



# Booster Investment Scheme 2

Product Disclosure Statement

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**Private Land & Property Fund**

**Offer of units in the Private Land and Property Fund of the Booster Investment Scheme 2**

1 July 2024

Issuer: Booster Investment Management Limited

**This document replaces the Product Disclosure Statement dated 13 September 2022.**

This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer on [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz). Booster Investment Management Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial advice provider to help you make an investment decision.



# 1. Key information summary

## What is this?

This is a managed investment scheme.

Your money will be pooled with other investors' money and invested in various investments.

Booster Investment Management Limited (**we, our or us**) will invest your money and charge you a fee for its services. The returns you receive are dependent on the investment decisions of Booster and the performance of the investments.

The value of those investments may go up or down.

The types of investments and the fees you will be charged are described in this document.

## What will your money be invested in?

The Private Land and Property Fund (**Fund**) is listed on the NZX Main Board (with the code PLP). The Fund provides investors with an opportunity to obtain an investment exposure primarily in a specialised portfolio of directly held, unlisted, agricultural and horticultural land and other property investments in New Zealand, which may be supplemented with investments in industrial, commercial and retail properties (including land, buildings, bearer plants<sup>1</sup>, and plant and equipment). The Fund obtains its property exposure by buying units in a separate wholesale property fund managed by Booster – the Private Land and Property Portfolio (**Wholesale Portfolio**) a fund within the Booster Wholesale Scheme. Details of the property held by the Wholesale Portfolio can be found in the 'Other Material Information' document located at [www.booster.co.nz](http://www.booster.co.nz)

<sup>1</sup>A bearer plant is a plant (such as a grape vine) that is used in the production or supply of agricultural produce for more than one period.

## More about the Fund

### Description and investment objective

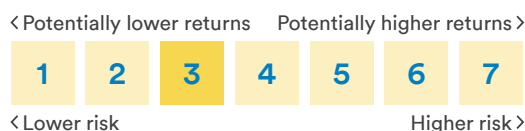
The Fund's investment objective is to provide investors with a complementary and enhanced risk / return outcome compared to traditional listed property investments.

It aims to generate an average annual long-term return of about 6.5% p.a. (before tax and after all fees, charges and costs) over rolling 7 year periods from a combination of income and capital gain as properties reach full productive capability.

Changes in the valuation of properties due to general property market movements will also impact the return of the Fund but such returns are not the primary objective of the Fund.

The Wholesale Portfolio, in which the Fund invests, may borrow to invest in more property or to develop property already held by the Wholesale Portfolio.

### Risk indicator



This Fund may not be suitable for all investors due to the risks of volatility of returns, gearing and concentration of investments. If you are unsure, you should seek advice from a financial adviser.

See Section 4 – *What are the risks of investing?* for an explanation of the risk indicator and for information about other risks that are not included in the risk indicator. To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at [www.sorted.org.nz/tools/investor-profiler/](http://www.sorted.org.nz/tools/investor-profiler/).

Annual fund charges <sup>2</sup>		Individual action fees														
Management fee	1.00%	<b>Contribution fees</b> Booster does not charge an entry fee. Your financial adviser, with your agreement, may charge you other fees for the services they provide to you. These fees may include an entry fee on each investment amount. If you buy units in the Fund through an NZX Participant (such as a broker), they may also charge you a fee for their services.														
<b>Other management and administration charges</b>																
In fund costs*	0.10%															
Property operating expenses**	0.12%															
<b>Total (estimate)</b>	<b>1.22%</b>	<b>Withdrawal fee</b> To help manage withdrawal requests, Booster may charge a withdrawal fee on part or all of your investment withdrawn from the Fund. The fee charged is based on the sum of all amounts you have withdrawn from the Fund in the previous rolling 12 months. If you hold multiple accounts for the same legal entity or with the same beneficial ownership, the withdrawal fee applicable will be based on the TOTAL amount of withdrawals by the same legal entity/beneficial owner. If you sell your units on the NZX Main Board you will not be charged a withdrawal fee.														
*Estimated.																
**The estimated property operating expenses are the direct costs of ownership and operation of the individual underlying properties of the Wholesale Portfolio which are proportionately passed to the Fund. This includes (but is not limited to) valuations and other property related costs and associated professional fees. <b>These amounts are not fees payable for the management of the Fund.</b>																
		<table border="1"> <thead> <tr> <th>Total amount withdrawn in the last rolling 12 months</th> <th>Fee payable (for each tier)</th> </tr> </thead> <tbody> <tr> <td>\$50,000 or less</td> <td>Nil</td> </tr> <tr> <td>Between \$50,000 and \$100,000</td> <td>1% of the amount above \$50,000</td> </tr> <tr> <td>Between \$100,000 and \$200,000</td> <td>2% of the amount above \$100,000</td> </tr> <tr> <td>Between \$200,000 and \$300,000</td> <td>3% of the amount above \$200,000</td> </tr> <tr> <td>Between \$300,000 and \$500,000</td> <td>4% of the amount above \$300,000</td> </tr> <tr> <td>\$500,000 or more</td> <td>5% of the amount above \$500,000</td> </tr> </tbody> </table>	Total amount withdrawn in the last rolling 12 months	Fee payable (for each tier)	\$50,000 or less	Nil	Between \$50,000 and \$100,000	1% of the amount above \$50,000	Between \$100,000 and \$200,000	2% of the amount above \$100,000	Between \$200,000 and \$300,000	3% of the amount above \$200,000	Between \$300,000 and \$500,000	4% of the amount above \$300,000	\$500,000 or more	5% of the amount above \$500,000
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		Other funds managed by Booster that invest in the Fund will not be charged a withdrawal fee.														

