

Pathfinder Asset Management Limited
Pathfinder Commodity Plus Fund

Investment Statement
1 November 2009





www.path.co.nz



(The information in this section is required under the Securities Act 1978)

Investment decisions are very important. They often have long-term consequences. Read all documents carefully. Ask questions. Seek advice before committing yourself.

Choosing an investment

When deciding whether to invest, consider carefully the answers to the following questions that can be found on the pages noted below:

Section	Page
What sort of investment is this?	10
Who is involved in providing it for me?	12
How much do I pay?	13
What are the charges?	14
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In addition to the information in this document, important information can be found in the current registered prospectus for the investment. You are entitled to a copy of that prospectus on request.

Engaging an Investment Adviser

An investment adviser must give you a written statement that contains information about the adviser and his or her ability to give advice. You are strongly encouraged to read that document and consider the information in it when deciding whether or not to engage an adviser.

Tell the adviser what the purpose of your investment is. This is important because different investments are suitable for different purposes, and carry different levels of risk.

The written statement should contain important information about the adviser, including:

- relevant experience and qualifications, and whether dispute resolution facilities are available to you; and
- what types of investments the adviser gives advice about; and
- whether the advice is limited to investments offered by 1 or more particular financial institutions; and
- information that may be relevant to the adviser's character, including certain criminal convictions, bankruptcy, any adverse findings by a court against the adviser in a professional capacity, and whether the adviser has been expelled from, or prohibited from joining, a professional body; and
- any relationships likely to give rise to a conflict of interest.

The adviser must also tell you about fees and remuneration before giving you advice about an investment. The information about fees and remuneration must include:

- the nature and level of the fees you will be charged for receiving the advice; and
- whether the adviser will or may receive a commission or other benefit from advising you.

An investment adviser commits an offence if he or she does not provide you with the information required.

This Investment Statement is dated 1 November 2009 and was prepared for the purposes of the Securities Act 1978.

Glossary

A glossary of defined terms used in this Investment Statement is on page 27.

Quick Guide to the Offer



The Fund	The Pathfinder Commodity Plus Fund, a New Zealand registered Unit Trust with PIE status.	Pg 9
The Manager	Pathfinder Asset Management Limited.	Pg 12
Investment Focus	The Fund aims to provide investors with cost efficient access to the growth potential of world commodities. It also seeks to reduce periods of negative return by allocating between commodities and cash investments in response to market conditions.	Pg 7
Benchmark	A benchmark is an index that defines the market risks a fund is taking and assists with measuring performance. For this Fund, the benchmark is the Deutsche Bank Liquid Commodities Index Mean Reversion Plus Access denominated in US Dollars (the Index). The Index has exposure to particular commodity sectors (energy, industrial metals, precious metals, agricultural products) and cash.	Pg 7
Authorised Investments	The Fund invests in Authorised Investments which include securities designed to provide a return linked to the Index. If denominated in a currency other than the New Zealand dollar, the Manager will implement a currency hedging program that is intended to reduce the risk of unexpected losses due to movements in currencies.	Pg 9
Borrowings	The Fund is not permitted to borrow unless it is for the purpose of (a) paying Fund expenses or (b) acquiring Authorised Investments where the Fund holds cash (or cash equivalent assets) at least equal in value.	
Distributions	The Fund is not expected to make distributions. Any returns on the Authorised Investments will be reinvested.	Pg 11
Liquidity	Investors may purchase new Units or redeem existing Units each month on a Valuation Day (subject to certain restrictions).	Pgs 10, 23
Management Fee	Pathfinder Asset Management Limited receives a management fee (currently of 0.80% per annum of the Gross Asset Value of the Fund). There is no performance fee.	Pg 14
Fees and costs	An investment in the Fund incurs certain fees and other costs as described in the section entitled "What are the charges?" on page 14. The Manager may cap the fees charged to the Fund. The current fee cap is 1.30% per annum (including GST) of the Gross Asset Value of the Fund. The management fee is included in the cap.	Pg 14
Reporting	The net asset value of the Commodity Plus Fund will be published each month as part of the monthly report available on the Manager's website at www.path.co.nz . Annual PIE statements, annual reports and statutory accounts will be made available to investors.	
Offer Period	The Fund is open ended and the first Units were issued on 29 May 2009.	Pg 28
Making an Application	All applications for Units by Direct Investors must be made and will only be accepted on the application form included with this Investment Statement. Instructions on how to make an application are set out under the heading "How to Invest" on page 28. Indirect Investors must apply through a Custodial Service. The Manager authorises the use of this Investment Statement for investors who wish to invest through a Custodial Service (Indirect Investors). All fees and expenses disclosed in this Investment Statement relate to a direct investment in the Fund and take no account of fees that relate to any Custodial Service.	Pg 28
Minimum Investment	Indirect Investors: The minimum initial amount to be invested in the Fund through a Custodial Service is expected to be \$5,000. A minimum of \$1,000 is expected to apply for subsequent investments. Direct Investors: The minimum initial amount to be invested directly in the Fund is \$25,000. Subsequent investments must be of at least \$1,000. A Custodial Service or the Manager may vary the required minimum amounts at any time.	Pg 13
Key Risk Factors	An investment in the Fund will expose investors to general economic risks as well as specific risks related to the Fund and its Authorised Investments. These risks may have a negative impact on returns to investors. Please carefully read the section entitled "What are my risks?" on page 19. Before making a decision to apply for Units, you should consult your financial or other professional adviser. Any investment you may make in the Fund should be part of an overall diversified investment programme.	Pg 19
No Guarantee	None of the Manager, the Trustee or any other person guarantees the performance of the Fund or any return from an investment in the Fund.	Pg 16

The above information is intended to provide a general overview of key points of the Fund. Investors should read all sections of this Investment Statement and consult their own legal, tax and financial advisers in connection with an investment in the Fund.

Directors' Statement



Dear Investors

The Directors of Pathfinder Asset Management Limited are pleased to introduce the Pathfinder Commodity Plus Fund to the New Zealand investment community. Pathfinder is a new investment manager with a unique approach to investing in global asset classes.

Pathfinder will provide investors with access to investments in a transparent, liquid and cost effective manner. This is key to our vision of promoting effective and flexible strategic asset allocation.

As an index fund our cost structure is lower than most traditional alpha (actively managed) funds. Yet because the investment mechanism for our Commodity Plus Fund benchmark is active in seeking value and is responsive to market volatility, our fund has alpha-like return characteristics. We think of the Pathfinder Commodity Plus Fund as a “smart-beta” fund, giving you the best of both worlds – fees at a passive level but performance and allocations that reflect a more active and flexible approach.

Our Pathfinder Funds (including the Commodity Plus Fund) will feature the following attributes:

- Intelligent benchmark selection – choosing “smart” benchmarks
- Creation of portfolios that track the benchmark as closely as possible
- Transparency of investment process
- An emphasis on New Zealand dollar hedged returns
- Reasonable fee structures (including a cap on fees)
- Open ended funds with monthly liquidity
- Allow investors to implement their own strategic asset allocation efficiently

The Pathfinder Commodity Plus Fund is designed to track the return of the Deutsche Bank Liquid Commodity Index – Mean Reversion Plus Access. This index provides exposure to the growth potential of world commodities but also seeks to reduce periods of negative return by allocating between commodities and cash investments. The index rebalances commodity weightings on a daily basis and is designed to maximise returns in a commodity upswing. The index also uses a monthly weighting between the commodities and cash alternatives with the aim of minimising the effect of inevitable downswings in the commodity investment cycle.

We commend the Pathfinder Commodity Plus Fund to you as an integral part of a well balanced investment portfolio. We encourage you to read this Investment Statement and discuss with your financial adviser the risks and rewards of an investment in the fund.

Yours faithfully

Sandy Maier

Catherine Savage

John Berry

Paul Brownsey



Pathfinder Asset Management Limited has a strong focus on good corporate governance. Our Independent Chair and Independent Director are well known in New Zealand. Both Sandy and Catherine have considerable experience in the investment and banking industries.



*Sandy (Samford)
Maier – Chair*

(Independent)

Sandy worked in international commercial and investment banking with Citicorp/Citibank for 15 years. He has held various management positions in the Caribbean, South America and

Australasia, including as CEO of Citicorp/Citibank New Zealand.

He has lived and worked in New Zealand since 1986, serving on the board of the Bank of New Zealand and as the statutory manager of DFC New Zealand Limited. In the latter role he received a 1990 Commemoration Medal for services to New Zealand.

For the past 15 years Sandy has headed his own international management consulting firm specialising in strategic financial and human resource matters and corporate governance. He has served as chief executive and/or board member of a number of public and private companies in New Zealand and abroad.

His current appointments include acting as independent chairman of Oyster Bay Marlborough Limited (viticulture), and acting as an independent director of Perpetual Capital Management Limited (investment advisory services), Taranaki Investment Management Limited (investment advisory services) and Mighty River Power Limited (electricity generation). He is also a member of the Ngai Tahu Investment Advisory Sub-Committee.

Sandy has a BA from Yale University and a JD from Harvard Law School. He is a dual citizen of New Zealand and the United States.



*Catherine Savage
– Director*

(Independent)

Catherine has an extensive 17 year background in New Zealand funds management and private equity. Catherine was Managing Director of AMP Capital Investors from 2000 to 2007, and

was responsible for over \$11 billion under management. Catherine oversaw all activities in New Zealand, including risk management, strategic development and a diverse range of funds (such as equities, fixed interest, property, infrastructure and private equity).

Catherine joined AMP Capital Investors in 1994 as a fixed interest Portfolio Manager, and prior to her appointment as Managing Director she held various roles within the group. This included Head of Client Servicing from 1999 where Catherine was responsible for sales, marketing and product development.

