Private Land and Property Fund

Of the Booster Investment Scheme 2

Other material information

8 February 2019

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1. Introduction

Information included in this document is current as at 8 February 2019.

This document is designed to provide potential investors with information on the Booster Investment Scheme 2 (**Scheme**) that we believe may be material to a decision to invest in the Scheme. The information provided complements the Product Disclosure Statement (**PDS**) for the Scheme that the investor received so it is important that these documents are read together.

The Scheme currently offers the following fund:

- Private Land and Property Fund (the **Fund**)

Additional information regarding the operation of the Scheme can be found in the Scheme's Trust Deed which can be viewed on the scheme register at

www.disclose-register.companiesoffice.govt.nz.

Where the term "we", "us", "our", "ourselves" or "Booster" is used, we mean Booster Investment Management Limited, the Manager of the Scheme.

It is not possible to include full information on all aspects of the Scheme in the PDS and/or this document and you may have further questions about the suitability of the Scheme as an investment for you. If you do have any questions, we would be pleased to hear from you. You can contact us on **04 894 4300**. You can also discuss your personal situation with your financial adviser.

2. Information about the Booster Investment Scheme 2

2.1 Investing in the Fund

An investor can choose to make an investment in the Fund, either through the Booster wrap administration system (the **System**), or, by subscribing for units directly in the Fund.

Investing through the System

To invest in the Fund through the System, an investor must first enter into an agreement (**Agreement**), being either:

a. A Client Custody Agreement with Booster Custodial Administration Services Limited (and use the services of a financial adviser authorised to use the Booster wrap administration system (**System**)); or

b. An Agreement with a financial adviser authorised to provide a Discretionary Investment Management Service and to use the Booster wrap administration system.

The Agreement enables the investor to invest in the Fund through an account in the System and sets out the terms and conditions upon which access is provided through the System. Under the Agreement all of the investor's investments are held by, and in the name of, a custodian to the System to ensure that beneficial ownership of the investments remain with the investor, not the financial adviser or us. The custodian is Asset Custodian Nominees Limited, a bare trust established solely for this purpose, and is owned by Booster Financial Services Limited. The custodian of the System can change from time to time without prior notification.

By accessing the Fund via the System, the investor is not subscribing for units in the Fund directly.

Investing Directly

Investors can also choose to invest (subscribe for units) directly in the Fund and not through the System by completing an application form, which is available from the Manager.

Applications

We may accept or decline applications at our discretion. No interest will be paid on applications that are declined in whole or in part (except as required by law). We may invite offers for investments in the Fund and any offer may be underwritten. We may set minimum application amounts and balances and may waive or vary the minimum application and balance amounts at any time. See the PDS for further information.

2.2 Interest in the Fund

We keep a register of all investors in the Fund and a record is kept showing:

- investments made by the investor;
- investments made on behalf of the investor;
- other credits due to the investor;
- withdrawals made;
- fees and expenses deducted (other than those that are deducted from the assets of the Fund);
- tax paid; and
- other debits relevant to the investor.

Investments expressed in units

The Fund is divided into units. Each unit confers an equal interest in the Fund, although investors do not acquire any direct right or interest in any of the investments held by the Fund.

Investments and other credits to the Scheme are used to purchase units in the Fund by the investor. Similarly, withdrawal payments and other deductions are made by selling units.

The value of each investor's units from time to time will depend on the value of the Fund and the number and unit price of units held in the Fund. Investment returns (whether gains or losses) will be reflected by changes in unit prices.

2.3 Property Investments of the Fund

The Fund holds units in a separate wholesale fund managed by Booster – the Private Land and Property Portfolio (**Wholesale Fund**) established under the Booster Investment Scheme, a separate scheme also managed by the Manager.

Details of the investments held by the Wholesale Fund as at 31 December 2018 are provided below.

1. Vineyard Properties in Awatere Valley, Marlborough

Property Details	
Property Value (at Manager's valuation)[1]	$16,518,000
Planted Land Area	111.3 canopy hectares of the total 195.8 hectares
Basis of Property Return	Sale of grapes
Primary customers [2]	Awatere River Wines Limited Partnership and Treasury Wine Estates (Matua) Ltd
Weighted average contract term	9 years
Last independent valuation [3]	On original purchase – June 2017 and February 2018

Notes on the Property:

Planted across land to the south of Awatere River, these vineyards feature 111.3 developed and developing canopy hectares of predominantly Sauvignon Blanc with some Pinot Gris, Pinot Noir, and Viognier.

Established on free-draining river silt loams with various plant spacing configurations, the vineyards source irrigation water from a mix of an infiltration trench in the river, an irrigation scheme and dams. Frost fans provide frost protection.

With 30% of the canopy hectares fully mature and highly productive, a further 14% is expected to mature by 2022, 18% by 2023, and the remaining 38% by 2024.

2. Vineyard Properties in Hope in the Nelson region

Property Details	
Property Value (at Manager's valuation)[1]	$14,891,000
Planted Land Area	105.5 canopy hectares of the total 116.8 hectares
Basis of Property Return	Fixed price lease
Lessee [2]	Waimea Estates (Nelson) Ltd
Weighted average contract term	19 years
Last independent valuation [3]	September 2018

Notes on the Property:

Planted as far back as 1993 in land near Richmond, these vineyards comprise 105.5 fully developed canopy hectares of predominantly Sauvignon Blanc with some Albarino, Cabernet Franc, Chardonnay, Gewurztraminer, Gruner Veltliner, Pinot Gris, Pinot Noir, Riesling, Sauvignon Gris, Syrah, and Viognier.

Established in the stony alluvial soils of the Waimea Plains with various plant spacing configurations and very low frost risk, the vineyards source irrigation water from the Waimea East Irrigation Scheme.

In early 2018, a presence of Leaf Roller Virus was identified in part of one of the five vineyard blocks that has the potential to reduce grape harvest yields over the medium to longer term. As a result, roughly 11.4 canopy hectares were removed shortly after harvest, to be replanted in 2019 after land remediation and are expected to reach full maturity by 2025.

3. Winery, Vineyard and Plant and Equipment Properties in Hawke's Bay

Property Details	
Total Property Value	$9,622,000
Land Value (at Manager's valuation)[1]	$4,794,000
Planted Land Area	35.9 canopy hectares of the total 43.1 hectares
Basis of Property Return	Fixed Price Lease
Lessee[2]	Sileni Wines Limited Partnership
Weighted average contract term	20 years
Last independent valuation [3]	On original purchase – September 2018
Other Property Value (at Manager's valuation)[1]	$4,828,000
Nature of Other Property	Winery building and Plant and Equipment
Basis of Property Return	Fixed Price Lease
Lessee[2]	Sileni Wines Limited Partnership
Weighted average contract term	20 years
Last independent valuation [3]	On original purchase – September 2018

Notes on the Property:

The Sileni Estate winery and vineyard properties are situated in the Bridge Pa Triangle, a recognised vineyard sub region of the Hawke's Bay. The vineyards comprise 35.9 fully developed canopy hectares planted in the late 1990's of predominantly Pinot Noir, Merlot, Sauvignon Blanc, Syrah, Chardonnay varieties.

The availability of water and adequacy of the Resource Consent to provide water when required are key benefits in this area, with the vineyards and winery sourcing their water from wells. Wind machines provide frost protection to the vineyards.

The winery was architecturally designed to offer a functioning commercial winery plus retail, dining and administration activities.

