

Product Disclosure Statement

Pathfinder Investment Funds

Issued by Pathfinder Asset Management Limited

14 July 2020

This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer on www.business.govt.nz/disclose. Pathfinder Asset Management Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial adviser to help you to make an investment decision.

This PDS replaces the PDS dated 25 September 2017.

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KEY INFORMATION SUMMARY

What is this?

This is a managed investment scheme. Your money will be pooled with other investors' money and invested in various investments. Pathfinder Asset Management Limited (**Pathfinder, we, our or us**) will invest your money and charge you a fee for its services. The returns you receive are dependent on the investment decisions of Pathfinder and the performance of the investments. The value of those investments may go up or down. The types of investments and the fees you will be charged are described in this document.

What will your money be invested in?

Pathfinder offers five funds (each a **Fund**) which you can invest in under this Product Disclosure Statement (**PDS**). The Funds will not be suitable for all investors. You should seek advice from a financial adviser to help you make an investment decision. Please also carefully read section 4 (*What are the risks of investing?*) on page 11 (which includes risks specific to each Fund).

These investment options are summarised below. More information about the investment target and strategy for each investment option is provided in section 3 (*Description of your investment options*).

 Global Responsibility Fund	
Description The Fund invests in international equities and listed property that satisfy Pathfinder's ethical investment criteria. It achieves this by investing in Pathfinder's wholesale Responsible Investment Fund.	Investment objective Ethical investing in international equities to achieve above average long-term risk adjusted returns.
Risk Indicator¹ <div style="display: flex; justify-content: space-between; align-items: center;"> POTENTIALLY LOWER RETURNS POTENTIALLY HIGHER RETURNS </div> <div style="display: flex; justify-content: center; align-items: center; gap: 5px;"> <div style="border: 1px solid black; padding: 2px 10px; background-color: #003366; color: white;">1</div> <div style="border: 1px solid black; padding: 2px 10px; background-color: #003366; color: white;">2</div> <div style="border: 1px solid black; padding: 2px 10px; background-color: #003366; color: white;">3</div> <div style="border: 1px solid black; padding: 2px 10px; background-color: #003366; color: white;">4</div> <div style="border: 1px solid black; padding: 2px 10px; background-color: #003366; color: white;">5</div> <div style="border: 1px solid black; padding: 2px 10px; background-color: #003366; color: white;">6</div> <div style="border: 1px solid black; padding: 2px 10px; background-color: #003366; color: white;">7</div> </div> <div style="display: flex; justify-content: space-between; align-items: center; margin-top: 5px;"> LOWER RISK HIGHER RISK </div>	Estimated fund charges² Annual management fee: 0.30% External costs (estimated): 0.63% Buy spread: 0.05% (for investing) Sell spread: 0.05% (for withdrawing)

 Global Water Fund	
Description The Fund invests directly in companies involved in the water industry that satisfy Pathfinder's ethical investment criteria. The Fund targets a portfolio of 50 to 100 water companies.	Investment objective Ethical investing in global water companies to achieve above average long-term risk adjusted returns.
Risk Indicator¹ <div style="display: flex; justify-content: space-between; align-items: center;"> POTENTIALLY LOWER RETURNS POTENTIALLY HIGHER RETURNS </div> <div style="display: flex; justify-content: center; align-items: center; gap: 5px;"> <div style="border: 1px solid black; padding: 2px 10px; background-color: #003366; color: white;">1</div> <div style="border: 1px solid black; padding: 2px 10px; background-color: #003366; color: white;">2</div> <div style="border: 1px solid black; padding: 2px 10px; background-color: #003366; color: white;">3</div> <div style="border: 1px solid black; padding: 2px 10px; background-color: #003366; color: white;">4</div> <div style="border: 1px solid black; padding: 2px 10px; background-color: #003366; color: white;">5</div> <div style="border: 1px solid black; padding: 2px 10px; background-color: #003366; color: white;">6</div> <div style="border: 1px solid black; padding: 2px 10px; background-color: #003366; color: white;">7</div> </div> <div style="display: flex; justify-content: space-between; align-items: center; margin-top: 5px;"> LOWER RISK HIGHER RISK </div>	Estimated fund charges² Annual management fee: 1.30% Buy spread: 0.05% (for investing) Sell spread: 0.05% (for withdrawing)

 Global Property Fund	
Description	Investment objective
The Fund invests directly in listed property companies that satisfy Pathfinder's ethical investment criteria. The Fund targets a portfolio of 50 to 100 property companies.	Ethical investing in global property companies to achieve above average long-term risk adjusted returns.
Risk Indicator¹	Estimated fund charges²
<p>POTENTIALLY LOWER RETURNS</p> <p>POTENTIALLY HIGHER RETURNS</p> <p>1 2 3 4 5 6 7</p> <p>LOWER RISK HIGHER RISK</p>	<p>Annual management fee: 1.00%</p> <p>Buy spread: 0.05% (for investing)</p> <p>Sell spread: 0.05% (for withdrawing)</p>

 Ethical Trans-Tasman Fund	
Description	Investment objective
The Fund invests directly in Australasian equities, listed property companies and other assets that satisfy Pathfinder's ethical investment criteria. This is a high-conviction fund of top investment ideas and targets a portfolio of 10 to 40 holdings.	Ethical investing in Australasian equities to achieve above average long-term risk adjusted returns.
Risk Indicator¹	Estimated fund charges²
<p>POTENTIALLY LOWER RETURNS</p> <p>POTENTIALLY HIGHER RETURNS</p> <p>1 2 3 4 5 6 7</p> <p>LOWER RISK HIGHER RISK</p>	<p>Annual management fee: 1.00%</p> <p>Buy spread: 0.15% (for investing)</p> <p>Sell spread: 0.15% (for withdrawing)</p>