In 2007 Catherine left AMP to pursue a range of private equity interests both in New Zealand and offshore.

Catherine is a qualified accountant and prior to AMP she was Treasury Manager for the Natural Gas Corporation. She is a member of the Institute of Chartered Accountants and INFENZ, and is a Board member for The New Zealand Institute. She is also the chair of the National Provident Fund Board. Catherine has a BCA from Victoria University.



The management team of Pathfinder Asset Management has considerable experience in the investment industry, both internationally and within New Zealand.



***Paul Brownsey
– Director***

(Executive)

Paul has 20 years experience in financial markets with extensive structuring, financial modelling and product expertise. He has worked for the Reserve Bank of NZ, Salomon Brothers/

Citibank (in Singapore, London and Sydney) and most recently with Deutsche Bank (in Auckland). His experience includes trading, selling and structuring various instruments including Government Bonds, Futures, Corporate Securities, Index Swaps, Asset Backed Securities and Structured Products.

He was a member of the Deutsche Bank New Zealand Management Committee from 2003 to 2008. Paul has a BSc from Canterbury University majoring in Operations Research.

Paul is a shareholder in Pathfinder Asset Management Limited.



***John Berry
– Director***

(Executive)

John has a wide range of experience gained from his 19 years involvement with investment and finance products. Initially training as a lawyer, he has worked in Auckland and London in both private practice and

in-house legal roles. These roles have included advising on a range of public debt issues and prospectus requirements.

In 2000 John was made Head of European Execution for the Structured Capital Markets group at Deutsche Bank. In that role he oversaw the design, execution and management of a range of financial products, as well as taking responsibility within that business group for assessing and managing all legal, compliance and governance risks.

Since leaving London in 2004 John has worked until 2009 as a consultant to the London, Sydney and Auckland offices of Deutsche Bank. This has involved work on a range of fund and index based products. John has a BCom/LLB(Hons) from Auckland University.

John is a shareholder in Pathfinder Asset Management Limited.

Why invest in commodities?



An asset class can be defined as a group of assets that are similar to each other, yet have identifiable differences to other groups of assets. These differences make it worthwhile for an investor to consider the new asset class as worthy of its own place in their asset allocation framework.

Another definition of what constitutes an asset class, is that the excess return over the risk free rate for that asset class should not be explainable (in a statistical sense) by the returns from any other asset classes.

Commodities meet both of these criteria. Aside from the obvious physical differences between commodities (such as energy products, metals, grains etc) and more traditional asset classes (such as equities and bonds), research by the Manager confirms that commodities:

- have produced better annual returns than equities and bonds over long and sustained periods
- have less volatility than equities
- have low or negative correlation with equities and bonds
- are positively correlated with inflation and with unexpected changes in inflation
- typically outperform equity returns from companies involved in the production of that commodity





The investment focus of the Fund is to provide cost efficient access to the growth potential of world commodities. To achieve this the Fund will invest in Authorised Investments linked to the Index. Below we explain how the Index was selected for the Fund and how the Index operates.

Index Selection

A benchmark is an index that defines the market risks a fund is taking and assists with measuring performance. Benchmark selection is a key component of portfolio construction as it provides a framework to review performance and risk.

Reflecting the importance of benchmark selection, the Board of the Manager has considerable experience working with indices and index exposures. For the Fund the Manager has selected the Deutsche Bank Liquid Commodity Index – Mean Reversion Plus Access (DBLCI-MR PA) as the benchmark.

Each potential benchmark used by the Manager is examined closely and must meet “best practice” standards as well as the rigorous criteria used by the Manager. Best practice benchmarks typically have the following characteristics:

- Transparency – the underlying assets should be clearly identifiable, and rules for choosing them should also be clear and unambiguous
- Low turnover – the benchmark should not have too high a turnover of assets as this can lead to both increased replication costs, and difficulty in monitoring portfolio parameters
- Replicable – it should be possible to replicate the benchmark returns with a portfolio of liquid assets
- Regularly priced – the benchmark should be regularly priced with market assets
- Historic data set – sufficient data should be available to understand the risk and return characteristics of the benchmark
- Publicly available data

This Index selection is in part based on the Manager’s view of global economic conditions and asset performance. It is possible that the Manager may at some time in the future determine that the current benchmark is not the best choice for the Fund.

If the Manager determines a change of benchmark is in the best interests of investors, then the Manager will notify

the Trustee of its intention to change the benchmark. Investors will be given written notice at least one month prior to any proposed change and the change will not become effective until all Redemption Requests received within that notice period have been actioned.

Explaining the Index

The DBLCI-MR PA is an innovative index that has two mechanisms designed to improve the risk/return characteristics of investing in commodities. The first mechanism attempts to capture and monetize the mean reverting nature of commodities. The second mechanism attempts to reduce the magnitude of index drawdowns by allocating the benchmark exposure between commodities and cash. Each of these mechanisms is explained in more detail below.

Mechanism One: Mean Reversion

Commodities are physical assets that cannot be artificially created or destroyed. Their value is subject to the laws of supply and demand, as well as being intrinsically linked to broad economic growth and aggregate demand.

Commodities often exhibit a mean reversion behaviour in terms of their pricing. This means that over time the price of a commodity can fluctuate around its long term average price. These fluctuations around the long term trend are caused by supply/demand imbalances that can persist for some time.

As economies grow, aggregate demand for goods increases. As demand for finished goods grows, demand for the raw commodities used in their production also grows. Commodity production often has a long lead time - minerals and petroleum products must be found, extracted, refined and transported. Agricultural commodities must be planted, grown and harvested. Production moves to full capacity in response to the higher prices and existing stockpiles are sold. More supply becomes available from sources previously considered uneconomic.

However, in response to price rises, consumers reduce their consumption and substitute other products, yet commodity producers continue to produce at the increased pace. Demand falls, prices follow. Commodity prices revert back towards or below more “normal” levels. Suppliers reduce output in response. The cycle – often many years in length – continues.

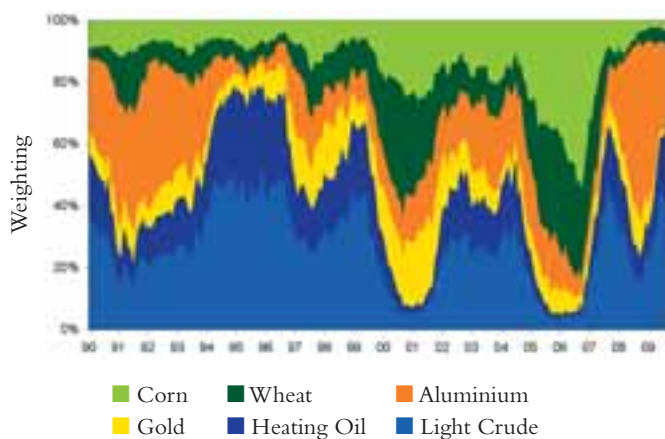
The DBLCI-MR PA index comprises six commodities which are broadly representative of the wider commodities



complex. Research by the index provider shows that these six commodities explain almost all of the return from the wider commodities complex, and historical data shows that these six commodities track the commodities complex as well as or better than most other indices. Using fewer commodities results in an index that is easier to replicate, and has lower transaction costs.

Weightings of the six commodities are adjusted by a transparent set of rules that over-weights commodities in the basket that are cheap compared to historical pricing, and under-weights those that are expensive compared to historical pricing. Re-allocations are calculated on a daily basis. The result is a basket of commodities that reacts to relative expensive/cheap pricing of its components in a process designed to capture the mean reversion element of commodity prices.

This graph shows how the weightings of the six commodities within the Index have changed dynamically over the period January 1990 to September 2009:



Source: Bloomberg

Mechanism Two: Cash Allocation

The second mechanism used by the Index is a dynamic re-weighting between the mean reverting commodity basket and cash. This mechanism attempts to detect longer term commodity cycles by differentiating between short term price moves and long term trends. In periods when exposure to commodities is high, any sharp drop in commodity prices will lead to an immediate and significant reduction in the exposure to commodities. This will result in a higher allocation to cash.

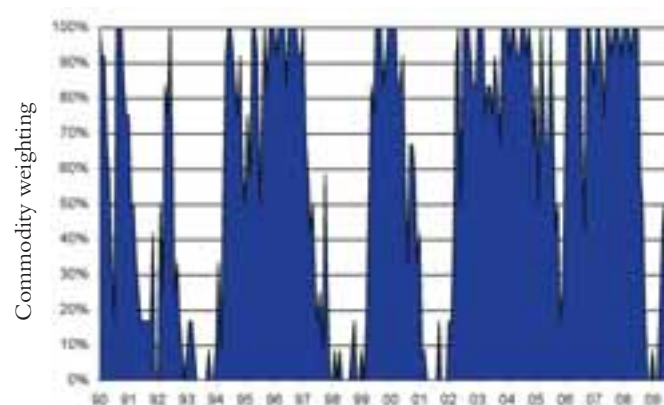
Alternatively, a series of moderate commodity price falls over time will lead to a gradual reduction in the exposure to commodities. This will result in a gradual higher allocation to cash.

The process works in a vice versa fashion in times of upturns in commodity prices when commodity exposure is low. This re-weighting occurs once a month.

The graph below shows the allocation process within the Index between commodities and cash. The blue shaded area indicates the weighting in the Index to commodities at any time.

By way of summary, the Deutsche Bank Liquid Commodity Index – Mean Reversion Plus Access is a “smart” index selected by the Manager as the benchmark for the Fund. The Index is unique by combining two key allocation mechanisms:

- commodity allocations based on mean reversion pricing behaviour; and
- an allocation mechanism between commodities and cash.

