



Pathfinder Investment Funds

Statement of
Investment
Policy
and Objectives

Investing for strong returns
and a *brighter future*.

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The current SIPO version is to be available on the schemes register (Disclose) <https://disclose-register.companiesoffice.govt.nz/>

Join the future of investment:
0800 ETHICAL (384 4225)
pathfinder.kiwi apply@pathfinder.kiwi
Level 37, PwC Tower,
15 Customs St West, Auckland, 1010

Signatory of:





1. Introduction

Purpose

This statement of investment policy and objectives (**SIPO**) sets out the investment philosophy, objectives and strategies for the following funds (each a **Fund**):

- Pathfinder Global Responsibility Fund
- Pathfinder Global Water Fund
- Pathfinder Global Property Fund
- Pathfinder Ethical Trans-Tasman Fund
- Pathfinder Ethical Growth Fund
- Pathfinder Green Bond Fund

Background

The Pathfinder Managed Investment Scheme (**Scheme**) is governed by a Master Trust Deed dated 1 April 2009 (as amended on 8 September 2016, 2 February 2021 and 15 November 2022) and a separate establishment deed for each Fund. These are referred to as the **Trust Deeds**. This SIPO, the Trust Deeds and any other investment policies are referred to as the **governing documents**. Each Fund is a Portfolio Investment Entity (**PIE**) for tax purposes and information on each Fund is available to investors in the Product Disclosure Statement (**PDS**) and an Other Material Information document (**OMI**), which are known as the **offer documents**.

Our investment philosophy

Our investment philosophy is built on two foundations:

- Our ethical beliefs are core to our investment process; and
- Our investment process must be research based and robust (as well as ethical).

Ethical investment beliefs:

Please refer to Section 4 (**Ethical Investing**) and our Ethical Investment Policy for details on how we address values and Environmental, Social and Governance (**ESG**) considerations in the way we invest. You can find a copy of our Ethical Investment Policy on our website at www.pathfinder.kiwi or the [Disclose Register](#).

Investment beliefs:

Our key investment beliefs include:

1. **‘High level’ decisions are critical:** Active asset allocation decisions by asset class, industry sector, investment theme and geography are a significant driver of investment returns.
2. **Integrating ESG:** Integrating environmental, social and governance analysis into decision making provides a deeper assessment of corporate risk and value-creation potential.
3. **Research is critical:** High quality research drives better investment decisions.
4. **Invest for the long-term:** We believe a long-term investment approach produces better outcomes for our investors (and our planet) than a short-term approach.



2. Manager responsibilities

The obligations of Pathfinder as Manager of the Funds include:

- investing assets in accordance with the governing and offer documents,
- reporting to investors and Public Trust (the **Supervisor**) on each Fund, and
- monitoring compliance with this SIPO, the trust deeds and other investment policies.

The Manager will maintain an ethics and investment committee (the **Ethics and Investment Committee**) to oversee management of the Funds.

3. Investment objective and benchmark

Investment objective:

The objective of each Fund is set out in the table below:

Fund	Investment Objective
Global Responsibility Fund	Ethical investing in international equities and listed property to achieve above average long-term risk adjusted returns.
Global Water Fund	Ethical investing in companies connected to water quality, accessibility or sustainability to achieve above average long-term risk adjusted returns.
Global Property Fund	Ethical investing in global property companies to achieve above average long-term risk adjusted returns.
Ethical Trans-Tasman Fund	Ethical investing in Australasian equities, listed property and other assets to achieve above average long-term risk adjusted returns.
Ethical Growth Fund	Ethical investing to achieve medium to high returns with a higher risk focus.
Green Bond Fund	Investing in Green Bonds to achieve above average long-term risk adjusted returns. Green Bonds are a type of financing where the money borrowed is used for a specific project targeting climate and environmental solutions.

