Booster Investment Scheme 2

Private Land & Property Fund Quarterly Client Update

Update as at and for the quarter ending 31 March 2025

Investment outlook

Returns to the Private Land & Property Fund (Fund, PLPF) have been 5.4% on an annualised basis over the three-year period to 31 March 2025, and 8.2% p.a. since inception.

The Fund aims to generate an average long-term return of 6.5% p.a. after fees but before tax over a rolling 7yr period. This Fund objective is based on returns from income and development gains as properties reach full productive capability. Other returns to the Fund can arise from property revaluations.

Overall, we are cautiously optimistic about the medium-term prospects for the fund as our horticultural assets recover after recent weather affected seasons and significant increases in operating costs, though we are conscious of these and other risks. We continue to work with our partners to ensure we capture the highest value crop returns that we can. Finally, we are also positive about the effect that decreasing wholesale interest rates can generally have on capital values.

Cash returns

PLPF distribution to investors for the quarter to March 31st 2025 was 0.81 cents per unit and is fully imputed, which is equivalent to a pre-tax payment of 0.86% based on the PLPF unit price as at 31 March 2025. We estimate that the Fund is generating annual cash based pre-tax earnings of approximately 3.60% based off the 31 March 2025 Fund FUM, current lease income and our current assumptions of grape supply contract income over the next year. We expect cash returns to the Fund to increase over the year as the first kiwifruit crop is harvested at Woodland Road over the coming weeks. We also anticipate the Fund will continue to benefit from valuation gains from its land development activities, as discussed below.

Development focus: Highest value best use

PLPF investors will know that the fund derives its overall return from three factors: rental and crop income, property development, and overall market-based valuation changes. We consider that rental income is more of a known factor (albeit subject to tenant and lease expiry risks), and that market prices for crop income and overall changes in property values due to market movements are somewhat out of our direct control. This leaves property development as the segment of fund returns that we can have more of a direct influence on, and whilst not necessarily as significant as the other forms of returns it is subsequently an area of focus for us.

Developing our assets involves considering what the highest value use is for each piece of land. For horticultural land this means growing the right produce, for agricultural land farming the correct herd, and for industrial land it means providing a space that uniquely suits a target market. This work includes working with our existing lessee and downstream partners to improve overall returns.

We hope to share more information about development improvement plans in coming quarters.

Trump tariff comment

The recent 10% tariff imposed by the United States on New Zealand's exports could have several implications. Firstly, the tariff will likely increase the cost of New Zealand exports to the United States and make these exports less competitive relative to some other suppliers to that market (such as suppliers producing in the United States).

On the positive side, some market share may open for exporters if tariffs prove long-lived and global competitors are unable to meet demand or adjust their prices effectively. However, in the short term, New Zealand exporters may need to explore new markets or adjust their pricing strategies to offset the tariff impact.

Overall the tariffs create uncertainty in our export sector, potentially complicating long-term planning and investment decisions, while the full impact remains to be seen.

Valuation update

The following independent valuations were commissioned and received over the quarter to March 31st.

A valuation report for the two avocado orchards in Northland and the avocado and kiwifruit orchard in Western Bay of Plenty revealed a decrease in valuation of $2.8 million. A valuation report was also received for our citrus orchard in Gisborne which resulted in a valuation decrease of $420,000. As a result, the value of the Bay of Plenty and Northland orchards (including Gisborne) decreased to $15.0 million. These properties represented ~8% of the total value of the assets of the fund, prior to these updated valuations.

The valuation decrease of the avocado orchards reflects the challenging conditions for the New Zealand avocado industry over the last several years with poor growing conditions and increasing global supply impacting orchard returns. The challenging conditions have limited activity in the avocado property market and this has been reflected in values. These properties are on a fixed lease and as such the updated valuation does not impact the current rental income generated from the properties.

We commissioned and received an updated independent valuation report for the three vineyards in Marlborough. These properties represented ~13% of the total value of the assets of the fund, prior to this valuation. In consideration of the independent valuation report, we have adopted a valuation decrease of $3.1 million in the value of the properties to $25.9 million.

The valuation decrease reflects the difficult conditions for the New Zealand wine industry with changing demand for wine as well as high levels of variability in the size of the last several harvests.

These challenges have impacted the grape prices which has ultimately impacted asset values. These vineyards are on a grape supply agreement and so returns from these properties are directly impacted by grape prices and size of the harvest. The most recent forecast for the harvest for these vineyards is positive with improved grape volumes across all three vineyards predicted. The combination of the updated 2025 harvest estimates along with confirmed market data for the 2024 harvest have resulted in an income accrual adjustment to the wholesale fund of $325,000 after tax.