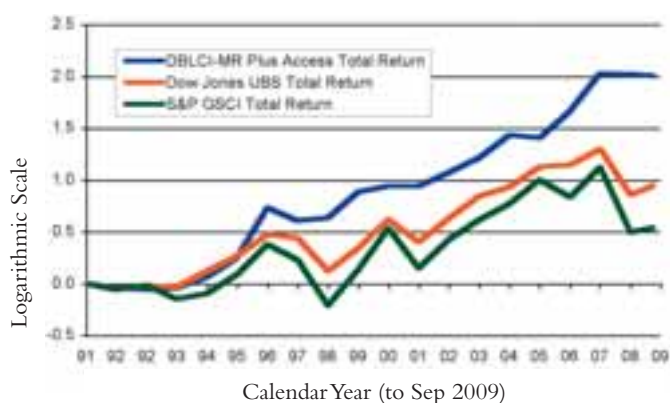


Source: Bloomberg



Index Performance

The Index has outperformed most major commodity indices over both medium and long term horizons. This graph shows the performance of the Index since the start of 1991 against the Dow Jones UBS Commodity Index and the S&P GSCI Index. These are recognized globally as key commodity industry indices.



Source: Bloomberg

Please note that this graph shows the calendar year returns (1 January to 31 December each year and 1 January to 30 September for 2009) and not volatility of returns during each year. Past performance is no guarantee of future performance.

Price data for the Index is available on Bloomberg using the ticker "DBLCMPUC Index".

While data for the Index is available since 1990, the Index has only been live since June 2007. Price data before this time is simulated using actual market data and the rules based methodology of the Index.

The Dow Jones-UBS Commodity Index is calculated, distributed and marketed by Dow Jones & Company, Inc. and has been licensed for use. All content of the Dow Jones IndexesSM © 2009 Dow Jones & Company, Inc. No license is required for comparing performance of the Fund with the S&P GSCI Index.

The Commodity Plus Fund

The purpose of the Fund is to track the Deutsche Bank Liquid Commodities Index Mean Reversion Plus Access. The Fund will invest in Authorised Investments designed to track the Index with as little tracking error as possible.

Authorised Investments include the purchase of perpetual note securities issued by the Deutsche Bank AG group. It is through these notes that the Fund currently receives its investment exposure to the Index.

Where these investments are in instruments denominated in a currency other than the New Zealand dollar, the Manager will implement a currency hedging program that is intended to reduce the risk of unexpected losses due to movements in currencies. The Manager cannot, however, eliminate the risk of unexpected losses due to movements in currencies and cannot predict the extent to which these may affect returns for investors.

Please read the following sections of this Investment Statement thoroughly so you understand the risks and rewards of an investment in the Fund. Before making a decision to apply for Units, you should consult your financial or other professional adviser.

What sort of investment is this?



This investment statement relates to the offer of units in the Pathfinder Commodity Plus Fund (the Fund). The Fund was established under the Unit Trusts Act 1960 and under a Master Trust Deed and Establishment Deed both dated 1 April 2009. The Master Trust Deed and the Establishment Deed are entered into by Public Trust (Trustee) as trustee and Pathfinder Asset Management Limited (Manager) as manager.

Unitholders' money is held on trust and pooled within the Fund and invested in Authorised Investments. The assets of the Fund are held in the name of the Trustee or its nominee, and are managed by the Manager within the investment policy applying to the Fund as described below.

Issues and redemptions

Units are issued and redeemed on a Valuation Day which is currently the last Business Day of each month. The Manager has an absolute discretion whether or not to accept an application without giving any reason. Applications must be received prior to 2pm on the 3rd Business Day before the last Business Day of any month to be processed in that month. Redemption Requests must be received prior to 2pm on the 8th Business Day before the last Business Day of any month to be processed in that month. These cut off dates may be varied by the Manager.

Investment through a Custodial Service

Application amounts from Indirect Investors of less than \$25,000 must be invested and held through a Custodial Service. The amount to be invested must be paid to the Custodial Service via the Indirect Investor's financial adviser or other intermediary.

The minimum initial amount to be invested in the Fund through a Custodial Service is expected to be \$5,000. A minimum of \$1,000 is expected to apply for subsequent investments. Investors via a Custodial Service should ascertain from their Custodial Service whether different minimum amounts apply and whether a minimum investment value must be maintained at all times. A Custodial Service or the Manager may vary the required minimum amounts at any time.

The Custodial Service (and not the Indirect Investor) will be recognized as a Unitholder in the Fund. Risks that relate specifically to Indirect Investors are set out on page 20.

Direct investment in the Fund

Application amounts from Direct Investors of \$25,000 or greater may be invested directly into the Fund. The amount

to be invested must be paid either by direct credit to Pathfinder Nominees Limited at National Bank, 1 Victoria Street, Wellington, account number 06-0507-0102970-00 or by cheque made payable to "Pathfinder Nominees Limited" and sent to MMc Limited at:

MMc Limited
PO Box 106-039
Auckland City 1143

Please mark cheques as "not transferable".

A Direct Investor will need to complete the application form attached to this Investment Statement in order to initially invest in the Fund. A Direct Investor will be recognized as a Unitholder in the Fund.

Direct Investors must maintain a minimum balance of \$25,000 for their investment in the Fund. Subsequent investments must be of at least \$1,000.

The Manager may vary such minimum amounts from time to time at its discretion, without prior notice. The Manager may also accept applications for amounts less than the minimum amounts.

Issue Price

The Issue Price for the Fund is the Net Asset Value per Unit on the Valuation Day on which the Units are issued plus the Sell Spread and the Entry Fee per Unit (if any). Under the terms of the Establishment Deed an Entry Fee of up to 3% of the Net Asset Value per Unit may be charged by the Fund. As at the date of this Investment Statement no Entry Fee is charged.

Redemption Price

The Redemption Price for the Fund is the Net Asset Value per Unit on the Valuation Day on which the Units are redeemed, less the Buy Spread.

Net Asset Value

The Net Asset Value per Unit on a Valuation Day is determined by adding the market value of the Investments (including the mark to market value of any foreign exchange contracts) on the Valuation Day less liabilities, divided by the number of Units on issue on that day.

The Net Asset Value will fluctuate based on the changing values of the Investments held by the Fund. Unit prices are calculated gross of Portfolio Investment Entity (PIE) Tax.



For more information please refer to the section “What Returns Will I Get?” on page 16.

All subscription amounts will be held on trust for subscribers until the Units are allotted. Any interest earned on monies in the bank account, less bank fees and charges, will be credited to the Fund.

Distributions

The Manager does not intend to make distributions. Any income earned by the Fund will be reinvested.

Investment Policy

The purpose of the Fund is to track the Deutsche Bank Liquid Commodity Index – Mean Reversion Plus Access. The Fund will invest in Authorised Investments designed to track the Index with as little tracking error as possible.

Authorised Investments will include the purchase of perpetual note securities issued by the Deutsche Bank AG group. It is through these notes that the Fund currently receives its investment exposure to the Index. Please see page 7 for a detailed discussion of the Index.

Where Investments are instruments denominated in a currency other than the New Zealand dollar, the Manager will implement a currency hedging program that is intended to reduce the risk of unexpected losses due to movements in currencies. The Manager cannot, however, eliminate the risk of unexpected losses due to movements in currencies and cannot predict the extent to which these may affect returns for investors.

The Manager may change the investment policy – please refer to the section “Changes to investment policy” on page 22. Any change in investment policy may result in the Fund tracking a different commodity index. All details of any proposed change in policy will be given to Unitholders at least one month before the change is to become effective and the change will not become effective until all Redemption Requests received within that notice period have been actioned. Such a change is not currently foreseen by the Manager.

Listing of the Fund is not being sought.



Who is involved in providing it for me?



The Fund is called the Pathfinder Commodity Plus Fund.

The Manager of the Fund is Pathfinder Asset Management Limited. The address of the Manager is:

Pathfinder Asset Management Limited
Level 1
Victoria House
23 Victoria Street East
Auckland

The Directors of Pathfinder Asset Management Limited are:

Samford (Sandy) Maier of Auckland
Catherine Savage of Wellington
Paul Brownsey of Auckland
John Berry of Auckland

The Manager has the powers of investment, administration and management of the Fund under the Trust Deed. Accordingly, the Manager has the power to invest the assets in any Authorised Investments in accordance with the investment policy for the Fund.

The Trustee of the Fund is Public Trust. The address of the Trustee is Level 10, 141 Willis Street, Wellington. The Manager has delegated certain administrative functions to an administration manager. The Administration Manager of the Fund is MMc Limited. The address of MMc Limited is:

MMc Limited
Level 13
23 Customs Street
PO Box 106-039
Auckland 1143

None of the Manager, the Trustee or any other person guarantees the performance of the Fund or any return on Units in the Fund.

Activities

The Fund commenced business on 1 April 2009 and the first Units were issued on 29 May 2009. Since commencing business, the Fund has invested in perpetual note securities issued by Deutsche Bank AG in accordance with the Fund's investment policy set out on page 11.



How much do I pay?



Investment through a Custodial Service

Application amounts from Indirect Investors of less than \$25,000 must be invested and held through a Custodial Service. The amount to be invested must be paid to the Custodial Service via the Indirect Investor's financial adviser or other intermediary.

The minimum initial amount to be invested in the Fund through a Custodial Service is expected to be \$5,000. A minimum of \$1,000 is expected to apply for subsequent investments. Investors via a Custodial Service should ascertain from their Custodial Service whether different minimum amounts apply and whether a minimum investment value must be maintained at all times. A Custodial Service or the Manager may vary the required minimum amounts at any time.