Fund benchmark: A benchmark is an index (or composite of indices) that reflects the market(s) a fund is investing in and assists with measuring performance. Each Fund's financial performance will be measured against an appropriate benchmark selected by the Manager (which may be changed from time to time). The current Fund Benchmarks are set out in the table below:



Fund	Current Benchmark	
Global Responsibility Fund^{3 4}	Solactive GBS Developed Market Investable Universe Index ex Australia Large & Mid Cap ² (net total return basis; that is, including dividends and net of withholding tax, 50% hedged to NZD)	https://www.solactive.com/Indices/?index=DE000SL0HVY5
Global Water Fund^{3 4}	Solactive GBS Developed Markets Water All Cap ² (net total return basis; that is, including dividends and net of withholding tax, 50% hedged to NZD)	https://www.solactive.com/Indices/?index=DE000SL0G1A5 This is a customised index, check www.pathfinder.kiwi for more details
Global Property Fund	FTSE EPRA Nareit Global Real Estate Index (net total return basis; that is, including dividends and net of withholding tax, 75% hedged to NZD) ⁴	https://www.ftserussell.com/products/indices/epra-nareit
Ethical Trans-Tasman Fund	A 50/50 composite of the S&P NZX50 index/ S&P/ASX200 Index (Gross of dividends and tax, 50% hedged to NZD) ⁴	https://www.nzx.com/markets/indices https://www.asx.com.au/asx/statistics/indexInfo.do
Ethical Growth Fund^{3 5}	Morningstar® Target Allocation Plus Index™: Growth Multisector for New Zealand ¹	https://indexes.morningstar.com/indexes/details/morningstar-new-zealand-growth-target-allocation-plus-FS0000166K
Green Bond Fund	Bloomberg Global Aggregate Index (Gross of dividends and tax, 100% hedged to NZD)	https://www.bloomberg.com/professional/products/indices/quote/LEGATRUH:IND Bloomberg identifier: IT00035NZ

Note 1: Ethical Growth Fund is not sponsored, endorsed, sold or promoted by Morningstar Research Limited or any of its affiliates (all such entities, collectively "**Morningstar Entities**"). The Morningstar Entities make no representation or warranty, express or implied, to the owners of the Morningstar indexes or any member of the public regarding the advisability of investing in the relevant markets generally or in the above listed Morningstar Indexes to track general market performance.

Note 2: Solactive AG ("Solactive") is the licensor of Solactive GBS Developed Markets all Cap Index and the Solactive GBS Developed Markets Water All Cap Index (together, the "Solactive Index"). The financial instruments that are based on the Solactive Index are not sponsored, endorsed, promoted or sold by Solactive in any way and Solactive makes no express or implied representation, guarantee or assurance with regard to: (a) the advisability in investing in the financial instruments; (b) the quality, accuracy and/or completeness of the Solactive Index; and/or (c) the results obtained or to be obtained by any person or entity from the use of the Solactive Index. Solactive does not guarantee the accuracy and/or the completeness of the Solactive Index and shall not have any liability for any errors or omissions with respect thereto. Notwithstanding Solactive's obligations to its licensees, Solactive reserves the right to change the methods of calculation or publication with respect to the Index and Solactive shall not be liable for any miscalculation of or any incorrect, delayed or interrupted publication with respect to the Index. Solactive shall not be liable for any damages, including, without limitation, any loss of profits or business, or any special, incidental, punitive, indirect or consequential damages suffered or incurred as a result of the use (or inability to use) of the Index.

Note 3: The benchmark for the Global Responsibility Fund, the Global Water Fund and the Ethical Growth Fund changes on 30 April 2026 on a prospective basis. The previous benchmark for the Global Responsibility Fund was the Morningstar Developed Markets Index, for the Global Water Fund was the NASDAQ OMX Global Water Index, and for the Ethical Growth Fund was the Morningstar New Zealand Growth Target Allocation NR NZD.



