

Booster Investment Scheme

Product Disclosure Statement



Investment Series: Multi-sector Funds

Offer of units in the Booster Investment Scheme

28 April 2023

Issuer: Booster Investment Management Limited

This document replaces the Product Disclosure Statement dated 25 October 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. 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 (**Booster, 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 Booster Investment Scheme (**Scheme**) has a range of funds for you to choose from.

This Product Disclosure Statement (**PDS**) covers ten of these funds – the Investment Series: Multi-sector Funds. These investment options are summarised below.

More information about the investment target and strategy for each fund is provided at Section 3 – *Description of your investment options*.

If you'd like to know about the other funds visit www.booster.co.nz, contact us, or ask your financial adviser.

Who manages the Booster Investment Scheme?

Booster is the manager of the Scheme.

You'll learn more about us in Section 7 – *Who is involved?*

Your fund options

How can you get your money out?

Generally, you can withdraw some or all of your investment in the Investment Series Funds at any time through us or your financial adviser who will then facilitate your withdrawal request with the administrator of the Booster wrap administration system (**System**). There are minimum withdrawal amount requirements and you must maintain the minimum on-going balance for each fund you invest in. Withdrawals will normally be paid to your bank account within five business days.

Your investment in these Investment Series Funds can be sold but there is no established market for trading these financial products. 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?*

How will your investment be taxed?

The Scheme 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/roles/portfolio-investment-entities/find-my-prescribed-investor-rate.

See Section 6 of the PDS – *What taxes will you pay?* on page 11 for more information.

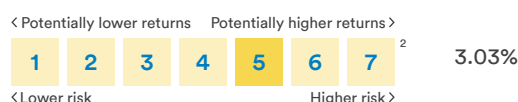
Where can you find more key information?

Booster is required to publish quarterly updates for each 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.

| Fund | Risk indicator | Annual fund charges ¹ (estimated) |
|--|--|--|
| <p>Defensive Fund</p> <p>Is suited to investors who seek modest returns on average over the short to medium term, allowing for some shorter-term ups and downs. We aim to achieve this by investing primarily in income assets, while including some growth assets.</p> | <p>< Potentially lower returns Potentially higher returns ></p> <p>1 2 3 4 5 6 7</p> <p>< Lower risk Higher risk ></p> | 2.02% |
| <p>Moderate Fund</p> <p>Is suited to investors who seek moderate returns on average over medium term periods (three years plus), allowing for some shorter-term ups and downs. We aim to achieve this by investing mainly in income assets, while including a moderate allocation of growth assets.</p> | <p>< Potentially lower returns Potentially higher returns ></p> <p>1 2 3 4 5 6 7</p> <p>< Lower risk Higher risk ></p> | 2.40% |
| <p>Balanced Fund</p> <p>Is suited to investors who seek a medium level of returns on average over medium term periods (five years plus), allowing for shorter-term ups and downs. We aim to achieve this by investing in a mix of income and growth assets.</p> | <p>< Potentially lower returns Potentially higher returns ></p> <p>1 2 3 4 5 6 7</p> <p>< Lower risk Higher risk ></p> | 2.80% |
| <p>Growth Fund</p> <p>Is suited to investors who seek potentially relatively high returns on average over longer term periods (seven years plus), allowing for short to medium term ups and downs. We aim to achieve this by investing primarily in growth assets, with a moderate allocation of income assets.</p> | <p>< Potentially lower returns Potentially higher returns ></p> <p>1 2 3 4 5 6 7</p> <p>< Lower risk Higher risk ></p> | 3.01% |

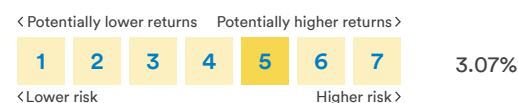
Shielded Growth Fund

Is suited to investors who seek potentially relatively high returns over longer term periods (seven years plus), allowing for short to medium term ups and downs, whilst partially shielding the fund against some of the more significant short-term risks. We aim to achieve this by investing predominantly in growth assets, with little or no allocation to income assets.



High Growth Fund

Is suited to investors who seek potentially higher returns on average over long term periods (ten years plus), allowing for short to medium term ups and downs. We aim to achieve this by investing predominantly in growth assets, with little or no allocation to income assets.



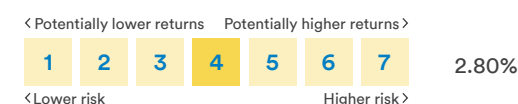
Socially Responsible Moderate Fund

Is suited to investors who seek moderate returns on average over medium term periods (three years plus), allowing for some shorter-term ups and downs, whilst excluding investments which do not satisfy certain socially responsible investment criteria. We aim to achieve this by investing mainly in income assets, while including a moderate allocation of growth assets, and the application of our Responsible Investment Policy.