The Custodial Service (and not the Indirect Investor) will be recognized as a Unitholder in the Fund. Accordingly only the Custodial Service will complete the Application Form attached to this Investment Statement.

Direct investment in the Fund

Application amounts from Direct Investors of \$25,000 or greater may be invested directly into the Fund. The amount to be invested must be paid either by direct credit to Pathfinder Nominees Limited at National Bank, 1 Victoria Street, Wellington, account number 06-0507-0102970-00 or by cheque made payable to "Pathfinder Nominees Limited" and sent to MMc Limited at:

MMc Limited
PO Box 106-039
Auckland City 1143

Please mark cheques as "not transferable".

A Direct Investor will need to complete the application form attached to this Investment Statement in order to initially invest in the Fund. A Direct Investor will be recognized as a Unitholder in the Fund.

Direct Investors must maintain a minimum balance of \$25,000 for their investment in the Fund. Subsequent investments must be of at least \$1,000.

The Manager may vary such minimum amounts from time to time at its discretion, without prior notice. The Manager may also accept applications for amounts less than the minimum amounts.

Units are issued on each Valuation Day, which is currently the last Business Day of each month. The Manager has an absolute discretion whether or not to accept an application without giving any reason. Applications must be received prior to 2pm on the 3rd Business Day before the last Business Day of any month to be processed in that month. This cut off date may be varied by the Manager.

Issue of Units

The number of Units that a Unitholder will receive will depend on the Issue Price on the relevant Valuation Day and will be determined by dividing the Unitholder's investment amount by the Issue Price on the Valuation Day on which the Units are issued.

The Issue Price for the Fund is the Net Asset Value per Unit on the Valuation Day on which the Units are issued plus the Sell Spread and the Entry Fee per Unit (if any). Under the terms of the Establishment Deed an Entry Fee of up to 3% of the Net Asset Value per Unit may be charged by the Fund. As at the date of this Investment Statement no Entry Fee is charged.

The Manager may vary such minimum amounts from time to time at its discretion, without prior notice. The Manager may also accept applications for amounts less than the minimum amounts.

There is no "cooling off" period for this investment.

Other than in relation to personal tax obligations, there are no circumstances in which you will be obliged to pay any further amounts. For more information on tax obligations, please refer to the section "What Returns Will I Get?" on page 16.

What are the charges?



Trustee's fees

The Trustee's remuneration for carrying out the Trustee's functions as specified in the Trust Deed is an annual fee of up to 0.08% of the Gross Asset Value of the Fund, subject to a minimum annual fee of \$15,000 across the Pathfinder Funds.

In addition the Trustee is entitled to charge special fees for services of an unusual or onerous nature outside the Trustee's regular services. There is no limit to the amount of special fees that may be charged.

The Trustee's fees are payable from the Fund and are paid monthly in arrears.

GST will be added to the Trustee's fee and is currently levied at 12.5% on 75% of the Trustee's fee.

Manager's fees

The fee payable to the Manager for management of the Fund is a management fee of 0.80% p.a. of the Gross Asset Value of the Fund. The Manager is entitled to increase this fee to an amount not exceeding 1.5% p.a. of the Gross Asset Value of the Fund. As at the date of this Investment Statement the Manager has no intention of increasing this fee above 0.80% p.a. The Manager's fees are payable from the Fund and are paid monthly in arrears.

GST is currently levied at 12.5% on 10% of the fees payable to the Manager.

The Trustee's and Manager's annual fees cannot be increased above the maximum amounts specified above unless the increase is approved by an Extraordinary Resolution of Unitholders.

The fees payable to the Administration Manager out of the Fund for carrying out its administrative functions are up to 0.15% per annum of the Gross Asset Value of the Fund, subject to a minimum annual fee of \$35,000. GST is levied at 12.5% on 100% of the fees payable to the Administration Manager.

Entry fees

As part of the Issue Price, the Manager is entitled to charge an Entry Fee being an amount determined by the Manager of up to 3% of the Net Asset Value per Unit. As at the date of this Investment Statement the Manager has set the Entry Fee per Unit at nil. The Entry Fee is paid into the Fund.

Application fee

The Manager does not charge investors an application fee or other upfront fee for its own benefit. However an application fee of up to 3% may be agreed between an investor and their introduction agent (being brokers, financial advisers and other distributors). This will be deducted from each initial investment and subsequent investment and paid to the introduction agent. The introduction agent may choose to waive all or part of the application fee.

Transfers

Unitholders can transfer all or part of their investment to another party currently free of any charge.

Other charges

The Manager and the Trustee are entitled to be reimbursed from the Fund for all costs and expenses (including anticipated expenses) incurred by them acting as manager and trustee respectively. They may, in their discretion, choose to recover these amounts from the Fund over a period of time. Generally the amount of these costs and expenses cannot be ascertained until they are incurred and will vary from time to time. These reimbursable costs and expenses may include, but are not limited to:

- all costs in connection with the formation of the Fund and the preparation of offer documents;
- all costs incurred with the purchase of any Investments;
- the fees and expenses of the Auditor;
- all taxes and duties paid;
- interest and other expenses relating to borrowing;
- all costs of convening and holding meetings;
- any costs of third parties engaged by the Manager or Trustee (including any custodial fees);
- all costs of preparing, printing and distributing accounts, statements, cheques, offer documents and any other communications to Unitholders;
- costs incurred in running the Unit Register; and
- any other expenses reasonably incurred by the Trustee, Manager or any delegate of the Manager in carrying out their duties under the Trust Deed.

If these costs and expenses are payable by the Fund, or are required to be accrued for by the Fund, then they are taken into account when the Fund's net income is calculated. This also applies to the Manager's and Trustee's fees. These items will therefore affect returns to Unitholders.



Certain fees, charges or expenses referred to in this Investment Statement are subject to GST. The rate of GST may change after the date of this Investment Statement.

The Manager may on dates that it determines redeem Units or make deductions from redemption proceeds or distributions to fund PIE Tax on income allocated to Unitholders.

Custodial Service fees

A Custodial Service may charge additional fees to Indirect Investors for an investment made through that service. Investors should consult with their Custodial Service or introduction agent (being brokers, financial advisers and other distributors) for information in relation to those fees.

New or increased fees

As noted above, the Manager may commence charging certain fees or increase the amount of certain fees up to the maximum amounts specified. The Manager must give not less than 2 months notice to Unitholders before implementing either of these actions.

Fee cap

The Manager may elect to set a cap to the fees charged to the Fund during any 12 month period for management and administration of the Fund (including fees of the Trustee, the Manager and the Administration Manager). The current fee cap set by the manager is 1.30% per annum (including GST) of the Gross Asset Value of the Fund. The Manager may change the fee cap at any time provided that all details of any proposed change will be given to unit holders at least one month before the change is to become effective and the change will not become effective until all Redemption Requests received within that notice period have been actioned. Such a change is not foreseen by the Manager at the date of this Investment Statement.



What returns will I get?



The returns to Unitholders from an investment in Units in the Fund will be derived from any increase (or decrease) in the value of the Units in the Fund (reflecting changes in the value of the underlying assets) that is realised by the Unitholder redeeming Units. Unitholders may redeem Units on a Valuation Day (see the section entitled “How do I cash in my Investment?” on page 23 for further details).

The Fund is not expected to make any distributions and any returns on the Investments will be reinvested. However, if distributions are made a statement setting out the distributions paid and the Net Asset Value of the Fund will be sent to each Unitholder within three months after the end of each financial year.

The Trustee, Public Trust, is legally liable to make payment of any returns calculated by the Manager, to the extent of the available assets of the Fund.

The Manager will adjust these returns for any PIE tax payable on income allocated to Unitholders.

Key factors that determine the returns

The value of the Units at any point in time will change with the value of the Investments and the foreign exchange contracts held by the Fund to hedge the movement in New Zealand dollar exchange rates.

The Redemption Price reflects the current value of the Fund’s underlying assets after deducting all liabilities and making such provisions as the Manager or the Trustee thinks necessary or desirable for accrued or contingent liabilities or losses. Such provisions include an allowance for the costs of realisation of Investments and redemption of Units. Pricing is gross of PIE tax.

If you want to know the current Redemption Price, contact the Manager at the address shown under “Who Do I Contact With Enquiries About My Investment?” on page 24.

The realisable value of your investment at any time is the number of Units you hold multiplied by the Redemption Price. This will be subject to any adjustment for any PIE tax on income allocated to Unitholders.

The Redemption Price may fall as well as rise, and the performance of the Fund will vary.

None of the Manager, the Trustee or any other person

guarantees the performance of the Fund or any return from an investment in the Fund.

No amount of returns quantifiable as at the date of this Investment Statement and enforceable by Unitholders has been promised by the Manager, the Trustee or any other person.

Taxation

The following statements in relation to taxation are of a general nature only and are based on current tax legislation which may change. The impact of taxation will vary depending upon each person’s individual circumstance including whether they are a Direct Investor or an Indirect Investor. Investors are encouraged to seek professional tax advice. The Manager and the Trustee do not take any responsibility for the taxation liabilities of investors. Returns to Unitholders are likely to be affected by taxation.

The taxation rules applying to the Fund are set out below. The explanation is based on the Fund being and remaining a Portfolio Investment Entity (PIE) under the Income Tax Act 2007. Should the Fund cease to be a PIE, the taxation rules applying to the Fund may alter.

The Fund is a PIE. The Fund will allocate all its taxable income (or losses) between its Direct Investors based on the number of Units held by them. The Manager will then calculate tax payable on such income allocated to each Direct Investor at their nominated Prescribed Investor Rate. Tax is then paid as described under the “Tax-paying investors” heading below.