Note 4: For the Morningstar® Developed Markets NR Index (50% hedged to NZD; for the Global Responsibility Fund before 30 April 2026) and the NASDAQ OMX Global Water NR Index (50% hedged to NZD, for the Global Water Fund before 30 April 2026), S&P/ASX200 Index (50% hedged to NZD), and the FTSE EPRA Nareit Global Real Estate Index (75% hedged to NZD), hedged returns are calculated by the Manager using a proxy methodology that applies a foreign-currency return for the relevant index. This method results in variations compared to a comprehensive foreign exchange hedging methodology, which includes the impact of foreign exchange forwards and intramonth unhedged gains/losses and typically assumes monthly rebalancing.

Note 5: The benchmark index for the Ethical Growth Fund changes on 30 April 2026 from the Morningstar® New Zealand Growth Target Allocation NR NZD. Before this, the benchmark for the Ethical Growth Fund changed on 1 October 2021. The index prior to 1 October 2021 was a composite of 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).

Monitoring: Fund performance is reported on the Manager’s website: www.pathfinder.kiwi and at regular Ethics and Investment Committee meetings. Each Fund is also reviewed at least annually by Pathfinder using the metrics below. The preferred data period is 3 years, although we may instead use a different period including data since inception of a Fund:

Fund	Performance Monitoring
Global Responsibility Fund	<ul style="list-style-type: none"> • returns after fees and before tax vs the Fund Benchmark • volatility vs the Fund Benchmark • returns after fees and before tax vs the mean or median of a sample of international equity PIE funds
Global Water Fund	<ul style="list-style-type: none"> • returns after fees and before tax vs the Fund Benchmark • volatility vs the Fund Benchmark • returns after fees and before tax vs the mean or median of a sample of international equity PIE funds
Global Property Fund	<ul style="list-style-type: none"> • returns after fees and before tax vs the Fund Benchmark • volatility vs the Fund Benchmark • returns after fees and before tax vs the mean or median of a sample of international property PIE funds
Ethical Trans-Tasman Fund	<ul style="list-style-type: none"> • returns after fees and before tax vs the Fund Benchmark • volatility vs the Fund Benchmark • returns after fees and before tax vs the mean or median of a sample of Australasian equity PIE funds
Ethical Growth Fund	<ul style="list-style-type: none"> • returns after fees and before tax vs the Fund Benchmark • volatility vs the Fund Benchmark • returns after fees and before tax vs the mean or median of a sample of growth PIE funds
Green Bond Fund	<ul style="list-style-type: none"> • returns after fees and before tax vs the Fund Benchmark • volatility vs the Fund Benchmark • returns after fees and before tax vs the mean or median of a sample of bond PIE funds



Pathfinder monitors compliance with our SIPO. Our investment team check the following aspects, and a regular check is signed off by our Compliance team:

- Ethical Investing (see **Section 4** below)
- Asset allocation (see **Section 5** below)
- Investment exposure (see **Section 6** below)
- Currency hedging (see **Section 7** below)
- Protection overlay (see **Section 8** below)

4. Ethical Investing

Ethical investing is the practice of using an ethical framework, based on principles, as a primary filter for how to select investments. We do this as part of our mission, which is to generate individual wealth and collective well-being by investing ethically.

Different terms are used to describe investing based on more than just financial factors. Our preference is the term 'ethical' which makes it clear that values are taken into account. We recognise that values are not absolute, and vary person-to-person and community-to-community. The term 'ethical' overlaps with other terms like 'responsible', 'sustainable' and 'socially responsible'.

Application: Our ethical investing framework applies to each of our Funds and to all our investments (whether equities, fixed interest or private assets).

