

Booster Investment Scheme

Product Disclosure Statement

Investment Series: Income Funds & Corporate Bond Fund

Offer of units in the Booster Investment Scheme

28 April 2023

Issuer: Booster Investment Management Limited

This document replaces the Product Disclosure Statement dated 3 November 2020

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 five of these funds – the Investment Series: Income Funds and Corporate Bond Fund. These funds are summarised on the following page.

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

All investments in the funds are made through the Booster wrap administration system (System). You'll need to enter into an agreement with a financial adviser who uses the System and the System administrator before making an investment. See Section 2 – *How does this investment work? – Making investments* for more information.

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?*

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 your financial adviser who will then facilitate your withdrawal request with the System administrator. 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 Booster Investment 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 9 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.

Table of contents

Section 1	Key information summary	Page 1
Section 2	How does this investment work?	Page 3
Section 3	Description of your investment options	Page 5
Section 4	What are the risks of investing?	Page 6
Section 5	What are the fees?	Page 7
Section 6	What taxes will you pay?	Page 8
Section 7	Who is involved?	Page 8
Section 8	How to complain	Page 9
Section 9	Where you can find more information	Page 9
Section 10	How to apply	Page 9

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 five 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 fund 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 Booster Investment 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.

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 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 Booster wrap administration system (**System**). 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 will 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 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. 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 you 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. 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: Multi-sector funds;
- 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.

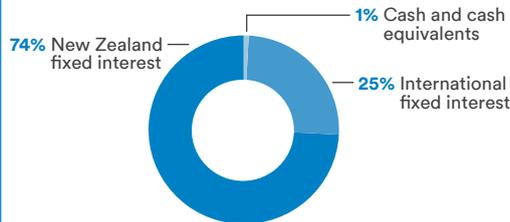
Growth assets = equities (shares) and property investments.

Corporate Bond Fund

Investment objective and strategy

- To provide an enhanced return to bank term deposit returns on average over medium term periods, with different risks allowing for some short term movements up and down.
- We aim to achieve this by investing entirely in income assets, such as corporate bonds or other Fixed Interest securities issued by New Zealand and Global companies.

Target investment mix



Growth assets **0%** | Income assets **100%**

Risk indicator



Minimum suggested investment timeframe

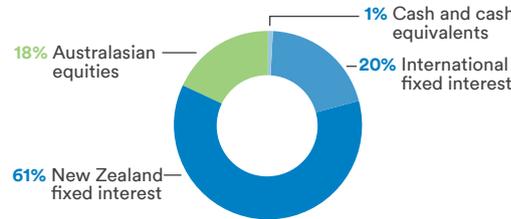
2 years

Income 18 Fund

Investment objective and strategy

- To provide moderate income-driven returns on average over medium term periods (three years plus), allowing for some shorter-term ups and downs. The Fund is intended as a low to moderate risk fund, between pure 'income' and 'growth' portfolios.
- We aim to achieve this by investing primarily in income assets (with a focus on corporate credit), while including some relatively high dividend-paying growth assets, predominantly listed or issued in New Zealand.

Target investment mix



Growth assets **18%** | Income assets **82%**

Risk indicator



Minimum suggested investment timeframe

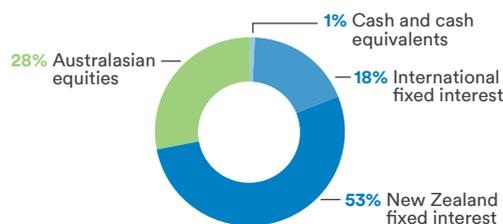
3 years

Income 28 Fund

Investment objective and strategy

- To provide moderate income-driven returns on average over medium-term periods (four years plus), allowing for some shorter-term ups and downs.
- The Fund is intended as a moderate risk fund, designed to complement a broader portfolio.
- We aim to achieve this by investing mainly in income assets (with a focus on corporate credit), while including some relatively high dividend-paying growth assets, predominantly listed or issued in New Zealand.

Target investment mix



Growth assets **28%** | Income assets **72%**

Risk indicator



Minimum suggested investment timeframe

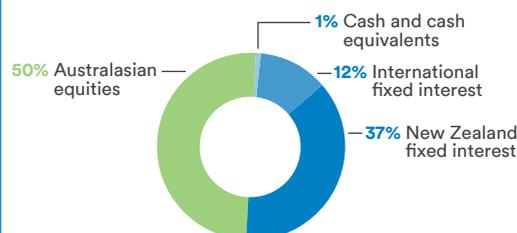
4 years

Income 50 Fund

Investment objective and strategy

- To provide a medium level of income-driven returns on average over medium term periods (five years plus), allowing for shorter-term ups and downs.
- The Fund is intended as a medium risk fund, designed to complement a broader portfolio.
- We aim to achieve this by investing in a mix of income assets (with a focus on corporate credit) and relatively high dividend-paying growth assets, predominantly listed or issued in New Zealand.

Target investment mix



Growth assets **50%** | Income assets **50%**

Risk indicator



Minimum suggested investment timeframe

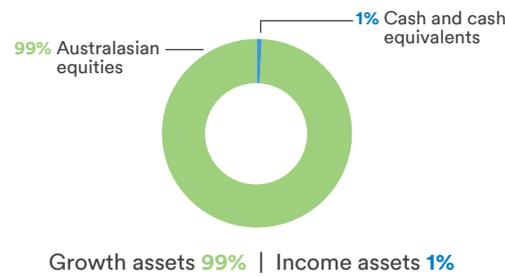
5 years

Income 99 Fund

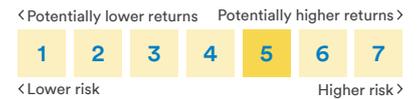
Investment objective and strategy

- To provide higher income-driven returns on average over long-term periods (ten years plus), whilst allowing for short to medium term ups and downs.
- The Fund is intended as a higher risk fund, designed to complement a broader portfolio.
- We aim to achieve this by investing predominantly in relatively high dividend-paying growth assets, predominantly listed or issued in New Zealand.

Target investment mix



Risk indicator



Minimum suggested investment timeframe

10 years

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 Product Disclosure Statement can be found on page 3.

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.

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	Total annual fund charges
		<i>(estimated)</i>	<i>(estimated)</i>
Corporate Bond Fund	0.80%	0.04%	0.84%
Income 18 Fund	1.00%	0.04%	1.04%
Income 28 Fund	1.00%	0.04%	1.04%
Income 50 Fund	1.00%	0.04%	1.04%
Income 99 Fund	1.00%	0.04%	1.04%

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

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, access to financial advice, 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 Scheme funds invests.

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.

Individual action fees

Contribution and termination fees

Booster does not charge any entry or exit fees.

Investments in the funds are made through the System and 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 decisions or 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

Margaret invests \$10,000 in the Income 50 Fund. She is not charged an establishment fee or a contribution fee. This means that the starting value of her investment is \$10,000.

She is charged management and administration fees, which work out to about \$104 (1.04% of \$10,000). These fees might be more or less if her account balance has increased or decreased over the year.

Estimated total fees for the first year

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

Fund charges: \$104.

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 Income 50 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.

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
Wellington 6011
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

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 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.

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 a financial adviser who can enter into either:

1. a Client Custody Agreement with the System administrator; or
2. a Discretionary Investment Management Service and uses the System.

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