4. Winery Building and Vineyard Property in Mahana in the Nelson region

Property Details	
Property Value (at cost)[1]	$3,383,340
Planted land Area	21.2 canopy hectares of the total 34.5 hectares
Basis of Property Return	Fixed Price Lease
Lessee[2]	Waimea Estates (Nelson) Ltd
Weighted average contract term	20 years (with 4 rights of renewal at the lessee's option – each right being for a 20-year term)
Last independent valuation [3]	On original purchase – January 2019

Notes on the Property:

The vineyard is a 21.2 hectare organic certified vineyard located in Mahana, Upper Moutere. The wine varietals produced are Pinot Noir, Pinot Gris, Riesling and Chardonnay. The land has a 130 metre deep well which provides irrigation for the vines.

The unique architecturally designed 4-level gravity-fed winery was set in to the hillside to reduce energy usage, and enable high quality wines to be produced, whilst its 'living roof' also allows it to blend gently with the surrounding landscape. The winery building has a function cellar, tasting room, bottling hall and office.

Notes on the Property investments:

1. The value of the Property is at 31 December 2018 (or on purchase date where purchased more recently).
2. The key terms of each of the material contracts related to the Property of the Wholesale Fund can be found in *Section 6 – Other Material Contracts* of this document.
3. Independent valuations have been obtained for each of the properties as noted.
    - In the case of the Awatere based land, the Manager's valuations are supported by the latest independent valuations other than the increase in value recognised for land under development, for which our valuation policy is described below.

- For Hope, Nelson based land, the Manager's valuation is fully supported by the latest independent valuation.
- For Hawke's Bay based land, buildings and fixed assets, the Manager's valuation is fully supported by the latest independent valuation.
- For Mahana, Nelson based land and buildings, the Manager's valuation is fully supported by the latest independent valuation.

Development Projects of the Wholesale Fund

Barewood Block

A parcel of land in the Awatere Valley in Marlborough was purchased at an original cost of approximately $4 million. The land was partially planted in vines and included 28 hectares of bare land. A development project was undertaken in respect of the bare land, with a total expected cost of $2 million. The scope of the development includes the planting of vines, vineyard infrastructure including irrigation and frost protection, as well as building an irrigation dam on site. The project management is provided by Awatere River Vineyards Limited, which is (indirectly) majority owned by the Booster Tahi Limited Partnership that is managed by another company in the Booster Group. The project is substantially complete as at the date of this document. Based on an independent valuation report, the Manager considers that the vineyard's value will increase by $0.9m once the vines mature and reach full productive capacity (excluding any general market driven increases in land values over that time). It is expected the vines will reach full maturity over a 7-year period ending in 2024.

For unit pricing of the Wholesale Fund, the value of the land is valued daily based on the internal rate of return calculated at the outset of the development project. The internal rate of return is calculated as the sum of expected capital value appreciation of the land plus the expected net earnings from the land over the development period. This means a large portion of the expected development capital gain is recognised in the earlier years when grape yields are low and reduces over time as the grape yields approach that of a mature vineyard. The daily unit price will also reflect any changes in the value of the land on full maturity or the forecasted operating cash flows over the remainder of the development period, which are reassessed on a periodic basis.

The key terms of the project can be found in *Section 6 – Other Material Contracts* of this document.

Upton Downs Block

Another block of land in the Awatere Valley in Marlborough was purchased in February 2018 for $8 million following the completion of a substantial development project by the vendor on 34 of the resulting total 59 canopy hectares. It is expected the developing vineyards will reach full maturity in 2024. Based on the same expected market value per mature canopy hectare of the Barewood block, the Manager considers that Upton's vineyard value will increase by $0.6m (excluding any general market driven increase in land values over that time).

For unit pricing purposes, the net asset value of the land is increased at the internal rate of return calculated at the outset of the development project, on the same basis as described for Barewood above.

Hope Block

In Hope, Nelson, as noted on Page 6 above, part of the Hope block originally purchased in July 2017 for $5 million is to be redeveloped and replanted due to a high prevalence of the Leaf Roller Virus disease. This project commenced after the 2018 harvest and the replanted vines are expected to reach maturity in 2025. The affected area of land will return to a fixed return lease arrangement and market value of a mature vineyard once it produces an adequate tonnage. In the meantime, the income to the Fund would be represented by an expected increase in the value of the land as it approaches maturity, and any net income / expense in managing the land over that period.

As the Fund increases in size, it will obtain more investment exposure to direct unlisted Property by buying units in the Wholesale Fund. The Wholesale Fund Manager is constantly looking for further suitable investment opportunities, consistent with its investment strategy, and to increase its level of diversification. Booster undertakes a due diligence process for each prospective investment to assess the sustainable long term cashflows and its potential match with the investment criteria for the Wholesale Fund.

2.4 Borrowing

The Fund may not borrow, as the Wholesale Fund has its own borrowing facility.

The Wholesale Fund's maximum level of gearing is 65% with a target of 40%.

The Wholesale Fund has entered into an interest-only bank loan facility with ANZ Bank New Zealand Limited (**ANZ**). As security for the borrowings, ANZ has a first ranking security interest over a number of specific assets (both Property and the lease/income agreements related to those Properties). The unpaid principal and interest in respect of these borrowings is taken into account in the unit value of units in the Wholesale Fund. In the event of a wind up of the Wholesale Fund, any unpaid principal and interest in respect of the borrowings will rank ahead of the interests of investors in the Wholesale Fund and will need to be paid before any payment of the residual value can be paid to its investors, including this Fund. Whilst the principal has no specific repayment date, the bank loan facility has an end date of 25 May 2023. An extension or refinance of this facility is likely to be required, and the Manager of the Wholesale Fund will seek to arrange an extension or refinance prior to the end of the facility term.

As at 31 December 2018, the Wholesale Fund has borrowed $12 million against the facility. The interest rate is fixed at 4.54% until 25 May 2023.

The main financial covenants for the loan are:

- The loan to value ratio is not to exceed 50% of the value of the secured land.
- The interest cover ratio (earnings before interest tax, depreciation and amortisation to interest costs) is to exceed 1.5 times up to 30 June 2020 and 2 times after that date.

As at 31 December 2018, the gearing ratio for the Wholesale Fund as a whole was 29.3% and the interest cover ratio was 2.48 times. As not all Property owned by the Wholesale Fund is currently provided as security, the gearing ratio and interest cover ratio for the secured Property are also in compliance with the bank's financial covenants.

Note:

- The gearing ratio or loan to value ratio is how much the Wholesale Fund owes (interest bearing debt/ borrowings) as a portion of its assets.
- The interest cover ratio of the Wholesale Fund is calculated as earnings before interest, tax, depreciation and amortisation plus unrealised gains less unrealised losses all divided by the interest and borrowing costs.

2.5 Calculation of Fund value and unit value

The Fund's value (known as the 'net asset value' of the Fund) is calculated by deducting from the aggregate of:

- the cash forming part of the assets of the Fund; and
- the redemption value of the units held by the Fund in the Wholesale Fund;

the aggregate of:

- the liabilities of the Fund; and

- all unpaid costs, fees, charges and other material outgoings of the Fund (including the Supervisor's and our fee, and expenses) accrued to that date.

The unit value (unit price) for the Fund is calculated for each working day by dividing the net asset value by the number of units on issue at the relevant time in the Fund.

2.6 Income distributions

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

2.7 Market indices

Generally, each asset class in which any of the Scheme's investments are held is measured, for performance purposes, against an appropriate benchmark index.

The purpose of a benchmark index is to reflect the performance of the Fund in comparison to that of the overall market for the asset class or asset classes in which the Fund is invested. Such benchmark indices are widely recognised in financial markets and are administered independently from us.