Seek to avoid harm: We want to minimise investment in industries or activities that create significant harm or that transgress our three filters of respecting people, planet and animals. These can be (1) based on regulatory settings such as New Zealand law or international conventions and/or (2) relate to industries or activities that we believe do more social or environmental harm than good. Our Ethical Investment Policy includes:

- **Exclusions detail:** Definitions of the activity, application, industry classification and revenue threshold applicable to each exclusion.
- **Companies of concern:** Detail of the register recording material concerns raised for any company invested in, and reasons why it is determined the company does or does not breach the policy.
- **Exceptions Register:** Detail of the register recording any company's activities which do not strictly comply with our exclusions criteria, and reasons why it is determined the company should still be held.

We acknowledge that ethics is not binary and the world is changing at a fast pace. We also acknowledge that there will be limitations and inconsistency with the availability of data. For example, a change in a company's policy or activity may not be publicly available until its annual report is published. This may mean that an investment may breach our exclusions. Details of how we check our investments are set out in our Ethical Investment Policy.

Positive screening: Positive screening is set out in our Ethical Investment Policy and has several levels:

- **ESG:** Because there's sound evidence that companies who address environmental, social and governance issues perform better and are more resilient than companies who don't, we consider a company's ESG score as part of our investment process.
- **Positive investment themes:** We tilt our portfolios towards companies whose operations align with our positive investment themes (Healthy Planet, Healthy Living, Deglobalisation, Digitalisation, and Social Licence) and that meet our financial investment criteria.
- **Commitments:** We support the United Nations Sustainable Development Goals which act as a



blueprint to help achieve a better and more sustainable future for all. We are a signatory to the UN Principles of Responsible Investment (**UNPRI**). Our commitments under the UNPRI are set out in the Ethical Investment Policy.

Good stewardship: Stewardship obligations are set out in our Ethical Investment Policy and include:

- **Climate change:** We support the transition to a low-carbon world as this will help to mitigate the effects of climate change (which we see as possibly the single greatest threat to the future of our society and ecosystems).
- **Active ownership:** This involves voting as a shareholder, engaging with companies and advocating to actively encourage ethical investment.
- **Oversight:** Our Ethics and Investment Committee and the investment team monitor ongoing adherence to our policy.

Monitoring and divestment: To ensure our investments meet the criteria set out in the Ethical Investment Policy, our investment team monitors companies we invest in for compliance with the policy on a regular basis. Our investment team regularly review data on reported ESG metrics from third-party data providers, news alerts and qualitative research (such as industry surveys & interacting with the companies directly). For any Fund (or underlying funds in which that Fund invests), excluding the Green Bond Fund, that uses external investment managers, we supply a full list of investable assets, which our investment team determine to comply with our Ethical Investment Policy, to the external investment managers. This list is updated regularly based on our monitoring and research findings. . The external investment manager may only invest in assets on that list.

Transparency: Our Ethical Investment Policy sets out where our investment holdings will be disclosed and our annual reporting on sustainability metrics.





5. Strategy: asset allocation

Asset classes are the different investment groups we use for managing the Funds. These are currently:

Asset Class	Examples of Investment Exposures
Cash and Cash Equivalents	Bank deposits including term deposits.
NZ Fixed Interest	Bonds issued in New Zealand (which includes 'green bonds'). 90% of the aggregated allocation to New Zealand and International Fixed Interest will have a minimum credit rating ¹ or internally assessed credit rating of BBB-.
International Fixed Interest	Bonds issued outside of New Zealand (which includes international 'green bonds'). 90% of the aggregated allocation to New Zealand and International Fixed Interest will have a minimum credit rating or internally assessed credit rating of BBB-.
Australasian Equities	Shares listed on a stock exchange in New Zealand or Australia (such as the NZX or ASX). Listed property shares are not included in this class.
International Equities	Shares listed on a stock exchange outside New Zealand and Australia. Listed property shares are not included in this class.
Listed Property	Property shares listed on a stock exchange.
Other Assets	Direct or indirect investments that are unlikely to be stock exchange listed, including securities for which there is no tradable market. These can include investments known as 'impact investments', 'venture capital', 'private loans' and 'private equity'. 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.

