



Private Land and Property Fund

Product Disclosure Statement

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

30 January 2019

Issuer: Booster Investment Management Limited

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. 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 adviser to help you to 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 (**Booster or Manager**) 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**) 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 both in New Zealand and overseas (including land, buildings, bearer plants¹, and plant and equipment, which are together referred to as '**Property**'). 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 Fund**) established under the Booster Investment Scheme. Details of the Property held by the Wholesale Fund can be found in the 'Other Material Information' document located on the offer register at www.disclose-register.companiesoffice.govt.nz

¹A 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	Risk indicator
<p>The Fund's investment objective is to provide investors with a complementary and enhanced risk/return outcome compared to traditional listed property investments.</p> <p>It aims to generate an average annual long-term return of about 8% (before tax and after all fees, charges and costs) over rolling 7 year periods from a combination of income distributions and capital growth.</p> <p>The Wholesale Fund, in which the Fund invests, may borrow to invest in more Property or to develop Property already held by the Wholesale Fund.</p>	<div><div>← Potentially lower returns</div><div>Potentially higher returns →</div></div> <div><div>1</div><div>2</div><div>3</div><div>4</div><div>5</div><div>6</div><div>7</div></div> <div><div>← Lower risk</div><div>Higher risk →</div></div> <p>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 professional adviser.</p>

²Because the Fund was established in January 2019, the risk indicator has been calculated using the Property Council/IPD New Zealand Property Index for the period 1 January 2014 to 30 June 2017 (June 2017 being when the underlying Wholesale Fund made its first investment) and actual Wholesale Fund returns for the period 1 July 2017 to 31 December 2018. The Property Council/IPD New Zealand Property Index is not a securities index, but we have used it in the risk indicator calculation because there is no appropriate securities index or peer group index available for the Fund. We consider the Property Council/IPD New Zealand Property Index allows the risk indicator to reflect the potential future volatility of the Fund, although not as reliably as if actual returns were available for the entire period.

Annual fund charges ³		Individual action fees	
Management fee:	1.00%	Contribution fees	
Other management and administration charges:		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 (up to 5%).	
In fund costs	0.10%	Withdrawal fee	
Property operating expenses*	3.61%	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.	
Total (estimate)	4.71%		
*The estimated property operating expenses are the direct costs of ownership and operation of the individual underlying Properties of the Wholesale Fund which are proportionately passed to the Fund. This includes (but is not limited to) rates, insurance, crop growing costs, repairs and maintenance, valuations, depreciation, other property related costs and associated professional fees. These amounts are not fees payable for the management of the Fund.		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
		Funds managed by Booster that invest in the Fund will not be charged a withdrawal fee.	

³ 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 Fund.

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 in the Fund 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 Manager will aim to pay an annual distribution to investors of any net cash income received from the Wholesale Fund (after allowing for expenses).

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

How can you get your money out?

While 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 once a month, within 5 business days of the first business day of each 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. A withdrawal fee may also apply.

Because the Fund invests in the Wholesale Fund, 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 Fund are managed to provide various sources of limited liquidity for withdrawals.

Withdrawals will normally be paid to your designated account within five business days of the end of the month, but could take longer, depending on available liquidity to pay the requested withdrawals.

Your investment in the Fund can be sold but there is no established market for trading this financial product. This means that you may not be able to find a buyer for your investment.

We'll explain how you can withdraw your investment in Section 2 – *How does this investment work?* **We will also explain the potential that the Manager may decide to apply to list the units on a licensed market in the future.**

How will your investment be taxed?

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

The amount of tax you pay in respect of a PIE is based on your prescribed investor rate (PIR). To determine your PIR, go to www.ird.govt.nz/toii/pir/

See Section 6 of the PDS – *What taxes will you pay?* on page 10 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. The Manager will also give you copies of those documents on request

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.booster.co.nz/investment-series

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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 direct 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 Fund which owns the Property directly.
- **Diversification.** Direct 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.
- **An unlisted fund has lower return volatility.** Unlisted direct property investments are by their nature revalued less frequently than listed property investments which are typically priced and traded daily in an active market, resulting in higher price volatility over time.
- **Combination of cash income and capital growth.** The Wholesale Fund 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 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 the offer register at www.disclose-register.companiesoffice.govt.nz or on our website 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.** The investment income is taxed at your personal prescribed investor rate (PIR) up to a maximum of 28%. Investors also receive an indirect tax benefit from the depreciation the Wholesale Fund 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. We are 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'. These 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 investments go up in value your units will be worth more and if they go down in value your units will be worth less.