The indices used are generally included in the Scheme's Statement of Investment Policies and Objectives ('SIPO'), which can be found on the scheme register on the Disclose website, **www.disclose-register.companiesoffice.govt.nz**. However, as described further in Section 2.11 Risk Indicators below, due to the specialised nature of the investment strategy of the Fund no appropriate securities index or peer group index exists. The absence of an appropriate securities index or peer group index means that the Fund's performance will not be benchmarked against a reference return in the fund updates.

2.8 Suspension

There will be times when we believe that it is not practicable for a unit price to be calculated fairly. This may happen where, for example, there is significant disruption in the relevant property markets and market valuations are unable to be reliably assessed, or where the Fund (or any underlying fund) has had a significant request for withdrawals beyond the level of liquidity it can make available. If we are not able to calculate the unit price for the Fund, the issue of units and the payment of withdrawals, in relation to the Fund, will be suspended.

The period of suspension can be up to 90 days. This can be extended by agreement between us and the Supervisor. Investors who have provided a withdrawal notice will be notified of the suspension.

Units in respect of investments received during a period of suspension will be allocated at the unit price calculated at the end of the suspension period. Similarly, payments in respect of any withdrawals will be made at the unit price calculated at the end of the suspension period.

2.9 Amendment of the Trust Deed

We and the Supervisor may amend the Trust Deed in certain circumstances where we believe this to be necessary or desirable. Any amendment will be carried out in accordance with the Trust Deed and investors will be notified of such amendments in the Annual Report for the Scheme. For further information, please refer to the Trust Deed.

2.10 Winding up a Fund and the Scheme

The Scheme can be wound up in accordance with the Trust Deed. For further information, refer to the Trust Deed.

If we believe that it is in investors' best interests, we can propose to wind up the Fund at any time by giving notice. If the wind up of the Fund goes ahead, investors may be given the opportunity of switching to an alternative Fund. If this is the case, any investor who does not advise us that they have chosen an alternative Fund will be switched to a default Fund nominated by us. Upon the winding up of the Fund, the assets of the Fund are realised and, after payment of all liabilities, the proceeds are distributed to the investors that held units in that Fund in proportion to the numbers of units held by them immediately prior to winding up.

2.11 Risk Indicators

Information on the risk indicator for the Fund has been included in the PDS. In the PDS section 4 "What are the risks of investing?" it is noted that the risk indicator will be based on the returns data for the Fund for the most recent period of five years before the PDS was prepared. Each quarter, fund updates will tell you what the most recent risk indicator for the Fund is, again based on returns data for the previous five years.

As the Fund has not been offered for a full period of five years, five years of returns data will not be available. There will be a note in the PDS or the fund update for the Fund that will tell you that an index return has been used for the initial months of the five-year period, to give you an indication of what the risk indicator is likely to have been.

The risk indicator for the Fund has been calculated based on the actual returns of the Wholesale Fund since that fund's inception in June 2017 and, for the remainder of the five year period to the quarter ended 30 June 2017, the returns of the Property Council/IPD New Zealand Property Index. You can find more information about the Property Council/IPD New Zealand Property Index here: https://www.propertynz.co.nz/msci-property-council-new-zealand-quarterly-property-index.

The Property Council/IPD New Zealand Property Index is a property index rather than a securities index, but we have used it in the risk indicator calculation because there is no appropriate securities index or peer group index (an index based on the performance of a group of funds that invest in a particular sector or sectors) available for the Fund. This is due to the Fund's investment strategy being to obtain an investment exposure primarily in a specialised portfolio of directly held, unlisted, agricultural and horticultural land and other property investments in New Zealand; a strategy for which no appropriate securities index or peer group index exists. We consider the Property Council/IPD New Zealand Property Index allows the risk indicator to reflect the potential future volatility of the Fund, although not as reliably as if actual returns were available for the entire period. The absence of an appropriate securities index or peer group index also means that the Fund's performance will not be benchmarked against a reference return in the fund updates.

If you would like more information on the risk indicators for the Fund and of the methodology used, please contact us on **04 894 4300**.

2.12 Taxation

The information in this section is intended as general guidance only and is based on legislation in effect at the date of this document. We recommend that investors seek professional tax advice regarding their individual circumstances, to clarify any of the following, prior to investing. Investors should also periodically monitor the tax implications of investing in the Scheme and should not assume that the position will remain the same as it was when they started investing.

Neither of the Supervisor nor ourselves accepts any responsibility for the taxation consequences of an investor's investment in the Scheme.

The Private Land and Property Fund of the Scheme is registered as a Portfolio Investment Entity (**PIE**) and it is intended that each fund offered through this Scheme is individually registered as a PIE. The following comments are based on each fund in the Scheme remaining a PIE.

The Booster wrap administration system (the **System**) is a PIE investor proxy (**PIP**) whereby the System carries out the PIE obligations of the investors of the System on their behalf.

Portfolio Investment Entity Tax

Under the PIE regime, taxable income earned by the Fund will be attributed to all investors in accordance with the proportion of their interest in the Fund. The income attributed to each investor will be taxed at the investor's Prescribed Investor Rate ('PIR'). A PIR is similar to an individual's marginal tax rate, but it is capped at 28%. We will pay tax on behalf of the investors and undertake any adjustments to investors' interests in the relevant fund in order to comply with the PIE tax requirements. This tax is likely to affect the returns investors get.

The applicable PIRs are currently 0%, 10.5%, 17.5% or 28%.

The 0% PIR is available to New Zealand resident trusts, charities, other PIEs or other managed investment schemes.

In order to qualify for the 10.5% PIR, an investor must be a New Zealand tax resident and, in either of the two income years[1] immediately before the tax year in question, the investor's:

- taxable income was $14,000 or less; and
- combined taxable income and attributed PIE income after subtracting any attributable PIE loss was $48,000 or less.

In order to qualify for the 17.5% PIR, an investor must be a New Zealand tax resident and, in either of the two income years[1] immediately before the tax year in question:

- the investor's taxable income was $48,000 or less; and
- the investor's combined taxable income and attributed PIE income after subtracting any attributable PIE loss was $70,000 or less; and
- the 10.5% rate does not apply for the current income year.

If the investor does not qualify for the 10.5% or 17.5% PIRs, the investor's PIR will be 28%. A non-resident investor's PIR will be 28%.

When a person makes an application to invest in the Fund they must advise us of their PIR and their IRD number. Investors will also be able to advise us of their PIR at any time, including when it changes, by contacting us. If an investor does not provide a PIR, the income attributed to the investors in the Fund will be taxed at 28%. Further information regarding PIRs may be viewed at Inland Revenue's website (www.ird.govt.nz/toii/pir/workout/). If an investor does not provide their valid IRD number, they will not be able to invest in the Fund.

If the Fund makes a loss or there are excess tax credits for a period (i.e. a **Tax Benefit**), the Fund should receive a tax credit from Inland Revenue and will be able to issue additional units in the Fund to investors' accounts on account of that tax benefit.

Generally, provided investors advise us of a valid IRD number and the correct PIR, tax paid by a PIE on income attributed to investors will be a final tax. Therefore, in most circumstances investors will not have an obligation to file a tax return in respect of PIE income. Additionally, the income attributed to an investor by the Fund will not have an impact on family assistance eligibility, student loan repayment obligations and child support obligations.

If an investor's PIE income is taxed at a higher PIR while the investor is eligible for a lower PIR, but has not advised us of this, the investor will not be able to receive a refund of the overpayment of tax. If an investor has advised us that

[1] An income year generally runs from 1 April to 31 March.

they are eligible for a lower PIR but this is incorrect and the investor's correct PIR is at a higher rate, the investor may be liable to Inland Revenue for further tax and penalties and have to file a tax return. It is intended that the Fund pays investors' PIE tax to the IRD annually.