 World Equity Fund	
Description	Investment objective
The Fund invests in global equities from both developed and emerging markets and incorporates ethical investment screening. The Fund targets a diversified portfolio of more than 500 underlying company exposures by investing in exchange traded funds (ETFs).	Ethical investing in global equities to achieve above average long-term risk adjusted returns.
Risk Indicator¹	Estimated fund charges²
<p>POTENTIALLY LOWER RETURNS</p> <p>POTENTIALLY HIGHER RETURNS</p> <p>1 2 3 4 5 6 7</p> <p>LOWER RISK HIGHER RISK</p>	<p>Annual management fee: 1.10%</p> <p>External costs (estimated): 0.20%</p> <p>Buy spread: 0.05% (for investing)</p> <p>Sell spread: 0.05% (for withdrawing)</p>

¹ See Section 3 (*Description of your investment options*) for further information on the calculation of the risk indicator.

² Estimated fund charges are shown as a percentage of Fund net asset value and buy/sell spread as a percentage of Fund net asset value per unit (excluding GST). See Section 5 (*what are the fees?*) for further information.

See section 4 of this PDS (*What are the risks of investing?*) on page 11 for an explanation of the risk indicator and for information about other risks that are not included in the risk indicator. To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at <https://sorted.org.nz/tools/investor-kickstarter>.

Who manages the Funds?

Pathfinder is the manager of the Funds (see section 7 (*Who is involved?*) on page 16 for more information).

How can you get your money out?

You may redeem your investment in a Fund at any time. You must first give us three business days' notice (we may change this period) and you must use our redemption form. After the notice period we expect to pay you within 10 business days. The minimum redemption amount is \$5,000 (although we may change this).

More information about redeeming your investments can be found in section 2 of this PDS (*How does this investment work?*) on page 6. This includes information on the limited circumstances in which redemptions may be suspended or deferred.

Your investment in the Funds can be sold but there is no established market for trading these financial products. This means that you may not be able to find a buyer for your investment.

How will your investment be taxed?

Each Fund is a portfolio investment entity (**PIE**). The amount of tax you pay in respect of a PIE is based on your prescribed investor rate (**PIR**). To determine your PIR, go to <https://www.ird.govt.nz/roles/portfolio-investment-entities/using-prescribed-investor-rates>. See section 6 of this PDS (*What taxes will you pay?*) on page 15 for more information.

Where can you find more key information?

Pathfinder is required to publish quarterly updates for each Fund. The updates show the returns, and the total fees actually charged to investors, during the previous year. The latest fund updates are available at www.path.co.nz or www.business.govt.nz/disclosure. We will also give you copies of those documents on request.





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HOW DOES THIS INVESTMENT WORK?

We believe investing ethically will generate better long-term returns, as well as being better for our planet and its people. Funds pool the money of investors within each Fund and invest in assets (such as shares) on behalf of those investors.

As an investor, every time you contribute to a Fund you will receive units. The number of units you hold in a Fund represents your proportionate interest in that Fund. Units only give a beneficial interest (meaning they give a general interest in the Fund itself, not an interest in a specific Fund investment).

All units in a Fund have equal value. The value of units is calculated on a regular basis and will go up and down over time. Any change in value of the Fund's assets, as well as any fees and expenses, will be reflected in the unit price.

None of the Funds currently pay distributions to investors. This means that any income received by a Fund is retained by it and is reflected in the unit price. Your return on your investment comes from any increase or decrease of the unit price. Returns are not guaranteed for any Fund.

The Funds are governed by a trust deed between us (as manager) and Public Trust (as supervisor). The supervisor (or its appointed custodian) holds all assets in each Fund on trust on behalf of investors and supervises the performance of our functions and obligations as manager. For information on the roles of the manager and supervisor see section 7 (*Who is involved?*).

Each Fund is separately accounted for. This means the assets of one Fund are not available to meet the liabilities of another Fund.

Key benefits:

Key benefits of investing in the Funds are that your money will be:

- invested with our specialist ethical focus
- actively managed by our experienced investment professionals
- spread across a range of assets that might otherwise be difficult for you to access.

Investing ethically: We believe investing ethically can include:

1. *Environmental, social and governance focus:* Focusing investment into companies that rate higher on environmental, social and governance criteria (for example companies promoting fair and safe working conditions or having robust environmental practices). We believe these make better long-term investments, as well as being better for our planet and its people.
2. *Sustainable Development Goals:* Aspiring for investment decisions to contribute to the UN's Sustainable Development Goals. These goals are a blueprint for achieving a better and more sustainable future for all. They address key global challenges, including poverty, inequality, climate, environmental degradation, prosperity, and peace and justice.
3. *Climate change awareness:* Companies with a lower carbon intensity and a plan for managing the transition to a low carbon economy make better long-term investments. We believe they will benefit our planet and its people in a warming world.



4. *Aware, Fair, Care:* Avoiding investment in companies engaged in industries or activities seen as harmful. This includes companies focused on tobacco, cluster munitions, fossil fuels and several other categories (please see www.path.co.nz for a complete list of exclusions).
5. *Engagement:* Engaging and voting as a shareholder can bring about positive change.

The Global Responsibility Fund, Global Water Fund, Global Property Fund and Ethical Trans-Tasman Fund apply all the steps above. The World Equity Fund focuses only on steps 3 and 4 (because this fund invests in exchange traded funds rather than direct shares).

