantee of a fund’s future performance. The risk indicator is based on the returns data for the last 5 years. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.

See the Product Disclosure Statement (**PDS**) for more information about the risks associated with investing in this fund.

Also, see *Note 1* for information on the risk indicator calculation.

How has the fund performed?

| | Past Year |
|---|-----------|
| Annual return (after deductions for charges and tax) | N/A |
| Annual return (after deductions for charges but before tax) | N/A |
| Market index annual return (reflects no deductions for charges and tax) | 18.46% |

The market index annual return is based 5% Bloomberg NZ Bank Bill Index, 20% Bloomberg Barclays Global Aggregate Total Return Index (gross of interest and tax; 100% hedged to NZD), 20% S&P/ NZX50 Gross Index (gross of dividends and net of tax), 20% S&P/ASX200 Gross Return index (gross of interest and net of tax; 50% hedged to NZD) and 35% Morningstar Developed Markets Net Return Index (net of dividends and tax; 50% hedged to NZD) (since 17 Aug 2020).

Additional information about the index is available on the offer register at www.business.govt.nz/disclose (search Offers, using Offer OFR10780, Documents, Other Material Information).

What fees are investors charged?

Investors in the Pathfinder Ethical Growth Fund are charged fund charges. In the year to 31 March 2021 these were:

| | % of net asset value |
|--|----------------------|
| Total fund charges estimated ² | 1.29% |
| Which are made up of: | |
| Total management and administration charges | 1.29% |
| Including: | |
| Manager basic fee | 1.25% |
| Other management and administration expenses | 0.04% |

*All amounts exclude any applicable GST

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the PDS for more information about those fees.

Example of how this applies to an investor

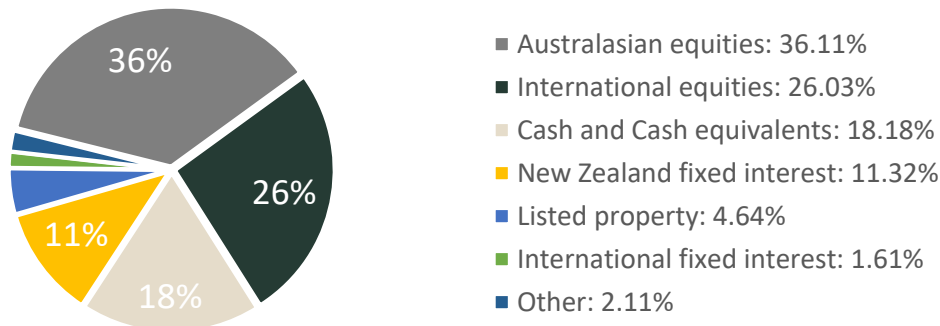
Small differences in fees and charges can have a big impact on your investment over the long term.

Angela had \$10,000 in the fund at 17 August 2020 and did not make any further contributions. At the end of June 2021, Angela received a return after fund charges were deducted of \$1,544 (that is 15.44% of her initial \$10,000). Angela did not pay any other charges. This gives Angela a total return after charges and tax of \$1,480 for the period of investment.

What does the fund invest in?

This shows the type of assets that the fund invests in.

Actual investment mix³



Target investment mix

| | |
|------------------------------|-----|
| Cash and Cash Equivalents | 5% |
| NZ Fixed Interest | 10% |
| International Fixed Interest | 10% |
| Australasian Equities | 40% |
| International Equities | 30% |
| Listed Property | 5% |

Top 10 investments

| | Name | Percentage of fund net assets | Type | Country | Credit rating |
|----|--|-------------------------------|----------------------------|---------|---------------|
| 1 | Cash at Bank - NZD - Interactive Brokers | 14.63% | Cash and cash equivalents | NZ | BBB+ |
| 2 | CORT to 21/03/2026 | 3.05% | New Zealand fixed interest | NZ | unrated |
| 3 | Telstra Corp Ltd | 2.49% | Australasian equities | AU | N/A |
| 4 | NEXTDC Ltd | 2.44% | Listed property | AU | N/A |
| 5 | Oceania Healthcare Limited | 2.44% | Australasian equities | NZ | N/A |
| 6 | Infratil Ltd | 2.35% | Australasian equities | NZ | N/A |
| 7 | Ebos Group Ltd | 2.26% | Australasian equities | NZ | N/A |
| 8 | Microsoft Corporation | 2.10% | International equities | US | N/A |
| 9 | Spark New Zealand Ltd | 2.01% | Australasian equities | NZ | N/A |
| 10 | DE. Mem Ltd | 1.87% | Australasian equities | AU | N/A |

The top 10 investments make up 35.63% of the fund. See Note 4 for important information on the 'Cash at Bank'.

Currency hedging: Changes in the value of the NZ dollar relative to other currencies can have a big impact on your investment over the long term. The target currency hedging is 50% of non-NZD equity exposure and 100% of non-NZD fixed interest exposure (actual hedging level was 21.72% at the quarter end (this will change over time)). Total unhedged foreign exposure is 35.65% of the net asset value of the fund at 30 June 2021 (this will change over time).

Key personnel

| | Name | Current position | Time in current position | Previous position | Time in previous position |
|---|---------------|-------------------------------|--------------------------|---|---------------------------|
| 1 | John Berry | Chief Executive Officer | 12 years, 3 months | Deutsche Bank - Consultant | 4 years, 9 months |
| 2 | Paul Brownsey | Chief Investment Officer | 12 years, 3 months | Deutsche Bank - Director | 5 years |
| 3 | James Caughey | Investment Strategist | 3 years, 10 months | Senior Research Analyst position - NZAM | 6 years |
| 4 | Nish Vyas | Director of Private Wealth | 1 year, 5 months | Senior Private Banker - BNZ | 4 years |
| 5 | Kent Fraser | Chair of Investment Committee | 4 years, 9 months | | |

Further information

You can also obtain this information, the PDS for Pathfinder Ethical Growth Fund, and some additional information from the offer register at www.business.govt.nz/disclose.

Notes

1. **Risk indicator:** This risk indicator is not a guarantee of a fund's future performance. Market index returns as well as the fund's actual returns have been used to fill in the risk indicator because the risk indicator is calculated using returns data for the five-year period ending on 30 June 2021. Market index returns have therefore been used for the period from 1 July 2016 to 17 August 2020 when the fund was not in existence or available for investors, and actual fund returns have been used since then. As a result of those returns being used, the risk indicator may provide a less reliable indicator of the potential future volatility of the fund. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.
2. **Fund charge estimated:** Other management and administration expenses represent the estimated charges we may incur for investing in other funds. The estimate is based on the disclosed information of the underlying fund managers.
3. **Actual investment mix: Other** refers to unlisted Australasian equities and unlisted property holdings in the Fund.
4. **'Cash at Bank':** The fund uses foreign currency cash accounts which can be both positive and negative balances. If all cash positions are netted, the overall cash holding in NZD is 15.28% of the fund net assets.