If an investment in a Fund is made by two or more persons jointly, we may, in our complete discretion, either treat those persons as separate investors (in equal shares) or treat those persons as a single investor. Where two or more persons are jointly treated as a single investor, the correct PIR is the highest notified PIR applicable to those persons as notified by the joint investors. All persons making joint applications for units are required to provide their individual PIRs and valid IRD numbers.

A trust investor with a 0%, 10.5% or 17.5% PIR must include the PIE income attributed by the Fund in its own tax return and may claim a credit for any tax already paid by the Fund. If a trust has a 28% PIR, we will pay tax at the 28% rate and that is a final tax; the income does not need to be included in the trust's tax return. Other non-individual investors (e.g. a company, charity or unit trust) with a PIR of 0% must account for tax on the PIE income attributed to them by the Fund in their own tax return.

Any distributions to investors are not separately taxable, nor is there a tax liability on the withdrawal of units in the Fund, even where investors receive an amount in excess of the original cost of their units (however a withdrawal potentially triggers an attribution of taxable income for the current tax year).

We will cancel units in investors' accounts as soon as practicable after each 31 March to pay any PIE tax and, in any case, within the legislative timeframe of two months.

Investors should note that the IRD is able to require us to disregard a PIR notified by the investor if the Commissioner considers the rate to be incorrect. In such circumstances, the Commissioner will advise us of the PIR that should be applied to the investor's PIE income.

As the Fund is registered as a PIE, any capital gains made by the Fund in respect to shares in New Zealand resident companies, property and certain Australian resident listed companies are excluded from the calculation of taxable income. Most overseas shares and interests in managed funds held by the Fund will be taxed under the foreign investment fund (**FIF**) regime, generally using the fair dividend rate (**FDR**) method.

Under the FDR method, the Fund will be deemed to have derived income equal to 5% of the market value of its overseas shares and interests in managed funds calculated on a daily basis (any dividends or other returns flowing from overseas shares and interests in managed funds will not be separately taxed in New Zealand). Also under the FDR method, tax deductions may not be made for any losses in respect of holdings in overseas shares and interests in managed funds.

Other income of the Fund (e.g. interest on bank deposits) is subject to the relevant normal tax rules. Tax may be imposed in overseas jurisdictions in relation to overseas investments (although this may give rise to a tax credit in New Zealand).

In order to maintain its status as a PIE, the Fund must meet certain requirements. This means that, where necessary, we may restrict or reduce an individual's holding or delay a withdrawal request at any time to ensure that this PIE status is maintained.

The Foreign Account Tax Compliance Act (FATCA)

FATCA is legislation that was introduced by the United States Government as a means of preventing tax evasion by US citizens and tax residents. FATCA has been adopted by the New Zealand Government through an Intergovernmental Agreement with the US Government (the **'IGA'**) and enabling domestic legislation. Under the IGA, certain New Zealand financial institutions, such as the Scheme, are required to identify investors that are US persons (or certain entities controlled by US persons), and to report certain information about those investors and their financial accounts to Inland Revenue. This information is collated by Inland Revenue and passed to the US Internal Revenue Service. For more information on FATCA, please refer to the Inland Revenue website:
http://www.ird.govt.nz/toii/fatca-index.html. The Scheme has been registered for FATCA purposes.

Automatic Exchange of Financial Account Information in Tax Matters (AEOI)

AEOI imposes global rules for the purpose of avoiding offshore tax evasion through the exchange of financial information between tax authorities in different overseas jurisdictions. Since 1 July 2017 additional information must be obtained from investors to determine whether any investor are non-tax residents of New Zealand (i.e. resident for tax in another country) and for any non-tax residents of New Zealand, report certain information such as tax residency, account balances and interest earned, to the New Zealand Inland Revenue. For more information on AEOI, please refer to the Inland Revenue website: **http://www.ird.govt.nz**.

General Comments

Tax law is complex and changes frequently. Investors should periodically monitor the tax implications of investing in the Scheme and should not assume that the position will remain the same as it is when they start investing. The comments under this section "Tax" are provided as general background only and are not a comprehensive discussion of tax issues.

Potential to List on a Recognised Exchange

Under the terms of the Trust Deed, the Manager may, at any time in the future, decide to apply to quote the Fund on the licensed market in New Zealand or elsewhere. The Manager will give investors 30 days' prior written notice of any such decision. If the Manager does decide to apply for a quotation of the Fund, investors will be able to sell their investment on that exchange on which the units in the Fund are listed.

Quotation of the Fund on a licensed market will result in different tax treatment, which may impact an investor's personal tax situation. A listed PIE pays tax at 28%, and attaches imputation credits to distributions it makes from the Fund. A tax payer on a tax rate of less than 28% has the option to include the fully imputed portion of the distribution in their tax return to apply the surplus tax credits against their other taxable income (or carry forward to future tax years). An investor that pays no tax may not be able to obtain a benefit from the imputation credits from a listed PIE.

If investors are unsure about how they would be impacted, we recommend seeking professional advice.

2.13 Basis of Estimates for Fees

In Fund Costs

These charges include the Supervisor's fee and other costs, disbursements, charges or expenses incurred directly or indirectly by Booster and the Supervisor (such as audit fees and legal fees). Because these fees are capped, they are stated in the PDS as 0.10% of the net asset value of the Fund per year.

Property Operating Expenses

These are the direct costs of ownership and operating the individual Properties of the Wholesale Fund. This includes (but is not limited to) rates, insurance, crop growing costs, repairs and maintenance, valuations, depreciation, other property related costs and associated professional fees.

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

The estimate of the property operating expenses has been prepared on the following basis:

- The expenses have been assessed for the next 12 months from the date of this document for existing Property and for Property expected to be purchased with reasonable certainty, and based on reaching the target gearing ratio of 40%.
- To the extent the costs are fixed by contract (e.g. vineyard management agreements) then the contracted costs are used.
- Reasonable estimates have been made for other costs such as insurance, rates and independent valuations based on current or past costs.

Note the actual costs may differ from estimated, but also as the mix of Property changes over time (between fixed lease income versus sale of crops) or as the gearing ratio changes, this may have a significant impact on the estimated rate of property operating expenses as a percentage of Property.

3. Guarantees

No person, including us, the Supervisor, the Government or any other party, guarantees the Scheme's performance, returns or repayment of capital.

4. Who is involved with the Scheme

Manager

The manager of the Scheme is Booster Investment Management Limited (**Manager**) and our address is Level 19, Aon Centre, 1 Willis Street, Wellington 6011. Our ultimate holding company is Booster Financial Services Limited.

We have been granted a licence under Part 6 of the Financial Markets Conduct Act 2013 to act as a manager in respect of managed funds such as this Scheme for a term expiring on 8 May 2020. The conditions of our licence imposed by the Financial Markets Authority are published on **www.companiesoffice.govt.nz/fsp**.

We are also the administration manager and investment manager of the Scheme.

The names of our directors and senior managers, and a summary of their relevant skills, experience and expertise, is set out below. Directors and senior managers may change from time to time without notice.

The key personnel involved in the management of the Fund and Wholesale Fund, and a summary of their relevant skills, experience and expertise, is set out below:

***Brendon Hugh Doyle**, Wellington (Director)*

BBS, COP Management Accounting and Auditing

Mr Doyle is a director on the board of directors of the Manager. He brings 30 years of financial markets experience, working in both the private and government sectors. Brendon has held senior roles with New Zealand Treasury, Westpac Banking Corporation, and the Rural Bank.