Socially Responsible Balanced Fund

Is suited to investors who seek a medium level of returns on average over medium term periods (five years plus), allowing for shorter-term ups and downs, whilst excluding investments which do not satisfy certain socially responsible investment criteria. We aim to achieve this by investing in a mix of income and growth assets, and the application of our Responsible Investment Policy.



Socially Responsible Growth Fund

Is suited to investors who seek potentially relatively high returns on average over longer term periods (seven years plus), allowing for short to medium term ups and downs, whilst excluding investments which do not satisfy certain socially responsible investment criteria. We aim to achieve this by investing primarily in growth assets, with a moderate allocation of income assets, and the application of our Responsible Investment Policy.



Socially Responsible High Growth Fund

Is suited to investors who seek potentially higher returns on average over long term periods (ten years plus), allowing for short to medium term ups and downs, whilst excluding investments which do not satisfy certain socially responsible investment criteria. We aim to achieve this by investing predominantly in growth assets, with little or no allocation to income assets, and the application of our Responsible Investment Policy.



Individual Action Fees

Booster does not charge any entry or exit fees.

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 lump sum investment amount (maximum 5%) and regular investment amount (maximum 3.5%) and an exit fee (maximum 5%) when you make a full withdrawal of your investment.

¹ Calculated daily as a percentage of the net asset value of the fund. This includes any performance fees charged indirectly to these funds.

² Because the Shielded Growth Fund started in May 2018, the risk indicator has been calculated using market index returns for the period 1 April 2018 to 30 June 2018 and actual fund returns for the period 1 July 2018 to 31 March 2023. As a result the risk indicator may provide a less reliable indication of the potential future volatility of the fund.

³ Because the Socially Responsible Growth Fund started in March 2022, the risk indicator has been calculated using market index returns for the period 1 April 2018 to 31 May 2022 and actual fund returns for the period 1 June 2022 to 31 March 2023. As a result the risk indicator may provide a less reliable indication of the potential future volatility of the fund.

Goods and services tax (GST) is not included in any of the fees stated. GST will be added to any fees where applicable. For more information about the fees charged, see Section 5 – *What are the fees?*

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/

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2. How does this investment work?

The Scheme is governed by a Trust Deed, which is an agreement between us and the Scheme's Supervisor, Public Trust.

The Scheme is a managed investment scheme. This means your money is pooled with other investors' money and invested in various assets.

There are ten funds covered by this PDS, each with a different investment objective and strategy. You do have more funds to choose from – see *How to switch between funds* on page 4 for more information.

When you invest your money in a fund, you receive units. Units represent your share of the investments in that fund. The unit price multiplied by the number of units you have shows what your share of that funds is worth at any time. The funds do not make income distributions.

The investments of each fund are kept separate and are not able to be used to meet the liabilities of another fund.

Why invest

The key benefits of investing in the Scheme include:

Diversification. Your money is combined with other investors' money, giving you access to a wider variety of investments than you could usually achieve on your own.

Experience. The investments are managed by experienced professionals.

Flexibility. You can choose from a range of funds to suit your investor profile and investment goals. How much you invest and when you withdraw is up to you. You can also request any changes to your investment at any time.

Responsible investing. We include environmental, social and governance criteria across all the Scheme multi-sector funds in our assessment of investments. We also exclude investments that are inconsistent with certain values-based criteria for the socially responsible investment funds in this document.

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

Assess to financial advice. You have access to a financial advice provider who will be able to help you with your investment decisions. See the Annual Fund Charges section for more details.

Making investments

How you invest

All investments in the funds are made through the System. For the Socially Responsible Moderate, Balanced, Growth and High Growth Funds you can apply online directly to Booster if you're over 18 and have NZ ID documents.

For the other six funds you'll need to enter into an agreement with a financial adviser who uses the System and the System administrator before making an investment. The agreement explains the terms and conditions of using the System and appoints and authorises your financial adviser to provide various administration services to you and the System administrator.

By investing through the System, your investment will be held by a custodian on your behalf, but you remain the beneficial owner of the investment.

Which funds can you choose?

You can choose to invest in one or more funds. A financial adviser can advise you on the fund(s) that best suit your investor profile and investment goals.

How much can you invest?

The minimum initial investment in each fund is \$1,000. While you're not required to make any further investments, you can invest more at any time by either making lump sum investments (minimum \$500) or regular investments (minimum \$100). These additional amounts can be invested in one or more of your chosen funds.

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

While the maximum amount you invest is up to you, Booster reserves the right to refuse to accept any investments.

How do you pay?

You can make investments by direct credit or direct debit. Cash and Cheque deposits will not be accepted.