Principles of Responsible Investment:

As part of our commitment to ethical investment, Pathfinder is a signatory to the UN Principles of Responsible Investment (UNPRI). These are a set of investment principles for incorporating environmental, social and governance issues into investment practice. They were developed in a process convened by the United Nations Secretary-General. The principles are intended to contribute towards creating more sustainable markets and a more prosperous world for all. The UNPRI encourages investors to use responsible investment to enhance returns and better manage risks.

Joining the Scheme

To invest you will need to complete our application form. You must invest a minimum of \$5,000 in a Fund (we may change this amount).

Making investments

You can choose to make regular contributions on a monthly basis. There is no obligation for you to make any ongoing regular contributions once you have made your initial investment. You can stop regular contributions at any time by giving written notice to us.

Withdrawing your investments

You may redeem your investment in a Fund at any time. You must first give us three business days' notice (we may change this period) and you must use our redemption form. After the notice period we expect to pay you within 10 business days. You must redeem a minimum of \$5,000 in a Fund and must retain a minimum balance of \$5,000 (we may change these amounts).

Redemptions may be deferred or suspended in very limited circumstances. These include where financial, political or economic conditions would prejudice investors' interests. They may also apply where a large number of redemption requests have been received in a 3-month period.

How to switch between funds

To switch between the Funds you will need to complete our switching form. You must switch a minimum of \$5,000 (we may change this amount). If you switch you are redeeming from one Fund and re-investing in the other Fund. We will not charge you a fee for switching however the buy / sell spread will apply to the redemption and re-investment.

Your investment value

You can calculate the value of your investment at any time by multiplying the number of units you hold by the current redemption price (note that PIE tax may change the number of units you hold).



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DESCRIPTION OF YOUR INVESTMENT OPTIONS

Each Fund is managed by Pathfinder. The investment objectives and strategies reflect our long-term approach to investing in global assets:

Global Responsibility Fund

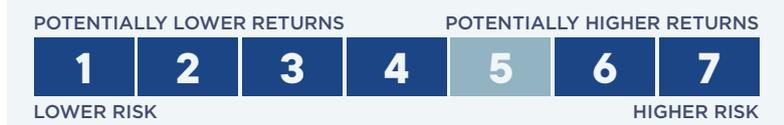
Investment objective: Ethical investing in international equities to achieve above average long-term risk adjusted returns.

Strategy: The Fund invests in international equities and listed property. It achieves this by investing in Pathfinder's wholesale Responsible Investment Fund.

Target investment mix: Equities 100%; Cash 0%

Minimum suggested time frame: Medium to long-term time frame of 5+ years.

Risk Indicator¹:



Global Water Fund

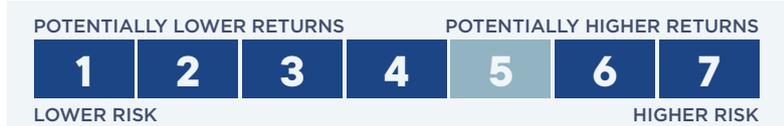
Investment objective: Ethical investing in global water companies to achieve above average long-term risk adjusted returns.

Strategy: The Fund invests in listed water companies. Water companies cover a wide range of activities, including water utilities, filtration, monitoring technology and the manufacture of pumps, pipes and irrigation equipment.

Target investment mix: Equities 100%; Cash 0%.

Minimum suggested time frame: Medium to long-term time frame of 5+ years.

Risk Indicator¹:





Global Property Fund

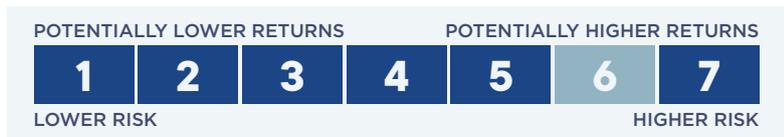
Investment objective: Ethical investing in listed property companies to achieve above average long-term risk adjusted returns.

Strategy: The Fund invests in listed property companies. These are expected to predominantly own industrial, office and retail property but can include other activities (such as trading and development) and other types of real estate assets (such as residential property, medical facilities and storage units).

Target investment mix: Equities 100%; Cash 0%.

Minimum suggested time frame: Medium to long-term time frame of 5+ years.

Risk Indicator¹:



Ethical Trans-Tasman Fund

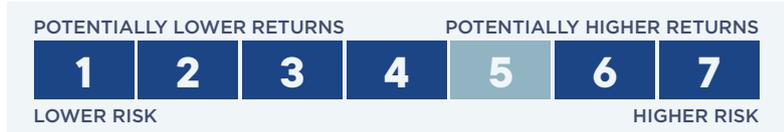
Investment objective: Ethical investing in Australasian equities to achieve above average long-term risk adjusted returns.

Strategy: The Fund invests in Australian and New Zealand equities, listed property companies and other assets. The Fund invests in our top individual equity ideas and targets a portfolio of 10 to 40 holdings.

Target investment mix: Equities 100%; Cash 0%.

Minimum suggested time frame: Medium to long-term time frame of 5+ years.

Risk Indicator¹:



World Equity Fund

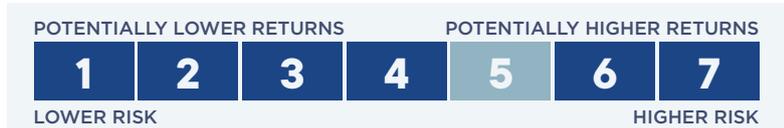
Investment objective: Ethical investing in international equities (refer to the *Investing Ethically* Statement on page 6) to achieve above average long-term risk adjusted returns.