Remuneration is made up of fees and shares and an annual share-based incentive, which is subject to achievement of specific performance objectives.

***Paul Gerard Foley**, Wellington (Director).*

BCA/LLB, Chartered Fellow, NZ Institute of Directors

Mr Foley is a director on the board of directors of the Manager and the Chairman of the board of directors of the Manager's parent company, Booster Financial Services Limited. Paul is a partner in Minter Ellison Rudd Watts. He has over 25 years' experience working with companies in the financial services, manufacturing and energy fields and is a past director of NZX and ASX listed companies.

Remuneration is made up of fees and shares and an annual share-based incentive, which is subject to achievement of specific performance objectives.

***Allan Seng Tong Yeo**, Brisbane, Australia (Director).*

BCA (Hons), BA

Mr Yeo is a director on the board of directors of the Manager and the Managing Director of the Manager's parent company, Booster Financial Services Limited. He has held a number of senior banking roles with Barclays Bank PLC in New Zealand, Australia and the United Kingdom and was previously the Managing Director of Tranzact Financial Services Limited, which was an ASX listed company.

Remuneration is made up of salary and an annual cash and share-based incentive, which is subject to achievement of specific performance objectives.

David Ian Beattie*, Wellington (Chair of the Investment Committee).*

BMS

Mr Beattie is a Principal with the Booster Group and is chair of the Investment Committee. He has over 30 years' experience in investment management and portfolio research, including 16 years at a major Australasian bank where he was responsible for the management of $1.5 billion of managed funds.

Remuneration is made up of salary and an annual cash and share-based incentive, which is subject to achievement of specific performance objectives.

Alison Louise Payne*, Wellington (Chief Operating Officer).*

Ms Payne is the Chief Operating Officer for the Booster Group and has been with Booster since 2007. Alison has over 20 years' experience in investment banking and energy markets, focusing on settlement and administration, and also has a strong business analyst background from the various roles she has performed during her career.

Remuneration is made up of salary and an annual cash and share-based incentive, which is subject to achievement of specific performance objectives.

Nic Craven*, Wellington (Senior Manager Research)*

CFA, BSc, BCA(Hons)

Mr Craven has over 10 years' experience in investment analysis, having originally joined Booster in 2004. He has held a number of specialist portfolio management and analysis roles covering fixed interest portfolios, equities, currencies and overall asset allocation. Mr Craven is a CFA Charterholder.

Remuneration is made up of salary and an annual cash and share-based incentive, which is subject to achievement of specific performance objectives.

In addition to the key personnel involved in the management of the Fund and Wholesale Fund on a day to day basis, the Manager also has two non-executive directors who provide independent input in the governance of the Manager. A summary of their relevant skills, experience and expertise, is set out below:

John Ross Selby*, Mt Maunganui (Independent Director).*

BC, CA (NZ Institute of Chartered Accountants), Member of NZ Institute of Directors

Mr Selby is the Chair of the board of directors of the Manager and an independent director. He brings a wealth of experience from his 37-year career with PricewaterhouseCoopers, of which 25 years has been as a partner in advisory and assurance. John has experience across a range of industries, including the financial services industry and, in the more recent past, has taken on a number of governance roles in various industries.

Remuneration is made up of fees.

Bruce Adrian Edgar*, Wellington (Independent Director).*

BCA

Mr Edgar, is a director on the board of directors of the Manager. He has 30 years' direct experience across a range of roles in the funds management industry with companies including Southpac Investment Management Limited/National Bank of New Zealand Limited, Trustees Executors Limited, BNZ Investment Management Limited, State Street Global Advisors and BlackRock Investment Management (Australia) Limited.

Remuneration is made up of fees.

Supervisor

The supervisor of the Scheme is Public Trust (**Supervisor**), and Public Trust is independent of us. Their address is Ground Floor, NZ Rugby House, 100 Molesworth Street, Wellington 6140.

The Supervisor has been granted a licence under section 16(1) of the Financial Markets Supervisors Act 2011 to act as a supervisor in respect of managed funds such as this Scheme for a term expiring on 16 January 2023. A copy of its licence, including the conditions on the licence, can be obtained at the Financial Markets Authority's website: www.fma.govt.nz**.**

Public Trust is a statutory corporation and Crown entity established and constituted in New Zealand on 1 March 2002 under the Public Trust Act 2001.

Custodian

The custodian of the Scheme is PT (Booster Investments) Nominees Limited (**Custodian**), which has been nominated by the Supervisor to act on its behalf as its nominee. The Custodian is wholly-owned by the Supervisor. The Supervisor may change the custodian where it deems it appropriate or desirable to do so.

Under a Custodian Administration Services Agreement entered into between the Manager, the Supervisor, the Custodian and Booster Custodial Administration Services Limited (a related company of the Manager), the Custodian has engaged Booster Custodial Administration Services Limited to provide administration services to it in respect of the investments and other property subject to the Scheme.

Auditor

It is intended that the auditor of the Scheme will be Grant Thornton New Zealand Audit Partnership (**Auditor**). The Auditor is a registered audit firm under the Auditor Regulation Act 2011. The Auditor's licence is not subject to any conditions. The Auditor has no relationship with or interests in the Scheme other than in its capacity as auditor.

5. Conflicts of interest

Conflicts of interests are circumstances where some or all of the interests of investors for whom we, as Manager of the Scheme, provide financial services, are inconsistent with, or diverge from, some or all of the interests of the Manager or its representatives. This includes actual, apparent and potential conflicts of interest.

We recognise that conflicts of interest can arise at any time. We also recognise that we are responsible for identifying any conflicts and for ensuring that adequate arrangements are in place to ensure that they are managed.

The following are situations where conflicts of interest may arise. This is not an exhaustive list; it includes examples that we have identified:

- Investment values artificially inflated to increase fees based on net asset values;
- Investments into related party products;
- Outsourcing, servicing and leasing arrangements between related entities and products;
- Individuals may be influenced to direct investments to specific securities;
- Investment knowledge used by an individual employee to their own benefit (insider trading);
- Intra month applications or withdrawals available to the Booster Funds but not external investors may have a detrimental impact to external investors.
- Internal trading between Funds which could be detrimental to one or other;
- Historic performance misrepresented to attract/retain investors;
- Staff are inadequately resourced or trained to provide high level of service.

A comprehensive policy has been developed relating to the management of conflicts of interest. Procedures and processes have been put in place for:

- Identifying conflicts of interest;
- Controlling conflicts of interest;
- Avoiding conflicts of interest;
- Disclosing conflicts of interest.

Related party transactions

Conflicts of interest may arise with regard to services that are, or that may be, provided by related parties of ourselves or the Supervisor to the Scheme.

The Trust Deed governing the operation of the Scheme includes provisions that generally prevent us, as Manager, from entering into arrangements with a related party other than when transactions are completed on an arm's length basis. In addition, both we and the Supervisor must, at all times, act in the best interests of investors when performing any duties in relation to the Scheme.

The following contractual arrangements for the provision of services by related parties are currently in place:

- the Custodian, which is a related company of the Supervisor, has been appointed by the Supervisor to act as custodian and to hold the investments of the Scheme. Booster Custodial Administration Services Limited, which is a related company of ours, has been engaged by the Custodian and the Supervisor to provide custodial administration services to it in respect of the investments and other property of the Scheme.

This contract has been entered into on an arm's length basis with any conflicted directorships abstained from the decision to enter into the contract.