Withdrawing your investments

You can withdraw some or all of your investment at any time. The minimum lump sum withdrawal amount for each fund is \$500. You also have the option to make regular withdrawals from your investment (minimum \$100 per withdrawal). For regular withdrawals, you can also choose the date on which the money is to be paid to your bank account.

You'll need to maintain the minimum on-going balance of \$1,000 in each fund after any withdrawal. If your withdrawal request takes your balance below this amount, you will need to either top up your investment back to the minimum balance or transfer your money to another fund that you hold. If you don't hold units in another fund, we reserve the right to pay the balance of your investment less any tax and fees to your bank account and your investment in the fund will cease.

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

Making a withdrawal

To withdraw some or all of your investment, you'll need to tell your financial adviser so they can facilitate your withdrawal request. If you signed up without a financial adviser, you can request your withdrawal online through mybooster. To set-up a regular withdrawal, you'll need to complete a regular withdrawal authority form which is available from your financial adviser.

Withdrawal requests will normally be processed within five business days of receiving the request. In unusual circumstances it may take longer and will be managed on a case-by-case basis. We can delay the payment of withdrawals from a fund(s) if we believe that making payments is not practicable or in the best interests of all investors in that fund(s).

We may also require you to reduce your fund holdings to ensure the Scheme maintains its PIE eligibility.

When a full withdrawal is made, tax will be deducted or refunded before the money is paid to you. For partial withdrawals, we may reduce the amount payable to ensure that enough money remains in your account to cover any tax payment.

How to switch between funds

You can switch some or all of your investment to another fund(s) by completing an investment switch form which is available from your financial adviser or Booster directly. You must maintain the minimum on-going balance in each fund you're invested in.

There are additional funds in the Scheme that you can invest in which are not covered in this document. You can learn about them in the following PDSs available from your financial adviser, by contacting us, or by visiting www.booster.co.nz.

- Booster Investment Scheme – Investment Series: Income Funds and Corporate Bond Fund;
- Booster Investment Scheme – Investment Series: Enhanced Cash Portfolio and Income Securities Portfolio; and
- Booster Investment Scheme – Focus Series Funds.

3. Description of your investment options

What we mean when we talk about:

Income assets = cash and fixed interest investments.

Growth assets = equities (shares) and property investments.

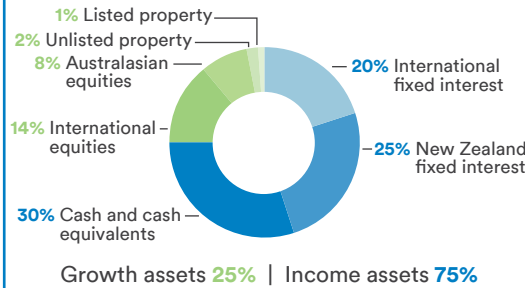
Options contract = where a buyer and seller enter into an agreement which gives the owner of the option contract the right, but not the obligation, to either sell a specified amount of a particular investment (such as a share) at a later date at an agreed upon price (**a put option**), or, to buy a specified amount of a particular investment (such as a share) at a later date at an agreed upon price (**a call option**).

Defensive Fund

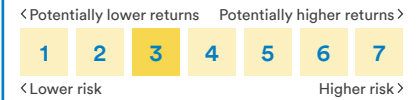
Investment objective and strategy

- To provide modest returns on average over the short to medium term, allowing for some shorter-term ups and downs.
- We aim to achieve this by investing primarily in income assets, while including some growth assets.

Target investment mix



Risk indicator



Minimum suggested investment timeframe

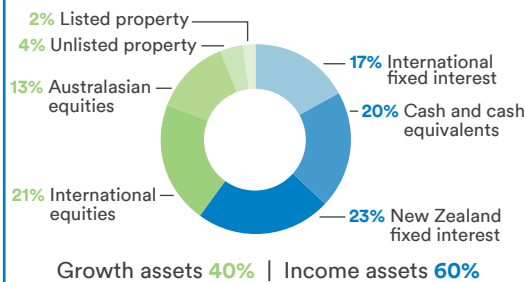
3 years

Moderate Fund

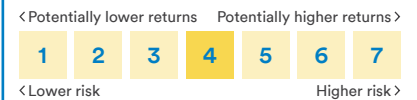
Investment objective and strategy

- To provide moderate returns on average over medium term periods (three years plus), allowing for some shorter-term ups and downs.
- We aim to achieve this by investing mainly in income assets, while including a moderate allocation of growth assets.

