

# Booster Investment Scheme

(a trust established under the Booster  
Investment Series)

---

## Statement of Investment Policy and Objectives

31 March 2026

## CONTENTS

1. Description of the Scheme and Purpose of this SIPO .....	3
2. Review of investment strategy and this SIPO .....	4
3. Investors' Demographics and Expectations .....	5
4. Approach to investing, risk and tax.....	6
5. Investment objectives.....	7
6. Benchmark Asset Allocation .....	11
7. Outsourced Arrangements.....	22
8. Investment Constraints, Risk Management, Liquidity and Cash Flow Management.....	23
9. Investment Governance .....	29
10. Performance Monitoring .....	30

Effective Date of SIPO	31 March 2026
Version No.	26.0

## 1. Description of the Scheme and Purpose of this SIPO

The Booster Investment Scheme ('Scheme') is a registered managed investment scheme under the Financial Markets Conduct Act 2013. The Scheme offers a range of investment fund options ('Funds') to retail investors and a separate range of investment fund options ('Portfolios') to wholesale investors. The Scheme is managed by Booster Investment Management Limited ('BIML', the 'Manager', 'we').

This Statement of Investment Policy and Objectives ('SIPO') outlines the investment governance framework for the Funds offered to retail investors under the Scheme, in order to:

- Document the Manager's objectives and expectations, including risk and return, for the Funds' investments, and their periodic review.
- Document the investment strategies pursued in order to achieve the above objectives, including the desired strategic asset allocations for the Funds.
- Consider the implications for the investment strategies of the Funds' cash flows.
- Outline how the investments and investment managers will be selected and monitored, in order to implement the Funds' investment strategies.
- Specify key investment constraints or limits to be applied when selecting investments and/or investment managers.
- Specify how the liquidity of investments will be assessed and managed in order to meet redemptions as and when they fall due.
- Describe procedures to be followed regarding the regular review of the performance of the Funds, their investment strategies and the selected investment managers.
- Document the investment governance arrangements to apply for the efficient implementation of this SIPO.
- Comply with the requirements of relevant legislation.

The current version of the SIPO for the Scheme is available on the scheme register on the "Disclose" website, at <https://disclose-register.companiesoffice.govt.nz/> and on our website [www.booster.co.nz](http://www.booster.co.nz)

## **2. Review of investment strategy and this SIPO**

The Manager will review the investment strategy for each of the Scheme's Funds, and this SIPO, at least annually. In addition, the SIPO and any changes will be approved by the Booster Investment Committee.

As the Funds included are primarily long-term investments, it is not expected that the investment objectives and expectations in the SIPO will necessarily change frequently or annually. Short term movements in financial markets should not generally lead to adjustment in investment objectives or expectations.

Investment strategies and the SIPO may be reviewed at any time should the Manager deem it necessary, for events such as where:

- New legislation affects investment requirements.
- Fundamental changes in the long-term social, political or economic environment suggest a change in investment principles and expectations.
- A significant change occurs to the underlying demographics of the Funds' investors.
- New types of investment opportunities require consideration for inclusion in the Funds.
- The Funds' competitive or market position has implications for investors' assets and/or liquidity.

Revisions to the SIPO will come into effect on the Effective Date shown on the front cover and only after giving prior written notice to the Scheme's supervisor.

### **3. Investors' Demographics and Expectations**

The Scheme offers investors a range of Funds to use as they build and maintain their investments. This is because the Manager recognises that, although the investments are generally long term, each investor has a different attitude to risk and a different investment time horizon.

Each Fund has a particular risk/return profile and invests in a different asset mix, implying different time horizons over which to benchmark performance.

In making decisions on investment strategy for each Fund, the Manager will have regard to the overall circumstances of the Funds and will comply with the Scheme's Trust Deed and rules, disclosure documents and with all applicable legislation.

The Manager will manage all aspects of risk in relation to the Funds' assets, including:

- Ensuring the assets are adequately diversified.
- Ensuring the assets have an appropriate level of liquidity.
- Ensuring there are sufficient assets to meet redemption requests and any other required payments as they fall due.
- Ensuring that any provider to whom investment decisions are delegated exercises their duties with prudence and professionalism.

## 4. Approach to investing, risk and tax

In determining the appropriate investment strategy and investments for the Funds' assets, Booster takes into account the following philosophies.

- **Consistent long-term performance is not about 'chasing the top' in the short term.** Active investment decisions are made using a structured investment approach and are carefully sized to deliver consistent long-term performance relative to market.
- **Effective diversification is a core investment risk management strategy:** Spreading investors' investments across a number of different asset classes and investments within asset classes that are less correlated with each other is fundamental to smoothing returns and reducing volatility. The Manager therefore defines minimum diversification standards and requires asset class correlation analysis to be included in the annual strategic asset allocation reviews.
- **Risk and return are positively correlated:** Over the long term, higher risk will generally be rewarded with higher returns, all other things being equal. Conversely, those investments with higher expected returns usually involve more risk. All investments involve some form of risk. The Manager has defined and addressed the key risks relevant to the Portfolios by stipulating either minimum investment requirements or specific constraints.
- **Time horizon is important when investing:** The structure and asset allocation settings of portfolios are designed with the portfolio's objectives and minimum investment timeframe in mind. Individual investors should consider their time horizon to ensure it matches that of their chosen investment option.
- **High quality research and experienced investment management are essential:** Developing sound investment portfolios involves in-depth research and analysis of available investments and selecting those according to a consistently applied and disciplined decision-making framework.
- **Environmental, social and corporate governance ('ESG').** We consider assessments of certain ESG factors in our investment decision-making process for some segments of investments e.g, directly managed listed shares and listed property. These ESG assessments are integrated with financial, business and portfolio considerations, which can help to provide a more rounded approach to investing. Further detail may be found in Booster's Approach to Responsible Investing policy. **Controlled allocations to 'unlisted' investments have an important part to play in multi-sector funds.** Unlisted investments can offer a 'liquidity premium' to returns and enhance the overall diversification in multi-sector funds, while also offering more ability to influence underlying investments than is typically possible in listed markets. Noting the variety of funds offered within the Scheme, each fund's appetite for such allocations is considered alongside other factors.

The Manager offers a range of funds in this Scheme and differences in investment strategy across those funds exist. In considering this and the above investment philosophies in this context, we note that the Focus Series funds utilise a mainly passive investment approach, combined with allocations to unlisted investments.

### Tax

The Scheme is a Portfolio Investment Entity ('PIE') that is a multi-rate PIE in terms of the Income Tax Act 2007. Taxable income is attributed to investors and tax will be calculated and deducted by the Manager in accordance with the PIE tax rules at the Prescribed Investor Rate of each investor as notified to the Manager.

## 5. Investment objectives

The investment return objectives the Manager has set for the Funds are set out in the following table.