<sup>2</sup> Calculated daily as a percentage of the net asset value of the Fund.

The Fund may also incur interest and borrowing costs related to gearing undertaken by the Wholesale Portfolio. For more information about the fees charged, see Section 5 – *What are the fees?*

## Who manages the Private Land and Property Fund?

Booster is the manager of the Fund. You'll learn more about us in Section 7 – *Who is involved?*

## What are the returns?

The return on your investment comes from income distributions made by the Fund, and from any change in the Fund's unit price. The unit price changes as net income is earned (prior to being distributed), and as property is revalued. The distribution is the result of net income generated from rents and the crops produced on the land. Because crop net income fluctuates, the distribution is not set at a fixed rate and will vary.

We will aim to pay a quarterly distribution to investors of any net cash income received from the Wholesale Portfolio (after allowing for expenses). Eligible investors can choose to reinvest their distributions by participating in the Distribution Reinvestment Plan.

See Section 2 – *How does this investment work?* for more information.

## How can you get your money out?

You can make a request to Booster to withdraw some or all of your investment in the Fund at any time. Withdrawals from the Fund will only be processed on the first business day of the month. There are minimum withdrawal amount requirements and you must either maintain the amount that is set as the Fund's minimum on-going balance or withdraw in full. If you make a withdrawal request directly with Booster, a withdrawal fee will normally apply. See Section 5 – *What are the fees?*

Because the Fund invests in the Wholesale Portfolio, whose investments by nature have relatively long sale timeframes,

there may be some circumstances in which processing of withdrawal requests is delayed or suspended.

To mitigate this risk, the Fund and the Wholesale Portfolio are managed to provide various sources of limited liquidity for withdrawals.

Units in the Fund are quoted on the NZX Main Board, so you can also sell your investment on the exchange if there are interested buyers, in addition to being able to redeem your investment directly with the Manager. The amount you get may be less than the amount you invested.

We'll explain how you can withdraw your investment in Section 2 – *How does this investment work?*

## How will your investment be taxed?

The Fund is a listed portfolio investment entity (Listed PIE) for tax purposes.

The amount of tax that the Fund pays is calculated at the rate of 28%. The Fund intends to pay a distribution on a quarterly basis, which will include imputation credits representing the tax it has paid. For a New Zealand resident individual or trustee investor (other than a unit trust) that has a marginal tax rate that is lower than the rate of tax payable by the Fund, you may be able to apply the surplus imputation credits against other income on which you are required to pay tax.

See Section 6 – *What taxes will you pay?* for more information.

## Where can you find more key information?

Booster is required to publish quarterly updates for the Fund. The updates show the returns, and the total fees actually charged to investors, during the previous year. The latest fund updates are available at [www.booster.co.nz](http://www.booster.co.nz). We will also give you copies of those documents on request.

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## 2. How does this investment work?

The Fund has been established within the Booster Investment Scheme 2 (**Scheme**), a managed investment scheme that is registered under the Financial Markets Conduct Act 2013.

### Why invest

The key benefits of investing in the Fund include:

- **Access to unlisted property investments.**  
Your money is combined with other investors' money, to give you access to a specialised investment portfolio of unlisted New Zealand land and property investments. This is achieved by investing in the Wholesale Portfolio which holds the property investments directly. Consistent with the Fund's long-term approach, we take an active interest in being a good steward of land held by the Wholesale Portfolio, without compromising its investment objective.
- **Unlisted property investments have a different return profile to listed investments**
  - Unlisted property is not usually subject to the same rapid price changes as listed investments can be due to changes in market sentiment.
  - Unlisted property returns have a low correlation with returns from other asset classes over the long term, helping to reduce the overall volatility in returns when combined with an existing investment strategy. Agriculture and horticulture property also provide diversification benefits when combined with other traditional property investment types such as commercial, industrial, retail, retirement villages and residential.
- **Ability to trade on-market**  
Units in the Fund can be bought and sold on the NZX Main Board like shares in a company, provided there are interested sellers and buyers. In addition to potentially selling units on NZX, you can also apply to the Manager to redeem.

- **Combination of cash income and capital growth.**

The Wholesale Portfolio receives regular rental income from its leased property, and income from its contracts to supply crops produced from land (which is passed to the Fund by distribution), as well as offering the potential for capital growth.