The Ethics and Investment Committee may add to or change these asset classes. When we refer to "shares" within any asset class we also mean preference shares and other equivalent products. Any of these exposures may be obtained by investing in another fund.

¹ Credit rating from Standard & Poor's or the equivalent rating from Moody's or Fitch



The **Target Asset Allocation** is our preferred long-term average expected investment allocation to each asset class and is set out below:

Asset Class	Target Asset Allocation					
	Global Responsibility Fund	Global Water Fund	Global Property Fund	Ethical Trans-Tasman Fund	Ethical Growth Fund	Green Bond Fund
Cash and Cash Equivalents	3%	0%	0%	3%	7%	0%
NZ Fixed Interest	0%	0%	0%	0%	9%	0%
International Fixed Interest	0%	0%	0%	0%	14%	100%
Australasian Equities	0%	0%	0%	92%	18%	0%
International Equities	92%	100%	0%	0%	43%	0%
Listed Property	5%	0%	100%	5%	4%	0%
Other Assets	0%	0%	0%	0%	5%	0%
Total	100%	100%	100%	100%	100%	100%

Tactical asset allocation: We may vary the actual asset allocation away from the target asset allocation, to take advantage of short to medium term market conditions.



Permitted Ranges are the limits each Fund operates inside (any move outside this range is expected to be remedied within 5 business days of the Manager becoming aware of the breach):

Asset Class	Permitted Range					
	Global Responsibility Fund	Global Water Fund	Global Property Fund	Ethical Trans-Tasman Fund	Ethical Growth Fund	Green Bond Fund
Cash and Cash Equivalents	0%-70%	0%-70%	0%-70%	0%-100%	0%-100%	0%-100%
NZ Fixed Interest	0%-20%	0%-20%	0%-20%	0%-20%	0%-70%	0%-70%
International Fixed Interest	0%-20%	0%-20%	0%-20%	0%-20%	0%-70%	0%-100%
Australasian Equities	0%-20%	0%-20%	0%-20%	0%-100%	0%-90%	0%
International Equities	30%-100%	30% - 100%	0% - 100%	0% - 30%	0%-90%	0%
Listed Property	0%-30%	0%-30%	0%-100%	0%-30%	0%-20%	0%
Other Assets	0%-10%	0%-10%	0%-10%	0%- 10%	0%-15%	0%-10%

Changes: The Manager may change the Target Asset Allocation and Permitted Range for any Fund at any time upon approval from the Ethics and Investment Committee.

Rebalancing: Actual asset class allocations will frequently differ from the Target Asset Allocation but are to remain inside the Permitted Ranges. The Manager may at any time rebalance a Fund's holding(s) closer to the Target Allocation but is not required to do so.



6. Strategy: investment exposures

The permitted investments for each Fund have a wide scope in the trust documents. Each Fund may get equity exposure through direct shares, exchange traded funds (**ETFs**) or through investing in another fund.

Below is a description of how each Fund is invested and the maximum single company exposure. The single company exposure is on a “look through basis”, meaning that if ETFs or other funds are held then the “maximum” applies to each underlying company exposure:

