Fund Update for:
the Pathfinder Managed Investment Scheme

Pathfinder Commodity Plus Fund
Quarter ended 30 September 2018

This fund update was first made publicly available on: 31st October 2018

What is the purpose of this update?

This document tells you how the **Pathfinder Commodity Plus 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.

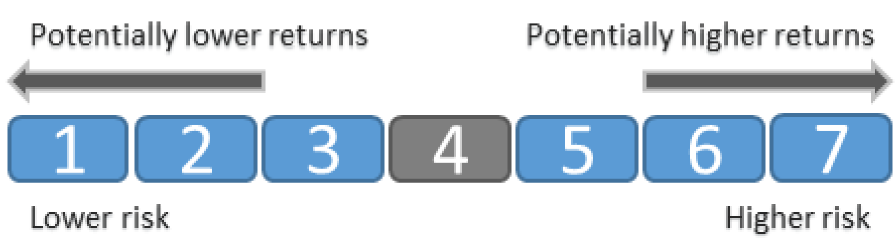
Description of this fund

The fund invests in commodities (generally by using derivatives) and cash. The fund currently invests in only 6 commodities being corn, wheat, gold, aluminium, crude oil and heating oil. At times the fund can be fully invested in cash and so have no commodity exposure.

Total value of the fund	$11,296,830
The date the fund started	7 April 2009

What are the risks of investing?

Risk indicator for the Pathfinder Commodity Plus 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 5 year period 1 October 2013 to 30 September 2018. 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.

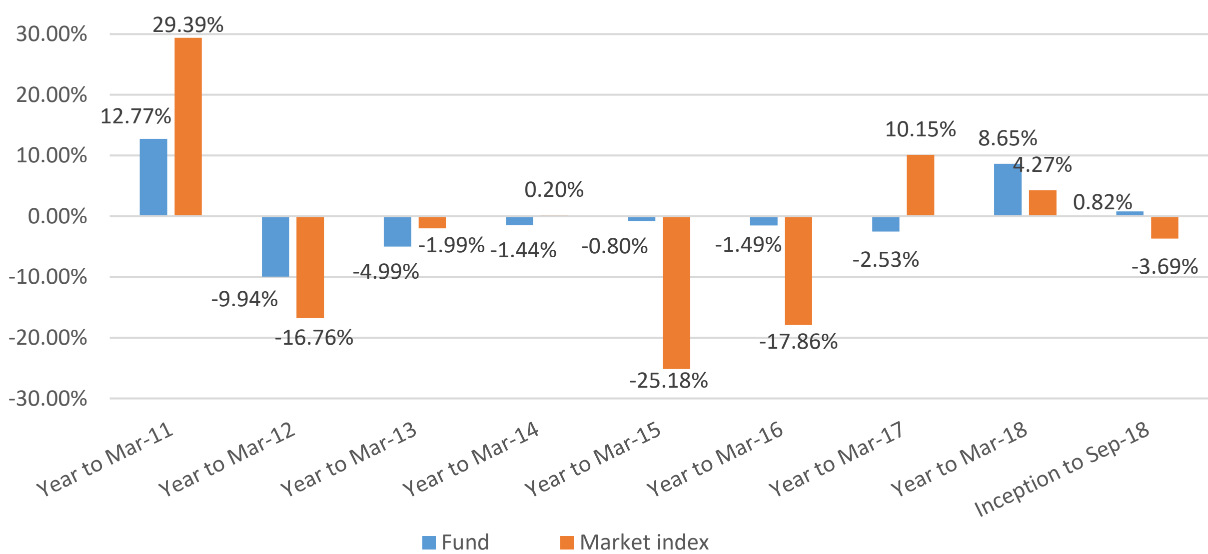
See the Product Disclosure Statement (**PDS**) for more information about the risks associated with investing in this fund.

How has the fund performed?

	Average over past 5 years	Past Year
Annual return (after deductions for charges and tax)	1.73%	16.59%
Annual return (after deductions for charges but before tax)	2.25%	23.30%
Market index annual return (reflects no deductions for charges and tax)	-7.18%	2.59%

The market index annual return is based on the Bloomberg Commodity Index 100% hedged to NZD (since 07/04/2009). 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).