- **An inflation hedge.**

The income derived from underlying leased property generally has an increase linked to inflation or above. This means (all other things being equal) that both the income and underlying asset value of property tends to appreciate with inflation. This helps to preserve the real value of your investment.

- **Experience.**

The investments are managed by experienced professionals with support from industry specialists. Further details of our experienced team can be found in the 'Other Material Information' document on our website [www.booster.co.nz](http://www.booster.co.nz).

- **Knowledge.**

We keep you up to date about your investment with regular reporting and you can easily access information about your investment online.

- **Financial advice.**

You have access to a financial adviser who will be able to help you with your investment decisions.

- **Tax benefits.**

Tax is paid by the Fund at the rate of 28%. Imputation credits on distributions allow those New Zealand resident individual or trustee investors (other than a unit trust) on lower tax rates to apply surplus imputation credits against other taxable income they may have. Investors should also receive an indirect tax timing benefit from the depreciation the Wholesale Portfolio claims on its property.

## How it works

Booster Investment Scheme 2 (**Scheme**) is a managed investment scheme established as a trust governed by a Trust Deed, which is an agreement between the Manager (**Booster**) and the Supervisor (**Public Trust**) describing how the Scheme works and our responsibilities. Booster is responsible for managing the Scheme and the Fund and Public Trust supervises us to make sure we meet our responsibilities and obligations. Public Trust has also appointed a custodian to hold the investments on behalf of investors. This structure is designed to ensure that your interests are always put first.

When you invest your money in the Fund, you receive 'units'. 'Units' represent your share of the investments in the Fund. The 'unit price' shows what your share is worth at any time. If the Fund's investment value goes up, your units will be worth more. If the value goes down your units will be worth less. The Fund's unit prices are published on Booster's website at [www.booster.co.nz](http://www.booster.co.nz).

The return on your investment comes from any distributions made by the Fund and any change in the value of your units.

The Manager will aim to pay quarterly distributions to investors of any net cash income received from the Wholesale Portfolio (after allowing for any other expenses). The amount you receive will depend on the distributable income of the Fund, the number of units you hold in the Fund on the Record Date of the distribution and the amount per unit to be distributed by the Fund. The distribution amount can be reinvested into the Fund to purchase further units or paid to your designated account (your custodial account or nominated bank account if no custodial account). For further information about reinvesting distributions, refer to the section titled 'Distribution Reinvestment Plan (DRP)'.

## Making investments

### How do you invest?

You can invest in the Fund online by applying directly to Booster at [www.booster.co.nz](http://www.booster.co.nz), or through your financial adviser, by completing and submitting an application form. The application form is available by contacting Booster, or from your financial adviser. Units are issued by the Fund at its unit price.

Alternatively, you can buy units in the Fund on market at the quoted price through an NZX Participant (such as a broker). See [www.nzx.com/services/market-participants](http://www.nzx.com/services/market-participants) for a list of current NZX Participants. The quoted price on the NZX Main Board may differ from the unit price provided by the Fund and may be traded at a discount or premium to the unit price, depending upon the availability of buyers and sellers, their respective view of the underlying value of the investments or their expected return from the Fund (refer also to the Trading risk outlined on page 9).

In addition to the above, eligible investors can choose to reinvest their distributions by participating in the Distribution Reinvestment Plan (DRP). Refer to the 'Distribution Reinvestment Plan (DRP)' section for details.

Other funds managed by Booster (**Booster Managed Funds**) also invest in the Fund, and are able to invest in and withdraw from the Fund at any time (other than when the Fund or Wholesale Portfolio has excess or insufficient liquidity and has placed a restriction on all applications or withdrawals).

The Booster Managed Funds may also trade in Fund units on the NZX Main Board. For more information on how potential conflicts of interest are managed see the 'Other Material Information' document available at [www.booster.co.nz](http://www.booster.co.nz).

### When can you invest?

#### Investing by applying directly to Booster or through your financial adviser

While you can apply to invest in the Fund at any time, new units in the Fund will generally only be issued to investors (other than Booster Managed Funds) once a month, on the first business day of each month. Booster Managed Funds will be issued units in the Fund as and when applications are received. Whilst units would generally be issued once a month, the Manager reserves the discretion to issue units intra-month to investors where the aggregate demand exceeds 100,000 units.

Applications received up to 10:00am on the first business day of the month will be processed on the first business day of that month.

Any money received by Booster with an application to invest in the Fund from an investor will be held in the Fund's application account until the new units are issued.

While the Fund will generally accept new investments from investors once a month, as the Fund is invested in an unlisted wholesale property fund, Booster reserves the right to refuse to accept or to reduce an investor's initial or further investment application at its discretion. This may include if the Fund or Wholesale Portfolio is carrying excess liquidity and does not expect to have an opportunity to invest application money in new investments within 60 days.

#### Buying units in the Fund on the NZX Main Board (code PLP)

You can buy or sell units in the Fund on the market at any time, provided there are interested sellers and buyers.

### How much can you invest?

The minimum initial investment in the Fund is \$1,000. While you're not required to make any further investments, you can invest more directly with Booster at any time by making additional investments (minimum \$500), or buying units on market.