Target investment mix



Risk indicator



Minimum suggested investment timeframe

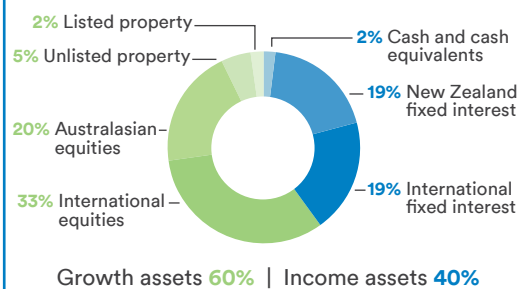
3 years

Balanced Fund

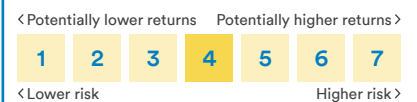
Investment objective and strategy

- To provide a medium level of returns on average over medium term periods (five years plus), allowing for shorter-term ups and downs.
- We aim to achieve this by investing in a mix of income and growth assets.

Target investment mix



Risk indicator



Minimum suggested investment timeframe

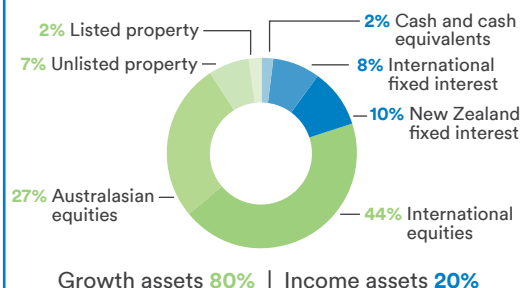
5 years

Growth Fund

Investment objective and strategy

- To provide relatively high returns on average over longer term periods (seven years plus), allowing for short to medium term ups and downs.
- We aim to achieve this by investing primarily in growth assets, with a moderate allocation of income assets.

Target investment mix



Risk indicator



Minimum suggested investment timeframe

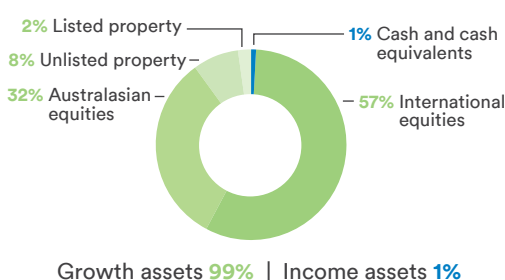
7 years

Shielded Growth Fund

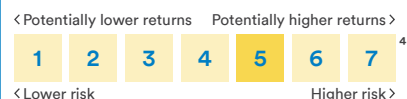
Investment objective and strategy

- To provide relatively high returns over longer term periods (seven years plus), allowing for short to medium term ups and downs, whilst partially shielding the fund against some of the more significant short-term risks.
- We aim to achieve this by investing predominantly in growth assets, with little or no allocation to income assets. The strategy will typically involve, but is not limited to, holding put options which provide protection on around 30% of fund losses above a 10% fall in global share markets. The level of protection will typically vary between 20% and 50% of the fund, depending on the Manager's view of a range of factors such as cost, market volatility and risk.

Target investment mix



Risk indicator



Minimum suggested investment timeframe

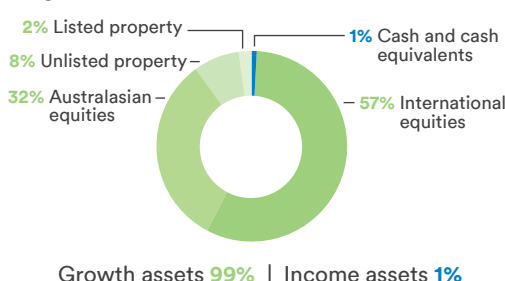
7 years

High Growth Fund

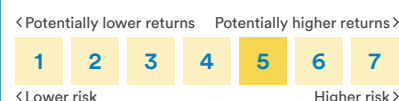
Investment objective and strategy

- To provide higher returns on average over long term periods (ten years plus), allowing for short to medium term ups and downs.
- We aim to achieve this by investing predominantly in growth assets, with little or no allocation to income assets.

Target investment mix



Risk indicator



Minimum suggested investment timeframe

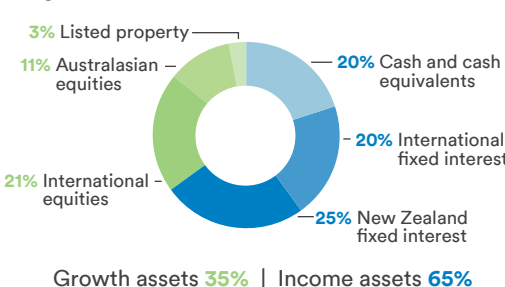
10 years

Socially Responsible Moderate Fund

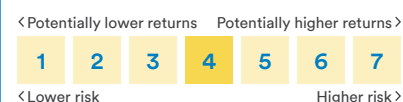
Investment objective and strategy

- To provide moderate returns on average over medium term periods (three years plus), allowing for some shorter-term ups and downs, whilst excluding investments which do not satisfy certain socially responsible investment criteria.
- We aim to achieve this by investing mainly in income assets, while including a moderate allocation of growth assets, and the application of our Responsible Investment Policy.