The PLP Investment Committee also received independent valuation updates for the Sileni winery & vineyards in Hawkes Bay ($71,000 valuation reduction), the vineyards in Hope, Nelson ($35,000 valuation reduction), the Mahana winery & vineyards in Nelson ($419,000 valuation reduction), and Waimea West Hops Limited (no valuation change).

Key Facts

Private Land and Property Fund (Fund)

Fund Size (net asset value)	$216.3 million
Inception Date	07/01/2019
Manager	Booster Investment Management Ltd
Supervisor	Public Trust
Fund Type	Portfolio Investment Entity (PIE)

The Fund obtains its property exposure by investing into the Wholesale Portfolio alongside some cash held within the Fund.

Private Land and Property Portfolio (Wholesale Portfolio)

Fund Size (net asset value)	$214.8 million
Inception Date	13/06/2017
Manager	Booster Investment Management Ltd
Supervisor	Public Trust
Fund Type	Portfolio Investment Entity (PIE)

Fund Performance as at 31 March 2025

The Fund has a minimum suggested investment timeframe of four years, and its performance aims are measured over a 7-year horizon. The return information below includes returns due to property market movements which vary over time, so the range of returns may be different over a longer period. However the Fund aims to achieve a long-run return of 6.5% pa (before tax, after fees) from a combination of rental and crop income, and capital gain from improvements in property productive capacity. Past performance is not an indicator of future performance.

	Before Tax	After Tax at 28% PIR
Last 3 months	-1.8%	-2.1%
Last 6 months	-0.8%	-1.4%
Last 12 months	0.1%	-0.5%
Last 2 years (p.a)	-1.0%	-1.4%
Last 3 years (p.a)	5.4%	5.1%
Last 5 years (p.a)	7.5%	7.1%
Last 7 years (p.a)*	8.6%	7.9%
Since inception 13/06/2017 (p.a)*	8.2%	7.5%

All figures are after fees. Please see the Product Disclosure Statement for further details on fees.

**Returns prior to the inception of PLPF in January 2019 are based on the underlying wholesale PLPP return.*

Investment Holdings

Wholesale Portfolio	$	%
Total Assets (millions)		
Property Assets (location / region)		
Awatere Valley, Marlborough *Vineyard properties*	$25.9	11.8
Hope, Nelson Region *Vineyard properties*	$19.2	8.8
Hawke's Bay *Winery building*	$2.9	1.3
Hawke's Bay *Vineyard property*	$5.9	2.7
Mahana, Nelson region *Winery building & Vineyard property*	$3.3	1.5
Kerikeri, Northland *Kiwifruit orchard property*	$20.4	9.3
Waimea, Nelson region *Waimea West Hops Ltd*	$8.2	3.7
Bay of Plenty & the Far North *Avocado orchards*	$15.0	6.9
Southland *Dairy farmland*	$35.0	16.0
Rolleston *Logistics warehouse*	$63.9	29.2
Bay of Plenty *Kiwifruit and Avocado orchards via Woodland Road Orchard Limited Partnership*	$14.3	6.6
Total property assets	**$214.0**	
Other Assets		
Cash / Income	$2.3	
Accrued income	$2.3	
Total Assets	**$218.6**	
Total Liabilities (millions)		
Borrowings with BNZ	$3.8	
Other liabilities (incl Property Operating Costs)	$0.0	
Total liabilities	**$3.8**	
Net asset value	**$214.8**	
Gearing Ratio		**1.7**

The investment objective and strategy of the Wholesale Portfolio allows it to borrow to invest in more land and properties or to develop land and properties it already holds. Bank of New Zealand (BNZ) has provided a loan facility of up to 50% of the value of the secured properties for use by the Wholesale Portfolio to effect its gearing strategy which results in BNZ holding a security interest over most of the assets held by the Wholesale Portfolio. For further information on the Wholesale Portfolio, please refer to the Fund's PDS and Other Material Information document.

The gearing ratio shows the level of borrowing the Wholesale Portfolio has undertaken as a percentage of total assets.

The Private Land and Property Fund (Fund) is part of the Booster Investment Scheme 2 which is issued and managed by Booster Investment Management Limited. The Fund's Product Disclosure Statement is available at **www.booster.co.nz**, by contacting your financial adviser or by calling Booster on **0800 336 338**.