### Multi-Sector Funds - Growth

#### Investment Series

Fund	Objective	High level strategy
<b>Defensive Fund</b>	Return objectives are after fees and before tax  To provide modest returns on average over the short to medium term, allowing for some shorter-term ups and downs.	We aim to achieve this by investing primarily in income assets, while including some growth assets.
<b>Moderate Fund</b>	To provide moderate returns on average over medium term periods (three years plus), allowing for some shorter-term ups and downs.	We aim to achieve this by investing mainly in income assets, while including a moderate allocation of growth assets.
<b>Balanced Fund</b>	To provide a medium level of returns on average over medium term periods (five years plus), allowing for shorter-term ups and downs.	We aim to achieve this by investing in a mix of income and growth assets.
<b>Growth Fund</b>	To provide relatively high returns on average over longer term periods (seven years plus), allowing for short to medium term ups and downs.	We aim to achieve this by investing primarily in growth assets, with a moderate allocation of income assets.
<b>High Growth Fund</b>	To provide higher returns on average over long term periods (ten years plus), allowing for short to medium term ups and downs.	We aim to achieve this by investing predominantly in growth assets, with little or no allocation to income assets.
<b>Shielded Growth Fund</b>	To provide relatively high returns over longer term periods (seven years plus), allowing for short to medium term ups and downs, whilst partially shielding the fund against some of the more significant short-term risks.	We aim to achieve this by investing predominantly in growth assets, with little or no allocation to income assets, The strategy will typically involve, but is not limited to, holding put options which provide protection on around 30% of fund losses above a 10% fall in global share markets. The level of protection will typically vary between 20% and 50% of the fund, depending on the Manager's view of a range of factors such as cost, market volatility and risk.
<b>Socially Responsible Moderate Fund</b>	To provide moderate returns on average over medium term periods (three years plus), allowing for some shorter-term ups and downs, whilst excluding investments which do not satisfy certain socially responsible investment criteria.	We aim to achieve this by investing mainly in income assets, while including a moderate allocation of growth assets, and the application of our Responsible Investment Policy.

<b>Fund</b>	<b>Objective</b>	<b>High level strategy</b>
	Return objectives are after fees and before tax	
<b>Socially Responsible Balanced Fund</b>	To provide a medium level of returns on average over medium term periods (five years plus), allowing for shorter-term ups and downs, whilst excluding investments which do not satisfy certain socially responsible investment criteria.	We aim to achieve this by investing in a mix of income and growth assets, and the application of our Responsible Investment Policy.
<b>Socially Responsible Growth Fund</b>	To provide relatively high returns on average over longer term periods (seven years plus), allowing for short to medium term ups and downs, whilst excluding investments which do not satisfy certain socially responsible investment criteria.	We aim to achieve this by investing primarily in growth assets, with a moderate allocation of income assets, and the application of our Responsible Investment Policy.
<b>Socially Responsible High Growth Fund</b>	To provide higher returns on average over long term periods (ten years plus), allowing for short to medium term ups and downs, whilst excluding investments which do not satisfy certain socially responsible investment criteria.	We aim to achieve this by investing predominantly in growth assets, with little or no allocation to income assets, and the application of our Responsible Investment Policy.

### **Focus Series**

<b>Fund</b>	<b>Objective</b>	<b>High level strategy</b>
	Return objectives are after fees and before tax	
<b>Focus Moderate Fund</b>	To provide moderate returns on average over medium term periods (three years plus), allowing for some shorter-term ups and downs.	We aim to achieve this by investing mainly in income assets, while including a moderate allocation of growth assets. We utilise a mainly passive approach for the Focus Series
<b>Focus Balanced Fund</b>	To provide a medium level of returns on average over medium term periods (five years plus), allowing for shorter-term ups and downs.	We aim to achieve this by investing in a mix of income and growth assets. We utilise a mainly passive approach for the Focus Series.
<b>Focus Growth Fund</b>	To provide relatively high returns on average over longer term periods (seven years plus), allowing for short to medium term ups and downs.	We aim to achieve this by investing primarily in growth assets, with a moderate allocation of income assets. We utilise a mainly passive approach for the Focus Series.
<b>Focus High Growth Fund</b>	To provide higher returns on average over long term periods (ten years plus), allowing for short to medium term ups and downs.	We aim to achieve this by investing predominantly in growth assets, with little or no allocation to income assets. We utilise a mainly passive approach for the Focus Series.

## Wealth Series

<b>Fund</b>	<b>Objective</b> Return objectives are after fees and before tax	<b>High level strategy</b>
<b>Wealth Moderate Fund</b>	To provide moderate returns on average over medium term periods (three years plus), allowing for some shorter-term ups and downs, whilst excluding investments which do not satisfy certain responsible investment criteria.	We aim to achieve this by investing mainly in income assets, while including a moderate allocation of growth assets, and the application of our Responsible Investment Policy.
<b>Wealth Balanced Fund</b>	To provide a medium level of returns on average over medium term periods (five years plus), allowing for shorter-term ups and downs, whilst excluding investments which do not satisfy certain responsible investment criteria.	We aim to achieve this by investing in a mix of income and growth assets, and the application of our Responsible Investment Policy.
<b>Wealth Growth Fund</b>	To provide relatively high returns on average over longer term periods (seven years plus), allowing for short to medium term ups and downs, whilst excluding investments which do not satisfy certain responsible investment criteria.	We aim to achieve this by investing primarily in growth assets, with a moderate allocation of income assets, and the application of our Responsible Investment Policy.
<b>Wealth High Growth Fund</b>	To provide higher returns on average over long term periods (ten years plus), allowing for short to medium term ups and downs, whilst excluding investments which do not satisfy certain responsible investment criteria.	We aim to achieve this by investing predominantly in growth assets, with little or no allocation to income assets, and the application of our Responsible Investment Policy.
<b>Wealth Geared Growth Fund</b>	To provide higher returns, including increased potential returns via leverage, on average over extended periods (fifteen years plus), allowing for more significant short to medium term ups and downs, whilst excluding investments which do not satisfy certain responsible investment criteria	We aim to achieve this by investing predominantly in growth assets, with little or no allocation to income assets, and the use of leverage to provide increased exposure, and the application of our Responsible Investment Policy.

### Multi-Sector Funds – Income

## Investment Series

<b>Fund</b>	<b>Objective</b> Return objectives are after fees and before tax	<b>High level strategy</b>
<b>Income 18 Fund</b>	To provide moderate income-driven returns on average over medium term periods (three years plus), allowing for some shorter-term ups and downs.  The Fund is intended as a low to moderate risk fund, between pure 'income' and 'growth' portfolios.	We aim to achieve this by investing primarily in income assets (with a focus on corporate credit), while including some relatively high dividend-paying growth assets, predominantly listed or issued in New Zealand.