The permitted investments for the Fund are cash and cash equivalents, and units in the Booster Investment Scheme – Private Land and Property Portfolio, a wholesale fund that we also manage (**Wholesale Fund**).

A number of the material contracts in respect of the investments of the Wholesale Fund (as disclosed in *Section 6 – Other Material Contracts* below) are with parties associated with the Scheme (as another company in the Booster group manages the Booster Tahi Limited Partnership - an unlisted equity fund in which a number of the investee businesses have contractual relationships with this Fund). Those contracts are:

Contract	Nature of Contract	Related Parties
Vineyard Management Agreement	The Wholesale Fund sells grapes from its Marlborough based land, and this contract is for the provision of vineyard management services required in the management of the land and production of the grapes.	The provider of the services is Awatere River Vineyards Ltd (**ARVL**), which is jointly owned by Awatere River Wines Limited Partnership (**ARWLP**) and Waimea Estates (Nelson) Limited (**WENL**), which in turn are majority owned by the Booster Tahi Limited Partnership. The terms of the contract are on an arm's length commercial basis.
Project Management Agreement	The Wholesale Fund has entered in to a development project in respect of 75 Barewood Road, Seddon, Marlborough, to create a productive vineyard.	The provider of the services is ARVL. The terms of the contract are on an arm's length commercial basis.
Grape Supply Agreement	The Wholesale Fund sells the grapes it produces from its Marlborough based land to ARWLP.	The purchaser of the grapes is ARWLP, which is majority owned by the Booster Tahi Limited Partnership. The terms of the contract are on an arm's length commercial basis.
Land Lease Agreement	The Wholesale Fund leases its Hope, Nelson based land to Waimea Estates (Nelson) Ltd who utilises it for the production of grapes for its wine making business.	The lessee of the land is WENL, which is wholly owned by the Booster Tahi Limited Partnership. The terms of the contract are on an arm's length commercial basis.
Project Management Agreement	The Wholesale Fund has entered in to a development project in respect of 416 Main Road, East Hope, Nelson, to re-establish a productive vineyard.	The provider of the services is ARVL. The terms of the contract are on an arm's length commercial basis.
Land, Buildings, Plant and Equipment Lease Agreement	The Wholesale Fund leases its Hawke's Bay based land, winery building, and other plant and equipment to Sileni Wines Limited Partnership (**SWLP**) who utilises the Property for the growing of grapes and production of wine.	The lessee of the land is SWLP, which is wholly owned by the Booster Tahi Limited Partnership. The terms of the contract are on an arm's length commercial basis.
Land and Buildings Lease Agreement	The Wholesale Fund leases its Mahana, Nelson based land and buildings to Waimea Estates (Nelson) Ltd who utilises the Property for the growing of grapes and production of wine.	The lessee of the land is WENL, which is wholly owned by the Booster Tahi Limited Partnership. The terms of the contract are on an arm's length commercial basis.

A summary of each of the material contracts of the Fund are disclosed in *Section 6 – Other Material Contracts* below.

6. Other material contracts

Other contracts, not otherwise mentioned in this document, include:

- Management and Reporting Agreement between the Manager and the Supervisor in respect of the supervision and management of the Scheme. The Management and Reporting Agreement details the duties, responsibilities and reporting requirements and obligations of Booster, as manager, and the Supervisor to facilitate the satisfactory operation of the Scheme, in respect of the supervision, administration and investment management of the Scheme.

Further information on this contract, as well as those that are referred to elsewhere in this document, is available by contacting us on **04 894 4300**.

See section 5 – "Conflicts of Interest – related party transactions" for other contracts between related parties.

The following is a summary of the key terms of material contracts that have been entered into in respect of the Wholesale Fund.

Vineyard Management Agreement

Description	This agreement relates to the provision of vineyard management services for the following vineyards owned by the Wholesale Fund: • 2 Flemings Road, Seddon, Marlborough • 75 Barewood Road, Seddon, Marlborough • 206 Upton Downs Road, Seddon, Marlborough The Owner grows grapes on these vineyards, which are then supplied to winemakers and used in the production of different wine varieties.
Parties	**Awatere River Vineyards Limited** (**ARVL**) ARVL is the appointed manager of the vineyards.
	PT (Booster Investments) Nominees Limited (**Owner**) The Owner is the custodian of the vineyards held by the Wholesale Fund.
	Booster Investment Management Limited (**BIML**) BIML is the manager of the Wholesale Fund and is responsible for ensuring that the obligations of the Owner under this agreement are met.
Related Parties	ARVL is 50% owned by Awatere River Wines Limited Partnership (**ARWLP**) and 50% by Waimea Estates (Nelson) Ltd (**WENL**). ARWLP is 60% owned and WENL is 100% owned by the Booster Tahi Limited Partnership (**BTLP**). BTLP is managed by Booster Funds Management Limited (**BFML**). Both BFML and BIML (the Manager of this Fund and the Wholesale Fund) are 100% owned by Booster Financial Services Limited (**BFS**). Due to the nature of the relationship between the parties, the arrangements are entered in to on an arm's length commercial basis.
Commencement Date	1 July 2017
ARVL's Responsibilities	• ARVL is responsible for providing the vineyard management services (which are outlined in the agreement) to the Owner of the vineyards. • Each year ARVL is required to provide the Owner with: - an intended work plan for the following annual period and the expected production and quality levels for the forthcoming annual period and the following two annual periods; and - a budget of anticipated capital expenditure for the forthcoming annual period for the Owner's approval. Any capital expenditure not contemplated under this budget will

	usually require the approval of the Owner before any purchases are made. • ARVL is also responsible for all operating costs in the provision of the services under the agreement.
ARVL's Remuneration	ARVL is paid a management fee for its services, which is reviewed by the parties annually. The management fee is based on an agreed annual price per hectare of vineyard land, the age of the vines (from the time the vines are planted), and the number of hectares planted.
Termination	This agreement can be terminated with one year's written notice of termination by either party, or earlier by the Owner, if there is a significant or repeated default by ARVL that has not been rectified within the agreed timeframes.

Project Management Agreement

Description	This agreement relates to the provision of project management services and delivery of the project to develop the following vineyard owned by the Wholesale Fund: • 75 Barewood Road, Seddon, Marlborough The agreement covers the services to be provided by the project manager, and the scope, timing, budget and outcomes of the project that have been agreed by the parties.
Parties	**Awatere River Vineyards Limited** (**ARVL**) ARVL is the appointed project manager.
	PT (Booster Investments) Nominees Limited (**Owner**) The Owner is the custodian of the vineyards held by the Wholesale Fund.
	Booster Investment Management Limited (**BIML**) BIML is the manager of the Wholesale Fund and is responsible for ensuring that the obligations of the Owner under this agreement are met.
Related Parties	ARVL is 50% owned by Awatere River Wines Limited Partnership (**ARWLP**) and 50% by Waimea Estates (Nelson) Ltd (**WENL**). ARWLP is 60% owned and WENL is 100% owned by Booster Tahi Limited Partnership (**BTLP**). BTLP is managed by Booster Funds Management Limited (**BFML**). Both BFML and BIML (the Manager of this Fund and the Wholesale Fund) are 100% owned by Booster Financial Services Limited (**BFS**). Due to the nature of the relationship between the parties, the arrangements are entered in to on an arm's length commercial basis.
Project Dates	**Project Start Date** – 1 July 2017 **Project End Date** – 31 March 2019
Project Outcomes	• The vineyard is prepared for grapes and installation of hardware. • Vines for different grape varieties to be planted across 28.2 hectares. • Irrigation infrastructure across the whole vineyard. • Construction of a 24,000 cubic metre capacity dam, which is to be connected to the water scheme and the vineyard irrigation structure. • An appropriate number of frost machines installed in the recommended locations.
Project Budget	• The agreed budget for the project is $1,938,089 (inclusive of the project management fee). • Periodic payments will be made to pay for costs during the project timeframe in accordance with the payment schedule included in the agreement. • If the total cost of the project is greater than the agreed project budget, unless otherwise agreed to in writing by the parties, ARVL will pay the additional costs itself to achieve the agreed outcomes described in the agreement.
ARVL's Remuneration	ARVL will be paid a project management fee of $35,000 + GST. If the total cost of the project is less than the agreed budget, ARVL will also be entitled to a bonus project management fee of half of the amount of the underspend.
Termination	The agreement can be terminated by the Owner if there is a significant or repeated default by ARVL that has not been rectified within the agreed timeframes.