Target investment mix



Risk indicator



Minimum suggested investment timeframe

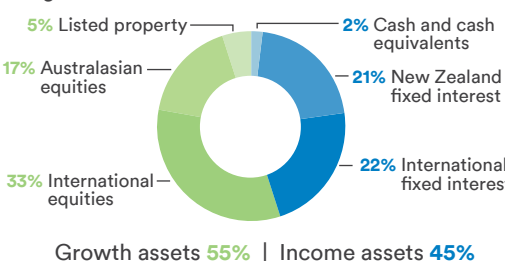
3 years

Socially Responsible Balanced Fund

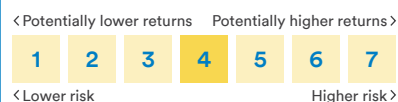
Investment objective and strategy

- To provide a medium level of returns on average over medium term periods (five years plus), allowing for shorter-term ups and downs, whilst excluding investments which do not satisfy certain socially responsible investment criteria.
- We aim to achieve this by investing in a mix of income and growth assets, and the application of our Responsible Investment Policy.

Target investment mix



Risk indicator



Minimum suggested investment timeframe

5 years

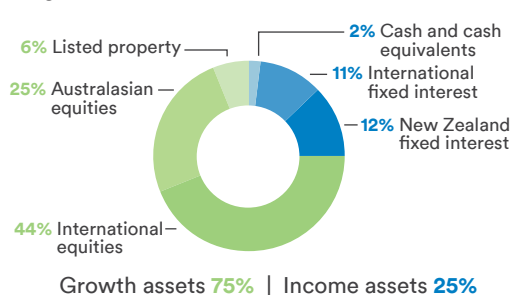
⁴ Because the Shielded Growth Fund started in May 2018, the risk indicator has been calculated using market index returns for the period 1 April 2018 to 30 June 2018 and actual fund returns for the period 1 July 2018 to 31 March 2023. As a result the risk indicator may provide a less reliable indication of the potential future volatility of the fund.

Socially Responsible Growth Fund

Investment objective and strategy

- To provide relatively high returns on average over longer term periods (seven years plus), allowing for short to medium term ups and downs, whilst excluding investments which do not satisfy certain socially responsible investment criteria.
- We aim to achieve this by investing primarily in growth assets, with a moderate allocation of income assets, and the application of our Responsible Investment Policy.

Target investment mix



Risk indicator



Minimum suggested investment timeframe

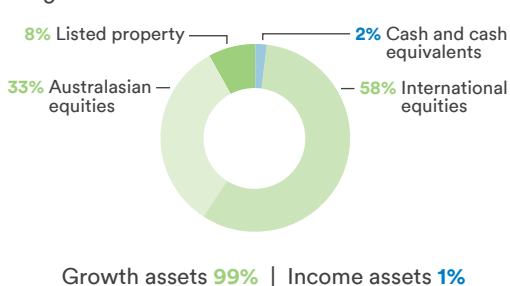
7 years

Socially Responsible High Growth Fund

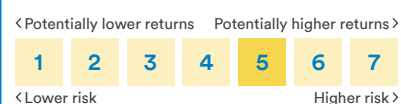
Investment objective and strategy

- To provide higher returns on average over long term periods (ten years plus), allowing for short to medium term ups and downs, whilst excluding investments which do not satisfy certain socially responsible investment criteria.
- We aim to achieve this by investing predominantly in growth assets, with little or no allocation to income assets, and the application of our Responsible Investment Policy.

Target investment mix



Risk indicator



Minimum suggested investment timeframe

10 years

⁵ Because the Socially Responsible Growth fund started in March 2022, the risk indicator has been calculated using market index returns for the period 1 April 2018 to 31 May 2022 and actual fund returns for the period 1 June 2022 to 31 March 2023. As a result the risk indicator may provide a less reliable indication of the potential future volatility of the fund.

Our Socially Responsible Funds

These funds currently exclude investments in directly held companies and managed fund investments where the underlying activities are principally involved in the tobacco, gambling, armaments, nuclear power, and fossil fuel industries, among others. The criteria for screening out these investments may be modified over time to reflect developments in the socially responsible investment arena. See our Approach to Responsible Investing Policy document for further details on excluded investments, how we integrate environmental, social and governance factors into our investment selections, and the types of positive engagement activities we aim to undertake. Go to www.booster.co.nz/responsible-investing-policy.

Our Socially Responsible Funds have been independently certified.

