

Booster KiwiSaver Scheme

Product Disclosure Statement

Default Saver Fund

Offer of membership in the Booster KiwiSaver Scheme

12 May 2023

Issuer: **Booster Investment Management Limited**

This document replaces the Product Disclosure Statement dated 18 March 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?

Booster KiwiSaver Scheme (**Scheme**) has a range of funds for you to choose from.

This Product Disclosure Statement (**PDS**) covers one fund option. This fund is summarised below.

More information about the investment target and strategy for the 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 KiwiSaver 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?

The Scheme is primarily designed to help you save for your retirement so usually you can only take your money out when you are eligible for a retirement withdrawal.

However, there are certain circumstances when money can be taken out earlier, including:

- purchasing your first home or land to build your first home
- significant financial hardship
- serious illness or a life-shortening congenital condition
- permanent emigration

Your money will be paid to your estate if you die.

Minimum amounts apply to partial withdrawals.

See Section 2 - *How does this investment work?* For more information about these and other withdrawals.

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 – *What taxes will you pay?* on page 9 for more information.

Where can you find more key information?

We are 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.

We will also give you copies of those documents on request.

Your fund options

Fund description and investment objective	Risk indicator	Annual fund charges ¹
<p>Default Saver 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, utilising a predominantly passive investment approach.</p>	<p>< Potentially lower returns Potentially higher returns ></p> <p>1 2 3 4 5 6 7²</p> <p>< Lower risk Higher risk ></p>	0.35%
<p>Member fee</p> <p>You will not be charged a member fee if your money has only ever been invested in our default fund.</p> <p>If your money is partially invested in another fund(s) and the balance of your account is over \$500, you'll be charged the standard member fee of \$36 per year (\$3 per month).</p>	<p>Account closure fee</p> <p>You will not be charged an account closure fee if your money has only ever been invested in our default fund.</p> <p>If your money is partially invested in another fund(s) and you close your account, you'll be charged a fee of \$30.</p>	

¹ Calculated daily as a percentage of the net asset value of the fund.

² Because the Default Saver Fund started in December 2021, the risk indicator has been calculated using market index returns for the period 1 April 2018 to 31 December 2021 and actual returns for the period 1 January 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?

This PDS is for membership of the Scheme.

The Scheme is registered as a KiwiSaver scheme under the Financial Markets Conduct Act 2013 and is a government-appointed default KiwiSaver scheme.

KiwiSaver is a voluntary savings initiative designed to encourage New Zealanders to save for their retirement. Most Kiwis can join and benefit from KiwiSaver.

Structure of the Scheme

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 that your money is pooled with other members' money and invested in various investments.

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 in a fund shows what your share of that fund is worth at any time.

The investments of each fund are separately accounted for and the assets of one fund cannot be used to meet the liabilities of another.

The Scheme is not guaranteed by the Government, the Supervisor, the Custodian, us, or any other person.

We were appointed as a default KiwiSaver scheme provider by the Government under an Instrument of Appointment (IOA). The IOA prevails over the Scheme's trust deed.

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. There are no establishment, contribution or switching fees.

Responsible investing. We include specific environmental, social and governance criteria in our assessment of investments for the Default Saver Fund.

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

Joining the Scheme

Who can join

To join the Scheme, you need to be:

- a New Zealand citizen, or entitled to live in New Zealand permanently; and
- living or normally living in New Zealand (with some exceptions).

If you are already a KiwiSaver member, you can transfer to the Scheme from another KiwiSaver scheme at any time.

Ways you can join

You can join directly or transfer from another KiwiSaver scheme. See Section 10 – *How to apply for more information* on how to join the Scheme.

You may be automatically enrolled in the Scheme by Inland Revenue or your employer when you start a new job if you have not chosen a specific KiwiSaver scheme to join. If you've been enrolled because this is your employer's preferred KiwiSaver scheme you'll be initially invested according to their investment election. You can opt out, provided you do so between the 14th day and the 56th day after you start your new job. For more information on opting out, visit www.ird.govt.nz/kiwisaver.

Which funds can you choose?

If you're automatically enrolled in the Scheme by Inland Revenue, your money will be invested in the Default Saver Fund. You can either stay in this fund or choose another fund(s) to invest some or all of your money in, at any time – it's up to you. You can choose to invest in up to 5 funds. If you choose more than one fund, you must invest at least 10% in each fund and total 100% across all funds.

Making investments

If you're employed. You can choose to contribute 3%, 4%, 6%, 8%, or 10% of your gross (before tax) salary or wages. If you don't choose a rate or have been automatically enrolled in the Scheme by Inland Revenue, it will be set to 3%.