Each Direct Investor must notify the Manager of their IRD number and their nominated Prescribed Investor Rate when they join the Fund, and when these details change. Direct Investors who do not notify both their IRD number and Prescribed Investor Rate will be taxed on income allocated to them by the Fund at the default rate of 30%. The Manager will seek reconfirmation of these details annually.

The Prescribed Investor Rates are as follows:

19.5%: New Zealand resident individual investors have a 19.5% Prescribed Investor Rate on the PIE income allocated to them, provided both of the following conditions can be met in either of the two immediately preceding income years:

- Their taxable income (excluding PIE income) did not exceed \$38,000; and



- Their combined taxable and PIE income did not exceed \$60,000.

The Taxation (International Taxation, Life Insurance and Remedial Matters) Act 2009 (enacted on 17 September 2009) allows New Zealand resident trusts (excluding unit trusts) the option to elect a 19.5% Prescribed Investor Rate, from 1 April 2009.

30%: This rate applies for all other New Zealand resident individuals, all non-residents, and all New Zealand resident trusts (excluding unit trusts) who have elected to be taxed at this rate.

0% (or “zero-rated”): This rate applies to New Zealand resident entities such as companies, unit trusts, other PIEs, charities, superannuation funds, trusts that have not elected the 30% rate, and nominees and wrap providers that elect to become PIE proxies (such as Custodial Services).

From 1 April 2010, the Prescribed Investor Rate rules will be amended to allow New Zealand resident individual investors to elect a Prescribed Investor Rate of 12.5% or 21% (with these rate replacing the current 19.5% tax rate). New taxable (and combined PIE and taxable) income thresholds will also apply for the 12.5%, 21% and 30% Prescribed Investor Rates. These changes are contained in the Taxation (Consequential Rate Alignment and Remedial Matters) Bill, currently before Parliament at the date of this Investment Statement.

The Manager is required to provide every Direct Investor in a PIE with an annual tax certificate, which will include the PIE income allocated to each investor and the amount of tax paid at their nominated Prescribed Investor Rate. This information will be necessary when determining if a rate of 19.5% can be selected in future.

Tax-paying investors

Direct Investors with a nominated Prescribed Investor Rate of either 19.5% or 30% are referred to as “tax-paying investors”. The Fund’s tax liability on PIE income allocated to its tax-paying investors will be deducted at the earliest of the following times:

- At the end of the income year (following 31 March);
- Upon any full or partial withdrawal or transfer.

Tax will be deducted by cancelling Units (or deduction from distributions, if any) equal to the value of the tax liability.

A refund of tax will be provided to the Fund to compensate for any PIE tax losses or excess tax credits relating to tax-paying investors. This is then allocated to such investors by issuing additional Units.

If the correct tax rate has been elected, the tax paid on income allocated to tax-paying investors will be a final tax and no obligation to file a tax return (in respect of this investment) will arise as a consequence. Nor will it impact on family assistance eligibility, student loan repayment obligations or child support payment obligations.

Tax-paying investors must advise the Manager if their nominated Prescribed Investor Rate changes from 19.5% to 30%. Failure to advise, or providing a lower rate than that applicable, will mean the investor is personally liable to pay any resulting tax shortfall including penalties and interest and may be required to file a tax return. The Manager cannot retrospectively change a Unitholder’s nominated Prescribed Investor Rate in respect of PIE Tax calculated and deducted from the Fund.

Similarly, tax-paying investors should advise the Manager if their nominated Prescribed Investor Rate changes from 30% to 19.5%. PIE tax is a final tax and no credit or refund is available if too much tax has been paid.

Where the value of a tax-paying investor’s Units is not regarded as sufficient, or likely to be sufficient, to fund the PIE tax liability on income allocated to that investor, the Units will be redeemed to fund that liability.

If a Unitholder transfers Units prior to April in any year, the transferrer will bear the cost of PIE tax on income allocated to those units from the beginning of the income year to the date of transfer.

Zero-rated investors

Direct Investors with a nominated Prescribed Investor Rate of 0% are referred to as “zero-rated investors”. These entities must return the PIE income/(loss) and tax credits (if any) and pay tax themselves. These entities will have a tax liability in respect of the PIE income allocated to them, regardless of whether the Fund makes any distributions to them. The Fund will not cancel any Units or otherwise adjust the interests of its zero-rated investors for PIE tax, as the Fund does not pay tax on the income allocated to such investors. Zero-rated investors will be entitled to claim their share of excess credits or PIE tax losses directly. They may also claim as a credit any PIE tax paid by the Fund on income allocated to them at the default rate of 30%.



Joint investors

For joint Direct Investors, income is allocated based on their notification to the first named person in the register only. Any joint investor can be selected if the nominated Prescribed Investor Rates are the same, but if they are different joint investors must select the investor with the highest nominated Prescribed Investor Rate. If no notice of election is received income will be allocated to the first named person at the default rate of 30%.

Gains and distributions

Redemption gains and distributions (if any) from the Fund will not be taxable to the investor. Withdrawals will be made by way of redemption of Units.

Indirect Investors

Indirect Investors hold their Units through a Custodial Service and only the Custodial Service appears on the Unit Register. Accordingly the discussion above in relation to taxation for Direct Investors applies only to the Custodial Service and not to Indirect Investors.

Custodial Services are Portfolio Investor Proxies as defined in the Income Tax Act 2007 and are specifically allowed to nominate a tax rate of 0% under the Prescribed Investor Rate rules. Indirect Investors should still get the benefit of their nominated Prescribed Investor Rate, although the Custodial Service (and not the Fund) will be responsible for effecting tax payments or distributing tax refunds.

Calculation of Fund income

Authorised Investments include the purchase of perpetual note securities issued by the Deutsche Bank AG group. It is through these notes that the Fund currently receives its investment exposure to the Index. Such notes are debt securities and when held directly by the Fund are taxed under the financial arrangement rules.

Holding restrictions

PIEs have restrictions on the percentage of Units any one investor, and associated parties holding interests of 5% or more can hold. This applies to holdings by both Direct Investors and Indirect Investors. The Manager may redeem or void Units held by Direct Investors (including a Custodial Service) exceeding the permitted threshold so as to ensure PIE status can be maintained. If Units are voided the Unitholder will receive a refund of subscription moneys (plus or minus any amount which the Trustee deems appropriate, in consultation with the Manager).

Suspension and Deferral of Redemptions

The Manager may suspend the processing of all redemption requests if, by reason of:

- the suspension of trading on any securities exchange; or
- financial, political or economic conditions applying in respect of any financial market; or
- the nature of any Investment; or
- a Redemption Request is received or a series of Redemption Requests have been received within a period of three months that in aggregate relate to more than 5% of the number of Units on issue; or
- the occurrence or existence of any other circumstance or event relating to the Fund, or generally,

the Manager shall form the opinion that it is not practicable, or would be materially prejudicial to the interests of any Unitholders, for the Manager to give effect to Redemption Requests. The Manager may determine that such Units may be progressively redeemed by instalments with effect from one or more Valuation Days falling in a period determined by the Manager or in total at the expiration of a period determined by the Manager and in any such case the Redemption Price is to be calculated at the Valuation Day or Days on which Units are redeemed. The Manager must notify the Trustee of its intention to progressively redeem Units.

Also, if a Redemption Request is received or a series of Redemption Requests have been received within a period of 3 months that in aggregate relate to more than 20% of the number of Units on issue in the Fund, the Manager may suspend the right of the Unitholders to make Redemption Requests on the following conditions:

- the Manager must notify the Trustee of its intention to suspend the right of Unitholders to make Redemption Requests; and
- the Manager must immediately call a meeting of Unitholders of the Fund to consider the winding up of the Fund or such other action as the Unitholders deem appropriate.

In the above circumstances, there is no express limit on the period of deferral or suspension.

What are my risks?



There are risks associated with investing in the Fund. The two principal risks faced by investors in Units are not recovering the money paid for Units in full and not receiving the returns referred to in the “What returns will I get?” section on page 16.

Other than the Issue Price paid for Units and any money required to be paid in relation to personal tax obligations, there are no circumstances in which Unitholders will be liable to pay any further money to the Fund.

The value of the investment in Units will fluctuate and you may not receive the returns you expect. It is possible that you may not recover in full the initial amount of money you pay for your Units.

Before making a decision to apply for Units, you should consult your financial or other professional adviser. Any investment you may make in the Fund should be part of an overall diversified investment program.

You should only invest in the Fund if you are willing to undertake the risks involved in such an investment. Investors should carefully consider each of the key risks set out below and should also be aware that there may be other risks that are not detailed in this Investment Statement.

Risks of investing in the Fund

- **Investment risk:** Investment risk is the risk of negative returns on Fund investments, or that the returns for the Fund are insufficient to meet the applicable expenses. None of the Manager, the Trustee or any other person guarantees the performance of the Fund or any return on Units in the Fund.
- **Liquidity risk:** Liquidity risk is the risk associated with an inability on the part of the Fund to meet monetary obligations in a timely manner. This includes the inability of the Fund to meet redemption obligations.
- **Credit risk:** Credit risk is the risk that the financial strength of a Fund counterparty worsens, leading to actual or potential losses for the Fund. For example the Fund is exposed to the credit risk of the Deutsche Bank AG group in connection with its role as issuer of perpetual note securities through which the Fund currently receives its investment exposure to the Index. If a counterparty becomes insolvent or is otherwise unable to meet its payment obligations then the Net Asset Value of the Fund will be adversely affected.