The Socially Responsible Moderate, Balanced, Growth and High Growth Funds have been certified by the Responsible Investment Association Australasia (RIAA) according to the strict operational and disclosure practices required under the Responsible Investment Certification Program. To become RIAA certified a product must go through a review process and RIAA describes certification as signifying that the product has implemented an investment style and process that systematically takes into account environmental, social, governance or ethical considerations, and this investment process reliability has been verified by an external party. The certification program does not constitute financial advice. For more information see www.responsibleinvestment.org/ri-certification.

Statement of Investment Policy and Objectives

If you would like to learn more about the funds, you can read the Statement of Investment Policy and Objectives (SIPO). The most current SIPO for the funds can be found on our website www.booster.co.nz.

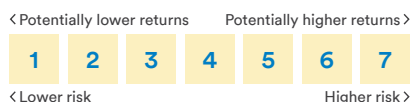
We may change the SIPO from time to time without notifying you. We will consult with the Supervisor and give them written notice of any changes before they take effect. Any material changes will be advised in the Booster Investment Scheme annual report.

Further information about the assets in the funds can be found in the fund updates at 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 each fund covered in this PDS can be found on pages 1 and 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/

Note that even the lowest category does not mean a risk-free investment, and there may be other 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 2023. 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 each fund. Fund updates are published each quarter on 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 funds and therefore the risk indicators 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. A fund can experience loss due to factors that may impact the overall performance of financial markets, a sector, or specific investments in response to negative information and factors. These factors include, but are not limited to, economic and regulatory conditions, political events, environmental and technological issues.

Asset class risk. The risk for each fund is largely determined by the mix of assets in the fund. Funds with more growth assets such as shares generally suffer bigger and more frequent losses and gains over the long-term than funds with more income assets such as fixed interest investments.

Manager risk. A fund could underperform because of the way we, or an investment manager that we have selected, manages the fund's investments. This includes where a fund underperforms, in particular market conditions, due to the exclusion of certain industries or sectors (e.g. fossil fuels).

Settlement risk. If the other party to a transaction by a fund, or an intermediary used, fails to deliver on their obligations, which may result in a loss of value to the fund.

Liquidity risk. If a fund is unable to sell an investment at the desired time or will be sold at a lower value than would be expected in normal market conditions, which could impact the value of the investment and returns.

Currency risk. The value of international investments may be affected by the value of the foreign currencies in which these investments are held (relative to the New Zealand dollar).

Interest rate risk. Interest rates on fixed interest investments may increase, causing a drop in their value.

Credit risk. The value of a fixed interest investment can drop because there are doubts about the ability of a borrower to meet their future payment obligations.

For more information on the risks of investing in the Booster Investment Scheme, see the 'Other material information' document available on our website www.booster.co.nz.

5. What are the fees?

You will be charged fees for investing in the Investment Series Funds. Fees are deducted from your investment and will reduce your returns. If Booster invests in other funds, those funds may also 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 (currently none are charged by Booster).

| Fund | Management Fee | Other management and administration charges (estimated) | Tahi Performance fee* (estimated) | BIF Performance fee (estimated) | Total annual fund charges (estimated) |
|-----------------|----------------|---|---|---------------------------------|---------------------------------------|
| | | | <i>(charged if the hurdle rate of return is exceeded)</i> | | |
| Defensive | 1.95% | 0.06% | 0.01% | 0.00% | 2.02% |
| Moderate | 2.30% | 0.08% | 0.01% | 0.01% | 2.40% |
| Balanced | 2.67% | 0.10% | 0.02% | 0.01% | 2.80% |
| Growth | 2.85% | 0.12% | 0.03% | 0.01% | 3.01% |
| Shielded Growth | 2.90% | 0.09% | 0.03% | 0.01% | 3.03% |
| High Growth | 2.90% | 0.13% | 0.03% | 0.01% | 3.07% |
| SR Moderate* | 2.30% | 0.09% | N/A | 0.01% | 2.39% |
| SR Balanced* | 2.67% | 0.12% | N/A | 0.01% | 2.80% |
| SR Growth* | 2.85% | 0.16% | N/A | 0.01% | 3.02% |
| SR High Growth* | 2.90% | 0.18% | N/A | 0.01% | 3.09% |

Goods and services tax (GST) is not included in any of the fees stated. GST will be added to any fees where applicable.

* The 0.50% rebate of Booster's management fee on the amount invested by the relevant Booster Investment Scheme fund in Booster Tahi LP is included in this estimate.

* SR is an abbreviation for Socially Responsible.

Annual fund charges

The annual fund charges include all charges associated with investing in the funds excluding one-off fees relating to individual investor actions (currently none are charged by Booster). These include:

A management fee. This fee covers the costs of managing and administering the funds, which include administration (including the implementation of our Responsible Investing Policy where applicable), accounting and custodian fees, and ongoing marketing expenses. It also covers access to financial advice (see below).