While the maximum amount you invest is up to you, Booster reserves the right to refuse to accept or reduce an investor's initial, further or existing investment in the Fund in order to ensure that the Fund maintains its PIE eligibility status for tax purposes. For more information, see the 'Other Material Information' document available on our website at [www.booster.co.nz](http://www.booster.co.nz).

Booster may waive or vary the minimum investment amounts at any time.

### How do you pay?

If you are investing by applying directly to Booster or through your financial adviser, you can make investments by direct credit, direct debit or any other method acceptable to Booster. Cash deposits will not be accepted.

## Distribution Reinvestment Plan (DRP)

Investors who are a resident in New Zealand and have an address in New Zealand on the Fund register are eligible to reinvest their distributions by participating in the DRP.

As participation in the DRP is voluntary, eligible investors are free to opt-in or opt-out of the DRP at any time with prior notice to the Manager (for direct investors) or Link Market Services Limited (Unit Registrar) (for NZX investors). Further information on the DRP can be found in the 'Other Material Information' document located at [www.booster.co.nz](http://www.booster.co.nz).

## Selling your units on the NZX Main Board

Units in the Fund are quoted on the NZX Main Board, so you can sell your investment through an NZX Participant (such as a broker) or adviser if there are interested buyers. Periodically, we can request (and require) investors whose holdings are below the required minimum value to increase their holdings, sell their units on the NZX, or redeem their units directly with the Manager. We can also restrict transfers where the transfer could result in the Fund losing its PIE status.

In order to trade quoted units, you will need to have a Common Shareholder Number (CSN), an Authorisation Code (FIN) and a relationship with an NZX Participant.

The information below at 'Withdrawing your investments' does not apply if you are selling your units on market.

## Withdrawing your investments

**This section does not apply to the sale of the units on the NZX**

### How do you withdraw?

You can request a withdrawal from the Fund, by contacting us or by completing the appropriate withdrawal form available by contacting Booster, or through your financial adviser.

Units are redeemed at the Fund's unit price.

### When can you withdraw?

You can apply to withdraw from the Fund at any time. Withdrawals from the Fund (other than Booster Managed Funds) will only be processed on the first business day of the month. Withdrawal requests from Booster Managed Funds will be processed as and when they are received.

Withdrawal requests that have been made to and accepted by Booster will normally be processed within five business days of the first business day of the month, but could take longer, depending on available liquidity to pay the requested withdrawals.

Withdrawal requests received up to 10:00am on the first business day of the month will be processed on the first business day of that month.

Because the Fund invests in the Wholesale Portfolio, whose investments by nature have relatively long sale timeframes, there are some circumstances where we may delay or suspend the payment of withdrawals (including for Booster Managed Funds) if we believe that making payments is not practicable or in the best interests of all investors in the Fund. This includes where we consider that the redemption price cannot be calculated in a fair manner, or there is insufficient access to liquidity in the Fund (which excludes any income in the Fund yet to be distributed to investors) to satisfy a withdrawal request. To mitigate this risk, the Fund and Wholesale Portfolio are managed to provide various sources of limited liquidity for withdrawals. See Section 4 – *What are the risks of investing?* for further details.

### How much can you withdraw?

The minimum withdrawal amount is \$500.

Booster may charge a withdrawal fee for making a withdrawal of more than \$50,000 from the Fund. See Section 5 – *What are the fees?* for more information.

You'll need to maintain the minimum on-going balance of \$1,000 in the Fund after any withdrawal. If your withdrawal request takes you below this amount, you will need to either top up your investment back to the minimum balance, or withdraw fully from the Fund. If your balance falls below the minimum balance, Booster reserves the right to pay the balance of your investment less any tax and fees to your designated account (your custodial account or nominated bank account if no custodial account), and your investment in the Fund will end.

Booster may waive or vary the minimum withdrawal amounts and the minimum on-going balance amount at any time.

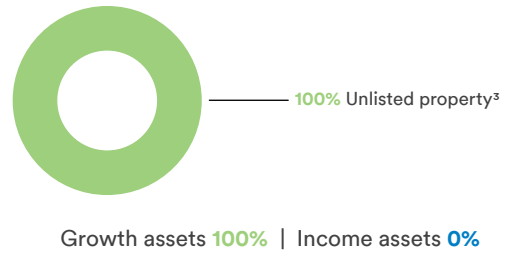
# 3. Description of your investment options