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 2018.

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 Commodity Plus Fund are charged fund charges. In the year to 31 March 2018 these were:

	% of net asset value
Total fund charges*	1.00%
Which are made up of:	
Total management and administration charges Including:	1.00%
Manager basic fee	0.79%
Other management and administration expenses	0.21%

*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 on the offer register at www.business.govt.nz/disclose for more information.

Example of how this applies to an investor

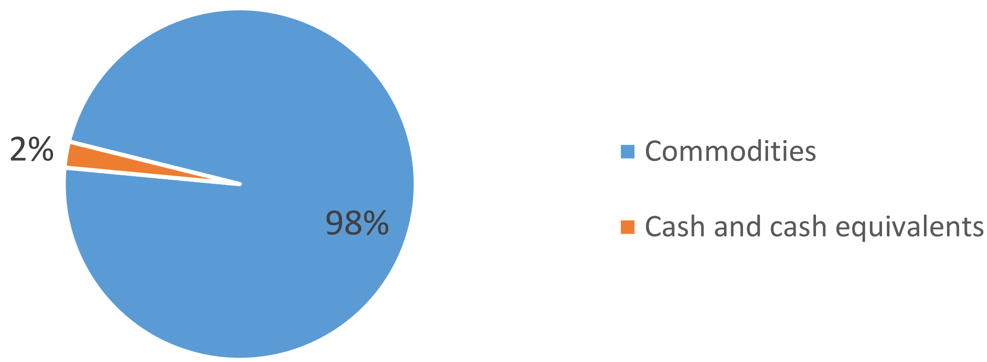
Small differences in fees and charges can have a big impact on your investment over the long term.

Angela had $10,000 in the fund at the start of the period and did not make any further contributions. At the end of the year, Angela received a return after fund charges were deducted of $2,330 (that is 23.30% of her initial $10,000). Angela did not pay any other charges. This gives Angela a total return after tax of $1,659 for the year.

What does the fund invest in?

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

Actual investment mix



Target investment mix

Cash and cash equivalents	0%
Commodities	100%

Top 10 investments

	Name	Percentage of fund net assets	Type	Country	Credit rating (if applicable)
1	PWA - Cash at Call	36.41%	Cash and cash equivalents	NZ	-----
2	Cash at Bank - NZD	33.36%	Cash and cash equivalents	NZ	-----
3	PWA - Cash at Call ASB	11.27%	Cash and cash equivalents	NZ	-----
4	OMF Financial NZD Margin A/c	10.40%	Cash and cash equivalents	NZ	-----
5	OMF Financial USD Margin A/c	5.81%	Cash and cash equivalents	US	-----
6	WTI Crude Future Nov18	3.16%	Commodities	US	-----
7	NY Harb ULSD Fut Nov18	1.07%	Commodities	US	-----
8	Cash at Bank - USD	0.54%	Cash and cash equivalents	US	-----
9	LME Pri Alum Fut Dec18	-0.09%	Commodities	US	-----
10	NZDUSD Maturing 12/10/2018 (4113034Z NZ)	-0.13%	Cash and cash equivalents	NZ	-----

The top 10 investments make up 101.80% of the fund. See *Note 1* for important information on the top 10 investments.

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 currency hedging level implemented in the fund at the quarter end was 100% (this will change over time).

Key personnel

	Name	Current position	Time in current position	Previous or current other position	Time in previous or other current position
1	John Berry	Pathfinder Asset Management - Chief Executive Officer	9 years, 6 months	Deutsche Bank - Consultant	4 years, 9 months
2	Paul Brownsey	Pathfinder Asset Management - Chief Investment Officer	9 years, 6 months	Deutsche Bank - Director	5 years

Further information

You can also obtain this information, the PDS for Pathfinder Investment Funds, and some additional information from the offer register at www.business.govt.nz/disclose.

Notes

1) **Top 10 investments:** The fund obtains exposure to commodities through commodity derivative contracts and associated cash and cash equivalents. The top 10 investments may just show these cash and cash equivalents and not the commodity derivative contracts. Other exposures in the fund have a negative value, overall all exposures in the fund add to 100%.