You can change your rate through Booster's online member portal or by contacting your employer or Inland Revenue.

Your employer will deduct your contributions from your pay and send it to Inland Revenue who pays the contribution (and any interest) to the Scheme.

If you're contributing in this way, you may be entitled to an employer contribution of 3% of your gross (before tax) salary or wages.

Employer's superannuation contribution tax (**ESCT**) will be deducted from any employer contributions before being paid to your account.

If you want to take a break from making contributions, you can apply to Inland Revenue to take a 'savings suspension' for 3-12 months. For more information on taking a savings suspension, visit www.ird.govt.nz/kiwisaver.

Voluntary Contributions. You can make voluntary contributions at any time.

You can make regular or one-off contributions directly to your account by direct debit or internet banking. There are no minimum amounts. Other people can also make contributions on your behalf.

You may be able to transfer your savings from another New Zealand or overseas superannuation scheme.

Government Contributions. If you contribute to your account, you may also qualify for a government contribution. If you're aged 18–65, the Government will contribute 50 cents for every dollar you contribute between 1 July and the following 30 June. To get the maximum government contribution of \$521.43, you'll need to put in \$1042.86. For more information, visit www.booster.co.nz.

Withdrawing your investments

The purpose of KiwiSaver is to help you save for your retirement, however early withdrawals are permitted in limited circumstances. The rules around these withdrawals are strict and we encourage you to visit www.booster.co.nz for more information. Neither us nor the Supervisor can approve a withdrawal request unless it meets the requirements of the KiwiSaver Act 2006.

The table on the following page sets out the main types of withdrawal and what can be withdrawn.

You can transfer your savings to another KiwiSaver scheme, however, you can only belong to one KiwiSaver scheme at a time. Transferring may result in a United Kingdom (**UK**) tax penalty if your savings include money transferred from a UK pension scheme.

You can't borrow against your KiwiSaver savings, nor can you use them as security for a loan. You cannot assign or sell your KiwiSaver account to another person, unless it's required by a court order.

See our Other Material Information (**OMI**) Document at www.booster.co.nz for more information about withdrawals.

Making a withdrawal

To withdraw some or all of your savings, you'll need to complete the appropriate withdrawal form, available through Booster's online member portal, mybooster, or by contacting us.

Withdrawal requests will normally be processed within 10 working days of receiving the request. In very unusual circumstances it may take longer and will be managed on a case by case basis. We can delay the payment of withdrawals if we believe that making payments is not practicable or in the best interests of all investors in the Default Saver Fund.

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

Types of withdrawals

	Member contributions	Employer contributions	Government contributions	\$1000 Kick-start (if any ³)	Australian complying superannuation (savings transferred)
Reaching superannuation qualification age	✓	✓	✓	✓	✓
First home purchase ⁴	✓	✓	✓		
Significant financial hardship	✓	✓			✓
Serious illness	✓	✓	✓	✓	✓
Life-shortening congenital condition ⁵	✓	✓	✓	✓	✓
Permanent emigration other than to Australia ⁶	✓	✓		✓	
Permanent emigration to Australia ⁷	✓	✓	✓	✓	✓
Death	✓	✓	✓	✓	✓
Foreign superannuation transfers - paying NZ tax or student loan obligations	✓	✓			
Retirement withdrawal of Australian savings from age 60					✓
As directed by a Court Order	✓	✓	✓	✓	✓

³ Only applies if you first joined KiwiSaver before 21 May 2015.

⁴ You must leave at least \$1,000 in your member account after the withdrawal. Even if you have owned a home before, you may still be eligible – see www.kaingaora.govt.nz for more information.

⁵ If you make a life-shortening congenital condition withdrawal you will be treated as if you have reached the New Zealand superannuation qualification age and you will no longer be entitled to government contributions or compulsory employer contributions.

⁶ Withdrawals can only be made one year after your permanent emigration.

⁷ Your savings will be transferred to an Australian complying superannuation scheme.

How to switch between funds

You can change the funds that your current savings and/or any future contributions are invested in online or by completing an investment switch form available in mybooster or by contacting us. You can invest in up to 5 funds as long as you invest at least 10% of your savings in each fund and total 100% across all funds.

This PDS provides information on the Booster KiwiSaver Scheme Default Saver Fund. There are additional funds you

can invest in which are not covered in this document. You can learn about them in the following PDSs available at www.booster.co.nz.

- Booster KiwiSaver Scheme – Multi-sector Funds and Cash Fund
- Booster KiwiSaver Scheme – Socially Responsible Investment Funds
- Booster KiwiSaver Scheme – Asset Class Funds

5. What are the fees?

You will be charged fees for investing in the Scheme. Fees are deducted from your investment and will reduce your returns. If we invest 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 (for example, account closure fee).