Grape Supply Agreement

Description	This agreement relates to the sale of grapes grown on the following vineyards owned by the Wholesale Fund: • 2 Flemings Road, Seddon, Marlborough • 75 Barewood Road, Seddon, Marlborough • 206 Upton Downs Road, Seddon, Marlborough Under this agreement, the Grower agrees to sell, and ARWLP agrees to buy, the contracted tonnes of grapes produced on the contracted blocks on these vineyards for its winemaking business.
Parties	**PT (Booster Investments) Nominees Limited** (**Grower**) The Grower is the custodian of the vineyards held by the Wholesale Fund.
	Awatere River Wines Company Limited on behalf of the **Awatere River Wines Limited Partnership** (**ARWLP**) ARWLP is securing a supply of grapes for its winemaking business.
	Booster Investment Management Limited (**BIML**) BIML is the manager of the Wholesale Fund and is responsible for ensuring that the obligations of the Grower under this agreement are met.
Related Parties	ARWLP is 60% owned by Booster Tahi Limited Partnership (**BTLP**). BTLP is managed by Booster Funds Management Limited (**BFML**). Both BFML and BIML (the Manager of this Fund and the Wholesale Fund) are 100% owned by Booster Financial Services Limited (**BFS**). Due to the nature of the relationship between the parties, the arrangements are entered in to on an arm's length commercial basis.
Term	1 June 2017 to 31 May 2030
Pricing Principles	**Establishment of the Grape Price** ARWLP will establish a price to be paid for the grapes annually, which will be based on certain factors outlined in the agreement. These factors include: • The price paid for grapes of the same varietal as reported by the 'Viticulture Model Benchmarking Report' for Marlborough (produced by New Zealand Wine) from the previous vintage (or any other industry report that the parties agree to use); and • The current supply and demand for grapes of the same varietal and bearing similar characteristics as the relevant grapes. The final price paid will ultimately be agreed by both parties. **Sub-Standard Grapes** The grapes grown on these vineyards must meet the Viticultural Standards outlined in this agreement. However, if any of the grapes do not meet the required standards, ARWLP can propose a price for the sub-standard grapes, which the Grower can either choose to accept or reject the price. If the Grower rejects the price, ARWLP will be deemed to have rejected the sub-standard grapes and the Grower will then be able to find another buyer for these grapes. **Excess Tonnes** If the Grower produces more than the contracted tonnes, ARWLP may choose to purchase the additional tonnes. The price for any additional tonnes of grapes will be 50% of the agreed price of the contracted tonnes.
Termination	The agreement may be terminated with immediate effect by either party if an event of default occurs as outlined in the agreement, and the party not in default has given notice in writing to the defaulting party. A default event includes the failure to deliver the grapes to ARWLP (unless ARWLP has provided prior approval in writing), changes to the legal status of a party (for example a party ceases to do business), or a party breaches the terms of the agreement and they are not remedied within the agreed timeframes.

Grape Supply Agreement

Description	This agreement relates to the sale of grapes grown on the following vineyard owned by the Wholesale Fund: • 206 Upton Downs Road, Seddon, Marlborough Under this agreement, the Grower agrees to sell, and Matua agrees to buy, the contracted tonnes of grapes produced on the contracted blocks on the vineyard for its winemaking business.
Parties	**PT (Booster Investments) Nominees Limited** (**Grower**) The Grower is the custodian of the vineyards held by the Wholesale Fund.
	Treasury Wine Estates (Matua) Limited (**Matua**) Matua is securing a supply of grapes for its winemaking business.
	Booster Investment Management Limited (**BIML**) BIML is the manager of the Wholesale Fund and is responsible for ensuring that the obligations of the Grower under this agreement are met.
Term	The original agreement commenced on 1 July 2015 (**Commencement Date**) for an initial term of four years covering the 2016 to 2019 vintages. Following the expiry of the initial term, on each anniversary of the Commencement Date, this agreement will extend for successive further terms of two years until either party gives the other party two year's notice in writing to terminate the agreement or the agreement is terminated earlier in accordance with the termination provisions of the agreement.
Pricing Principles	**Establishment of the Grape Price** Matua will determine the price to be paid for the grapes, which will be based on market prices for grapes from contracted growers (not spot prices) paid by reputable companies and Matua's demand for grapes. The final grape price paid will ultimately be agreed by both parties. **Sub-Standard Grapes** The grapes grown on this vineyard must meet the Minimum Brix Standards and Grape Specification and Standards outlined in the agreement. However, if any of the grapes do not meet the required standards, Matua can either reject the grapes or can determine a different price for these grapes. The final grape price paid will ultimately be agreed by both parties. **Excess Tonnes** If the Grower produces more than the contracted tonnes, Matua may choose to either purchase the additional tonnes on the same terms and conditions as the contracted tonnes, offer to purchase the additional tonnes at a different price, or choose not to purchase additional tonnes. If Matua chooses not to purchase the additional tonnes or offer to purchase the additional tonnes at a different price, the Grower may sell the additional tonnes to a third party.
Termination	The agreement may be terminated with immediate effect by either party, in accordance with the termination provisions of the agreement. Reasons for the termination of the agreement include where a party breaches the terms of the agreement and they are not remedied within the agreed timeframes, changes to the legal status of a party (for example the party ceases to do business), the Grower fails to deliver and load the Grapes to Matua or fails to maintain satisfactory viticultural practices and fails to remedy the default within 30 days after receiving a notice of default from Matua.

Land Lease Agreement

Parties	PT (Booster Investments) Nominees Limited (**Lessor**) Waimea Estates (Nelson) Limited (**Lessee**)
Related Parties	Waimea Estates (Nelson) Limited (**WENL**) is 100% owned by Booster Tahi Limited Partnership (**BTLP**). BTLP is managed by Booster Funds Management Limited (**BFML**). Both BFML and BIML (the Manager of this Fund and the Wholesale Fund) are 100% owned by Booster Financial Services Limited (**BFS**). Due to the nature of the relationship between the parties, the arrangements are entered in to on an arm's length commercial basis.
Land	Lansdowne Vineyard, Lansdown Road, Appleby 288 Ranzau Road, Hope, Nelson 57 Appleby Highway, Hope, Nelson 148 Main Road, East Hope, Nelson Productive block of 416 Main Road, East Hope, Nelson
Term	20 years
Commencement Date	1 August 2017
Expiry Date	31 July 2037
Annual Rent	$868,138 plus GST per annum.
Rent Reviews	CPI Rent Review – CPI adjustment on every anniversary of the Commencement Date (except the Market Rent Review Dates). Market Rent Review – every fifth anniversary of the Commencement Date.
Outgoings	All usual outgoings are recoverable from the lessee in addition to the rent.
Guarantor	None.
Other Key Terms	Right of first refusal – the Lessee has a right of first refusal over any part of the Land for a period of three months following the expiry of the lease agreement. A force majeure event occurs where the vineyard is destroyed or partially destroyed and impacts the productivity of the vineyard. In this circumstance, the Lessor pays to reinstate the vineyard, or if uneconomic to do so may terminate the lease, and rent is reduced accordingly in the intervening period.

