

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

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

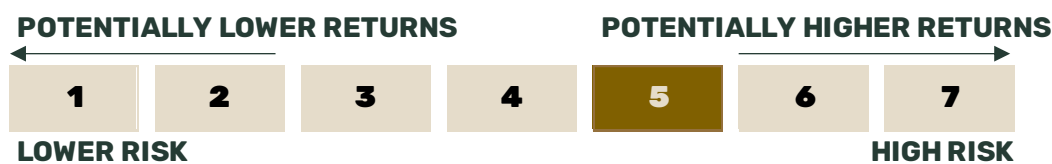
Description of this fund

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

Total value of the fund	\$17,652,785.54
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 to 30 September 2021. 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)	14.19%
Annual return (after deductions for charges but before tax)	14.82%
Market index annual return (reflects no deductions for charges and tax)	17.20%

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	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 ²	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.

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

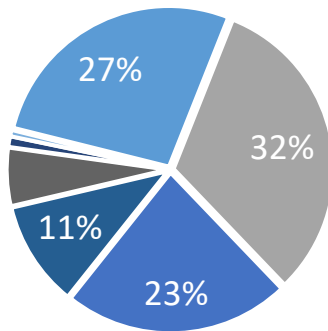
Example of how this applies to an investor

Angela 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, Angela received a return after fund charges were deducted of \$1,482 (that is 14.82% of her initial \$10,000). Angela did not pay any other charges. This gives Angela a total return after charges and tax of \$1,419 for the year.

What does the fund invest in?

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

Actual investment mix²



- Australasian equities: 27.13%
- International equities: 31.82%
- Cash and Cash equivalents: 22.87%
- New Zealand fixed interest: 10.63%
- Listed property: 5.86%
- International fixed interest: 1.06%
- Other: 0.63%

Target investment mix

Cash and Cash Equivalents	8.70%
NZ Fixed Interest	7.20%
International Fixed Interest	9.20%
Australasian Equities	22.50%
International Equities	41.40%
Listed Property	6.00%

Top 10 investments

	Name	Percentage of fund net assets	Type	Country	Credit rating
1	Cash at Bank- Westpac	19.74%	Cash and cash equivalents	NZ	AA-
2	CORT 21/03/2026	1.93%	New Zealand fixed interest	NZ	unrated
3	Microsoft Corporation	1.71%	International equities	US	N/A
4	Telstra Corp Ltd	1.64%	Australasian equities	AU	N/A
5	Ebos Group Ltd	1.60%	Australasian equities	AU	N/A
6	Infratil Ltd	1.57%	Australasian equities	AU	N/A
7	Oceania Healthcare Limited	1.57%	Australasian equities	NZ	N/A
8	NEXTDC Ltd	1.57%	Listed property	AU	N/A
9	QBE Insurance Group Ltd	1.38%	Australasian equities	AU	N/A
10	Cleanaway Waste Management Ltd	1.36%	Australasian equities	AU	N/A

The top 10 investments make up 34.07% 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 50% of non-NZD equity exposure and 100% of non-NZD fixed interest exposure (actual hedging level was 48.90% at the quarter end (this will change over time)). Total unhedged foreign exposure is 24.74% of the net asset value of the fund at 30 September 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, 6 months	Deutsche Bank - Consultant	4 years, 9 months
2	Paul Brownsey	Chief Investment Officer	12 years, 6 months	Deutsche Bank - Director	5 years
3	James Caughey	Investment Strategist	4 years, 1 month	Senior Research Analyst position - NZAM	6 years
4	Nish Vyas	Director of Private Wealth	1 year, 8 months	Senior Private Banker - BNZ	4 years
5	Kent Fraser	Chair of Investment Committee	5 years		

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 September 2021. Market index returns have therefore been used for the period from 1 October 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. **Actual investment mix: Other** refers to unlisted Australasian equities, unlisted property and private credit holdings in the Fund.