Strategy: The Fund invests in global equities. It can invest in individual companies directly, however the preferred strategy is to invest in exchange traded funds (ETFs). The intention is for the Fund to have a highly diversified portfolio of more than 500 underlying exposures.

Target investment mix: Equities 100%; Cash 0%

Minimum suggested time frame: Medium to long-term time frame of 5+ years.

Risk Indicator¹:



¹ Notes in relation to the risk indicator:

- The risk indicator is not a guarantee of a fund's future performance.
- **Global Responsibility Fund** does not have a 5-year return history. The risk indicator is filled in using market index returns from 1 July 2015 to September 2017 (when the Fund was not in existence) and the Fund's actual returns since then. As a result of those returns being used, the risk indicator may provide a less reliable indicator of the future volatility of the Fund.
- **The Global Property Fund** does not have a 5-year return history. The risk indicator is filled in using market index returns from July 2015 to 22 July 2015 (when the Fund was not in existence) and the Fund's actual returns since then. As a result of those returns being used, the risk indicator may provide a less reliable indicator of the future volatility of the Fund.
- **The Ethical Trans-Tasman Fund** does not have a 5-year return history. The risk indicator is filled in using market index returns from July 2015 to October 2019 (when the Fund was not in existence) and the Fund's actual returns since then. As a result of those returns being used, the risk indicator may provide a less reliable indicator of the future volatility of the Fund.

Below are further details of the investment strategy for each Fund covering currency hedging and diversification of exposures:

<i>Pathfinder Fund</i>	<i>Currency hedging target¹</i>	<i>Target portfolio exposures (diversification)</i>
Global Responsibility Fund	50%	Currently invests in Pathfinder's wholesale Responsible Investment Fund which in turn targets investment in 200 companies
Global Water Fund	50%	50-100 water companies
Global Property Fund	75%	50-100 property companies
Ethical Trans-Tasman Fund	50%	10-40 Australasian companies
World Equity Fund	50%	500+ companies via exchange traded fund (ETF) holdings

¹ For each Fund the currency hedging target is a "generally preferred" position. However, the actual currency hedging level can be much higher or lower.

For each Fund the Statement of Investment Policy and Objectives (**SIPO**) sets out the Fund's investment objective and investment strategy. We will review the SIPO at least once each year which will include approval from our Investment Committee or Board. Changes must be made in consultation with the Supervisor in accordance with the Trust Deed and the Financial Markets Conduct Act 2013. We are not required to notify you of any changes to the SIPO, however you can view the latest version of the SIPO at www.business.govt.nz/disclose

Further information about the assets in each Fund can be found in the fund updates at www.path.co.nz.



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WHAT ARE THE RISKS OF INVESTING?

Understanding the risk indicator

Managed funds in New Zealand must have a standard risk indicator. The risk indicator is designed to help investors understand the uncertainties both for loss and growth that may affect their investment. You can compare funds using the risk indicator.

Risk indicator example



The risk indicators for the Funds can be found on pages 2, 3, 8, 9.

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 (volatility). 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 (described under the heading "Other specific 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 5 year period ending 30 June 2020. While risk indicators are usually relatively stable, they do shift from time to time. You can see the most recent risk indicator in the latest fund update for each Fund.

General investment risks

Some of the things that may cause a Fund's value to move up and down, which affect the risk indicator, are:

Market risk: This is the risk that events affect financial markets generally. Global markets can be severely impacted by political, financial, economic or regulatory uncertainty, technological, pandemic or climatic disruption, market sentiment or instability within particular countries or industries.

Single asset class risk: Each Fund is only invested in one asset class (shares) meaning none of the Funds are diversified across asset classes. If market prices for shares fall, it will generate losses for that Fund.

Specific investment risk: This is the risk that one or more investments owned by a Fund may face unforeseen events, which reduces the value of the investment.

Liquidity risk: This is the risk that a Fund cannot easily sell its investments or can only sell at a much lower price than in normal market conditions. This may affect the value of a Fund's assets and applies to both listed and any unlisted investments of a Fund. In very extreme cases it could mean you may not be able to redeem your units when you want to.

Currency risk: This is the risk that the New Zealand dollar value of foreign assets changes due to changes in the value of the New Zealand dollar. We can use currency hedging to reduce, but not eliminate, the risk of currency losses.

Derivatives risk: Derivatives, such as options, futures and swaps, may be used by a Fund for hedging and other purposes. The risks of using derivatives include: the value of the derivative failing to move in line with the underlying asset, potential illiquidity of the derivative, the possibility that the derivative position is difficult or costly to reverse, the derivative not performing as expected, and counterparty risk.

Counterparty risk: This is the risk that a party to a contract with a Fund fails to perform its obligations or its financial strength worsens. If such a party (which includes banks and brokers) defaults on its obligations to a Fund or becomes insolvent then the value of the Fund will be affected.

Other specific risks

There are circumstances that significantly increase risks for investors that are not reflected in the risk indicator. These include:

Risk specific to the Ethical Trans-Tasman Fund: The portfolio is concentrated with a maximum of 40 companies. This means the Fund may be subject to a greater level of volatility than a broader and more diversified portfolio.

For more information on the risks of investing in the Fund, see the "Other Material Information" document on the offer register at www.business.govt.nz/disclose.



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WHAT ARE THE FEES?