<b>Fund</b>	<b>Objective</b>	<b>High level strategy</b>
	Return objectives are after fees and before tax	
<b>Income 28 Fund</b>	To provide moderate income-driven returns on average over medium-term periods (four years plus), allowing for some shorter-term ups and downs.  The Fund is intended as a moderate risk fund, designed to complement a broader portfolio.	We aim to achieve this by investing mainly in income assets (with a focus on corporate credit), while including some relatively high dividend-paying growth assets, predominantly listed or issued in New Zealand.
<b>Income 50 Fund</b>	To provide a medium level of income-driven returns on average over medium term periods (five years plus), allowing for shorter-term ups and downs.  The Fund is intended as a medium risk fund, designed to complement a broader portfolio.	We aim to achieve this by investing in a mix of income assets (with a focus on corporate credit) and relatively high dividend-paying growth assets, predominantly listed or issued in New Zealand.
<b>Income 99 Fund</b>	To provide higher income-driven returns on average over long-term periods (ten years plus), whilst allowing for short to medium term ups and downs.  The Fund is intended as a higher risk fund, designed to complement a broader portfolio.	We aim to achieve this by investing predominantly in relatively high dividend-paying growth assets, predominantly listed or issued in New Zealand.

### Single-Sector Funds

<b>Fund</b>	<b>Objective</b>	<b>High level strategy</b>
	Return objectives are after fees and before tax	
<b>Enhanced Cash Portfolio</b>	To provide a highly liquid "on-call" deposit account, which aims to achieve a rate of return comparable or above similar "on-call" bank deposit accounts.	We aim to achieve this through investing in high quality short term bank bills and other similar money market instruments.
<b>Income Securities Portfolio</b>	To provide both Call and Term Class Series options, aiming to achieve a rate of return ahead of the Bloomberg NZBond Bank Bill Index.	We aim to achieve this by investing predominantly through a diversified range of short to medium term higher yielding income assets, in New Zealand or overseas.
<b>Corporate Bond Fund</b>	To provide an enhancement to bank term deposit returns on average over medium term periods, while allowing for some short term movements up and down.	We aim to achieve this by investing entirely in income assets, such as corporate bonds or other Fixed Interest securities issued by New Zealand and Global companies.

The Funds' investment objectives will be monitored by the Booster Investment Committee, usually on an annual basis.

## 6. Benchmark Asset Allocation

The Manager recognises that the determination of the Funds' investment strategies, in terms of a long-term asset allocation benchmark, is the decision that has the most impact on the investor's likelihood of achieving their objectives.

The benchmark asset allocation has been developed to provide the expected risk/return outcome consistent with the Funds' objectives.

Over time, the Manager may vary actual investment levels within pre-determined ranges, depending on the relative outlook for different asset market returns. In addition, weightings will change according to market movements. The purpose of having these ranges is to allow for such tactical and market-led changes in asset allocation so as to achieve the Funds' long-term objectives.

Benchmark asset allocations and allowable ranges for each of the Funds as at the date of this SIPO are shown below.

The Funds generally obtain their investment exposure to securities or external managed funds through wholesale sector funds managed by the Manager. Funds may obtain exposure to Cash and Cash Equivalents by investing into the Enhanced Cash Portfolio.

		Minimum %	Benchmark %	Maximum %
<b>Defensive Fund</b>	International Equities	0	<b>14</b>	20
	Australasian Equities	0	<b>8</b>	20
	Listed Property	0	<b>1.5</b>	5
	Unlisted Property	0	<b>1.5</b>	4
	New Zealand Fixed Interest	5	<b>25</b>	55
	International Fixed Interest	10	<b>20</b>	50
	Cash & Cash Equivalents	0	<b>30</b>	50
	Commodities	0	<b>0</b>	2
	<b>Total Growth</b>	10	<b>25</b>	35
	<b>Total Income</b>	65	<b>75</b>	90
		Minimum %	Benchmark %	Maximum %
<b>Moderate Fund</b>	International Equities	10	<b>21</b>	30
	Australasian Equities	0	<b>13</b>	25
	Listed Property	0	<b>3</b>	7
	Unlisted Property	0	<b>3</b>	6
	New Zealand Fixed Interest	0	<b>23</b>	50
	International Fixed Interest	5	<b>17</b>	40
	Cash & Cash Equivalents	0	<b>20</b>	40
	Commodities	0	<b>0</b>	3
	<b>Total Growth</b>	20	<b>40</b>	50

	<b>Total Income</b>	50	<b>60</b>	80
		Minimum %	<b>Benchmark %</b>	Maximum %
<b>Balanced Fund</b>	International Equities	20	<b>33</b>	45
	Australasian Equities	5	<b>20</b>	30
	Listed Property	0	<b>3</b>	10
	Unlisted Property	0	<b>4</b>	8
	New Zealand Fixed Interest	0	<b>19</b>	40
	International Fixed Interest	5	<b>19</b>	40
	Cash & Cash Equivalents	0	<b>2</b>	25
	Commodities	0	<b>0</b>	4
	<b>Total Growth</b>	40	<b>60</b>	70
	<b>Total Income</b>	30	<b>40</b>	60
		Minimum %	<b>Benchmark %</b>	Maximum %
<b>Growth Fund</b>	International Equities	25	<b>44</b>	55
	Australasian Equities	7	<b>27</b>	40
	Listed Property	0	<b>3.5</b>	10
	Unlisted Property	0	<b>5.5</b>	10
	New Zealand Fixed Interest	0	<b>10</b>	30
	International Fixed Interest	0	<b>8</b>	30
	Cash & Cash Equivalents	0	<b>2</b>	20
	Commodities	0	<b>0</b>	5
	<b>Total Growth</b>	55	<b>80</b>	90
	<b>Total Income</b>	10	<b>20</b>	45
		Minimum %	<b>Benchmark %</b>	Maximum %
<b>High Growth Fund</b>	International Equities	35	<b>57</b>	80
	Australasian Equities	10	<b>32</b>	50
	Listed Property	0	<b>3.5</b>	10
	Unlisted Property	0	<b>6.5</b>	13
	New Zealand Fixed Interest	0	<b>0</b>	15
	International Fixed Interest	0	<b>0</b>	15
	Cash & Cash Equivalents	0	<b>1</b>	20
	Commodities	0	<b>0</b>	6
	<b>Total Growth</b>	70	<b>99</b>	100
	<b>Total Income</b>	0	<b>1</b>	30