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 an annual distribution to investors of any net cash income received from the Wholesale Fund (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 that day and the amount per unit to be distributed by the Fund. The distribution amount will be paid to your designated account (your custodial account or nominated bank account if no custodial account).

Making investments

How do you invest?

You can invest in the Fund by applying directly to Booster 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.

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 Fund has excess or insufficient liquidity and has placed a restriction on all applications or withdrawals). Booster Managed Funds that invest in the Fund will not be required to pay a withdrawal fee.

When can you invest?

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.

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. No interest will be earned while the money is held in the Fund's application account.

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 Fund is carrying excess liquidity and does not expect to have an opportunity to invest application money in new investments within 60 days. No interest will be paid on any returned monies.

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 at any time by making additional investments (minimum \$500).

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 the offer register at **www.disclose-register.companiesoffice.govt.nz**

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

How do you pay?

You can make investments by cheque, direct credit, direct debit or any other method acceptable to Booster. Cash deposits will not be accepted.

Withdrawing your investments

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.

When can you withdraw?

While you can apply to withdraw from the Fund at any time, withdrawal requests from investors (other than Booster Managed Funds) will only be processed once a 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 5 business days of the first business day of the month, but could take longer, depending on available liquidity to pay the requested withdrawals. *It is important to note that if your withdrawal request is not received by Booster by 5:00pm on at least five business days before the first business day of a month, the withdrawal request will roll over to the first business day of the following month.*

Because the Fund invests in the Wholesale Fund, 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 Fund 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.

When a full withdrawal is made, tax will be deducted (or refunded) before the money is paid to you. For partial withdrawals, while tax will normally be deducted (or refunded) at the end of the tax year, a deduction may be made from the amount payable to ensure that enough money remains invested in the Fund to cover any future tax payment.

Potential to List on Recognised Exchange

Investors should be aware that, upon its registration, the Fund will not be quoted on a financial market. However, under the terms of the Trust Deed, the Manager may, at any time in the future, decide to apply to quote the Fund on the licensed market in New Zealand or elsewhere. The Manager will give investors 30 days written notice of any such decision. If the Manager does decide to apply for a quotation of the Fund, you will be able to sell your investment if there are interested buyers. Investors should also note that quotation of the Fund on a licensed market will result in different tax treatment which may impact your personal tax situation – refer to Section 6 – *What taxes will you pay?* for further information. Investors should seek professional advice if unsure about how you would be impacted.

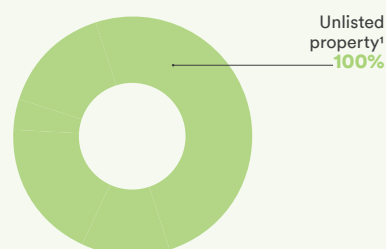
3. Description of your investment options

Private Land and Property Fund

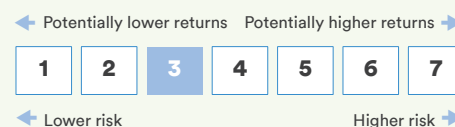
Investment objective and strategy

- 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 8% (before tax and after all fees, charges and costs) over rolling 7 year periods from a combination of income distributions and capital growth.
- The Fund aims to invest primarily in a diversified range of agricultural and horticultural land and property in New Zealand, which may be supplemented with investments in industrial, commercial and retail properties both in New Zealand and overseas³.
- The Fund obtains its Property exposure by buying units in the Wholesale Fund.
- The Wholesale Fund, 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 Fund's asset value.
- The level of diversification of the Wholesale Fund's Property investments is expected to broaden over time, but is currently limited to the wine industry across multiple regions of New Zealand.

Target investment mix



Risk indicator²



Minimum suggested investment timeframe

7 years

¹A small proportion of cash for liquidity purposes may be held in future as the liquidity needs of investors are assessed over time.

²Because the Fund was established in January 2019, the risk indicator has been calculated using the Property Council/IPD New Zealand Property Index for the period 1 January 2014 to 30 June 2017 (June 2017 being when the underlying Wholesale Fund made its first investment) and actual Wholesale Fund returns for the period 1 July 2017 to 31 December 2018. The Property Council/IPD New Zealand Property Index is not a securities index, but we have used it in the risk indicator calculation because there is no appropriate securities index or peer group index available for the Fund. We consider the Property Council/IPD New Zealand Property Index allows the risk indicator to reflect the potential future volatility of the Fund, although not as reliably as if actual returns were available for the entire period.

³Overseas investments would be considered where made in conjunction with or as a strategic fit with existing or new investments of the Fund.

