

Pathfinder

Invest Ethically

Fund Update

Pathfinder KiwiSaver Plan Growth Fund

30 September 2022

Quarter ended 30 September 2022

This fund update was first made publicly available on 28th October 2022

What is the purpose of this update?

This document tells you how the **Pathfinder KiwiSaver 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 is an ethical portfolio with a higher exposure to growth assets and a lower exposure to income assets. This Fund's value is likely to fluctuate more than the Pathfinder KiwiSaver Balanced Fund or Pathfinder KiwiSaver Conservative Fund.

Total value of the fund	\$126,675,791.49
Number of Investors in Fund	4204
The date the fund started	23 rd July 2019

What are the risks of investing?

Risk indicator for the Pathfinder KiwiSaver 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 to 30 September 2022. 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?

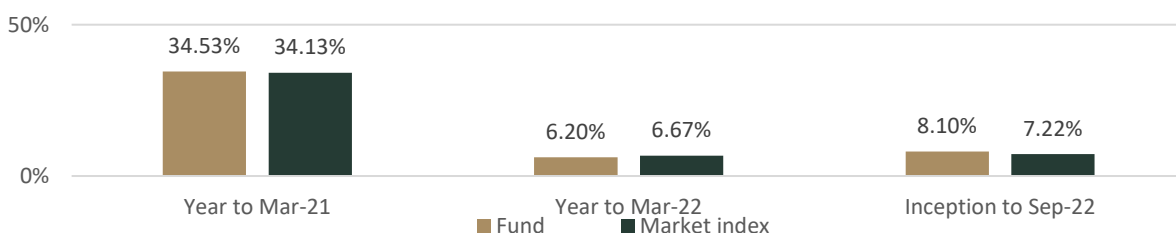
	Past Year
Annual Return² (after deductions for charges and tax)	-10.02%
Annual Return (after deductions for charges but before tax)	-10.36%
Market index annual return (reflects no deductions for charges and tax)	-5.27%

The Market Index is the Morningstar® Target Allocation Index™: Growth Multisector for New Zealand, non-New Zealand Fixed Interest 100% hedged to NZD. The index is gross of dividends and tax except for International Equities and International Listed Properties, which are gross of dividends after deducting the tax withheld.

The market index changed on 1 December 2021. The previous index was a weighted composite benchmark index as described in the [Fund Update](#) ("How has the fund performed") for the quarter ended 30 September 2021. The new index is independently administered and widely used to compare funds in New Zealand. The manager also considers that the new market index is more appropriate for measuring changes in the market in relation to returns on the assets that the Fund invests in. As a result of the change, the market index annual return is calculated using the previous market index for the period since Fund inception to 30 November 2021 and the new market index from 1 December 2021.

Additional information about the index is available on the offer register at www.business.govt.nz/disclose (search Offers, using Offer OFR12680, Documents, Other Material Information).

Annual return graph



This shows the return after fund charges and tax for each year ending 31 March since the fund started. The last bar shows the average annual return since the fund started, up to 30 September 2022.

Important: this does not tell you how the fund will perform in the future.

Returns in this update are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax may be lower.

What fees are investors charged?

Investors in the Pathfinder KiwiSaver Growth Fund are charged fund charges. In the year to 31 March 2022 these were:

	% of net asset value
Total fund charges*	1.33%
Which are made up of:	
Total management and administration charges	1.33%
Including:	
Manager basic fee	1.25%
Other management and administration charges**	0.08%
Other Charges	
Administration and member fees	\$27 per investor per year

*All amounts exclude any applicable GST

Member fees are not applicable for members under 16 years old or members whose account balance is below \$1,000.

** Other management and administration charges comprise fees paid by the Fund for its investment in the Alvarium Private Credit Fund, a related fund.

Performance Fees and Individual action fees: There are no performance fees or individual action fees. Small differences in fees and charges can have a big impact on your investment over the long term.