		Minimum %	Benchmark %	Maximum %
<b>Shielded Growth Fund</b>	International Equities	20	<b>57</b>	80
	Australasian Equities	10	<b>32</b>	50
	Listed Property	0	<b>3.5</b>	10
	Unlisted Property	0	<b>6.5</b>	13
	New Zealand Fixed Interest	0	<b>0</b>	15
	International Fixed Interest	0	<b>0</b>	15
	Cash & Cash Equivalents	0	<b>1</b>	20
	Commodities	0	<b>0</b>	6
	<b>Total Growth</b>	55	<b>99</b>	100
	<b>Total Income</b>	0	<b>1</b>	45
		Minimum %	Benchmark %	Maximum %
<b>Socially Responsible Moderate Fund</b>	International Equities	10	<b>21</b>	30
	Australasian Equities	0	<b>13</b>	25
	Listed Property	0	<b>3</b>	7
	Unlisted Property	0	<b>3</b>	6
	New Zealand Fixed Interest	0	<b>23</b>	50
	International Fixed Interest	5	<b>17</b>	40
	Cash & Cash Equivalents	0	<b>20</b>	40
	Commodities	0	<b>0</b>	3
	<b>Total Growth</b>	20	<b>40</b>	50
	<b>Total Income</b>	50	<b>60</b>	80
		Minimum %	Benchmark %	Maximum %
<b>Socially Responsible Balanced Fund</b>	International Equities	20	<b>34</b>	45
	Australasian Equities	5	<b>19</b>	30
	Listed Property	0	<b>3</b>	10
	Unlisted Property	0	<b>4</b>	8
	New Zealand Fixed Interest	0	<b>19</b>	40
	International Fixed Interest	5	<b>19</b>	40
	Cash & Cash Equivalents	0	<b>2</b>	25
	Commodities	0	<b>0</b>	4
	<b>Total Growth</b>	40	<b>60</b>	70
	<b>Total Income</b>	30	<b>40</b>	60

		Minimum %	Benchmark %	Maximum %
<b>Socially Responsible Growth Fund</b>	International Equities	25	<b>46</b>	55
	Australasian Equities	7	<b>25</b>	40
	Listed Property	0	<b>3.5</b>	10
	Unlisted Property	0	<b>5.5</b>	10
	New Zealand Fixed Interest	0	<b>10</b>	30
	International Fixed Interest	0	<b>8</b>	30
	Cash & Cash Equivalents	0	<b>2</b>	20
	Commodities	0	<b>0</b>	5
	<b>Total Growth</b>	55	<b>80</b>	90
	<b>Total Income</b>	10	<b>20</b>	45

		Minimum %	Benchmark %	Maximum %
<b>Socially Responsible High Growth Fund</b>	International Equities	35	<b>60</b>	80
	Australasian Equities	10	<b>29</b>	50
	Listed Property	0	<b>3.5</b>	15
	Unlisted Property	0	<b>6.5</b>	13
	New Zealand Fixed Interest	0	<b>0</b>	15
	International Fixed Interest	0	<b>0</b>	15
	Cash & Cash Equivalents	0	<b>1</b>	20
	Commodities	0	<b>0</b>	6
	<b>Total Growth</b>	70	<b>99</b>	100
	<b>Total Income</b>	0	<b>1</b>	30

		Minimum %	Benchmark %	Maximum %
<b>Wealth Moderate Fund</b>	International Equities	10	<b>21</b>	30
	Australasian Equities	0	<b>13</b>	25
	Listed Property	0	<b>3.5</b>	7
	Unlisted Property	0	<b>2.5</b>	6
	New Zealand Fixed Interest	0	<b>23</b>	50
	International Fixed Interest	5	<b>17</b>	40
	Cash & Cash Equivalents	0	<b>20</b>	40
	Commodities	0	<b>0</b>	3
	<b>Total Growth</b>	20	<b>40</b>	50
	<b>Total Income</b>	50	<b>60</b>	80

		Minimum %	Benchmark %	Maximum %
<b>Wealth Balanced Fund</b>	International Equities	20	<b>34</b>	45
	Australasian Equities	5	<b>19</b>	30
	Listed Property	0	<b>4</b>	10
	Unlisted Property	0	<b>3</b>	8
	New Zealand Fixed Interest	0	<b>19</b>	40
	International Fixed Interest	5	<b>19</b>	40
	Cash & Cash Equivalents	0	<b>2</b>	25
	Commodities	0	<b>0</b>	4
	<b>Total Growth</b>	40	<b>60</b>	70
	<b>Total Income</b>	30	<b>40</b>	60

		Minimum %	Benchmark %	Maximum %
<b>Wealth Growth Fund</b>	International Equities	25	<b>46</b>	55
	Australasian Equities	7	<b>25</b>	40
	Listed Property	0	<b>5</b>	10
	Unlisted Property	0	<b>4</b>	10
	New Zealand Fixed Interest	0	<b>10</b>	30
	International Fixed Interest	0	<b>8</b>	30
	Cash & Cash Equivalents	0	<b>2</b>	20
	Commodities	0	<b>0</b>	5
	<b>Total Growth</b>	55	<b>80</b>	90
	<b>Total Income</b>	10	<b>20</b>	45

		Minimum %	Benchmark %	Maximum %
<b>Wealth High Growth Fund</b>	International Equities	35	<b>60</b>	80
	Australasian Equities	10	<b>29</b>	50
	Listed Property	0	<b>5</b>	15
	Unlisted Property	0	<b>5</b>	13
	New Zealand Fixed Interest	0	<b>0</b>	15
	International Fixed Interest	0	<b>0</b>	15
	Cash & Cash Equivalents	0	<b>1</b>	20
	Commodities	0	<b>0</b>	6
	<b>Total Growth</b>	70	<b>99</b>	100
	<b>Total Income</b>	0	<b>1</b>	30

		Minimum %	Benchmark %	Maximum %
<b>Wealth Geared Growth Fund</b>	International Equities	35	<b>60</b>	80
	Australasian Equities	10	<b>29</b>	50
	Listed Property	0	<b>5</b>	15
	Unlisted Property	0	<b>5</b>	13
	New Zealand Fixed Interest	0	<b>0</b>	15
	International Fixed Interest	0	<b>0</b>	15
	Cash & Cash Equivalents	0	<b>1</b>	20
	Commodities	0	<b>0</b>	6
	<b>Total Growth</b>	70	<b>99</b>	100
	<b>Total Income</b>	0	<b>1</b>	30
	<b>Gearing Ratio</b>	0	<b>35</b>	50
		Minimum %	Benchmark %	Maximum %
<b>Focus Moderate Fund</b>	International Equities	15	<b>21</b>	25
	Australasian Equities	2	<b>13</b>	22
	Listed Property	0	<b>3.5</b>	6
	Unlisted Property	0	<b>2.5</b>	6
	New Zealand Fixed Interest	15	<b>23</b>	35
	International Fixed Interest	5	<b>17</b>	25
	Cash & Cash Equivalents	0	<b>20</b>	30
	<b>Total Growth</b>	30	<b>40</b>	45
	<b>Total Income</b>	55	<b>60</b>	70
		Minimum %	Benchmark %	Maximum %
<b>Focus Balanced Fund</b>	International Equities	25	<b>33</b>	40
	Australasian Equities	15	<b>20</b>	25
	Listed Property	0	<b>4</b>	7
	Unlisted Property	0	<b>3</b>	8
	New Zealand Fixed Interest	10	<b>19</b>	30
	International Fixed Interest	10	<b>19</b>	30
	Cash & Cash Equivalents	0	<b>2</b>	15
	<b>Total Growth</b>	50	<b>60</b>	65
	<b>Total Income</b>	35	<b>40</b>	50