Fund	How Each Fund Invests	Maximum Single Exposure
Global Responsibility Fund	This Fund currently invests in international equities through Pathfinder’s wholesale Responsible Investment Fund, which (1) targets a portfolio of up to 300 companies and (2) applies our ethical investment approach.	10% of the Fund’s Net Asset Value for a single asset
Global Water Fund	The Fund (1) targets a portfolio of up to 150 international and Australian equities. (2) applies our ethical investment approach, and (3) seeks to invest in companies connected to water quality, accessibility or sustainability.	10% of the Fund’s Net Asset Value for a single asset
Global Property Fund	The Fund (1) targets a portfolio of 50 to 100 companies, and (2) applies ethical investment screens.	10% of the Fund’s Net Asset Value for a single asset
Ethical Trans-Tasman Fund	The Fund invests in Australasian equities, listed property, and other assets through Pathfinder’s Wholesale Ethical Trans-Tasman Fund (WETT). Direct holdings or holdings of the WETT follow these parameters: (1) a portfolio of up to 100 Australasian companies; (2) applies our ethical investment approach.	10% higher than a company’s index weight (ASX 200 or NZX 50 weight)
Ethical Growth Fund	The Fund invests in a portfolio with a higher exposure to growth assets and a lower exposure to income assets. Our ethical investment screens are applied to this fund.	10% of the Fund’s Net Asset Value for single company (equity) or single issuer (fixed interest)
Green Bond Fund	The Fund invests in a global portfolio of predominately bonds, other fixed or floating-rate debt securities and short-term debt securities typically issued by sovereigns, corporates or supranational entities.	Up to 25% of the Fund’s Net Asset Value for single issuer (depending on the issuer’s credit rating)



7. Strategy: currency hedging

Below are neutral hedging positions and permitted ranges for hedging in each Fund against gross fund value:

Fund	Neutral Hedge Position	Permitted Range
Global Responsibility Fund	50%	-10% - 110%
Global Water Fund	50%	-10% - 110%
Global Property Fund	75%	-10% - 110%
Ethical Trans-Tasman Fund	50%	-10% - 110%
Ethical Growth Fund	Non-NZD fixed interest 100%; Other non-NZD assets 50%	-10% - 110%
Green Bond Fund	100%	95%-105%

Hedging: The neutral hedge position reflects a “neutral view” or “base position”, from which the Manager may deviate (and may deviate significantly from time to time).

Permitted range: These are the limits each Fund operates inside (any move outside this range must be remedied within 5 business days of the date the Manager becomes aware of the breach of the limit). Except for the Green Bond Fund, the permitted range is very wide to accommodate the fact that the Manager may seek to add value through the level of currency hedging. The range also allows for temporary over-hedging scenarios which may occur due to short term currency and equity prices moves.

Currency proxies: While a Fund may have exposure to foreign currencies, it is not necessary to hedge all currencies. It may be convenient for the USD to be used as a proxy for some or all other currencies.

8. Strategy: protection overlay

Protection tools: The Manager can reduce market risk through a range of tools including using cash holdings, listed futures, listed options and OTC derivative transactions. In each case the reduction in market risk, such as equity exposure, may be material subject to permitted ranges. Implementation of these tools is described as a ‘protection overlay’.

Currency denomination: The protection tools may be denominated in NZ dollars, US dollars or another currency.

No short positions: The protection overlay does not allow overall net short positions



9. External Managers

External managers can be used by a Fund where the Manager believes they better support the achievement of the Fund's objective, compared to in-house management using available resources. Where we use external managers, our focus is on best-in-class solutions that fulfil the relevant Fund's risk and return mandates, while also exhibiting alignment with our ethical overlay. External managers will be carefully selected and their portfolios will be closely monitored. We recognise that we may not be able to exert absolute control over all securities held at all times, although we endeavour to ensure holdings comply with our SIPO and Ethical Investment Policy (including by granting exceptions if appropriate). Review of the underlying holdings and values alignment will form part of our external manager review process. At the date of this SIPO, for International Equities, Australasian Equities and International Fixed Income the Manager has made the following appointments: (a) Nordea Investment Management AB as investment manager for the Global Water Fund and the Responsible Investment Fund, (b) Salt Funds Management Limited, our sister company, as investment manager for the Wholesale Ethical Trans-Tasman Fund and (c) Metlife Investment Management as investment manager for the Green Bond Fund.