- **Exchange rate risk:** The Investments may not be denominated in New Zealand dollars. The Manager will endeavour to mitigate or limit the loss from changes in the New Zealand dollar however losses from exchange rate fluctuations may arise.
- **Redemption deferral or suspension:** In certain circumstances the Manager may suspend or defer the redemption of Units for an indefinite period. Circumstances for the deferral of redemption include where (a) financial, political or economic conditions apply in respect of any financial market or (b) Redemption Request(s) are received within a three month period for more than 5% of Units, and in the Manager’s opinion it is not practicable (or would be materially prejudicial to the interests of investors) for the Manager to give effect to the Redemption Requests.
- **Early winding up:** The Fund may be wound up early including in the following circumstances: (a) after 30 days notice from the Manager in its discretion or (b) by an Ordinary Resolution of the Unitholders. There is no guarantee that you will recover all of your initial investment in an early winding up of the Fund.
- **Index changes:** There is no assurance that Deutsche Bank AG will continue to calculate and publish the Index on the basis described in this Investment Statement. The Manager may change the Fund’s investment policy which may result in the Fund tracking a different commodity index. Either of these events may have an adverse impact on Fund returns.

Risks associated with the Manager

- **Operating risk:** There is a risk of technological or other failure impacting on the Fund. This could include performance failure by a third party which the Manager has engaged to provide services. In addition, as both the Fund and the Manager were incorporated in 2009 they only have a short operating history.
- **Reliance on third party information:** Some information contained in this Investment Statement has been made available by third parties or from publicly available sources. In addition, each month the Manager will rely on information provided to it in calculating the Net Asset Value. No assurance can be given as to the accuracy or completeness of such information. The return generated by the Fund and



the accuracy of the Net Asset Value will be impaired if any such information is untrue or incorrect in a material respect.

- **Loss of key personnel:** There is a risk that the loss of key personnel by the Manager could adversely affect its performance (and therefore the Fund's performance).
- **Replacement Manager:** If the Manager is removed or resigns, there is no assurance that another suitable manager will be found to assume the role of manager.

General risks

- **Regulatory risk:** There is a risk that future changes to legislation or applicable regulations could affect the operation of the Fund or the level or nature of returns from the Fund.
- **Alternative asset class:** Commodities are regarded as an asset class that is an alternative to traditional securities such as equities and fixed income assets. An investment in the Fund will not be suitable for all investors.
- **General market risks:** Global markets can be severely impacted by events such as global recession, political uncertainty, or instability, economic uncertainty or instability within particular industries, corporate fraud or a disruption of financial markets. The investment performance of the Fund may be adversely affected if any of these events occur.
- **Interest rate changes:** In certain circumstances the Index return is linked to a US dollar cash interest rate. While an upward movement in US cash interest rates would potentially increase returns for the Fund, downward movements in US dollar cash interest rates are likely to adversely impact returns for the Fund.
- **Indirect Investors:** Application amounts from Indirect Investors must be invested and held through a Custodial Service. The Custodial Service (and not the Indirect Investor) will be recognised as a Unitholder in the Fund. This means that Indirect Investors do not have a direct relationship with the Fund. The Custodial Service (and not the Fund) will therefore be responsible to Indirect Investors for (a) paying redemption proceeds and distributions (if any) and (b) effecting tax payments or distributing tax refunds. Indirect Investors do not have any voting rights.

Taxation risks for investors

- If PIE status is lost in the first 12 months of the Fund or due to an event such as the number of Unitholders reducing to below 20, the Fund would be taxed as a widely held unit trust at 30% rather than at an investor's nominated Prescribed Investor Rate.
- Refer to the Taxation section under "Tax-paying investors" on page 17 for details of the risk of tax being deducted by cancelling Units where the value of your remaining Units is not regarded as sufficient to fund your tax liability.
- PIEs have restrictions on the percentage of Units any one investor and associated parties holding interests of 5% or more can hold. This applies to holdings by both Direct Investors and Indirect Investors. Generally no investor, together with such associates can hold more than 20% of the Fund (although this restriction does not apply to investors who are other PIEs or fall within a narrow class of other specified entities). The Manager may redeem or void Units held by Direct Investors (including a Custodial Service) exceeding the permitted threshold so as to ensure PIE status can be maintained. If your units are voided, you could receive back less than your subscription monies.
- An investor advising a nominated Prescribed Investor Rate lower than that applicable or not advising a change to a higher rate, is obliged to pay the tax shortfall plus any interest and penalties, and may be required to file a tax return. If an investor advises a nominated Prescribed Investor Rate higher than that applying, the excess tax paid cannot be claimed back as PIE tax is a final tax. Zero-rated investors may however obtain a credit for any PIE tax paid on income allocated to them.
- A trust that elects a nominated Prescribed Investor Rate of 30% will be unable to provide the PIE income to beneficiaries at rates lower than 30%.
- Refer to the Taxation section on page 17 for details of the manner in which joint investors are allocated income to one investor only, which may impact on that investor's ability to retain a 19.5% Prescribed Investor Rate.
- Any future change in taxation legislation or change in interpretation could impact on the Fund's returns.



Unitholders should be aware of these risks when investing and that not all risks can be foreseen.

None of the Trustee, Manager or any other person guarantees the performance of the Fund or any return from an investment in the Fund.

Other than in relation to personal tax obligations, there are no circumstances in which you will be obliged to pay any further amounts. Tax-paying investors will have adjustments made to their Units to reflect tax paid or payable on their behalf by the Fund and provide an indemnity for tax paid (and any related penalties or interest) on PIE income allocated to them. This indemnity would only apply if the Unitholder's interest in the Fund was less than the PIE tax liability at the Unitholder's nominated Prescribed Investor Rate on income allocated to them.

For more information on tax obligations, please refer to the section "What Returns Will I Get?" on page 16.

Insolvency of the Fund

Money invested in the Fund is held by the Trustee separately from the Manager's and the Trustee's assets, and would not be affected by the insolvency of the Manager or the Trustee.

If the Manager becomes insolvent, is put into liquidation or has a receiver appointed, the Trustee is able to remove the Manager if the Manager does not retire, and may appoint another manager.

Unitholders will not be liable to pay money to any person as a result of the insolvency of the Fund. In the event of the Fund being wound up or put into liquidation, creditors of the Fund (including the Manager, Trustee, Custodian and Administration Manager) will rank ahead of the claims of Unitholders. Unitholders claims will rank equally amongst each other.





Changes to investment policy

The Manager may change the investment policy for the Fund where Unitholders have been given at least one month prior notice and the opportunity to withdraw their Units before the variation takes effect.

Alternatively the Manager may change the Fund's investment policy where the variation has been approved by an Extraordinary Resolution of Unitholders.

Compulsory redemption of units

The Manager may, on dates that it determines, redeem Units or make deductions from redemption proceeds or distributions to fund PIE Tax on income allocated to Unitholders.

The Manager may also redeem or void Units if the number of Units held by a Direct Investor or an Indirect Investor and its associated persons (as defined in the Income Tax Act 2007) would cause the Fund to lose its status as a PIE.

Suspension and deferral of withdrawals

The Manager may in certain circumstances suspend or defer withdrawals. The circumstances in which the Manager may suspend and defer withdrawals are set out in detail in the section entitled "How do I cash in my investment?" under the heading "Suspension of Redemptions" on page 23.

Changes to the Master Trust Deed and Establishment Deed

The Trustee and Manager may make an amendment to the Master Trust Deed or an Establishment Deed relating to the Fund where the amendment is:

- in the Trustee's opinion necessary to correct a manifest error or is of a formal or technical nature;
- in the Trustee's opinion necessary or desirable for the more convenient, economical or advantageous working, management or administration of the Fund or to safeguard or enhance the interests of the Fund or Unitholders and is not, or not likely to become, materially prejudicial to the general interests of Unitholders;
- authorised by an Extraordinary Resolution of Unitholders of the Fund; or
- if after a change in any law affecting unit trusts, required to make any provision of the Trust Deed consistent with such law.

Other changes

The Manager may change the minimum investment amounts, the minimum number or value of Units that must be maintained in the Fund after a redemption or transfer and the minimum redemption or transfer amount. See the "How do I cash in my investment?" section on page 23 for details.

Termination of the Fund

The Manager may resolve to terminate the Fund at its discretion. Should this occur, Unitholders of the Fund will be given not less than 30 days notice of termination.

In addition the Fund may be terminated by an Ordinary Resolution of the Unitholders of the Fund.

If the Fund has not been terminated earlier, the Fund will terminate 80 years less 2 days from the date of the Trust Deed.



Redemptions

Unitholders can invest for any period and Units are redeemable on any Valuation Day.

A Unitholder (being a Direct Investor) wishing to withdraw from the Fund must give a written Redemption Request to the Manager of the Unitholder's wish to withdraw. Redemptions will only be paid to the Unitholder's bank account or other nominated account on their application form or as advised subsequently to the Manager in writing. Bank accounts provided to the Manager are to be confirmed by printed bank account deposit form in every case.

A Redemption Request is irrevocable. Redemption Requests must be received prior to 2pm on the 8th Business Day before the last Business Day of any month to be processed in that month. This cut off date may be varied by the Manager.

The Manager will pay the Redemption Price to the Unitholder within 10 Business Days of the relevant Valuation Day.

The Manager requires information regarding the investments held by the Fund every Valuation Day to determine the Net Asset Value of the Fund. Should delays occur in the receipt of this information, redemptions will be paid as soon as possible following the confirmation of the Net Asset Value.

An Indirect Investor will not be recognized as a Unitholder in the Fund. Indirect Investors must contact their Custodial Service to withdraw their investment. The Custodial Service should then lodge the Redemption Request with the Fund.