You will be charged fees for investing in the Funds. Fees are deducted from your investment and will reduce your returns. If Pathfinder invests in other funds, those funds may also charge fees. The fees you pay will be charged in two ways:

- Regular charges (for example, annual fund charges). Small differences in these fees can have a big impact on your investment over the long term.
- One-off fees (for example, the buy/sell spread)

Fund fees (exclusive of GST, if any) are set out in the table below. Our management fee and external costs are calculated as a percentage of the net asset value of each Fund:

Total management and administrative charges			
<i>Pathfinder Fund</i>	<i>Our annual management fee</i>	<i>Annual external costs (estimated)</i>	<i>Total Annual Fund Charges¹ (estimated)</i>
Global Responsibility Fund	0.32%	0.61%	0.93%
Global Water Fund	1.30%	nil	1.30%
Global Property Fund	1.00%	nil	1.00%
Ethical Trans-Tasman Fund	1.00%	nil	1.00%
World Equity Fund	1.10%	0.20%	1.30%

¹ Actual annual fund charges will depend on the expenses incurred by the Fund and will vary from the estimate. Actual fund charges are available in the latest fund updates.

Fees will be deducted from your investment and are explained below:

Our management fee: This is paid to us for the investment management and operation of the Fund. This covers costs of Pathfinder, the Supervisor, custodian and administration manager.

External costs: This is an estimate of charges we may incur for investing in other funds. In the case of the Global Responsibility Fund, the other fund is our wholesale Responsible Investment Fund.

GST: All fees are exclusive of GST (which is currently charged at 15%).

Additional charges: The Supervisor is entitled to charge “special” fees to a Fund for services of an unusual or onerous nature outside its regular services. While there is no limit on these charges, none have ever been charged to a Fund.

Performance fee: We do not charge performance fees.

Other charges: None.

Individual action fees

The Funds have buy / sell spreads which are explained below:

Buy / sell spreads: When you subscribe for units in a Fund (including when you switch between Funds) the buy spread is added to the unit price and will be a cost to you. When you redeem units in a Fund (including when you switch between Funds) the sell spread is deducted from the unit price and will be a cost to you. The Funds' current buy / sell spreads, calculated as a percentage of net asset value per unit, are:

<i>Pathfinder Fund</i>	<i>Buy spread (for investing)</i>	<i>Sell spread (for withdrawing)</i>
Global Responsibility Fund	0.05%	0.05%
Global Water Fund	0.05%	0.05%
Global Property Fund	0.05%	0.05%
Ethical Trans-Tasman Fund	0.15%	0.15%
World Equity Fund	0.05%	0.05%

Why we have buy / sell spreads: The buy spread and sell spread belong to the Fund and are intended to cover transaction costs in relation to the units issued or redeemed. These amounts are not paid to us. There is no GST on the buy spread or sell spread. We may change the buy spread and/or the sell spread at any time if transaction costs change. You can see the current buy/sell spreads at www.path.co.nz/fees

There are no other individual action fees currently being charged to any of the Funds.

Example of how fees apply to an investor

Angela invests \$10,000 in the Global Property Fund. The buy spread of 0.05% is added to the unit price, which is a cost to Angela of \$5. This brings the starting value of her investment to \$9,995.

She is also charged management and administration fees, which work out to about \$115 (including GST) per annum (1.00% plus GST, on \$9,995). These fees might be more or less if her account balance has increased or decreased over the year.

Estimated total fees for the first year:

Individual action fees: \$5

Fund charges (including GST): \$115

See the latest fund update for an example of the actual returns and fees investors were charged over the past year.

This example only applies to the Global Property Fund. If you are considering investing in other funds or investment options in the scheme, this example may not be representative of the actual fees you may be charged.

The fees can be changed

We can change the fees of a Fund from time to time or introduce new fees. If fees are increased we must give 2 months' notice to investors in that Fund.

Pathfinder must publish a fund update for each Fund showing the fees actually charged during the most recent year. Fund updates, including past updates, are available at www.business.govt.nz/disclose and on our website.



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WHAT TAXES WILL YOU PAY?

Each Fund is a portfolio investment entity (**PIE**). The amount of tax you pay is based on your prescribed investor rate (**PIR**). To determine your PIR, go to <https://www.ird.govt.nz/roles/portfolio-investment-entities/using-prescribed-investor-rates>. If you are unsure of your PIR, we recommend you seek professional advice or contact the Inland Revenue Department. It is your responsibility to tell Pathfinder (or if you invest through a custodial service, the provider of that service) your PIR when you invest or if your PIR changes. If you do not tell Pathfinder (or, if applicable, the provider of the custodial service you invest through), a default rate may be applied. If the advised PIR is lower than the correct PIR, you will need to pay any tax shortfall, interest, and penalties. If the default rate or the advised PIR is higher than the correct PIR, from the 2020/21 year, you may get a refund from Inland Revenue.

(Note that the Global Responsibility Fund, Global Water Fund and World Equity Fund have registered as Foreign Investment Zero-Rate PIEs and the Global Property Fund and Ethical Trans-Tasman Fund has registered as a Foreign Investment Variable-Rate PIE. Special PIR rules apply for certain non-resident investors in Foreign Investment PIEs. For more information on this see the “Other Material Information” document on the offer register at www.business.govt.nz/disclose.)

You must also provide us with your New Zealand IRD number (or a foreign tax number, if you are non-resident) when you invest or when requested by us. If this is not provided, we are not able to accept your investment.

7

WHO IS INVOLVED?

About Pathfinder: We are the manager of the five Funds offered under this PDS. We are a specialist fund manager and launched our first ethical fund in 2010.