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 Scheme's funds invests other than fees outlined below. 0.50% of Booster's management fee will be rebated on the amount invested in Booster Tahi LP (**Tahi**). No rebate applies to the Booster Innovation Fund (**BIF**) performance fee.

If you have more than \$250,000 invested in one of the above funds, you'll receive a rebate of some of the management fee on your investment above this amount. This rebate will be calculated daily as a percentage of the total value of your investment in the fund, and applied at the end of each month. The rebates are on investments between:

- \$250,000 and \$500,000 0.35%
- \$500,000 and \$1,000,000 0.80%
- Over \$1,000,000 1.20%

Access to financial advice. If you use an independent financial advice provider to help you with your Booster Investment Scheme account (and we are notified of that), Booster will remunerate that adviser. This will be

fully explained in their disclosure document. There is no additional charges to you, unless separately agreed with your adviser (see the Contribution and Termination Fees section).

Other management and administration charges. These charges include the Supervisor's fee, and an estimate for other costs, disbursements, charges or expenses incurred either directly or indirectly by Booster and the Supervisor which are not covered under the management fee (such as audit fees and legal fees). Such charges are calculated daily as a percentage of the net asset value of the fund and paid monthly.

The charges also include an estimate for a foreign exchange facilitation fee. This fee, of up to 0.50% of any net foreign exchange transaction, may be charged directly or indirectly to a Scheme fund which invest in funds managed by Booster. It is deducted from the relevant fund or underlying fund and paid to Booster Custodial Administration Services Limited.

Performance fees. The funds can invest in underlying funds which may charge performance fees when specific targets are met by the manager of those underlying funds. Where applicable, the annual fund charges include an estimate of these fees. These will be reflected in the unit price of the relevant fund. Performance fees charged by Booster or related parties are outlined below, these are based on the below calculations rather than the market index of the relevant fund. This means that you may pay performance fees even if the fund does not match or beat the return of its market index.

Tahi Performance Fee

The Defensive, Moderate, Balanced, Growth, Shielded Growth and High Growth Funds may each invest a portion of their net asset value in Tahi. Tahi invests in private (or unlisted) small to medium sized New Zealand companies. Tahi's performance fee is described below:

Hurdle rate of return. A performance fee is payable to Booster Funds Management Limited (BFML), as manager of Tahi, where the combination of income before tax and fees (income return) and capital gains on its investments (capital gains), together referred to as the total return, over the financial year ended 31 March is more than 5% above the New Zealand 90-day bank bill rate.

Amount of the performance fee. To the extent the total return of Tahi exceeds the hurdle rate of return (subject to the high water mark described below) (the 'excess'):

- 33% of the excess that relates to the income return is payable in cash; plus
- 10% of the excess that relates to capital gains on its investments is payable in the form of bonus units in Tahi.

When calculating the fee, the income return is applied against the hurdle return first.

High water mark. No performance fee is payable on capital gains until both:

- the total return exceeds the hurdle rate, and
- the investment value exceeds the higher of:
 - i. the value when a performance fee was last paid*; and
 - ii. the value last set when the total return fell below the hurdle rate*

*Adjusted where any performance fee has been refunded.

This means a performance fee will not be payable for the same performance twice, nor where the performance falls below the hurdle rate of return in a year.

Because the performance fee is payable on the total return of Booster Tahi LP, any return that was part of the calculation of the income return portion of any performance fee cannot also be part of the calculation of a capital gain performance fee.

Refund of performance fees. If the value of Tahi's investments has fallen over the financial year, BFML will repay to Tahi 10% of the fall in value, up to a maximum of the total income performance fees paid during the relevant year. If any of Tahi's investments are sold for less than its cost, BFML will repay to Tahi 10% of the loss in value from the bonus units issued to it (to the extent the loss has not already been refunded from fees). Any repayment will be limited to the bonus units held by BFML.

Frequency of calculation and payment. The performance fee is calculated annually. The fee is estimated daily and provisional payments may be made quarterly.

Maximum limit of the fee. There is no maximum limit of the performance fee payable.

Booster Innovation Fund Performance Fee

The funds may each invest a portion of their net asset value in BIF. BIF invests in a portfolio of early-stage companies founded on intellectual property originated or developed in New Zealand. BIF's performance fee is described below.

Hurdle rate of return. A performance fee is payable to us, as manager of BIF, where the BIF's return is in excess of 10% p.a. which approximates the 30 year New Zealand equity market return.

Amount of the performance fee. 20% of the return above the hurdle rate and high water mark is payable as a performance fee.

High water mark. The fee is only payable for returns in excess of the hurdle rate after any prior year losses have been covered (i.e. the manager cannot be rewarded for the same performance twice).