Suspension of redemptions

The Manager may suspend the processing of all Redemption Requests if, by reason of:

- the suspension of trading on any securities exchange; or
- financial, political or economic conditions applying in respect of any financial market; or
- the nature of any Investment; or
- a Redemption Request is received or a series of Redemption Requests have been received within a period of three months that in aggregate relate to more than 5% of the number of Units on issue; or
- the occurrence or existence of any other circumstance or event relating to the Fund, or generally,

the Manager shall form the opinion that it is not practicable, or would be materially prejudicial to the interests of any Unitholders, for the Manager to give effect to Redemption Requests. The Manager may determine that such Units may be progressively redeemed by instalments with effect from one or more Valuation Days falling in a period determined by the Manager or in total at the expiration of a period determined by the Manager and in any such case the Redemption Price is to be calculated at the Valuation Day or Days on which Units are redeemed.

Also, if a Redemption Request is received or a series of Redemption Requests have been received within a period of 3 months that in aggregate relate to more than 20% of the number of Units on issue in the Fund, the Manager may suspend the right of the Unitholders to make Redemption Requests on the following conditions:

- the Manager must notify the Trustee of its intention to suspend the right of Unitholders to make Redemption Requests; and
- the Manager may, or if required by the Trustee must, immediately call a meeting of Unitholders of the Fund to consider the winding up of the Fund or such other action as the Unitholders deem appropriate.

In the above circumstances, there is no express limit on the period of deferral or suspension.

Transfers

Unitholders can transfer all or part of their investment to another party currently free of any charge.

To transfer Units to another party, Unitholders must use a security transfer form or a form approved by the Manager. The transferee may be required to provide identification under the Financial Transactions Reporting Act 1996. A transfer is complete as soon as the new investor is recorded on the register of Unitholders. Refer to the Taxation section on page 17 for the tax consequences on transfer for tax-paying investors.

The Manager has the right to decline a transfer if it would result in the loss of PIE status for the Fund or if the Unitholder or the transferee would hold less than the minimum investment after the transfer.

In the Manager's opinion, there is no established secondary market for the trade of Units in the Fund.

Is there anyone to whom I can complain if I have problems with the investment?



Complaints about the securities can be made by Direct Investors to:

The Directors
Pathfinder Asset Management Limited
Level 1, Victoria House
23 Victoria Street East
PO Box 4411
Auckland 1140

Telephone (09) 369 1071
Email: info@path.co.nz

or to the Trustee:

Public Trust
Level 10
141 Willis Street
Wellington

Telephone: (04) 978 4497
Email: enquiry@trustee.co.nz

Any complaints from Indirect Investors should be made to their financial adviser or Custodial Service that has organized their investment.

There is no ombudsman to whom complaints about the Units can be made.



What other information can I obtain about this investment?



All of the currently available material information relating to the Fund and an investment in Units is contained in the registered prospectus containing the offer to which this Investment Statement relates, and in the Trust Deed.

Other information about the Units, the Fund and the Manager is contained in the financial statements for the Fund. The first financial statements will be available after the Fund completes its first accounting period on 31 March 2010.

Further information about the Fund and an investment in Units is available by writing to the Manager at the address above. The registered prospectus, the Master Trust Deed and the Establishment Deed and the financial statements (when available) are filed on a public register at the Companies Office of the Ministry of Economic Development, and are available for public inspection, on request and payment of the relevant fee, by telephoning the Companies Office Contact Centre on 0508 266 726 and quoting company reference 2203860.

The documents are also available on the Companies Office's website www.companies.govt.nz under the Manager's reference.

For Direct Investors, following the issue of Units the Manager will within one month send you a confirmation of your investment setting out the details of your investment in the Fund.

A Unitholder may at any time make a request to the Manager for the Redemption Price. The Manager will provide such price from the most recent Valuation Day within seven days.

The Fund is not expected to make any distributions. However, if distributions are made a statement setting out the distributions paid and the Net Asset Value of the Fund will be sent to each Unitholder within three months after the end of each financial year. A summarised copy of the annual accounts and a copy of the Auditor's report in respect of the annual accounts only, shall be forwarded to each Unitholder within five months of the financial year end.

Unitholders have the right to inspect and obtain a copy of that part of the Unit Register that relates to the Units of that Unitholder. Unitholders also have the right to inspect a copy of the Master Trust Deed and the Establishment Deed for the Fund at the office of the Manager, which is located at:

Level 1
Victoria House
23 Victoria Street East
Auckland

Unitholders may also request from the Manager, free of charge, a copy of this Investment Statement and the registered prospectus, the Master Trust Deed and the Establishment Deed.

Privacy

The Manager collects and holds personal information about applicants for Units for the purposes of administering the investment. Unitholders may request access to any personal information the Manager holds about them, by writing to the Manager at:

Pathfinder Asset Management Limited
Level 1, Victoria House
23 Victoria Street East
PO Box 4411
Auckland 1140.

You may also request correction of any personal information the Manager holds about you. Depending on the nature of your request, the Manager may impose a charge for providing you with or correcting any personal information. Failure to provide the requested information could cause your application for Units to be declined.



The following capitalised terms used in this Investment Statement have the following meanings. Some of these terms are summaries of definitions in the Trust Deed. For complete definitions, reference should be made to the Trust Deed.

Act	The Unit Trusts Act 1960.
Administration Manager	MMc Limited.
Auditor	The auditor of the Fund.
Authorised Investments	The category of investments the Fund is permitted to hold under the terms of the Trust Deed.
Business Day	Any day (other than a Saturday or Sunday) on which banks are open in Auckland, London, New York, Frankfurt and Sydney for business (or such other days in accordance with the Establishment Deed).
Buy Spread	The amount per Unit being 0.75% (or such other percentage notified by the Manager to Trustee) of the Net Asset Value per Unit.
Custodial Service	A service provider approved by the Manager that aggregates holdings of Units for Indirect Investors so that the service provider appears as one holder for them on the Unit Register. Also known as a “wrap platform”. These entities are Portfolio Investor Proxies as defined in the Income Tax Act 2007.
Direct Investor	An investor in the Fund (a) whose application amount is at least \$25,000 (or such other minimum accepted by the Manager), or (b) is a Custodial Service, and in each case who is registered as a Unitholder.
Entry Fee per Unit	An amount determined by the Manager of up to 3% of the Net Asset Value per Unit. As at the date of this Investment Statement the Manager has set the Entry Fee per Unit at nil.
Establishment Deed	The Establishment Deed dated 1 April 2009 between the Manager and the Trustee.
Extraordinary Resolution	A resolution passed by Unitholders by a majority of 75% or more.
Fund	The Pathfinder Commodity Plus Fund.
Gross Asset Value	The aggregate of the market value of the Investments, any income accrued or expenses payable in respect of the Fund (where not included in such market value).
Index	The Deutsche Bank Liquid Commodities Index Mean Reversion Plus Access denominated in US Dollars.
Indirect Investor	An investor in the Fund whose Units are held through a Custodial Service.

Investment	Each investment or other asset held by the Fund.
Issue Price	The price at which Units are issued, being the Net Asset Value divided by the number of Units on issue plus the Sell Spread and the Entry Fee per Unit (if any).
Manager	Pathfinder Asset Management Limited.
Master Trust Deed	The Master Trust Deed dated 1 April 2009 between the Manager and the Trustee.
Net Asset Value	The Gross Asset Value of the Fund less all liabilities of the Fund determined on an accruals basis and such other provisions as the Manager or the Trustee thinks necessary or desirable for accrued or contingent liabilities or losses, including a provision for the costs of realisation of any Investments and redemption or repurchase of Units.
Ordinary Resolution	A resolution of Unitholders passed by a majority of more than 50%.
Pathfinder Funds	All funds established under the Master Trust Deed and managed or to be managed by Pathfinder Asset Management Limited. At the date of this Investment Statement the Pathfinder Commodity Plus Fund is the only such fund however future funds are contemplated.
PIE	A portfolio investment entity as defined in the Income Tax Act 2007.
PIE tax	Tax payable by the Fund, the Trustee, or the Manager which is determined by reference to nominated Prescribed Investor Rates of Unitholders or is otherwise determined by the Trustee or the Manager to be attributable to income allocated to Unitholders.
Prescribed Investor Rate	The rate a Unitholder has elected or may elect under the Income Tax Act 2007 in relation to income allocated to them by a PIE.
Redemption Request	A request to redeem Units.
Redemption Price	The price at which Units are redeemed, being the Net Asset Value divided by the number of Units on issue, less the Buy Spread.
Registrar	MMc Limited.



Sell Spread	The amount per Unit being 0.75% (or such other percentage notified by the Manager to Trustee) of the Net Asset Value per Unit.
Trust Deed	Together the Master Trust Deed and the Establishment Deed.
Trustee	Public Trust
Unit	A unit in the Fund.
Unitholder	The registered holder of a Unit. An Indirect Investor will not be recognised as a Unitholder. A Direct Investor will be recognised as a Unitholder.
Unit Register	The register of Unitholders.
US dollars	United States dollars, the lawful currency of the United States of America.
Valuation Day	The last Business Day of each month

References to any legislation include that legislation as amended or superseded.

How to invest

The first Units were issued on 29 May 2009. The instructions for Direct Investors and Indirect Investors to complete the application form are set out below:

Investor details

Provide your full name(s) and address. Supply your IRD number and your Prescribed Investor Rate as determined in the section “What Returns Will I Get?” on page 16.

Investment details

Enter the amount you wish to invest in the Fund. For Direct Investors the minimum investment amount is \$25,000. A minimum of \$1,000 applies for subsequent investments.

Verification of identity

The Financial Transactions Reporting Act 1996 requires verification of the identity of all new investors to the Fund.

You will need to provide either a form of identification that has your photo and signature (your passport, for example), or two other forms of identification that have your signature. A printed bank deposit slip is also required to verify your nominated bank account.

In all cases, you can either produce originals or send copies.

Companies

We will require a copy of the Certificate of Incorporation.