We were co-founded by John Berry and Paul Brownsey, and they continue to be significant shareholders and executives involved in the business day to day. Alvarium Investments (NZ) Limited, through its ownership of Alvarium (NZ) Wealth Management Holdings Limited is the majority shareholder in Pathfinder.

Biographies of our Board members can be found on www.path.co.nz. More information about the Alvarium group can be found at www.alvariuminvestments.com

Our contact details are

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Auckland 1010

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Email: info@path.co.nz

Who Else is involved?

<i>Function</i>	<i>Name</i>	<i>Description of role</i>
Supervisor	Public Trust	Responsible for supervising the performance of Pathfinder's duties as manager of the Scheme and ensuring the Funds' assets are appropriately held.
Custodian	Pathfinder Nominees Limited	The Custodian is a wholly owned subsidiary of the Supervisor and holds the assets of the Funds on trust for investors.
Administration manager	MMC Limited	Provide administration functions for the Funds such as fund accounting and registry.
Auditor	PricewaterhouseCoopers	Auditor of the Funds.
Environmental, Social and Governance (ESG) research provider	Sustainalytics	Provide specialist ESG research and ratings as part of our investment process.
Proxy voting	Glass Lewis	Enable Pathfinder to vote the shares we hold in global companies to encourage positive change.

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HOW TO COMPLAIN

If you have a complaint, please contact:

By post: Senior Compliance Officer
Pathfinder Asset Management Limited
PO Box 2673
Auckland 1140

Telephone: 0800 ETHICAL (0800 384 4225)

Email: lizzy@path.co.nz

If we cannot resolve your complaint, you may contact our Supervisor:

By post: Public Trust
Level 9
34 Shortland Street
Auckland 1010

Telephone: 0800 371 471

Email: cts.enquiry@publictrust.co.nz

If neither Pathfinder nor Public Trust have been able to resolve your complaint, you can contact either:

Insurance & Financial Services Ombudsman Scheme Inc. (IFSO) in respect of Pathfinder:

By post: Level 2, Solnet House
70 The Terrace
PO Box 10-845
Wellington 6143

Telephone: 0800 888 202

Email: info@ifso.nz

OR

Financial Services Complaints Limited (FSCL) in respect of Public Trust:

By post: PO Box 10-845
Wellington 6145

Telephone: 0800 347 257

Email: info@fscl.org

IFSO and FSCL are independent dispute resolution schemes. IFSO and FSCL will not charge you a fee to investigate or resolve your complaint.



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WHERE YOU CAN FIND MORE INFORMATION

Offer and scheme registers: Further information relating to Pathfinder's Funds (for example, financial statements, quarterly fund updates, the annual report, the 'Other Material Information' document, the Trust Deed and the SIPO) is available on the offer register and the scheme register at www.business.govt.nz/disclose. A copy of information on the offer register or scheme register is available on request to the Registrar of Financial Service Providers.

Pathfinder online portal: Your investment information will be available through our online portal. We can also provide you additional information upon request without charge. You will find our contact details in section 7 (*Who is involved?*) on page 16.

Annual tax statement: Each year you will also be sent a tax statement. This will tell you how much taxable income was allocated to you and how much tax has been paid at your selected PIR.

By request to Pathfinder: Pathfinder can provide you additional information upon request, including current unit prices, fund updates and annual reports. We do not currently charge for providing this information. You will find our contact details in section 7 (*Who is involved?*) on page 16.

Our website: You can find general information about us, the Funds (including Fund updates) and our team on our website www.path.co.nz.

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HOW TO APPLY

To invest in a Pathfinder Fund please fill out the application form at the end of this PDS and send it to us c/o MMC Limited, PO Box 106 039, Auckland City, Auckland 1143.

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Application Form

Pathfinder Investment Funds



Thank you for choosing to invest with Pathfinder Asset Management Limited (Pathfinder)

Please confirm you have completed this form and included:

- your identification documents (see page 27 & 28)
- your proof of address document (see page 27)
- your bank statement or printed deposit slip (existing CareSaver Member needs to provide)
- your cheque made payable to Pathfinder Nominees Limited (see page 23)
- your Trust or Company documents as appropriate (see page 28)

Please mail these to Pathfinder. c/o MMC Limited, P.O. Box 106-039, Auckland 1143

Existing member of CareSaver Kiwisaver? **Please go to Section 3.**

CareSaver Account Number:

E S G [] [] [] [] [] []

1

What type of investor are you?

INVESTOR TYPE

Please tick one:

- Individual
- Joint ownership
- Company
- Trust
- Superannuation scheme
- Partnership
- Other (please specify)

2

Investor details (also trustees, trust settlor and company directors to complete here)

INVESTOR ONE

Title:	First name/s:	Last name:
Date of birth: / /	IRD number:	- -
Country of birth:	Occupation:	
If you are not living in NZ please state your country of residence:		
Tax status:	<input type="checkbox"/> NZ tax resident <input type="checkbox"/> US tax resident (please contact us directly for additional information)	
List any other countries you are a citizen or tax resident of:		
Insert your US or other tax identification number (or equivalent):		
PIR rate: (tick appropriate box) <input type="checkbox"/> 0% <input type="checkbox"/> 10.5% <input type="checkbox"/> 17.5% <input type="checkbox"/> 28%		
Address: (cannot be a PO Box)		
Address second line:	Postcode:	
Mobile phone:	Home phone:	
Email:		



INVESTOR TWO

Title: First name/s: Last name:

Date of birth: / / IRD number: - - - - - - -

Country of birth: Occupation:

If you are not living in NZ please state your country of residence:

Tax status: NZ tax resident US tax resident (please contact us directly for additional information)

List any other countries you are a citizen or tax resident of:

Insert your US or other tax identification number (or equivalent):

PIR rate: (tick appropriate box) 0% 10.5% 17.5% 28%

Address: (cannot be a PO Box)

Address second line: Postcode:

Mobile phone: Home phone:

Email:

INVESTOR THREE

Title: First name/s: Last name:

Date of birth: / / IRD number: - - - - - - -

Country of birth: Occupation:

If you are not living in NZ please state your country of residence:

Tax status: NZ tax resident US tax resident (please contact us directly for additional information)

List any other countries you are a citizen or tax resident of:

Insert your US or other tax identification number (or equivalent):

PIR rate: (tick appropriate box) 0% 10.5% 17.5% 28%

Address: (cannot be a PO Box)

Address second line: Postcode:

Mobile phone: Home phone:

Email:

Investing for a Trust or Company

Full name of Trust / Company:

Trading name (if different):

Country where established:

Date established:

Identifier or registration number:

Registered office:

Postal address:

IRD number:

State type of trust (*family, charitable etc*):

PIR rate: (tick appropriate box)

0%

10.5%

17.5%

28%

Tax status:

NZ tax resident

US tax resident (*please contact us directly for additional information*)

List any other countries the Trust / Company is a tax resident of:

Insert your US or other tax identification number (or equivalent):

Tick here if the Trust / Company has a US controlling person:

Describe the nature of the Trust / Company's business activity:

Note: Each trustee, trust settlor and company director to complete "Individual Investor" details on pages 20 and 21.

Investing on behalf of a minor (16 years and under)

Please complete their investor details on page 20. We also require your details below:

Your title:

Your first name/s:

Your date of birth:

Your last name:

Your relationship with the minor:

Your contact number:

IRD number:

3

Investment details

Source of wealth (please select as appropriate)

- Earned income
 Savings/investments
 Sale of assets
 Inheritance
 Gift
- Other (please specify)

Investment purpose (provide explanation if appropriate)

I/we confirm that my/our purpose of investing in Pathfinder's funds is to earn a long term investment return. If this statement does not apply please set out your purpose for investing:

Annual income (in NZD) (please complete if your application amount exceeds \$100,000)

- My/our annual income is: \$0 - \$50,000 \$50,000 - \$100,000 \$100,000 - \$500,000
- \$500,000 - \$1 million in excess of \$1 million

Select Fund/s

I/we wish to invest NZ\$ to purchase units in the following Pathfinder Investment Fund(s) (minimum of \$5,000 per Fund):

Pathfinder Global Water Fund	NZ\$ <input type="text"/>
Pathfinder Global Responsibility Fund	NZ\$ <input type="text"/>
Pathfinder Global Property Fund	NZ\$ <input type="text"/>
Pathfinder World Equity Fund	NZ\$ <input type="text"/>
Pathfinder Ethical Trans-Tasman Fund	NZ\$ <input type="text"/>

INVESTMENT DETAILS

Your payment

Please confirm how you will make payment (tick as appropriate):

- Cheque please make payable to "Pathfinder Nominees Limited" and cross it "not transferable"
- Direct credit please deposit to the appropriate account(s) of Pathfinder Nominees Limited:

Pathfinder Global Water Fund	Westpac Bank 03-0104-0189792-000
Pathfinder Global Responsibility Fund	Westpac Bank 03-0502-0369449-02
Pathfinder Global Property Fund	Westpac Bank 03-0252-0005051-000
Pathfinder World Equity Fund	Westpac Bank 03-0104-0191796-000
Pathfinder Ethical Trans-Tasman Fund	Westpac Bank 03-0162-0078679-00

Please reference your payment with your IRD number and your name.

YOUR PAYMENT



Your Bank

YOUR BANK

You must provide us detail of your NZ domiciled bank. We also require a copy of a bank deposit slip or bank statement to verify this account:

Name of your bank:

Name on the account:

Account number:

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Your financial adviser

YOUR FINANCIAL ADVISER

Adviser details (if this application is by recommendation of an Authorised Financial Adviser, please complete their details below):

Adviser name:

Company name:

Contact phone:

Their email:

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Your declarations

YOUR DECLARATIONS

Investor declarations:

Electronic communication: I/we consent to receiving information electronically from Pathfinder or Public Trust (as supervisor) regarding my/our investment (using the email address I/we provided in the "Investor Details" section). This includes financial statements, Fund updates and other communications in relation to my/our investment.

Electronic identity verification: For the purpose of verifying my identity, by signing this form I consent to the personal information that I have provided being used with (and, where necessary, disclosed to) the following sources: (1) the NZTA for the purpose of checking the Drivers Licence and MOTO databases (2) the Department of Internal Affairs for the purpose of checking the Passport, Birth Certificate and Citizenship Certificate databases (3) Land Information New Zealand (4) the Companies Office (5) Centrix Group Limited (and I authorize Centrix to use any information that they hold in their credit reporting bureau about me to compare the information that I have provided) and (6) the White Pages.

PDS provided: I/we confirm that I/we have read and retained the attached Product Disclosure Statement (PDS) dated 14 July 2020 for the Pathfinder Investment Funds.

Trust Deed binding: I/we understand that the terms and conditions of the Trust Deed will be binding on me/us.

Other important declarations: I/we confirm I/we have read and are bound by the declarations on pages 25 and 26 relating to "anti-money laundering", "information and privacy", "custodians" and "Portfolio Investor Proxies (PIPs)".