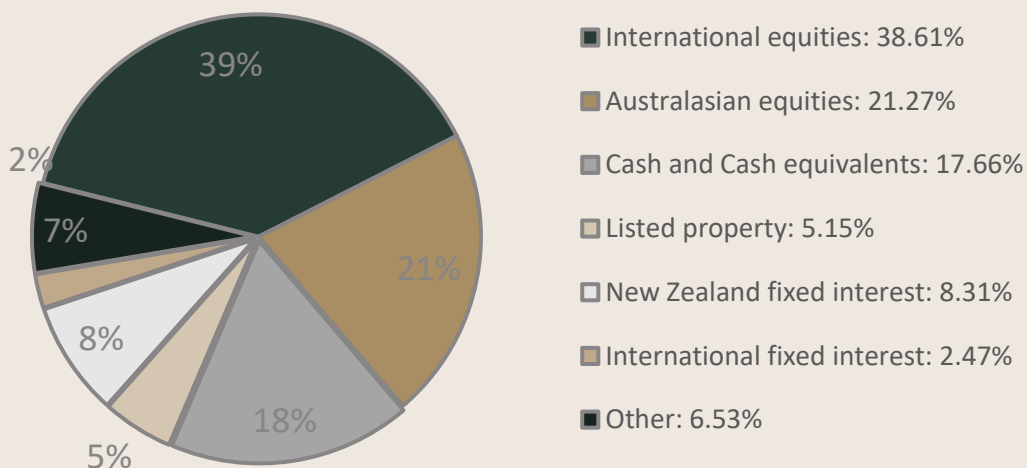
Example of how this applies to an investor

Tara had \$10,000 in the fund at the start of the year and did not make any further contributions. At the end of the year, Tara incurred a loss after fund charges were deducted of \$1036 (that is - 10.36% of her initial \$10,000). Tara also paid \$27 in other charges. This gives Tara a total loss after fees, charges and tax of \$1029 for the year.

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	8.7%
NZ Fixed Interest	7.2%
International Fixed Interest	9.2%
Australasian Equities	22.5%
International Equities	41.4%
Listed Property	6.0%
Other	5.0%

Top 10 investments

	Name	Percentage of fund net assets	Type	Country	Credit Rating
1	Cash at Bank - NZD - Westpac	12.60%	Cash and cash equivalents	NZ	AA-
2	Westpac Term Deposit to 09/02/2023	3.49%	Cash and cash equivalents	NZ	AA-
3	Microsoft Corporation	2.06%	International equities	US	N/A
4	Infratil Ltd	1.63%	Australasian equities	NZ	N/A
5	Asml Holding Nv	1.55%	International equities	NL	N/A
6	Enphase Energy Inc	1.54%	International equities	US	N/A
7	First Solar Inc	1.53%	International equities	US	N/A
8	Tesla Motors Inc	1.47%	International equities	US	N/A
9	Telstra Corp Ltd	1.42%	Australasian equities	AU	N/A
10	Cleanaway Waste Management Ltd	1.36%	Australasian equities	AU	N/A

The top 10 investments make up 28.64% of the net asset value of the fund.

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 0% of non-NZD equity exposure and 100% of non-NZD fixed interest exposure (actual hedging level at 30 September 2022 was 54.06% of the foreign currency exposure (this will change over time)). Total unhedged foreign exposure is 24.90% of the net asset value of the Fund at 30 September 2022 (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	13 years, 6 months	Deutsche Bank - Consultant	4 years, 9 months
2	Paul Brownsey	Chief Investment Officer	13 years, 6 months	Deutsche Bank - Director	5 years
3	James Caughey	Investment Strategist	5 years, 1 month	Senior Research Analyst position - NZAM	6 years
4	Nish Vyas	Director of Private Wealth	2 years, 8 months	Senior Private Banker - BNZ	4 years
5	Kent Fraser	Chair of Investment Committee	6 years, 0 months		

Further information

You can also obtain this information, the PDS for Pathfinder KiwiSaver Plan, 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 September 2022. Market index returns have therefore been used for the period from 1 October 2017 to 23 July 2019 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. Due to the change in market index from 1 December 2021 (see "How has the fund performed" for a description of this change) the risk indicator reduced from "5" to "4" for the quarter ended 31 December 2021. As more of the fund's actual returns are used to calculate the risk indicator over time, the effect of the change in market index on the risk indicator will decrease. However, as already noted, any use of market index returns may result in a less reliable indicator of potential future volatility of the fund.
- 2) **Annual Return:** Return after deduction of fund charges and tax is higher than return after deduction of fund charges but before tax. This is because the after-tax return includes the effect of tax credits arising from tax losses in the Fund.

3) **Actual Investment Mix- Other:** Other Assets include investments known as 'impact investments', 'private equity', carbon credits, and 'private credit'. This category also includes unlisted property, such as direct ownership in property or ownership of property companies that are not listed on a stock exchange. It also includes a 4.25% investment in the Alvarium Private Credit Fund (**PCF**), which is a fund managed by Alvarium Wealth (NZ) Limited, a related company to Pathfinder. The PCF predominantly invests in private loans organised or arranged by parties related to the manager.