

Fund Update

For the quarter ended 31 March 2019

This fund update was first made publicly available on 1 May 2019

What is the purpose of this update?

This document tells you how the **Shielded Growth Fund** has performed and what fees were charged. The document will help you to compare the fund with other funds. **Booster Investment Management Limited** prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

Description of this fund

The Shielded Growth Fund invests predominantly in growth assets and uses options contracts to partially 'shield' the fund against (limit the impact of) more significant short-term downward movements of the value of the fund's investments. It is suited to investors who are comfortable with a medium to high level of risk in order to potentially achieve relatively higher returns, but who are willing to forgo some return due to the cost of the options strategy.

Total Value of the Fund	\$965,844
Number of Investors in the fund	67
The date the fund started	31 May 2018

What are the risks of investing?

Risk indicator for the **Shielded Growth Fund**¹:



The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund's assets go up and down. 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 <https://www.booster.co.nz/booster-kiwisaver-scheme/investment-funds.aspx>

Note that even the lowest category does not mean a risk-free investment, and there are other risks not captured by this rating.

This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on returns data for the five years to 31 March 2019. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.

See the product disclosure statement (PDS) for more information about the risks associated with investing in this fund.

How has the fund performed?

	Past Year
Annual return (after deductions for charges and tax)	Not applicable
Annual return (after deductions for charges but before tax)	Not applicable
Market index annual return (reflects no deduction for charges and tax)	11.91%

The market index return is based on the weighted average return of the market indices used in respect of the underlying asset classes as described in the Statement of Investment Policy and Objectives.

More information about the market index can be found in the 'Further information on market index' section of the offer register at <https://disclose-register.companiesoffice.govt.nz/>

What fees are investors charged?

Investors in the Shielded Growth Fund are charged fund charges. In the year to 27 July 2018² these were:

	% of Net Asset Value
Total fund charges³	1.34%
Which are made up of:	
Total management and administration charges	1.30%
Including:	
Manager's basic fee ⁴	1.25%
Other management and administration charges	0.04%
Total Performance-based fees⁵⁶⁷	0.05%
Other charges	Dollar amount per investor
Member Fee	\$36.00

The Shielded Growth Fund has a membership fee of \$3.00 per month per investor. In total, during the disclosure year, this would be \$36.00 (\$3.00 x 12).

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the Booster KiwiSaver Scheme: Single-Sector and Specialty Fund options PDS for more information about those fees.

See the product disclosure statement for more information about the basis on which performance fees are charged.

Small differences in fees and charges can have a big impact on your investment over the long term.

Example of how this applies to an investor

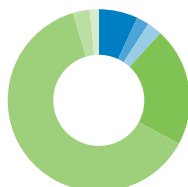
Ruby had \$10,000 in the fund at the start of the year and did not make any further contributions. At the end of the year, Ruby received a return after fund charges and tax were deducted of \$205 (that's 2.05% of her initial \$10,000). Ruby also paid \$36.00 in other charges. This gives Ruby a total return after tax of \$169 for the year.^{8 9}

What does the fund invest in?

Actual Investment Mix

This shows the types of assets that the fund invests in.

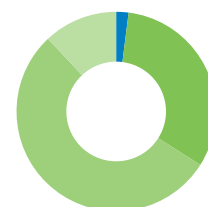
- 6.94% Cash and cash equivalents
- 2.22% New Zealand fixed interest
- 2.65% International fixed interest
- 21.1% Australasian equities
- 62.52% International equities
- 2.96% Listed property
- 1.61% Unlisted property



Target Investment Mix

This shows the mix of assets that the fund generally intends to invest in.

- 2.0% Cash and cash equivalents
- 32.0% Australasian equities
- 54.0% International equities
- 12.0% Listed property



Top 10 Investments

Name	% of fund net assets	Type	Country	Credit Rating (if applicable)
Vanguard Int'l Shares Select Exclusions Fund - NZD Hgd	33.67%	Diversified fund	AU	
Vanguard Emerging Markets Share Index Fund	6.19%	Diversified fund	AU	
NZ Cash (BNZ Bank Trust Account)	4.15%	Cash and cash equivalents	NZ	AA-
The a2 Milk Company Limited	1.94%	Australasian equities	NZ	
Vanguard Ethically Conscious Gbl Agg Bond Index Fund NZD Hgd	1.64%	Diversified fund	AU	
Fisher & Paykel Healthcare Corporation Ltd	1.55%	Australasian equities	NZ	
Microsoft Corporation	1.48%	International equities	US	
Vanguard Int'l Prop Sec. Index Fund (AUD Hgd)	1.47%	Diversified fund	AU	
Amazon.com, Inc	1.35%	International equities	US	
Auckland International Airport Limited	1.34%	Australasian equities	NZ	

The top 10 investments make up 54.78% of the fund.