## Private Land and Property Fund

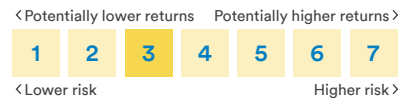
### Investment objective and strategy

- The Fund’s investment objective is to provide investors with a complementary and enhanced risk / return outcome compared to traditional listed property investments.
- It aims to generate average annual long-term returns of about 6.5% p.a (before tax and after all fees, charges and costs) over rolling 7 year periods from a combination of income and capital gain as properties reach full productive capability.
- Changes in the valuation of properties due to general property market movements will also impact the return of the Fund but such returns are not the primary objective of the Fund.
- The Fund aims to obtain an investment exposure primarily in a specialised portfolio of directly held, unlisted agricultural and horticultural land and property investments in New Zealand, which may be supplemented with investments in industrial, commercial and retail properties.
- The Fund obtains its property exposure by buying units in the Wholesale Portfolio.
- The Wholesale Portfolio, in which the Fund invests, may borrow to invest in more property or to develop property already held. The level of gearing can vary between 0-65% of the Wholesale Portfolio’s asset value.
- The level of diversification of the Wholesale Portfolio’s property investments is expected to broaden over time, but currently has a concentration of property in the wine industry across multiple regions of New Zealand.
- To support its investment objective, the Wholesale Portfolio may enter into transactions with other funds or parties that are either managed or associated with Booster (such as leases to companies). Details of any borrowings, related party transactions and a current list of property holdings can be found in the ‘Other Material Information’ document on [www.booster.co.nz](http://www.booster.co.nz).

### Target investment mix



### Risk indicator



This Fund may not be suitable for all investors due to the risks of volatility of returns, gearing and concentration of investments. If you are unsure, you should seek advice from a financial adviser.

### Minimum suggested investment timeframe

**4 years**

<sup>3</sup> A small proportion of cash for liquidity purposes may be held as the liquidity needs of investors are assessed over time.

### Statement of Investment Policy and Objectives (SIPO)

If you would like to learn more about the Fund, you can read the SIPO. The most current SIPO for the Fund can be found on our website [www.booster.co.nz](http://www.booster.co.nz).

We may change the SIPO from time to time without notifying you. We will consult with the Supervisor and give them written notice of any changes before they take effect. Any material changes will be advised in the Booster Investment Scheme 2 annual report.

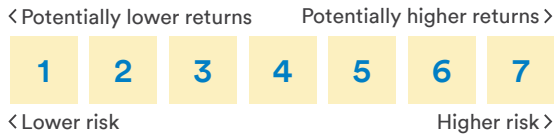
Further information about the assets in the Fund can be found in the fund updates at [www.booster.co.nz](http://www.booster.co.nz).

Details of the property held by the Wholesale Portfolio can be found in the ‘Other Material Information’ document on our website [www.booster.co.nz](http://www.booster.co.nz).

## 4. What are the risks of investing?

### Understanding the risk indicator

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



The risk indicator for the Fund covered in this Product Disclosure Statement can be found on page 2.

The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the Fund's assets goes up and down (volatility). A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at [www.sorted.org.nz/tools/investor-profiler/](http://www.sorted.org.nz/tools/investor-profiler/).

Note that even the lowest category does not mean a risk-free investment, and there are other risks (described under the heading "Other specific risks") that are not captured by this rating.

This risk indicator is not a guarantee of a Fund's future performance. The risk indicator is based on the returns data for the five years to 31 March 2024. While risk indicators are usually relatively stable, they do shift from time to time.

You can see the most recent risk indicator in the latest fund update for the Fund. Fund updates are published each quarter on [www.booster.co.nz](http://www.booster.co.nz).

We believe that the period of returns used to calculate the risk ratings may not be representative of the average investment cycle for the Fund and therefore the risk indicator shown may be different if calculated over longer term investment periods.

### General investment risks

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

- **Market risk.** This is the risk that the Fund experiences losses due to factors that may adversely impact the overall performance of financial markets and the properties of the Wholesale Portfolio in which the Fund invests, which in turn affects the amount or frequency of distributions. These factors include, but are not limited to, economic and regulatory conditions, political events, environmental and technological issues.
- **Concentration risk.** This is the risk that the value of the Fund's investments falls more than the market as a whole due to the Wholesale Portfolio's investments being concentrated in the property sector, or a particular part of that sector (e.g. the wine sector), and having exposure to a relatively small number of property investments and counterparties which reduces the level of diversification.

Booster intends the Wholesale Portfolio to acquire, over time, investments across other industries and with more counterparties which will broaden the level of diversification if, and when, that is done. Current holdings can be found in the 'Other Material Information' document at [www.booster.co.nz](http://www.booster.co.nz).

- **Distribution risk.** This is the risk that the Wholesale Portfolio does not pay distributions to the Fund and therefore the Fund is not able to pay a distribution to its investors, or that the level of distributable income varies from time to time due for example to fluctuations in crop yields or the market value of crops, to the extent the fund's income is linked to crop production.
- **Manager risk.** This is the risk that the Fund underperforms because of the way we manage the Fund's or the Wholesale Portfolio's investments.
- **Revaluation timing risk.** This risk applies to the value of units reflected in the Fund's unit price issued by Booster. This is the risk that the value of the property may increase or decrease markedly following periodic valuation updates due to a lack of continuous assessment of value by an active/listed market.

This may mean the price of your units does not always fully reflect an independent market assessment of the value of the property on any given day and so, if you withdraw your investment, you may receive more or less than if the property had been independently valued just prior to that withdrawal.

To partly mitigate this risk, Booster will review the valuation of property on at least a quarterly basis, and, as far as practicable, the timing of the independent review of property values will be spread across the financial year.

