



Investing in global property

Why property?

Real estate is a distinct asset class that often behaves differently to shares and bonds. This means an investment in property stocks can help diversify portfolios. Investing in property offers several advantages:

Feature	Description
Inflation protection	When inflation increases this can often affect returns for both equities and bonds. By contrast, property values can be driven up by inflation.
Income generation	Real estate generates rental income for the property owner. Unlike bonds or bank deposits the rental is generally not fixed but can grow over time. Rentals are often linked to inflation.
Capital gain potential	Listed real estate stocks offer potential capital gains. As they are exchange traded, the values can go both up and down.
Liquidity	Listed property stocks can be bought and sold daily. This is not possible with unlisted property investments.
Socially responsible	With listed property it is possible to invest responsibly by focusing on environmental, social and governance factors.

Why global property?

Many investors focus on NZ shares and property, yet the total NZ share market value is less than 0.25% of global shares.

Investing in global property offers diversification across companies, countries and property types:

Companies: The Fund will select between 50 and 100 property stocks from the global universe. By comparison NZ has only 10 listed property stocks.

Countries: The Fund typically holds stocks in 10-12 countries. This is much more diversified than only NZ holdings.

Property types: Most of the companies will own retail, office or industrial property but the Fund may also have holdings in other real estate categories such as storage units, medical facilities or residential property.

The Fund can allocate up to 20% to New Zealand property stocks with the balance being invested in global exposures.

What is socially responsible investment?

Our socially responsible investment (SRI) process involves three steps: 1) Screening company activities and revenue sources - the aim is to avoid companies deriving significant revenues from various industries (armaments, gambling, tobacco, thermal coal or pornography). 2) Rating companies and their current level of "controversy" (for example current environmental issues and product recalls. Poor performers can be excluded). 3) Scoring companies on environmental, social and governance (ESG) criteria. The research for these three steps is undertaken independently by Sustainalytics, a leading global provider of ESG and corporate governance research and ratings.





The Global Property Fund

ESG investing = environmental + social + governance factors

Property stock universe

Select listed property stocks from developed markets.

Exclusions and ESG

Apply exclusions for revenue (gambling, tobacco etc) and operational “controversy”. Prioritise companies with high environmental, social and governance scores.

Portfolio tilts

Tilt by geography or other factor.

Currency and portfolio protection

Implement currency hedging ratio and any portfolio protection strategies.

Key Global Property Fund features

Feature	Description
Investment exposures	Between 50 and 100 listed global real estate stocks (which can be companies or trusts). The main focus will be a mix of retail, office and industrial.
Currency hedging	Foreign currency exposures are at least partly hedged – typically between 50% and 100%.
Fees	Base management fee plus all other costs is 1.00% (plus GST). No performance fees.
Downside protection	Yes – in certain circumstances the Fund can use cash or use other protection strategies.
Liquidity	Fund units are issued and redeemed daily.

IMPORTANT DISCLAIMER – PLEASE READ

Before making a decision to invest you should consult an authorised financial advisor.

This information sheet provides a general overview of key points of the Global Property Fund. Full details are contained in the Product Disclosure Statement (available at www.path.co.nz). Pathfinder does not guarantee the performance of the Global Property Fund or any return from an investment in the Fund. Past returns are not a reliable indicator of future results. Seek independent investment and tax advice before committing to any investment.

Pathfinder Asset Management Limited is the issuer of units in the Global Property Fund.
Call us on 0800 PATHFINDER (0800 728434) or visit www.path.co.nz