Project Management Agreement

Description	This agreement relates to the provision of project management services and delivery of the project to develop the following vineyard owned by the Wholesale Fund: • 416 Main Road, East Hope, Nelson The agreement covers the services to be provided by the project manager, and the scope, timing, budget and outcomes of the project that have been agreed by the parties.
Parties	**Awatere River Vineyards Limited** (**ARVL**) ARVL is the appointed project manager.
	PT (Booster Investments) Nominees Limited (**Owner**) The Owner is the custodian of the vineyards held by the Wholesale Fund.
	Booster Investment Management Limited (**BIML**) BIML is the manager of the Wholesale Fund and is responsible for ensuring that the obligations of the Owner under this agreement are met.
Related Parties	ARVL is 50% owned by Awatere River Wines Limited Partnership (**ARWLP**) and 50% by Waimea Estates (Nelson) Ltd (**WENL**). ARWLP is 60% owned and WENL is 100% owned by Booster Tahi Limited Partnership (**BTLP**). BTLP is managed by Booster Funds Management Limited (**BFML**). Both BFML and BIML (the Manager of this Fund and the Wholesale Fund) are 100% owned by Booster Financial Services Limited (**BFS**). Due to the nature of the relationship between the parties, the arrangements are entered in to on an arm's length commercial basis.
Project Dates	**Project Start Date** – May 2018 **Project End Date** – December 2019
Project Outcomes	• Removal of 11.4ha of infected vines and hardware. • Cultivate the land, remove all roots and treat soil. • Install hardware and replant 11.4ha in agreed varietals.
Project Budget	• The agreed budget for the project is $696,350 (inclusive of a 10% contingency and the project management fee). • Periodic payments will be made to pay for costs during the project timeframe in accordance with the payment schedule included in the agreement. • If the total cost of the project is greater than the agreed project budget, unless otherwise agreed to in writing by the parties, ARVL will pay the additional costs itself to achieve the agreed outcomes described in the agreement.
ARVL's Remuneration	ARVL will be paid a project management fee of $30,000 + GST for completion of each of the 2 stages expected to fall in the years ended 30 June 2019 and 2020. If the total cost of the project is less than the agreed budget (not including the contingency), ARVL will also be entitled to a bonus project management fee of half of the amount of the underspend.
Termination	The agreement can be terminated by the Owner if there is a significant or repeated default by ARVL that has not been rectified within the agreed timeframes.

Loan Facility Agreement

Lender	ANZ Bank New Zealand Limited (**ANZ**)
Other Parties	PT (Booster Investments) Nominees Limited (**Custodian, Borrower**) of the Wholesale Fund Booster Investment Management Limited (**Manager**) Public Trust (**Supervisor**)
Facility Limit	50% of the value of the secured property, initially assessed and drawn to $12m.
Security	ANZ holds a security interest over a number of specific properties held by the Wholesale Fund and the lease/income agreements related to those properties.
Loan Term	A term of five years from the date of the full draw-down of the facility, being 25 May 2018. The end date of the facility is 25 May 2023.
Interest Rate	A 5-year fixed rate of 4.54% per annum which ends on 25 May 2023.
Principal Repayments	The loan facility is interest only and no principal repayments are required during the loan term.
Loan to Value Ratio Covenant	The loan to value ratio is not to exceed 50% of the value of the secured property for the term of the loan.
Interest Cover Covenant	Not less than 1.5 times the interest cover (earnings before interest, taxes, depreciation and amortisation to interest costs) up to 30 June 2020 and 2 times the interest cover after that date.

Land, Building and Plant and Equipment Lease Agreement

Parties	PT (Booster Investments) Nominees Limited (**Lessor**) Sileni Wines Limited Partnership (**Lessee**)
Related Parties	Sileni Wines Limited Partnership (**SWLP**) is 100% owned by Booster Tahi Limited Partnership (**BTLP**). BTLP is managed by Booster Funds Management Ltd (**BFML**). Both BFML and BIML (the Manager of this Fund and the Wholesale Fund) are 100% owned by Booster Financial Services Ltd (**BFS**). Due to the nature of the relationship between the parties, the arrangements are entered in to on an arm's length commercial basis.
Land, building and plant and equipment	• Winery vineyard (including the winery building and winery plant and equipment) • Talbot vineyard • Wedd vineyard All of the above property is located in the Bridge Pa Triangle, a recognised vineyard sub region of the Hawke's Bay.
Term	20 years
Commencement Date	14 September 2018
Expiry Date	14 September 2038
Annual Rent	$797,100 plus GST per annum.
Rent Reviews	CPI Rent Review – CPI adjustment on every anniversary of the Commencement Date (except the Market Rent Review Dates). Market Rent Review – every fifth anniversary of the Commencement Date.
Outgoings	All usual outgoings are recoverable from the lessee in addition to the rent.
Guarantor	None.
Other Key Terms	Right of first refusal – the Lessee has a right of first refusal over any part of the Land for a period of three months following the expiry of the lease agreement. A force majeure event occurs where the vineyard is destroyed or partially destroyed and impacts the productivity of the vineyard. In this circumstance, the Lessor pays to reinstate the vineyard, or if uneconomic to do so may terminate the lease, and rent is reduced accordingly in the intervening period.

Land and Building Lease Agreement

Parties	PT (Booster Investments) Nominees Limited (**Lessor**) Waimea Estates (Nelson) Limited (**Lessee**)
Related Parties	Waimea Estates (Nelson) Limited (**WENL**) is 100% owned by Booster Tahi Limited Partnership (**BTLP**). BTLP is managed by Booster Funds Management Limited (**BFML**). Both BFML and BIML (the Manager of this Fund and the Wholesale Fund) are 100% owned by Booster Financial Services Limited (**BFS**). Due to the nature of the relationship between the parties, the arrangements are entered in to on an arm's length commercial basis.
Land, building and plant and equipment	Mahana vineyard (including the winery and other buildings) All of the above property is located in the Mahana area in the Nelson region.
Term	20 years (with 4 rights of renewal at the lessee's option – each right being for a 20-year term)
Commencement Date	31 January 2019
Expiry Date	31 January 2039
Annual Rent	$271,636 plus GST per annum.
Rent Reviews	Rent Review Date – occurs every fifth anniversary of the Commencement Date, where the rent will be reset based on the change in the independent valuation of the Property relative to the initial independent valuation (subject to not being lower than the previous rent)
Outgoings	All usual outgoings are recoverable from the lessee in addition to the rent.
Guarantor	None.
Other Key Terms	Lessee purchase option – at each rent review period, should the independent valuation of the winery building increase by more than 10% than the independent 5 years prior, the lessee has the option to purchase the winery building at the price of the independent valuation from the previous rent review period plus 10%. Should the option be exercised, the rent on the remaining property will be 7% of the purchase price (adjusted for subsequent independent valuations). A force majeure event occurs where the vineyard is destroyed or partially destroyed and impacts the productivity of the vineyard. In this circumstance, the Lessor pays to reinstate the vineyard, or if uneconomic to do so may terminate the lease, and rent is reduced accordingly in the intervening period.