### Other specific risks

There are other factors, not already reflected in the risk indicator that may significantly impact returns for investors.

- **Climatic/environmental risk.** This is the risk that the annual return from the property or the value of the property is adversely affected by climatic or environmental events, such as drought, frost, hail, excessive rainfall/humidity, storms or earthquakes. Climate and environmental conditions cause crop harvest volumes to vary from year to year.

Extreme weather events that have a material impact on crop yields are anticipated to occur every few years, whilst events such as earthquakes that materially impact the land are expected to be rare. The magnitude of a climatic or environmental event can range from a small reduction in harvest volumes to an extreme event destroying the full crop for the year, through to a catastrophic event that permanently impairs the value of the land or reduces the productive area of the land.

The climatic risks are mitigated as far as practical by adoption of standard industry practices such as securing sources of irrigation water, installation of frost management, and proactive management of the plants in response to weather forecast information.



The key mitigation benefit to investors is the geographical diversification by owning land across multiple locations across multiple regions which reduces the impact of any one event.

- **Property related risks.** This is the risk that property specific factors (other than the climatic/environmental risks described above) may have a material impact on both the valuation of the Wholesale Portfolio's investments and the income from those investments for distribution to investors. These factors may include the quality of the property, their geographical location, changes to current and expected future income from the property, uncertainty of outcome of development projects, unforeseen capital or repairs and maintenance expenditure, inadequate insurance or the occurrence of uninsurable events (for example, standard industry practice is to not insure the loss of bearer plants due to the cost of insurance being prohibitively expensive), reliance on key persons in managing the investments (particularly where land is used for crop production), disease, or drop in demand for the crop, quality and financial standing of tenants or contracted service providers, and material changes to the supply and demand in land and property markets.

While each of these individual risks has a low risk of occurrence, they may have a significant impact on the income from an individual property or its value. We manage these risks through active management of the land and properties held by the Wholesale Portfolio, and importantly by increasing the level of diversification of the investments held by the Wholesale Portfolio.

- **Liquidity and withdrawal risk.** This risk applies in relation to withdrawing units through Booster. Unlisted property investments by nature have relatively long sale timeframes. As a result, there is a risk that the Wholesale Portfolio may be unable to sell a property at the desired time to fully meet an investor's withdrawal request or that property may need to be sold at a lower value than its assessed market value in order to meet withdrawal requests.

Booster seeks to ensure the Fund and Wholesale Portfolio are managed to provide liquidity for withdrawals, though liquidity is likely to be limited and may not fully mitigate this risk. Sources of liquidity may include holding a proportion of the Fund or Wholesale Portfolio's assets in cash or access to an undrawn portion of a borrowing facility in the Wholesale Portfolio (though this facility is primarily available to implement the gearing strategy, not to provide liquidity to investors). We also apply a withdrawal fee that moderates demand for withdrawals.

In addition, the Wholesale Portfolio may hold separable property titles in an area that the Manager believes could be readily sold to meet liquidity requirements if necessary, without compromising the investment objectives of the Wholesale Portfolio.

**Gearing and interest rate risk.** This is the risk that while borrowing by the Wholesale Portfolio may enhance the potential for increases in returns, adverse market conditions such as rising interest rates, economic downturns/reduction in property values, a reduction in availability of credit/refinance of existing loans on similar terms and conditions may lead to a reduction in the net income of the Wholesale Portfolio, and these circumstances may also give rise to a breach of borrowing covenants, or affect the Wholesale Portfolio's ability to meet principal and/or interest payments, or may lead to a forced sale of property in the event the loan must be repaid.

Booster applies a borrowing limit to the Wholesale Portfolio of no more than 65% of its asset value. We aim to limit the amount of borrowing so that total net borrowing costs do not exceed net cash returns. Booster also monitors the interest rate and considers fixing the interest rate for a defined period where appropriate.

For more information on gearing and the Wholesale Portfolio see the 'Other Material Information' and the SIPO documents available on our website at [www.booster.co.nz](http://www.booster.co.nz).

- **Trading risk.** For those wishing to buy or sell units directly on the NZX, there is a risk that you may be unable to find a buyer or seller, or that the quoted price for your units is higher or lower than the unit price. This is particularly the case when the Fund is generally open for the issue and redemption of units on a monthly basis via the Manager, meaning there may be a reduced number of buyers or sellers on the NZX.

In addition, there is a risk that, in certain circumstances, trading of the Fund's units may be suspended, or the Fund's units removed from quotation on the NZX. Suspension or removal may occur where the Manager has failed to fully comply with the NZX rules, which the Manager considers to be unlikely given the governance and compliance framework in place to ensure its NZX obligations are met.

## 5. What are the fees?

You will be charged fees for investing in the Fund. Fees are deducted from your investment and will reduce your returns.

If Booster invests in other funds, those funds may charge fees. The fees you pay will be charged in two ways:

- regular charges (for example, annual fund charges). Small differences in these fees can have a big impact on your investment over the long term;
- one-off fees (for example, the withdrawal fee).