Currency Hedging

Currency hedging can apply to some of the asset classes this fund invests in. All international fixed interest investments and international listed property investments are fully hedged. The level of currency hedging for Australian equities is normally 50% but this can be actively managed between 0% - 100% and exposures for international equities is normally 60% hedged but can be actively managed between 20% - 80%. Refer to the Statement of Investment Policy and Objectives for more information.

Key personnel

This shows the directors and employees who have the most influence on the investment decisions of the fund.

Name	Current Position	Time in current position	Previous or other position	Time in previous or other position
David Beattie	Principal, Booster Financial Services Limited	10 months	CIO, Booster Financial Services Limited	17 years, 6 months
Nic Craven	Senior Manager - Research, Booster Financial Services Limited	10 months	Research Manager, Booster Financial Services Limited	4 years, 2 months
Allan Yeo	Managing Director, Booster Financial Services Limited	20 years, 10 months	Associate Director, Barclays Bank plc	2 years
Rowan Calvert	Portfolio Manager - Global Equities, Booster Financial Services Limited	1 year, 5 months	Senior Equity Analyst, Booster Financial Services Limited	7 years, 4 months
Aaron Usher	Portfolio Manager - Australasian Equities, Booster Financial Services Limited	1 year, 5 months	Equity Analyst, Booster Financial Services Limited	5 years, 9 months

Further Information

You can also obtain this information, the PDS for the **Single-Sector and Specialty Fund options**, and some additional information from the offer register at <https://disclose-register.companiesoffice.govt.nz/>

Notes

1 Because the fund has been operating for less than 5 years, the risk indicator has been calculated using market index returns for the period 1 April 2014 to 30 June 2018 and actual returns for the period of 1 July 2018 to 31 March 2019. As a result, the risk indicator may provide a less reliable indication of the potential future volatility of the fund.

2 The fund has not yet completed a full disclosure year and the total fund charges shown are the amount of costs and expenses that will be charged to the fund as at the date of the Booster KiwiSaver Scheme - Single-Sector and Specialty Fund options PDS. The fund's first full disclosure year is the year ending 31 March 2020.

3 Total fund charges are charged as a percentage of an investor's interest in the fund (i.e. as a percentage of their account balance). GST is not included in any of the fees stated and will be added where required.

4 The management fee covers Booster's administration and investment management fees, the Supervisor's fee and the regular costs and expenses of running the Scheme (such as audit fees and legal fees).

5 The Fund may invest a portion of its net asset value in Booster Tahi LP, a limited partnership managed and established by related parties to Booster Investment Management Limited. Booster Tahi LP pays performance fees to the fund manager, Booster Funds Management Limited. By investing in Booster Tahi LP, the Fund will bear a proportionate share of any performance fee charged which will be reflected in the unit price of the Fund.

6 Because the manager of Booster Tahi LP is a related party to Booster KiwiSaver Scheme, and it may receive a performance fee based on the returns of the Booster Tahi LP; 0.50% of Booster Investment Management Limited's annual management fee will be rebated on the amount invested by the Fund in Booster Tahi LP.

7 Booster Tahi LP was established on 28 April 2017 and has a limited performance and investment history. A performance-based fee was charged for the year ended 31 March 2019, however the Fund's proportionate share of this fee equated to less than 0.01% of the Fund's net asset value, however as at the date of the PDS, Booster has estimated that the performance-based fees the Fund will pay for the year to be 0.05%. The estimated charge is based on the assumptions that 3% of the net asset value of the Fund is invested in Booster Tahi LP; Booster Tahi LP will achieve income based returns equal to the Australia Private Equity and Venture Capital Index that has returned 12% per year over the last 15 years; and the Booster Tahi LP will exceed the hurdle rate of return. The performance-based fee will vary based on the performance of the Booster Tahi LP and this charge for the year ending 31 March 2020 may be materially different to the estimated net fee of 0.035%. Please refer to the "Estimate of Fee" document lodged on the offer register at <https://disclose-register.companiesoffice.govt.nz> for more information.

8 As the fund commenced on 31 May 2018, a full year had not been completed as at 31 March 2019. For the purposes of the member example, the period refers to the period of 31 May 2018 to 31 March 2019 and the return is the actual return since the fund started, net of annual fund charges and tax.

9 The actual fund return since the fund started was 2.05% (after deductions for fund charges and tax) and the market index return since the fund started was 5.44% (reflects no deductions for charges or tax).