Statement of Investment Policy and Objectives

If you would like to learn more about the fund, you can read the Statement of Investment Policy and Objectives (SIPO). The most current SIPO for the fund can be found on the scheme register at www.disclose-register.companiesoffice.govt.nz or on our website 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.

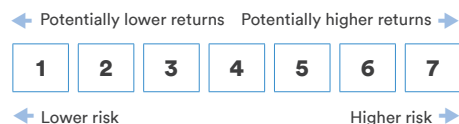
Further information about the assets in the fund can be found in the fund updates at www.booster.co.nz

Details of the Property held by the Wholesale Fund can be found in the 'Other material information' document found on the offer register at www.disclose-register.companiesoffice.govt.nz or on our website 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.booster.co.nz/investment-series

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 December 2018. 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.

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 Fund in which the Fund invests. 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 Fund's investments being concentrated in the property sector, or a particular part of the property sector (e.g. currently the wine sector), and the Fund having exposure to a relatively small number of property investments, which reduces the level of diversification. Booster intends the Wholesale Fund to acquire additional investments across other industries which will broaden the level of diversification.
- **Manager risk.** This is the risk that the Fund underperforms because of the way we manage the Fund's or Wholesale Fund's investments.

- **Revaluation timing risk.** 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 fully reflect a current 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. 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 Fund'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, tenant quality and financial standing, and material changes to the supply and demand in land and property markets. While each of these individual risks have 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 Fund, and importantly by increasing the level of diversification of the investments held by the Wholesale Fund.

- **Liquidity and withdrawal risk.** The risk that, due to the Fund being exposed primarily to unlisted Property investments, which by nature have relatively long sale timeframes, the Wholesale Fund 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 manages this risk by ensuring the Fund and Wholesale Fund are managed to provide various sources of limited liquidity for withdrawals (such as holding a proportion of the Wholesale Fund's assets in cash to meet the expected liquidity requirements of investors, access to an undrawn portion of a borrowing facility in the Wholesale Fund (though this facility is primarily available to implement the gearing strategy not to provide liquidity to investors), and by applying a withdrawal fee that moderates demand for withdrawals). Also, in a number of instances, the Wholesale Fund holds 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 Fund.

- **Gearing and interest rate risk.** This is the risk that while borrowing by the Wholesale Fund may enhance the potential for increases in returns, adverse market conditions such as rising interest rates, economic downturns/reduction in property values, availability of credit/refinance of existing loans on similar terms and conditions may lead to a reduction in the net income of the Wholesale Fund, and these circumstances may also give rise to a breach of borrowing covenants, or affect the Wholesale Fund'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 takes this into account by aiming to limit the amount of borrowing so that total net borrowing costs do not exceed total net returns, by fixing the rate of interest for a defined period of time, and maintaining relationships with a number of banks to ensure there is reasonable access to funding on an ongoing basis.
- **Listing on a recognised exchange risk.** The Manager may, at any time in the future, decide to apply to quote the units on any licensed market in New Zealand or elsewhere. While the increased access to liquidity by being able to sell your investment on that exchange is of benefit to investors, this will result in a different tax treatment, as the Fund will be taxed as a listed PIE. The Manager will provide at least 30 days' notice of its intention to quote the units on a licensed market.

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

Management fee	Other management and administration charges		Total annual fund charge (estimate)
	In Fund Costs	Property Operating Expenses (estimate)	
1.00%	0.10%	3.61%	4.71%

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 Fund. This includes (but is not limited to) rates, insurance, crop growing costs, repairs and maintenance, valuations, depreciation, other property related costs and associated professional fees.

A key driver of the type and amount of the expenses incurred is the basis on which income from the Property is earned. For example, for a Property that is subject to a fixed price lease, the Fund (via the Wholesale Fund) would incur minimal costs, as expenses such as rates, repairs and maintenance are generally passed on to the lessee. Where the Property is actively engaged in growing and selling crops, then the Fund (via the Wholesale Fund) would incur significantly higher costs (including crop growing costs, rates, insurance, and repairs and maintenance) and would earn a

correspondingly higher level of return on the sale of its crop. It is expected that the net return earned from growing and selling crops will, on average, be higher than fixed price leases.

The property operating expenses are estimated to be 3.61% of the net assets of the Fund. Note that the objective of an average annual long-term return from the Fund of 8% over rolling 7 year periods is **after all fees, charges, and costs (including interest and borrowing costs)**.

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 not exceed 5% of the investment amount and will be deducted from each investment amount before your money is invested in the Fund and paid to your financial adviser.

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.