		Minimum %	Benchmark %	Maximum %
<b>Focus Growth Fund</b>	International Equities	35	<b>44</b>	50
	Australasian Equities	20	<b>27</b>	35
	Listed Property	0	<b>5</b>	10
	Unlisted Property	0	<b>4</b>	10
	New Zealand Fixed Interest	3	<b>10</b>	20
	International Fixed Interest	3	<b>8</b>	15
	Cash & Cash Equivalents	0	<b>2</b>	10
	<b>Total Growth</b>	65	<b>80</b>	80
	<b>Total Income</b>	20	<b>20</b>	35
		Minimum %	Benchmark %	Maximum %
<b>Focus High Growth Fund</b>	International Equities	45	<b>57</b>	65
	Australasian Equities	18	<b>32</b>	40
	Listed Property	0	<b>5</b>	10
	Unlisted Property	0	<b>5</b>	13
	New Zealand Fixed Interest	0	<b>0</b>	10
	International Fixed Interest	0	<b>0</b>	10
	Cash & Cash Equivalents	0	<b>1</b>	10
	<b>Total Growth</b>	85	<b>99</b>	100
	<b>Total Income</b>	0	<b>1</b>	15
		Minimum %	Benchmark %	Maximum %
<b>Income 18 Fund</b>	International Equities	0	<b>0</b>	10
	New Zealand Equities	10	<b>18</b>	25
	Australian Equities	0	<b>0</b>	10
	New Zealand Fixed Interest	25	<b>61</b>	90
	International Fixed Interest	0	<b>20</b>	35
	Cash & Cash Equivalents	0	<b>1</b>	50
	<b>Total Growth</b>	10	<b>18</b>	25
	<b>Total Income</b>	75	<b>82</b>	90
		Minimum %	Benchmark %	Maximum %
<b>Income 28 Fund</b>	International Equities	0	<b>0</b>	15
	New Zealand Equities	15	<b>28</b>	35
	Australian Equities	0	<b>0</b>	15
	New Zealand Fixed Interest	20	<b>53</b>	85
	International Fixed Interest	0	<b>18</b>	25

	Cash & Cash Equivalents	0	<b>1</b>	40
	<b>Total Growth</b>	15	<b>28</b>	35
	<b>Total Income</b>	65	<b>72</b>	85
		Minimum %	<b>Benchmark %</b>	Maximum %
<b>Income 50 Fund</b>	International Equities	0	<b>0</b>	25
	New Zealand Equities	30	<b>50</b>	60
	Australian Equities	0	<b>0</b>	20
	New Zealand Fixed Interest	5	<b>37</b>	70
	International Fixed Interest	0	<b>12</b>	20
	Cash & Cash Equivalents	0	<b>1</b>	25
	<b>Total Growth</b>	30	<b>50</b>	60
	<b>Total Income</b>	40	<b>50</b>	70
		Minimum %	<b>Benchmark %</b>	Maximum %
<b>Income 99 Fund</b>	International Equities	0	<b>0</b>	50
	New Zealand Equities	60	<b>99</b>	100
	Australian Equities	0	<b>0</b>	30
	Cash & Cash Equivalents	0	<b>1</b>	10
	<b>Total Growth</b>	90	<b>99</b>	100
	<b>Total Income</b>	0	<b>1</b>	10
		Minimum %	<b>Benchmark %</b>	Maximum %
<b>Enhanced Cash Portfolio</b>	Cash & Cash Equivalents	0	<b>100</b>	100
	New Zealand Fixed Interest	0	<b>0</b>	100
	International Fixed Interest	0	<b>0</b>	20
		Minimum %	<b>Benchmark %</b>	Maximum %
<b>Income Securities Portfolio</b>	Cash & Cash Equivalents	0	<b>5</b>	100
	New Zealand Fixed Interest	0	<b>95</b>	100
	International Fixed Interest	0	<b>0</b>	20
		Minimum %	<b>Benchmark %</b>	Maximum %
<b>Corporate Bond Fund</b>	Cash & Cash Equivalents	0	<b>1</b>	20
	New Zealand Fixed Interest	60	<b>74</b>	100
	International Fixed Interest	0	<b>25</b>	35

## Responsible Investment Criteria

The Socially Responsible funds and Wealth Series funds exclude investments in directly-held companies and managed fund investments that generate more than an incidental proportion of revenue from undertaking the following activities:

- Production, distribution, retail and supply of alcoholic beverages
- Gambling operations.
- Tobacco production, distribution, supply and retailing.
- Military weapons manufacturing.
- Civilian firearms production, distribution, supply and retailing.
- Nuclear power production.
- Fossil fuels exploration, extraction, refinement, distribution, supply and retailing.
- Pornographic material production, distribution and retailing.
- Genetically Modifying Organisms (GMO) intended for agricultural use.
- Animal testing on non-medical products.
- Intensive animal farming (factory farming).
- Whaling.
- Palm oil production and plantations.
- Recreational cannabis production, distribution, supply and retailing.
- Seaborne export of live animals.

The criteria for screening out investments may be modified from time to time to reflect developments in the socially responsible investment area. Further detail including revenue thresholds that apply for exclusion assessments may be found in Booster's Approach to Responsible Investing policy at [www.booster.co.nz/responsible-investing-policy](http://www.booster.co.nz/responsible-investing-policy).

## Rebalancing policy

Actual Fund weightings can vary over time relative to benchmark levels for each asset class, as well as relative to the target holdings for each investment or managed vehicle within a given asset class. This is driven by varying market returns (for example in a multi-sector fund, if equities perform well compared to fixed interest, other things being equal, a balanced investor will become overweight equities relative to fixed interest) but this can also be driven by the timing of cash deposits and withdrawals.

A core part of the implementation of the Manager's investment strategy includes a structured approach to portfolio rebalancing both at a sector and individual security level, to ensure consistency of return outcomes with respect to each Fund's/Portfolio's objectives at the same time as appropriately managing transaction costs.

In order to minimise transaction costs, cash deposits and redemptions are systematically used to move actual portfolio weights, within the allowable ranges, closer to the tactical levels currently targeted. This can be accomplished through the direction of new funds to investments where the actual weighting is below target, while redemptions are typically funded by the sale of investments that are overweight relative to target, where that is feasible.

This “passive rebalancing” is supplemented by the use of “soft” limits for actual asset class positioning, relative to targeted tactical levels. These “soft” limits (including currency hedging) may vary by asset class but are not wider than +/- 5%.

As part of regular portfolio monitoring (each unit pricing day – which is usually each working day), the Booster Portfolio Management Module also highlights instances where a Fund is in breach of pre-defined mandate limits. This acts as a precursor to portfolio rebalancing through the systematic trading process (see details of limit breaks policy below).