Trusts and Estates

If there are three or fewer than three trustees, identification is required for each trustee. Where there are more than three trustees, the principal Unit Holder must be noted on the application form, and identification is required only for that person.

A list of authorised signatories (if any) should be attached with any new application.

Complete application form and cheques

For application amounts of less than \$25,000 (Indirect Investors):

- Your Units must be invested and held through a Custodial Service.
- You need to complete the application form attached to this Investment Statement if requested by your financial adviser or other intermediary.
- The amount to be invested must be paid to the Custodial Service via your financial adviser or other intermediary.

For application amounts in excess of \$25,000 (Direct Investors):

- You may invest directly into the Fund.
- You must send your application form, any verification of identity documents and bank deposit slip to MMc Limited at PO Box 106-039, Auckland City 1143.

The amount to be invested must be paid either by direct credit to Pathfinder Nominees Limited at National Bank, 1 Victoria Street, Wellington, account number 06-0507-0102970-00 or by cheque marked “not transferable”, made payable to “Pathfinder Nominees Limited” and sent to MMc Limited at PO Box 106-039, Auckland City.

The Manager may vary the \$25,000 minimum application amount for Direct Investors.

Pathfinder Commodity Plus Fund Application Form

Pathfinder Asset Management Limited ("Pathfinder")

<input type="checkbox"/> Direct investment (\$25,000 minimum applies)*	<input type="checkbox"/> Indirect investment (via a Custodial Service)
Please mail (1) your completed application form, (2) a cheque (crossed "not transferable") made payable to "Pathfinder Nominees Limited", (3) a copy of your identification document(s) and (4) a printed bank deposit slip to MMc Limited, Level 13, 23 Customs Street, P O Box 106-039, Auckland 1143. Please refer to the heading "Verification of Identity" on the reverse of this form for identification documents required.	Please hand your completed form to your advisor, and provide payment in the form required by your advisor.

Investor Details

FOR A COMPANY OR TRUST

Name of Company or Trust (if applicable):

FOR INDIVIDUAL INVESTORS (Also, Trustees for Trust Investments, Directors for Company Investments)

Mr Mrs Miss Ms Trustee Director:

First Name:

Last Name:

Mr Mrs Miss Ms Trustee Director:

First Name:

Last Name:

Mr Mrs Miss Ms Trustee Director:

First Name:

Last Name:

Investor Contact Details

Full Postal Address:

Home Ph:

Business Ph:

Mobile:

Email:

Prescribed Investor Rate

Resident Individual Investor, Joint Investment or Partnership

(joint holders must select the higher of their PIRs):

19.5%

30%

Resident Trustee Investor (excluding charitable trusts):

0%

30%

Resident Registered Charitable Trust, Company, Superfund, or PIE:

0%

Application Amount

- If you are investing **\$25,000 or more** you may invest (1) directly in the Fund or (2) via a Custodial Service arranged by your investment advisor*
- If you are investing **less than \$25,000** you must invest via a Custodial Service arranged by your investment advisor*

\$

Insert your investment amount here

Investor IRD Number

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The amount to be invested must be paid either by direct credit to Pathfinder Nominees Limited at National Bank, 1 Victoria Street, Wellington, account number 06-0507-0102970-00 or by cheque marked "not transferable", made payable to "Pathfinder Nominees Limited" and sent to MMc Limited at PO Box 106-039, Auckland City.

*The Manager may vary the \$25,000 minimum application amount for direct investment.



Advisor's Fee

I/We direct the trustee of the Pathfinder Commodity Plus Fund to pay on my/our behalf the application fee payable to my/our Investment Advisor in relation to my/our application for Units in the Pathfinder Commodity Plus Fund.

Pay Application Fee? Yes No % (Maximum rate is 3%)

Name of Investment Advisor: **Canopus Investments Limited**

Bank Account Number:

Bank Name and Branch:

Name of Account:

Agreement Of Terms

I/We confirm that I/we have read and understood the Investment Statement, Prospectus and the Trust Deed and that all information I/we have given in this form is correct. I/We irrevocably apply for Units in the Pathfinder Commodity Plus fund to the value shown above (less advisor's application fee, if applicable) on the terms and conditions set out in the Investment Statement, Prospectus, Trust Deed and this application form.

Under the terms of the Privacy Act 1993, I/we acknowledge that you are retaining my/our personal details provided on this application form for the purpose of mailing or emailing me/us further information on products or services offered by Pathfinder. I/we understand that I/we must advise Pathfinder in writing if I/we do not want this information to be provided.

I/We understand that I/we may request access to the personal details of me/us held by Pathfinder. If I/we consider these personal details to be incorrect, I/we understand that these personal details may be corrected at my/our written request.

Certificate of Non-Revocation 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 said Power of Attorney and pursuant to the powers hereby conferred on me. At the date hereof, I have not received any notice or information of the revocation of the said Power of Attorney by the death or liquidation of the donor or otherwise.

Signature of Attorney: _____

Signature(s) of Investors

Signature _____ Date: _____

Signature _____ Date: _____

Signature _____ Date: _____

Please note: all applicants must sign.

Verification of Identity

For Direct Investors you must provide with this application form (1) a copy of suitable identification, (either one piece that has both your photograph and your signature eg Drivers Licence or Passport, or two pieces that each have your signature) and (2) a printed bank deposit slip.

For Indirect Investment (via a Custodial Service) you must provide identification documents as required by your investment advisor.

Pathfinder Commodity Plus Fund Application Form

Pathfinder Asset Management Limited ("Pathfinder")

<input type="checkbox"/> Direct investment (\$25,000 minimum applies)*	<input type="checkbox"/> Indirect investment (via a Custodial Service)
Please mail (1) your completed application form, (2) a cheque (crossed "not transferable") made payable to "Pathfinder Nominees Limited", (3) a copy of your identification document(s) and (4) a printed bank deposit slip to MMc Limited, Level 13, 23 Customs Street, P O Box 106-039, Auckland 1143. Please refer to the heading "Verification of Identity" on the reverse of this form for identification documents required.	Please hand your completed form to your advisor, and provide payment in the form required by your advisor.

Investor Details

FOR A COMPANY OR TRUST

Name of Company or Trust (if applicable):

FOR INDIVIDUAL INVESTORS (Also, Trustees for Trust Investments, Directors for Company Investments)

Mr Mrs Miss Ms Trustee Director:

First Name:

Last Name:

Mr Mrs Miss Ms Trustee Director:

First Name:

Last Name:

Mr Mrs Miss Ms Trustee Director:

First Name:

Last Name:

Investor Contact Details

Full Postal Address:

Home Ph:

Business Ph:

Mobile:

Email:

Prescribed Investor Rate

Resident Individual Investor, Joint Investment or Partnership

(joint holders must select the higher of their PIRs):

19.5%

30%

Resident Trustee Investor (excluding charitable trusts):

0%

30%

Resident Registered Charitable Trust, Company, Superfund, or PIE:

0%

Application Amount

- If you are investing **\$25,000 or more** you may invest (1) directly in the Fund or (2) via a Custodial Service arranged by your investment advisor*
- If you are investing **less than \$25,000** you must invest via a Custodial Service arranged by your investment advisor*

<p>\$</p> <p>Insert your investment amount here</p>

Investor IRD Number

The amount to be invested must be paid either by direct credit to Pathfinder Nominees Limited at National Bank, 1 Victoria Street, Wellington, account number 06-0507-0102970-00 or by cheque marked "not transferable", made payable to "Pathfinder Nominees Limited" and sent to MMc Limited at PO Box 106-039, Auckland City.

*The Manager may vary the \$25,000 minimum application amount for direct investment.



Advisor's Fee

I/We direct the trustee of the Pathfinder Commodity Plus Fund to pay on my/our behalf the application fee payable to my/our Investment Advisor in relation to my/our application for Units in the Pathfinder Commodity Plus Fund.

Pay Application Fee? Yes No % (Maximum rate is 3%)

Name of Investment Advisor: **Canopus Investments Limited**

Bank Account Number:

Bank Name and Branch:

Name of Account:

Agreement Of Terms

I/We confirm that I/we have read and understood the Investment Statement, Prospectus and the Trust Deed and that all information I/we have given in this form is correct. I/We irrevocably apply for Units in the Pathfinder Commodity Plus fund to the value shown above (less advisor's application fee, if applicable) on the terms and conditions set out in the Investment Statement, Prospectus, Trust Deed and this application form.

Under the terms of the Privacy Act 1993, I/we acknowledge that you are retaining my/our personal details provided on this application form for the purpose of mailing or emailing me/us further information on products or services offered by Pathfinder. I/we understand that I/we must advise Pathfinder in writing if I/we do not want this information to be provided.

I/We understand that I/we may request access to the personal details of me/us held by Pathfinder. If I/we consider these personal details to be incorrect, I/we understand that these personal details may be corrected at my/our written request.

Certificate of Non-Revocation 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 said Power of Attorney and pursuant to the powers hereby conferred on me. At the date hereof, I have not received any notice or information of the revocation of the said Power of Attorney by the death or liquidation of the donor or otherwise.

Signature of Attorney: _____

Signature(s) of Investors

Signature _____ Date: _____

Signature _____ Date: _____

Signature _____ Date: _____

Please note: all applicants must sign.

Verification of Identity

For Direct Investors you must provide with this application form (1) a copy of suitable identification, (either one piece that has both your photograph and your signature eg Drivers Licence or Passport, or two pieces that each have your signature) and (2) a printed bank deposit slip.

For Indirect Investment (via a Custodial Service) you must provide identification documents as required by your investment advisor.



www.path.co.nz

Pathfinder Asset Management Limited
PO Box 4411, Shortland Street, Auckland 1140
www.path.co.nz