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

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

Funds managed by Booster that invest in the Fund will not be charged a withdrawal fee.

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 and withdrawal fee results in a further 1.5% added, meaning a fee of \$100 excluding GST would be \$101.50 including GST).

Example of how fees apply to an investor

*Alex invests **\$10,000** in the Private Land and Property Fund. They are not charged an establishment fee or a contribution fee.*

*This means that the starting value of their investment is **\$10,000**.*

*They are charged management fees of **\$100** and incurs administration and property operating expenses of about **\$371**, which work out to a total of about **\$471** (4.71% of \$10,000). These fees might be more or less if their 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 that may be payable by Alex).*

*Fund charges: **\$471**.*

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

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 prior 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**

Other costs and expenses

The Fund may also incur interest and borrowing costs related to gearing undertaken by the Wholesale Fund.

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 3.37% of the net assets of the Fund assuming a gearing ratio of 40% is reached.

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 Fund) incurs.

6. What taxes will you pay?

The Fund is a portfolio investment entity. The amount of tax you pay is based on your prescribed investor rate (**PIR**). To determine your PIR, go to www.ird.govt.nz/toii/pir/. If you are unsure of your PIR, we recommend you seek professional advice or contact Inland Revenue.

It is your responsibility to tell Booster your PIR when you invest or if your PIR changes. If you do not tell Booster, a default rate of 28% will be applied.

If the advised PIR is lower than the correct PIR, you will need to complete a personal tax return and pay any tax shortfall, interest, and penalties. If the default rate or the advised PIR is higher than the correct PIR, you will not get a refund of any overpaid tax.

You are also required to provide us with your IRD number. If you do not provide your IRD number, you will not be able to invest in the Fund.

If you are investing in the Fund as a joint investor, company, trust, or estate, see the 'Other material information' document available on the offer register at www.disclose-register.companiesoffice.govt.nz or on our website www.booster.co.nz for more information.

You will pay your share of the taxable income earned by the Fund (less the indirect benefit you will receive from depreciation deductions), and the tax will be deducted once a year either by cancellation of units, or from distributions

made to you (unless, as a trust, you have elected a PIR of 0% in which case the taxable income will need to be included in your tax return). Any distributions paid to investors from the Fund are not taxable and do not need to be included in your tax return.

For further information about tax including determining your PIR, see the 'Other material information' document available on the offer register at www.disclose-register.companiesoffice.govt.nz or on our website www.booster.co.nz

In Section 4 - *What are the risks of investing?* it was noted that the Manager may seek a quotation of the units of the Fund on a licensed market. This will change the tax treatment for the Fund. A listed PIE pays tax at 28%, and attaches imputation credits to distributions it makes from the Fund. A tax payer on a tax rate of less than 28% has the option to include the fully imputed portion of the distribution in their tax return to apply the surplus tax credits against their other taxable income (or carry forward to future tax years). An investor that pays no tax may not be able to obtain a benefit from the imputation credits from a listed PIE. If investors are unsure about how they would be impacted, we recommend seeking professional advice.

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 \$2.5 billion on behalf of more than 100,000 New Zealanders.

You can contact us at:

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

Phone: **04 894 4300**

Email: clientservices@booster.co.nz

Who else is involved?

	Name	Role
Supervisor	Public Trust	Supervises us to make sure we meet our responsibilities and obligations.
Custodian	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.

8. How to complain

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

Booster

Chief Operating Officer

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

Phone: **04 894 4300**
Email: **clientservices@booster.co.nz**

Supervisor

General Manager, Corporate Trustee Services

Public Trust
Ground Floor, NZ Rugby House
100 Molesworth Street
PO Box 5067
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 Service

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

Phone: **0508 337 337**
Email: **enquiries@fdrs.org.nz**
Website: **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**
Website: **www.fscl.org.nz**

9. Where you can find more information

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, or by asking us:

write to: **Booster Investment Management Limited, PO Box 11872, Manners Street, Wellington 6142**
email: **clientservices@booster.co.nz**
call: **04 894 4300 from 8:00am to 5:00pm (Monday to Friday)**
visit: **www.booster.co.nz**

10. How to apply

To invest in the Fund, you'll need to either:

1. complete an application form to apply for units in the Fund directly; or
2. investing in the Fund through the Booster Wrap Administration System (System), enter into an agreement with the System administrator and a financial adviser who uses the system.

The application form is available by contacting Booster.

If you would like to get in touch with a financial adviser, call us on **04 894 4300**.



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
04 894 4300 or visit our website.

booster.co.nz

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

A disclosure statement is
available from your financial adviser,
on request and free of charge.