

Fund Update for: the Pathfinder Managed Investment Scheme

Pathfinder Ethical Growth Fund Quarter ended 31 March 2021

This fund update was first made publicly available on: 30th April 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.

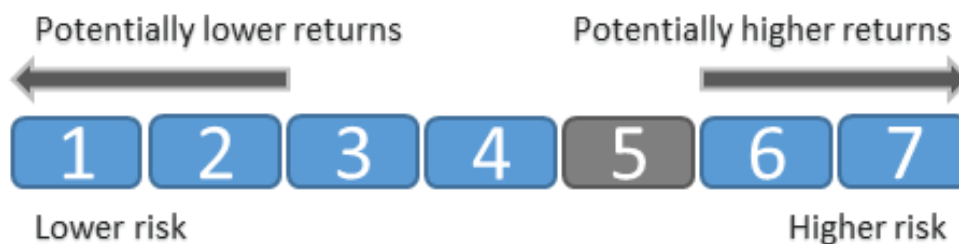
Description of this fund

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

Total value of the fund	\$ 8,560,331.74
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)	27.91%

The market index annual return is based 5% Bloomberg NZ Bank Bill Index, 20% Bloomberg Barclays Global Aggregate (100% hedged to NZD), 20% S&P/ NZX50 Gross Index, 20% S&P/ASX200 index (50% hedged to NZD) and 35% Morningstar Developed Markets Index (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	1.26%
Which are made up of:	
Total management and administration charges	1.26%
Including:	
Manager basic fee	1.25%
Other management and administration expenses (estimated)	0.01%

*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.

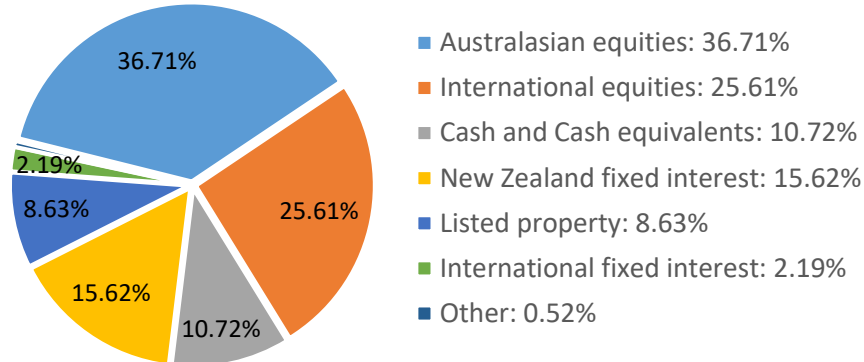
Angela had \$10,000 in the fund at 17 August 2020 and did not make any further contributions. At the end of March 2021, Angela received a return after fund charges were deducted of \$1,088 (that is 10.88% of her initial \$10,000). Angela did not pay any other charges. This gives Angela a total return after charges and tax of \$1,037 for the period of investment.

*As the fund has not been in existence for a full calendar year, the figures in this example are based on the market index annual return, less the actual fees incurred by the client. For actual returns see www.path.co.nz

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	10.75%	Cash and cash equivalents	NZ	BBB+
2	CORT 21/03/2026	4.11%	New Zealand fixed interest	NZ	Unrated
3	Oceania Healthcare Limited	2.28%	Australasian equities	NZ	N/A
4	WLB ASSET II B	2.19%	International fixed interest	US	Unrated
5	Spark New Zealand Ltd	2.11%	Australasian equities	NZ	N/A
6	Telstra Corp Ltd	2.06%	Australasian equities	AU	N/A
7	Ebos Group Ltd	1.98%	Australasian equities	NZ	N/A
8	Auckland International Airport Ltd	1.95%	Australasian equities	NZ	N/A
9	BR Land Co (Bremner) 28 Feb 22	1.94%	New Zealand fixed interest	NZ	Unrated
10	Kiwi Property Group Ltd	1.94%	Listed property	NZ	N/A

The top 10 investments make up 31.31% 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 level implemented in the fund is 50% (actual hedging level was 24.51% at the quarter end) of the foreign currency exposure (this will change over time). Total unhedged foreign exposure is 35.10% of the net asset value of the fund at 31 March 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, 0 months	Deutsche Bank - Consultant	4 years, 9 months
2	Paul Brownsey	Chief Investment Officer	12 years, 0 months	Deutsche Bank - Director	5 years
3	James Caughey	Portfolio Manager	3 years, 7 months	Senior Research Analyst position - NZAM	6 years
4	Nish Vyas	Private Wealth Advisor	1 year, 2 months	Senior Private Banker - BNZ	4 years
5	Kent Fraser	Chair of Investment Committee	4 years, 6 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 31 March 2021. Market index returns have therefore been used for the period from 1 April 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 estimating 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 10.66% of the fund net assets.