### Annual fund charges

Fee type	Amount (%)
Management fee	1.00%
<i>Other management and administration charges:</i>	
In fund costs (estimate)	0.10%
Property operating expenses (estimate)	0.12%
<b>Total annual fund charge (estimate)</b>	<b>1.22%</b>

The total annual fund charges are all fees and costs charged by any person in respect of the Fund other than one-off fees relating to individual actions (such as the withdrawal fee). These include:

**A management fee.** This fee, payable to Booster, covers the costs of managing and administering the Fund, which include administration, accounting and custodian fees, and ongoing marketing expenses. It is calculated daily as a percentage of the net asset value of the Fund and paid monthly. This fee also covers the management fees of any fund in which the Fund may invest other than performance-based fees, of which there are currently none.

#### Other management and administration charges.

**In Fund Costs.** These charges are capped at 0.10% per year (but may be less in the future) and include the Supervisor's fee and an estimate for other costs, disbursements, charges or expenses incurred directly or indirectly by Booster and the Supervisor (such as audit fees and legal fees). They are calculated daily as a percentage of the net asset value of the Fund and paid monthly. These charges are not payable to Booster.

**Property Operating Expenses.** These are the direct costs of ownership and operating the individual properties of the Wholesale Portfolio. This includes (but is not limited to) valuations and other property related costs and associated professional fees. The property operating expenses are estimated as a percentage of net assets of the Fund.

Note that the objective of an average annual long-term return from the Fund of 6.5% p.a. over rolling 7 year periods is after all fees, charges, and costs (including interest and borrowing costs).

### Example of how fees apply to an investor

Alex invests **\$10,000** in the Private Land and Property Fund. Alex is not charged an establishment fee or a contribution fee. This means that the starting value of Alex's investment is **\$10,000**.

Alex is charged management fees of **\$100** and incurs administration and property operating expenses of about \$22, which work out to a total of about **\$122** (1.22% of \$10,000). These fees might be more or less if Alex's account balance has increased or decreased over the year.

#### Estimated total expenses for the first year

Individual action fees: **\$0** (other than any financial adviser fees or NZX Participant fees that may be payable by Alex)

Fund charges: **\$122**

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

### Individual action fees

#### Contribution fee

Booster does not charge an entry fee.

Your financial adviser, with your agreement, may charge you other fees for the services they provide to you. These fees may include an entry fee on each investment amount. If an entry fee is charged, it will be deducted from each investment amount before your money is invested in the Fund and paid to your financial adviser.

If you buy units in the Fund through an NZX Participant (such as a broker), they may also charge you a fee.

#### Withdrawal fee

Booster may charge a withdrawal fee on part or all of your investment withdrawn from the Fund. The fee charged is based on the sum of all amounts you have withdrawn from the Fund in the previous rolling 12 months. If you hold multiple accounts, in the same legal entity or with the same legal ownership, the withdrawal fee applicable will be based on the TOTAL amount of withdrawals by the same legal entity/beneficial owner.

This fee is deducted from the withdrawal amount and paid to the Fund.

The Booster Managed Funds that invest in the Fund will not be charged a withdrawal fee.

Total amount withdrawn in the last rolling 12 months	Fee payable (for each tier)
\$50,000 or less	Nil
Between \$50,000 and \$100,000	1% of the amount >\$50,000
Between \$100,000 and \$200,000	2% of the amount >\$100,000
Between \$200,000 and \$300,000	3% of the amount >\$200,000
Between \$300,000 and \$500,000	4% of the amount >\$300,000
\$500,000 or more	5% of the amount >\$500,000

If you sell your units on the NZX Main Board you will not be charged a withdrawal fee (though a service fee may be charged by your broker).

There are currently no establishment, contribution, or termination fees (other than the withdrawal fee) charged by Booster.

Goods and services tax (GST) is not included in any of the fees stated. GST will be added to any fees where applicable (which for the management fee for example, based on our understanding of the rules, results in a further 1.5% added, meaning a fee of \$100 (excluding GST) would be \$101.50 (including GST).

## The fees can be changed

Any new fees or changes to existing fees is subject to the Trust Deed. We will consult and agree any fee change with the Supervisor and provide one month's notice of any increase in the management fee to all investors in the Fund.

Booster must publish a fund update for the Fund showing the fees actually charged during the most recent year. Fund updates, including past updates, are available at [www.booster.co.nz](http://www.booster.co.nz).

## Other costs and expenses

The Fund returns may also be impacted by interest and borrowing costs related to gearing undertaken by the Wholesale Portfolio.

These are the interest costs and any fees associated with the implementation or amendment of borrowing facilities.

Gearing is an effective and common method of increasing the returns earned on property investment, subject to the risks described in Section 4 – *What are the risks of investing?*

The interest and borrowing costs are estimated to be 5.25% of the net assets of the Fund assuming a gearing ratio of 40% is reached. See the 'Other Material Information' document located at [www.booster.co.nz](http://www.booster.co.nz) for further details of the gearing of the Fund and any loan facility agreements in place at a certain point in time, and other relevant assumptions.