The consistent application of this process not only ensures alignment with currently targeted tactical levels as governed by the Booster Investment Committee but can also assist in managing market volatility, as trades generated are biased towards realising gains in assets that have outperformed while adding to holdings that have fallen behind market movements.

Where a Fund is invested in one or more illiquid assets, the ability to rebalance exposure to those assets may be limited. For such assets rebalancing towards targets may be carried out when opportunities arise. This is most likely to apply to investments in private assets or private asset funds. Nonetheless, the weights of private asset investments relative to targets are monitored regularly and actions are considered when/if the weights diverge materially from targets.

### **Limit Breaks policy**

This policy ensures that the Funds' asset class allowable ranges, as described in the tables above, are being monitored on a regular basis (usually each working day), with range breaches (limit breaks) being appropriately addressed in accordance with legislative requirements and the Scheme's governing documents.

All Funds' asset class ranges are loaded into the Booster Portfolio Management Module which is then able to compare actual asset allocations with the allowable ranges. Controls are in place that are designed to ensure that the limits loaded in this system align to the current version of the SIPO, including all range changes going through an approval process. An automated system 'limit break' report is run most working days with the report sent to the Compliance Team and Portfolio Management Team. The Portfolio Implementation and Risk Team will review any exceptions to the daily system generated limit break report(s).

In the event of an actual limit break:

- If it is a market driven (i.e. large swing in market movement) deviation from currently targeted sector allocations and if the market does not correct itself in three business days, the limit break is required to be remedied by the fourth business day from when it was discovered.
- If the market driven deviation drives the technical variance to 10% or greater, then this will be remedied on the day it was discovered.
- If the variance is not market driven and a breach of the allowable ranges, then the impacted Funds will be adjusted on the day it was discovered.

### **Related Party Transactions policy**

In accordance with relevant legislation and the Scheme's governing documents, related party transactions that result in a related party benefit are allowed only in specified circumstances.

Controls are in place that are designed to ensure that investments of assets into other Funds or underlying managed funds that are managed by the Manager, or that otherwise result in a related party benefit, meet the requirements of relevant legislation and the Scheme's governing documents. Refer to the Scheme's governing documents or Other Material Information document for further information.

## 7. Outsourced Arrangements

### a. External Investment Managers

In implementing the investment strategies of each Fund, the Manager may utilise the services of external investment management organisations for some components of the funds.

Each organisation will be selected based on an assessment against a range of criteria including track record, expertise and experience, investment process and style, value for money and other appropriate due diligence requirements and given the task of investing within specific parameters and constraints.

Investments may be made by way of individual discrete mandates or pooled investment vehicles (managed funds).

Due diligence will be performed on each investment manager to ensure they meet appropriate standards for the prudent and professional management of the asset class(es) they are to invest within.

The Manager may terminate an investment manager's appointment at any time and for any reason, subject to the terms of that investment manager's agreement. In particular, active investment managers might be terminated in the event of a sustained failure to outperform appropriate benchmarks by targeted amounts (precise timeframes of these assessments dependent on the asset class / investment strategy in question).

In some circumstances, e.g. changes in correlation with other components within the fund, decisions can be made to reduce and/or restructure investment through a particular investment manager in order to optimise portfolio construction, regardless of performance or tenure.

### b. Other Outsourced Arrangements

The Manager engages experts to assist in running the Funds/Portfolios and its investment functions. These may include:

#### **External Investment Consultants**

External investment consultants may be used from time to time to assist with specialised advice in selected areas, to contribute to the monitoring of the investments under the Manager's stewardship.

#### **Custodian and Custodial Administration Service Providers**

Custodian and Custodial Administration Service Providers ensure the safe keeping of assets, settle investment transactions, calculate returns, maintain records of unit holdings and transactions, provide reporting to the Manager and other related services as specified under the agreement.

The Manager will ensure that appropriate custody arrangements comply with the requirements of relevant legislation and the Scheme's governing documents. In respect of investment in external pooled vehicles, due diligence will include consideration that adequate custodian arrangements are in place to ensure the appropriate safekeeping of the underlying assets.

#### **Administrators**

Administrators maintain relevant cash accounts and advise details of net cash flows into and out of the investment options to enable decisions regarding external fund manager applications/redemptions to occur.

Procedures for the selection of providers are outlined in the Outsourcing Policy.

## **8. Investment Constraints, Risk Management, Liquidity and Cash Flow Management**

The Scheme is primarily a long term savings vehicle, and therefore many of the Funds may selectively hold investments outside listed markets to broaden its opportunity set, enhance diversification and benefit from a premium return typically associated with lower liquidity. In doing so, the Manager recognises the importance of maintaining sufficient liquidity across Funds' investments as a whole (whether they are technically listed or unlisted), along with prudent diversification principles. Investors require confidence in accessing their money as and when required.

The following investment constraints therefore address the minimum liquidity requirements to ensure ongoing Member equity and reflect the fund flow analysis undertaken. In addition, they provide the framework for effective diversification of risk across and within the Funds' various asset classes.

The Manager may invest in other investments (which are not explicitly stated) that they consider fall within the parameters of permitted investments and that appropriately reflect the risk profile of the Scheme and its Portfolios and Funds.

### **Liquidity Management**

In addition to the investment thresholds below, at a minimum the Manager will allocate at least 35% of each Fund's investments to securities normally tradable or redeemable with settlement within 5 working days; at least 50% in securities tradable or redeemable within 30 calendar days; and a total of at least 70% in securities tradable or redeemable within 180 calendar days. External manager appointments will be assessed and monitored within this context.

The inclusion of unlisted (private) investments in multi-sector funds adds to the percentage of assets with longer sale timeframes. However, the current allocation to unlisted equity or property securities in multi-sector portfolios is below 20% and they will therefore continue to be monitored within the above policy constraints. This policy will be reviewed and reconfirmed in conjunction with the Supervisor if unlisted equity or property assets total more than 20% of multi-sector funds.

Monitoring of liquidity within the Enhanced Cash Portfolio will specifically account for the level of investment that forms part of Booster multi-sector portfolios versus that held directly by retail investors.

### **Authorised Investments and asset class restrictions**

Authorised investments and restrictions by asset class are outlined below. Any authorised investment includes any right or option to acquire or take up that authorised investment.

#### **a. Cash and Cash Equivalents (includes Enhanced Cash Portfolio)**

##### ***Authorised investments:***

- include New Zealand denominated money market instruments, cash and any managed fund or other investment vehicle (New Zealand domiciled investment vehicles only) that invests in such assets. See also other parameters below.

**Other parameters:**

- Maximum investment term or maturity for any individual fixed rate security – 36 months.
- Maximum term of any committed Floating Rate Note (FRN) investments, or similar – 5 years.
- Maximum average duration of 250 days.
- To manage overall portfolio/fund liquidity, any Term Deposits held are required to be maintained in a staggered maturity profile reflecting each fund's/portfolio's fund flows and anticipated cash needs of its investors under normal circumstances.
- Minimum credit rating is to be a Standard & Poor's A1 short-term or manager's assessed equivalent. Where invested in a cash and cash equivalent managed fund, that fund must have at least an investment grade or equivalent rating from a recognised fund rating agency or the Manager is satisfied that the managed fund meets the above criteria.