Frequency of calculation and payment. The fee is calculated and accrued in the unit price on a daily basis. The fee is paid only in the form of units in the BIF on an annual basis. We are restricted from redeeming those units to the BIF, and can only sell our units to other investors.

Maximum limit of the fee. There is no maximum limit of the performance fee payable.

Individual action fees

Contribution and termination fees

Booster does not charge any entry or exit fees. 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 lump sum and regular investment amounts and an exit fee when you make a full withdrawal of your investment. If an entry fee is charged, it will not exceed 5% for lump sum investments and 3.5% for regular investments and will be deducted from each investment amount before your money is invested in your chosen fund(s) and paid to your financial adviser. If an exit fee is charged, it will not exceed 5% of the amount withdrawn and will be deducted when you terminate your investment and paid to your financial adviser.

There are currently no establishment, contribution, termination or withdrawal fees charged by Booster. You may be charged other fees on an individual basis for investor-specific actions (such as a switching fee or regular withdrawal fee).

Transaction costs

We may apply transaction costs to a fund's unit price where these have been incurred because of a fund buying or selling investments due to an investor's applications or redemptions. Transaction costs are retained within the funds and are not a fee that is paid to us.

For more information on the Scheme fees and charges see the Other material information document which can be found on our website www.booster.co.nz.

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 relevant fund.

Booster must publish a fund update for each fund showing the fees actually charged during the most recent year. Fund updates, including past updates, are available at www.booster.co.nz.

Example of how fees apply to an investor

Richard invests **\$10,000** in the Growth Fund. He is not charged an establishment fee or a contribution fee. This means that the starting value of his investment is **\$10,000**.

He is charged management and administration fees, which work out to about **\$297 (2.97% of \$10,000)**. These fees might be more or less if his account balance has increased or decreased over the year.

As the Growth Fund invests in Tahi and BIF it may pay performance fees.

Any performance-based fees as described above if one of those underlying funds has earned more than its target.

Estimated total fees for the first year

Individual action fees: **\$0** (other than any financial adviser fees that may be payable by Richard).

Fund charges: **\$301** (includes an estimate of the performance fees).

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

This example applies only to the Growth Fund. If you are considering investing in other funds in the scheme, this example may not be representative of the actual fees you may be charged.

6. What taxes will you pay?

The Scheme 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/roles/portfolio-investment-entities/find-my-prescribed-investor-rate.

If you are unsure of your PIR, we recommend you seek professional advice or contact the Inland Revenue Department.

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 may be applied.

If the rate applied to your PIE income is lower than your correct PIR you will be required to pay any tax shortfall as part of the income tax year-end process. If the rate applied to your PIE income is higher than your PIR any tax over-withheld will be used to reduce any income tax liability you may have for the tax year and any remaining amount will be refunded to you.

If you are investing in the funds as a joint investor, company, trust, or estate, see the 'Other material information' document available on our website www.booster.co.nz for more information.

7. Who is involved?

About Booster

Booster Investment Management Limited is the manager of the Scheme.

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 \$5 billion on behalf of more than 180,000 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

Who else is involved

| | Name | Role |
|-------------------|---|--|
| Supervisor | Public Trust | Supervises us to make sure we meet our responsibilities and obligations. |
| Custodian | PT (Booster KiwiSaver) Nominees Limited | Appointed by the Supervisor to hold the assets of the funds on behalf of the investors. |
| Other | Booster Custodial Administration Services Limited | Appointed by the Custodian and the Supervisor to provide custodial administration services. It is also the administrator of the Booster wrap administration system and a related party of Booster. |
| | Booster Financial Services Limited | Provides administration and management support to us for the Scheme and its members. |

8. How to complain

You can lodge a complaint with 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
Public Trust Building
Level 2, 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
Freeport 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 6140

Phone: **0800 347 257**

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

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

9. Where you can find more information

More information about the Scheme and the funds, including fund updates, financial statements, annual reports, the Scheme's trust deed, SIPO, and other material information is available on the scheme register and offer register at **www.disclose-register.companiesoffice.govt.nz** or available on request from the Registrar of Financial Service Providers. The above information is also available free of charge at **www.booster.co.nz** or by contacting us or your financial adviser.

10. How to apply

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

1. apply via a financial adviser who can enter into a
 - a Client Custody Agreement with the System administrator; or
 - a Discretionary Investment Management Service and uses the System; or
2. For the Socially Responsible Moderate, Balanced, Growth and High Growth Funds you can apply online at **www.booster.co.nz** if you're over 18 and have NZ ID documents.

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 Booster Investment Scheme visit our website, call us on **0800 336 338** or talk to your financial adviser.

booster.co.nz

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