10. Liquidity

The Manager has developed its Liquidity Risk Management Framework, in which we define liquidity risk as the risk that a position in the fund cannot be sold, liquidated, or closed at a limited cost to comply at any time with the Manager's redemption obligations or investment strategy under different market conditions. In order to manage the liquidity risk, the Manager expects:

1. The majority of a Fund's investments are highly liquid under normal market conditions. This means a significant cash reserve is unlikely to be required. It is possible a Fund could have 'Other Assets' that cannot be sold quickly or easily. In aggregate, 'Other Assets' are limited at <10% of the investments of a Fund.
2. Ongoing liquidity risk monitoring by the Manager and/or any underlying investment managers through liquidity management tools, such as cash flow monitoring, stress testing and scenario analysis.

In any event of extreme market conditions where liquidity risk is so high that the Ethics and Investment Committee is almost certain that a contingency event may be triggered, the Manager may use some or all of the high-impact liquidity management tools with appropriate permissions, for the best interest of the Scheme participants. The high-impact liquidity management tools include:

- a. Changes to the buy/sell spread
- b. Borrowing
- c. Deferral of redemption
- d. Suspension of redemption

11. Derivatives

Derivative contracts may be used by a Fund (or underlying funds in which that Fund invests) to manage market risk exposure to equities, foreign currencies, interest rates and to other market investment risks, or to take an investment position. Derivatives can be futures, options or other instruments in any currency, whether listed on an exchange or 'over-the-counter' which means entered into directly with another party.



12. Borrowing

No Fund will borrow money to buy investments. There are limited circumstances permitted where borrowing may be used as a liquidity tool, for example (a) to pay Fund expenses or (b) where the Fund has cash deposits higher than the amount being borrowed. A Fund may from time to time use an overdraft, rather than borrowing, for temporary liquidity.

13. Valuation Policy

For listed securities daily closing prices from domestic and international markets are used for valuation purposes, unless this is not considered by the Manager or the Supervisor to be an accurate measure (in which case the procedure set out in the trust documents will be followed).

Unlisted securities will be valued in accordance with the Manager's Private Asset Valuation Policy (available at <https://disclose-register.companiesoffice.govt.nz>).

14. Supervision and Custody

Supervisor: The Supervisor of the Scheme is Public Trust (**PT**). PT is responsible for the supervision of the Scheme and the performance of Pathfinder's duties as manager of the Scheme. PT is independent of Pathfinder and is regulated by the Financial Markets Authority.

Custody: All assets of a Fund must be held by the Supervisor or an independent third party sub-custodian appointed by the Supervisor (which may not include the Manager). No Fund assets are to be held in the name of the Manager

15. Review

SIPO review frequency: This SIPO is to be reviewed by the Manager at least once each calendar year. It may be reviewed more frequently and can be changed at any time without prior notice to investors.

SIPO approval: The review process (and on-going changes) will include review and approval by the Ethics and Investment Committee or the Pathfinder board in consultation with the Supervisor in respect of any changes. Prior notice of material changes to the SIPO will be given to investors and will be noted in our annual report. Revisions to the SIPO will come into effect on the effective date shown on the front cover.



Other policies: Pathfinder has internal policies that are applicable to the management of the Funds. These include Ethical Investment Policy, Private Asset Valuation Policy, Trade Allocation Policy and Compliance Manual. Each of these policies will be reviewed at least once every two years, or more frequently if required by changes in market conditions, laws or other circumstances. Each review will be signed off by Pathfinder's Chief Executive and may also be reviewed by the Board and/or board Committee.

16. Interpretation

Some terms used in this SIPO are defined and explained below:

Property companies 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). The term "**property companies**" used in this SIPO includes shares, units or other interests in property entities such as companies and property trusts.

Companies connected to water quality, accessibility or sustainability: cover a wide range of activities including involvement in technical development, manufacturing, construction, ownership, operation and/or consulting on:

- Freshwater and wastewater utilities
- Water filtration and purification
- Water pumps, pipes and irrigation systems
- Water analysis, testing, measurement and monitoring technology
- Resource management
- Water infrastructure

Some companies may also have business activities not related to the water industry (meaning they may not be purely a water industry exposure).