**b. Fixed Interest**

**Authorised investments:**

- include New Zealand and Australian dollar denominated debt securities, and International debt securities (including via managed funds, exchange traded funds or other investment vehicles). Fixed Interest securities may include (but are not limited to) deposits, bank bills, promissory notes, government or local authority bonds, corporate bonds, debentures, loans, mortgages, asset backed securities and convertible notes which provide a fixed or floating rate of dividend or interest. Some short-term fixed interest holdings which may also be considered as "Cash and Cash equivalents" may be treated as Fixed Interest if held as part of a fixed interest strategy (e.g. within a wholesale fixed interest portfolio).

**Other parameters:**

- All International Fixed Interest is to be fully hedged back into New Zealand Dollars at all times, subject to a permitted rebalancing range of  $\pm 5\%$  as outlined in the Rebalancing Policy section above. From time to time externally managed assets (including via wholesale portfolios) may indirectly have an immaterial amount (up to 2.5%) of international fixed interest exposure unhedged for implementation reasons.
- At least 70% of the combined NZ Fixed Interest and International Fixed Interest allocation will have a credit rating of Standard & Poor's BBB- (or manager's assessed equivalent) or higher. The Income Securities Portfolio has a minimum credit rating of BB or assessed equivalent.
- The total Fixed Interest allocation will typically be diversified across securities with a weighted average credit rating of around Standard & Poor's A (or manager's assessed equivalent) rating. (Except for the Corporate Bond Fund and Income Funds, where a typical average credit rating of around BBB or assessed equivalent applies, and the Income Securities Portfolio where the credit limits are outlined below). Any security that falls below these minimums due to downwards rating migration will not be automatically sold, but will be reviewed for appropriateness and may

be retained. The asset class will not use investment managers with strategies that in combination may lead to the typical average credit quality being lower than these targets.

- For New Zealand Fixed Interest, the weighted average duration may vary between +/- 4 years relative to the respective benchmark index duration, provided the overall weighted average duration does not exceed 8 years, except for the:
  - Income Securities Portfolio, where the average duration is not to exceed 2 years.
  - Corporate Bond Fund (which may include both NZ & international investments), where the duration is between 0.25 and 4 years.
- For International Fixed Interest, the weighted average duration may vary between +/- 4 years relative to the respective benchmark index duration, provided the overall weighted average duration does not exceed 10 years. For allocations within the asset class that are managed by external managers, the investment mandate will determine the appropriate duration of the portfolio relative to the benchmark index based on the style of investment mandate and the outlook for interest rates. The portfolio will not use managers with duration mandates wider than +/- 3 years around their respective benchmark index duration.
- Income Securities Portfolio's individual corporate credit exposures based on the following credit rating stratification:

BondWatch Rating	S&P Rating (or assessed equivalent)	Limit Per Individual Issuer (%)	Limit Per Class (%)
Secured Loans		25	25
G3 or Higher	BBB or Higher	15	100
G5 to G4+	BB to BBB-	10	65
Below G5	Below BB	0	0

### c. Listed Property

#### **Authorised investments:**

- include shares, units or interests in property trusts, companies or other vehicles that invest in or provide exposure to property investments. These investments are listed on a public exchange. Exposure may be gained via investing in investment vehicles and other equity linked securities.

#### **Other parameters:**

- Where the asset class holds listed property securities directly (i.e., excluding allocations that are not managed by BIML), no individual directly held listed security will represent a weighting in the sector which is 5% more than the security's respective benchmark index weighting. Any directly held individual security that exceeds this threshold within the asset class due to valuation or benchmark changes, will be reviewed and may be maintained if appropriate.

- All overseas property investments are to be fully hedged back into New Zealand Dollars at all times, subject to a permitted rebalancing range of  $\pm 5\%$  as outlined in the Rebalancing Policy section above.

#### **d. Unlisted Property**

##### ***Authorised investments:***

- include any New Zealand unlisted property, unlisted property security or managed fund or other vehicle which provides exposure to New Zealand unlisted property investments. It includes any interest of any nature in any unlisted property, and includes interests in the Private Land and Property Fund. Australian and overseas unlisted property investments (including via investment vehicles and other property-linked securities) may be held up to 5% of the sector.

##### ***Other parameters:***

- Gearing may be included over unlisted property investments, up to 65% of their asset value, with security limited to the relevant individual properties. A soft limit of 50% will apply to provide a suitable margin in case of any increase in gearing due to a fall in asset values.

#### **e. Australasian Equities**

##### ***Authorised investments:***

- include investments that give the holder an ownership or equity interest in a company, corporation, limited partnership or other entity, including shares, units or other equity instruments (Equities). These investments may be listed on a New Zealand or Australian public exchange, or unlisted (and domiciled in New Zealand or Australia). Exposure may be gained via investing in managed funds, exchange traded funds or other investment vehicles and other equity-linked securities.

##### ***Other parameters:***

- Where the asset class holds (listed or unlisted) equities directly (i.e., excluding allocations that are not managed by BIML), no individual security will have a target weighting in the sector which is 12.5% more than the security's respective benchmark index weighting, or, where the equity is not part of the benchmark index, more than 7.5% of the Fund's total exposure to the Australasian Equities, unless the weight is a result of ESG assessment decisions or an exclusion under the Approach to Responsible Investing Policy. Any individual security that exceeds the weights outlined in this paragraph due to valuation or benchmark changes, will be reviewed and may be maintained if appropriate.
- Unlisted equities will normally be held through dedicated separately managed vehicles, reflecting the specialised management required and their diversifying return profile relative to listed equities. The risk exposure resulting from such vehicles is considered within multi-sector funds' overall risk budget settings and those vehicles' own internal guidelines, reflecting their separate management. This exposure may include some overseas companies commercialising

New Zealand originated intellectual property, within a strategy focused on New Zealand early-stage businesses.

- Foreign currency exposures are normally 50% hedged, but can be actively managed between 0% and 100%.
- For the Income Funds, where the asset class holds direct equities, a minimum of 10 direct securities to be held at any one time and no security will represent a weighting in the portfolio of more than 15%.
- No limit on ex-ante tracking error, but ex-post tracking error is expected to be less than 4%, except for any unlisted allocations.

#### **f. International Equities**

##### ***Authorised investments:***

- include investments that give the holder an ownership or equity interest in a company, corporation, limited partnership or other entity, including shares, units or other equity instruments (Equities). These investments may be listed on a public exchange, and exposure may be gained via investing in managed funds, exchange traded funds or investment vehicles and other equity-linked securities. Where exposure is via investing in an investment vehicle it may include unlisted equity investments.