These expenses are not considered to be Fund charges (as outlined above) but are disclosed here to provide investors an understanding of the nature and amount of the expenses that the Fund (or Wholesale Portfolio) incurs.

## 6. What taxes will you pay?

The Fund is a Listed PIE. The amount of tax that the Fund pays is calculated at the rate of 28% on its taxable income.

The Fund intends to pay a distribution on a quarterly basis, which will include imputation credits to the extent it has paid tax. If you are a New Zealand resident individual or trustee investor (other than a unit trust) and your marginal tax rate is less than 28%, you can choose to include the fully imputed distribution in your tax return, and apply the surplus tax credits against other income on which you are required to pay tax.

That portion of a distribution that does not have imputation credits attached (referred to as excluded income) is not taxable to a New Zealand resident investor.

For further information about tax, or if you are investing in the Fund as a joint investor, company, trust, or estate, see the 'Other Material Information' document available on our website [www.booster.co.nz](http://www.booster.co.nz).

## 7. Who is involved?

### About Booster

Booster Investment Management Limited (**Booster**) is the manager of the Fund.

We are part of the Booster Group which has been helping New Zealanders save since 1998. The group currently administers superannuation and investment funds of over \$6 billion on behalf of more than 190,000 New Zealanders.

#### You can contact us at:

Booster Investment Management Limited  
Level 19, Aon Centre, 1 Willis Street  
PO Box 11872, Manners Street Wellington 6142

Phone: **0800 336 338**

Email: [investments@booster.co.nz](mailto:investments@booster.co.nz)

### Who else is involved?

	Name	Role
<b>Supervisor</b>	Public Trust	Supervises us to make sure we meet our responsibilities and obligations.
<b>Custodian</b>	PT (Booster Investments) Nominees Limited	Appointed by the Supervisor to hold the assets of the Fund on behalf of the investors. The Custodian is a wholly owned subsidiary of the Supervisor.
<b>Unit Registrar</b>	Link Market Services Limited	Provides certain registry services.

## 8. How to complain

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Any complaints about the Fund can be made to us (in the first instance), or the Supervisor, at the contact details below:

### Manager

*Booster Investment Management Limited*

Attn Chief Operating Officer  
Level 19, Aon Centre, 1 Willis Street  
PO Box 11872, Manners Street  
Wellington 6142

Phone: **0800 336 338**

Email: **investments@booster.co.nz**

### Supervisor

*Public Trust*

Attn General Manager, Corporate Trustee Services  
Level 2, Public Trust Building,  
22-28 Willeston Street  
Private Bag 5902 Wellington 6140

Phone: **0800 371 471**

Email: **CTS.Enquiry@PublicTrust.co.nz**

If your complaint can't be resolved, you can refer it to one of the following approved dispute resolution schemes. They won't charge you a fee to investigate or resolve your complaint.

### Booster's approved dispute resolution scheme

*Financial Dispute Resolution Services*

Level 4, 142 Lambton Quay  
Freepost 231075  
PO Box 2272  
Wellington 6140

Phone: **0508 337 337**

Email: **enquiries@fdrs.org.nz**

Web: **www.fdrs.org.nz**

### Public Trust's approved dispute resolution scheme

*Financial Services Complaints Limited*

Level 4, 101 Lambton Quay  
PO Box 5967  
Wellington 6145

Phone: **0800 347 257**

Email: **complaints@fscl.org.nz**

Web: **www.fscl.org.nz**

## 9. Where you can find more information

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More information about the Fund, including fund updates, financial statements, annual reports, the Trust Deed, SIPO, and other material information is available on the Scheme register and offer register at **www.disclose-register.companiesoffice.govt.nz** and copies can be requested from the Registrar of Financial Service Providers.

You can also get this and other information about your investment, free of charge, from your financial adviser, by visiting **www.booster.co.nz** or by asking us (see Section 7 for contact details).

As the Fund is quoted on the NZX, it is subject to the NZX Listing Rules. Under those listing rules, the Fund is required to disclose certain information including fund updates, annual reports, and material information. You will be able to obtain this information free of charge by searching under the Fund's ticker code 'PLP' on **www.nzx.com**.

## 10. How to apply

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To invest in the Fund, you can either:

1. apply directly to Booster at **www.booster.co.nz**; or
2. apply via a financial adviser; or
3. you can also buy units in the Fund through an NZX Participant (such as a broker).  
See **www.nzx.com/services/market-participants** for a list of current NZX Participants.

If you apply directly to Booster or via a financial adviser, you will need to enter into a Client Custody Agreement for the Booster Wrap Administration System. To apply direct or if you would like to get in touch with a financial adviser who uses the System, call us on **0800 336 338**.

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### **We're here to help.**

To find out more about the Fund or Booster Investment Scheme 2 talk to your financial adviser, call us on **0800 336 338** or visit our website.

**[booster.co.nz](https://booster.co.nz)**

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Booster Investment Management Limited, PO Box 11872, Manners Street, Wellington 6142, New Zealand