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Your signature

YOUR SIGNATURE

Investor signing *(please note all applicants must sign)*

Signature of investor 1:	<input type="text"/>	Date:	<input type="text"/>	<input type="text"/>	<input type="text"/>
Signature of investor 2:	<input type="text"/>	Date:	<input type="text"/>	<input type="text"/>	<input type="text"/>
Signature of investor 3:	<input type="text"/>	Date:	<input type="text"/>	<input type="text"/>	<input type="text"/>

Signature if you are investing on behalf of a minor (16 years and under):

Date:

You may (but are not required to) have the minor sign:

Date:

Certificate of non-revocation of power of attorney

I, of,

hereby certify that of,

has appointed me his / her / its Attorney under a deed dated

I have executed this application as Attorney under the Power of Attorney and in accordance with the powers given to me. I have not received any notice or information of the revocation of the Power of Attorney by the death or liquidation of the donor or otherwise.

Signature of Attorney Date:

Anti-money laundering

This section applies to anti-money laundering, countering financing of terrorism and sanctions laws (AML Laws) in New Zealand. I/we acknowledge that these apply to Pathfinder and I/we also agree:

- 1) not to do anything that could cause Pathfinder to breach the AML Laws;
- 2) to provide Pathfinder with all information and other assistance it reasonably requires to comply with the AML Laws; and

I/we represent and warrant that I/we have no cause to believe the money used to invest in the Fund(s) are the proceeds of crime, money laundering or will be used to finance terrorism.

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Pathfinder Asset Management Limited

Information and privacy

This section applies to personal information that I/we are providing to Pathfinder and Public Trust (as supervisor) as part of this application, and to any personal information I/we may provide in the future.

I/we agree that:

- 1) all information about me/us disclosed in this form may be used by Pathfinder or disclosed to and used by Public Trust (as supervisor) for the purpose of managing the Funds and my/our holding, including compliance with the AML Laws; and
- 2) I/we will inform Pathfinder of any changes to the information provided by me/us to Pathfinder or Public Trust (as supervisor).
- 3) Pathfinder may disclose my information: (a) as required by law, (b) as requested by a tax authority or regulatory body (such as the FMA) or (c) to Pathfinder's professional advisers or providers in relation to management of the Funds.

I/we know that I/we can request access to and correction of any information held about me/us by Pathfinder and Public Trust (as supervisor).

Custodians

This section applies if I/we are a custodian applying on behalf of another person(s). If this applies then:

- 1) I/we warrant to Pathfinder and Public Trust (as supervisor) that the other person(s) has received a copy of the current Product Disclosure Statement for the Pathfinder Investment Funds prior to this application being submitted; and
- 2) that person(s) is my/our 'customer' in terms of the AML Laws and I/we have and will comply with my/our obligations in respect of that person(s) under the AML Laws, including to verify the identity of that person(s) and source of their funds.

Portfolio Investor Proxies (PIPs)

This section applies if I/we are a Portfolio Investor Proxy. I/we agree to:

- 1) monitor the holdings of underlying investors and to manage and remedy any breach of the Portfolio Investment Entity rules (such as the "maximum Investor interest" and "minimum number of investors" requirements) relating to underlying investors within the time periods permitted; and
- 2) immediately notify the Manager on becoming aware of any such breach.



Identification Documents

Pathfinder Investment Funds

Thank you for choosing to invest with Pathfinder Asset Management Limited.

Under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009, we must verify your identity. The only exception is if we have verified your identity previously (although be aware we may not always be able to rely on this exception).

If you don't provide the required documents then your application will be rejected and your payment returned. You will not receive any interest on payments returned to you.

If you are an existing investor at Pathfinder, you don't have to provide physical personal IDs or proof of address again.

1 *Electronic Verification*

NZ Passport

Passport number:

Expiry date:

/ /

OR

NZ Driver License

License number:

Version number:

Australian Passport

Passport number:

Passport Gender:

Male

Female

Other

Signature of Investor

Date:

/ /

OR

2 *Original or certified copy of the following*

Personal identification
(Original or certified copy)

An original or original certified copy of one of the following for each person referred to in the application:

- New Zealand passport; or
- New Zealand firearms license

Proof of physical address
(Original or certified copy)

An original or original certified copy of one of the following (which is less than 3 months old) for each person referred to in the application

- bank statement; or
- utility bill (power or water); or
- government agency statement

continued over page



If you are investing as a Company we need:

- 1) to conduct verification of identity on each director, each natural person owning 25% or more shares and each natural person exercising effective control of the Company
- 2) a copy of the certificate of incorporation

If you are investing as a Trust we need:

- 1) to conduct verification of identity for the settlor and each trustee
- 2) a complete list of birth dates of beneficiaries named in the trust deed
- 3) trust deed and all amending deeds (do not need to be certified)
- 4) source of fund/wealth (e.g. payslips, sale or purchase agreement)

If you are investing for another person under power of attorney we need:

- 1) to conduct verification of identity on you and the person in whose name the investment is being made
- 2) certified copies of each Power of Attorney certificate of Non-Revocation documents

If you are investing for a minor we need to conduct verification of identity on you and the minor (16 years and under)

Certified copies must have been appropriately certified within the last 3 months by any one of: lawyer, accountant, doctor, teacher, police constable, justice of the peace, minister of religion or kaumātau.

Please mail the application form and supporting documents to:

Pathfinder, c/o MMC Limited, P.O. Box 106-039, Auckland 1143





path.co.nz