

Fund Update

Pathfinder KiwiSaver Plan

Conservative Fund

30 June 2021

Quarter ended 30 June 2021

This fund update was first made publicly available on 28th July 2021

What is the purpose of this update?

This document tells you how the **Pathfinder KiwiSaver Conservative 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.

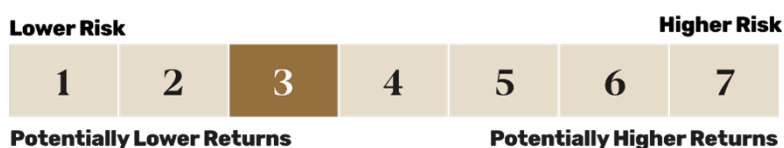
Description of this fund

The Fund is an ethical portfolio with a higher exposure to income assets and a lower exposure to growth assets. This Fund's value is unlikely to fluctuate as much as the Pathfinder KiwiSaver Balanced Fund or Pathfinder KiwiSaver Growth Fund.

Total value of the fund	\$6,719,135.71
Number of Investors in Fund	218
The date the fund started	23 rd July 2019

What are the risks of investing?

Risk indicator for the Pathfinder KiwiSaver Conservative 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 June 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.

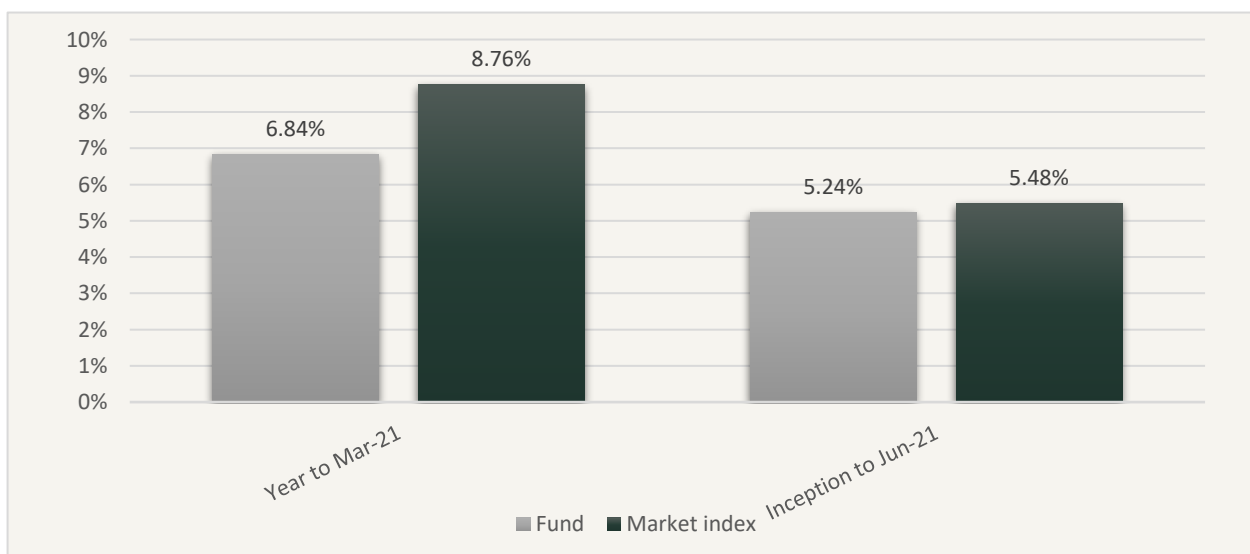
How has the fund performed?

	Past Year
Annual Return (after deductions for charges and tax)	7.00%
Annual Return (after deductions for charges but before tax)	7.39%
Market index annual return (reflects no deductions for charges and tax)	6.39%

The benchmark is a composite index made up of; 20% Bloomberg NZ Bank Bill Index, 60% Bloomberg Barclays Global Aggregate Total Return Unhedged (gross of interest and tax; 100% hedged to NZD) & 20% Morningstar Developed Markets Net Index (net of dividends and tax; 50% hedged to NZD).

Additional information about the index is available on the offer register at www.business.govt.nz/disclose (search Offers, using Offer OFR12681, 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 June 2021.

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 KiwiSaver Conservative Fund are charged fund charges. In the year to 31 March 2021 these were:

	% of net asset value
Total fund charges*	0.84%
Which are made up of:	
Total management and administration charges	0.84%
Including:	
Manager basic fee	0.80%
Other management and administration expenses	0.04%
Other Charges	
Administration and member fees	\$27 per investor per year

*All amounts exclude any applicable GST

Individual action fees: There are no individual action fees.