Fund	Annual fund charges	Other charges	Individual action fees
Default Saver Fund	0.35% (<i>actual</i>)	<p><i>Member fee</i></p> <p>You will not be charged a member fee if your money has only ever been invested in our default fund.</p> <p>If your money is partially invested in another fund(s) and the balance of your account is over \$500, you'll be charged the standard member fee of \$36 per year (\$3 per month).</p>	<p><i>Account closure fee</i></p> <p>You will not be charged an account closure fee if your money has only ever been invested in our default fund.</p> <p>If your money is partially invested in another fund(s) and you close your account, you'll be charged a fee of \$30.</p>

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 member actions (such as an account closure fee).

The annual fund charges include an annual management fee. This fee covers our 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). It is calculated daily as a percentage of the net asset value of the fund and paid monthly. This fee also covers the fees of any funds in which the fund invests.

Other charges

Member fee

This fee covers the costs of administering your account. It's deducted from your account each month and paid to us.

Individual action fees

Account closure fee

This fee covers the administration costs of closing your account when you make a full withdrawal of your savings. It's deducted from the withdrawal amount and paid to us.

You will not be charged a member fee or an account closure fee if your money has only ever been invested in our default fund.

Other individual action fees

There is currently no contribution, establishment or withdrawal fee charged (other than when your account is closed).

You may be charged fees on an individual basis for investor-specific decisions or actions (such as a switching fee).

Transaction costs

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

For more information on the Scheme's fees and charges see the OMI document on our website, www.booster.co.nz.

The fees can be changed

Any new fees or changes to existing fees are subject to the Scheme's trust deed, the KiwiSaver Act, and the IOA. The Financial Markets Authority must be satisfied that any fee charged is reasonable.

We 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

Alex invests **\$10,000** in the Default Saver 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 works out to about **\$35 (0.35% of \$10,000)**. These fees might be more or less if his account balance has increased or decreased over the year.

Over the next year, Alex pays other charges of **\$0**.

Estimated total fees for the first year

Fund charges: **\$35**

Other charges: **\$0**

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 Default Saver 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 us your PIR when you invest or if your PIR changes. If you do not tell us, 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.

7. Who is involved?

About Booster

We've been involved with KiwiSaver since its beginnings and we're one of the largest New Zealand-owned and operated KiwiSaver scheme providers. We're also a government-appointed default KiwiSaver scheme provider.

We're part of the Booster Group which currently administers superannuation and investment funds of over \$5 billion on behalf of more than 180,000 New Zealanders.

You can contact us at:

Phone: **0800 336 338**

Monday to Thursday 8.00am-8.00pm
Friday 8.00am-5.30pm

Email: kiwisaver@booster.co.nz

Write: **Booster Investment Management Limited**
PO Box 11872, Wellington 6142

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.
	Booster Financial Services Limited	Provides administration and management support to us for the Scheme and its members.

8. How to complain

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

Manager

Booster Investment Management Limited
Attn. Chief Operating Officer
Booster Investment Management Limited
Level 19, Aon Centre, 1 Willis Street
PO Box 11872, Manners Street
Wellington 6142
Phone: **0800 336 338**
Email: **kiwisaver@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 Service
Level 4, 142 Lambton Quay
Freepost 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 relating to the Scheme, including quarterly fund updates, financial statements, annual reports, the Scheme's trust deed, SIPO, and OMI is available on the scheme register and the offer register at **www.disclose-register.companiesoffice.govt.nz**, or 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.

Please contact us if you require a copy of the IOA for the Scheme.

mybooster

When you join the Scheme, you can register for online access to your account at **www.booster.co.nz**.

This is a convenient way to view and make changes to your account. You can also view your account details by using the Booster NZ mobile app.

Each year, we'll provide you with an annual statement and tax statement and we'll let you know when the annual report for the Scheme is available.

10. How to apply

If you've been sent this PDS by Inland Revenue, you will be automatically enrolled in the Scheme and don't need to apply. If you haven't been automatically enrolled and you wish to join the Scheme, you can do this through an option below:



Apply online

Go to **www.booster.co.nz** if you're over 18 and have NZ ID documents.



Complete an application form

If you're under 18 or prefer not to join online please contact us for an application form.



Financial Adviser

You can also apply via a financial adviser. If you would like to get in touch with a financial adviser, call us on **0800 336 338**.



We're here to help.

To find out more about the
Booster KiwiSaver 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,
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