Example of how this applies to an investor

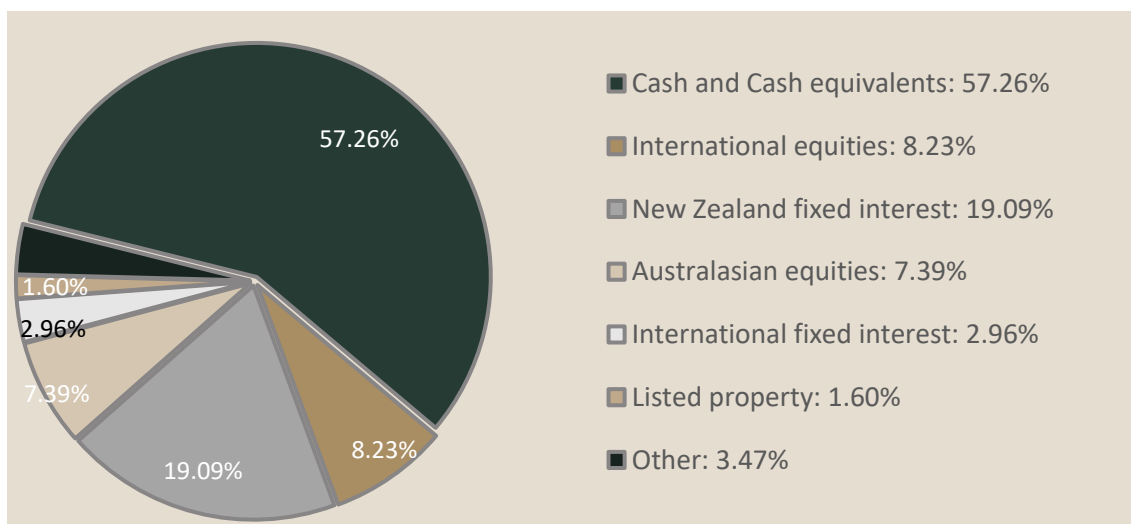
Small differences in fees and charges can have a big impact on your investment over the long term.

Tara 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, Tara received a return after fund charges were deducted of \$739 (that is 7.39% of her initial \$10,000). Tara also paid \$27 in other charges. This gives Tara a total return after fees, charges, and tax of \$673 for the year.

What does the fund invest in?

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

Actual investment mix²



Target investment mix

Cash and cash equivalents	20%
International Equities	8%
NZ Fixed Interest	30%
Australasian Equities	10%
International Fixed Interest	25%
Listed Property	2%
Other ²	5%

Top 10 investments

	Name	Percentage of fund net assets	Type	Country	Credit Rating
1	Cash at Bank - NZD - Interactive Brokers	35.27%	Cash and cash equivalents	NZ	BBB+
2	Westpac Term Deposit 10/06/2021- 10/12/2021	7.49%	Cash and cash equivalents	NZ	AA-
3	CORT 21/03/2026	5.20%	New Zealand fixed interest	NZ	Unrated
4	Westpac Term Deposit 12/01/2021 12/07/2021	4.53%	Cash and cash equivalents	NZ	AA-
5	MCYNZ 29/09/2026	3.76%	New Zealand fixed interest	NZ	Unrated
6	PWA - Cash at Call	3.06%	Cash and cash equivalents	NZ	A+
7	Westpac Term Deposit 25/05/2021- 25/05/2022	3.02%	Cash and cash equivalents	NZ	AA-
8	Westpac Term Deposit 15/02/2021-15/02/2022	3.02%	Cash and cash equivalents	NZ	AA-
9	WLB ASSET II B	2.96%	International fixed interest	US	Unrated
10	CORT 17/05/2025	2.52%	New Zealand fixed interest	NZ	Unrated

The top 10 investments make up 70.83% of the fund. See Note 3 for important information on the 'Cash at Bank - NZD'.

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 at 30 June 2021 was 44.63% of the foreign currency exposure (this will change over time)). Total unhedged foreign exposure is 6.81% of the net asset value of the Fund at 30 June 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, 3 months	Deutsche Bank - Consultant	4 years, 9 months
2	Paul Brownsey	Chief Investment Officer	12 years, 3 months	Deutsche Bank - Director	5 years
3	James Caughey	Investment Strategist	3 years, 10 months	Senior Research Analyst position - NZAM	6 years
4	Nish Vyas	Director of Private Wealth	1 year, 5 months	Senior Private Banker - BNZ	4 years
5	Kent Fraser	Chair of Investment Committee	4 years, 9 months		

Further information

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

Notes

- 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 June 2021. Market index returns have therefore been used for the period from 1 July 2016 to 23 July 2019 when the fund was not in existence, 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.
- Actual Investment Mix- Other:** Other assets are direct investments that are unlikely to be stock exchange listed. These can include investments known as 'impact investments', 'venture capital', 'private equity' and also carbon credits. This category also includes unlisted property, such as direct ownership in property or ownership of property companies that are not listed on a stock exchange.
- 'Cash at Bank – NZD':** 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 57.18% of the fund net assets.