##### ***Other parameters:***

- Where the asset class holds listed equities directly (i.e., excluding allocations that are not managed by BIML), no individual directly held listed security will represent a weighting in the asset class above the higher of 7.5%, or 5% more than its benchmark index weighting. Any directly held individual security that exceeds these weights due to valuation or benchmark changes, will be reviewed and may be maintained if appropriate.
- For the multi-sector funds, total foreign currency exposures are normally 50% hedged, but can be actively managed between 20% and 80%.
- No limit on ex-ante tracking error, but ex-post tracking error is expected to be less than 5%.

#### **g. Commodities**

- ***Authorised investments:*** include any commodity-linked security.

#### **h. Prohibited Investments**

- Short selling.
- Securities lending (except for the New Zealand Fixed Interest sector).

## **i. Derivatives**

- Derivatives may be used in relation to any asset class and any Fund, provided that they are backed by cash or relevant physical holdings and the effective exposures created using any derivatives remain within the overall mandate and guidelines when combined with the underlying portfolio.
- Derivative Instruments that may be used are limited to:
  - Over the counter ('OTC') or Exchange Traded futures contracts.
  - Forward foreign exchange contracts.
  - OTC or Exchange Traded options.
  - OTC FRA's, Swaps or other derivative instruments.
  - An OTC counterparty must have a Standard and Poor's rating of A or better (or manager assessed equivalent) where managed directly by the Manager. External managers employed in portfolios and permitted to use derivative investments in their mandates will conduct their own assessments of the financial capability of the OTC counterparties they use. We consider their approach to derivatives as part of our wider manager assessment.
- For the purpose of valuation and compliance with these requirements, all derivative exposures must be calculated on a mark to market basis.

Where an investment allocation is managed externally, the investment managers are permitted to use futures, forwards, options and other derivative instruments to assist with the effective management of their portfolios. This can include use to enhance returns or to manage risk and liquidity. Per common industry practice, these externally managed allocations may utilise a modest amount of leverage for short-term liquidity and settlement purposes where consistent with their mandates and the Trust Deed. This may be via derivatives or short-term borrowing.

## **Risk Management**

The Manager is a risk mitigator. This means the Manager introduces specific measures in order to minimise unacceptable risks associated with managing investment portfolios. Key risks the Manager considers include: interest rate risk, liquidity risk, credit risk, economic risk, industry risk, currency risk and inflation risk.

The Manager utilises the following policies in order to mitigate the above risks; diversification across income and growth assets (multi-sector funds), diversification between sub-asset classes, diversification between industries, establishment of a minimum credit rating, duration management, establishment of tracking error ranges and having a currency hedging policy. Booster's Liquidity Risk Management Policy outlines the framework for identifying, assessing, monitoring and managing liquidity risk across Funds and the Liquidity Management Tools that may be employed.

## **9. Investment Governance**

### **Booster Investment Committee**

The Manager recognises that the development of investment objectives and implementation of appropriate investment strategies is one of its key responsibilities to investors. Due to the specialised nature of investment markets, the Manager utilises the Booster Investment Committee (Committee) to oversee the investment process, including performance monitoring. The role and powers of the Committee are set out in the Committee Charter. In general, the Committee's role is to review and approve certain investment recommendations, decisions and processes and to approve the SIPO.

## 10. Performance Monitoring

A regular review is undertaken of the investment performance of all Funds and external fund managers against their stated performance objectives. The Funds' objectives will be reviewed by the Manager on an annual basis.

The aim of performance monitoring is to:

- Assess how the Funds are performing against investment and return objectives.
- Review performance of the Funds' appointed fund managers (internal and external) to ensure it is consistent with the expected range of outcomes, in the context of their style and approach.
- Identify any concerns or weaknesses in fund managers.
- Assess the benefits of tactical asset allocation strategies within the allowable ranges.
- Allow the Manager to continually assess the ability of fund managers and the investment consultant to contribute successfully to the Funds' objectives.

Judgments regarding the performance of fund managers and consultants should be made on a time frame that relates to the time horizon of each investment and not on short term performance. In the short term, the following indicators should be monitored as indicators of continued prudent and professional management:

- Adherence to investment policy.
- Adherence to investment constraints and mandate parameters.
- Legislative compliance.
- Consistency of investment style.
- Organisational stability and personnel.

Where applicable, the performance of each of the Funds' asset classes will be compared with the returns on an appropriate benchmark index which may change from time to time.

### **Benchmark Indices**

Each multi-sector Fund's benchmark index will be a weighted composite index based on representative market indices used in respect of the underlying assets. Single-sector Funds will have a single benchmark index. Where a Fund invests all or some of its investments in underlying vehicles, the market indices used will be dependent on:

- The market indices relevant to the underlying vehicle in which the assets are currently held; and
- The market indices relevant to any directly held assets.

The table below outlines the relevant underlying benchmarks utilised by the Funds. Up to date details in respect of any Fund can be obtained by contacting the Manager.

Asset type	Performance benchmark	Where to find more information
International Equities	MSCI World Total Return Index (Ex-Australia) <sup>123</sup> MSCI World Total Return Index (Ex-Australia) hedged into New Zealand dollars <sup>123</sup> MSCI Emerging Markets Total Return Index <sup>13</sup>	<a href="http://www.msci.com/indexes">www.msci.com/indexes</a>
Australian Equities	S&P/ASX 200 Total Return Index <sup>13</sup> S&P/ASX 200 Total Return Index hedged into New Zealand dollars <sup>13</sup> S&P/ASX 200 Industrials Accumulation Index <sup>2</sup>	<a href="https://www2.asx.com.au/markets/trade-our-cash-market/overview/indices">https://www2.asx.com.au/markets/trade-our-cash-market/overview/indices</a>
New Zealand Equities	S&P/NZX 50 Ex-REIT Index with Imputation <sup>123</sup> S&P/NZX 50 High Dividend Index with Imputation <sup>4</sup>	<a href="https://www.spglobal.com/spdji/en/documents/methodologies/methodology-sp-nzx-index.pdf">https://www.spglobal.com/spdji/en/documents/methodologies/methodology-sp-nzx-index.pdf</a>
Property	S&P/NZX All Real Estate Industry Group Gross with Imputation Index <sup>123</sup> FTSE EPRA / NAREIT Developed ex Australia Rental Index hedged into New Zealand dollars <sup>123</sup>	<a href="https://www.spglobal.com/spdji/en/documents/methodologies/methodology-sp-nzx-index.pdf">https://www.spglobal.com/spdji/en/documents/methodologies/methodology-sp-nzx-index.pdf</a>  <a href="http://www.ftse.com/products/indices/epra-nareit">www.ftse.com/products/indices/epra-nareit</a>
International Fixed interest	Bloomberg Global Aggregate Bond Index (NZD Hedged) <sup>1234</sup>	<a href="http://www.bloombergindices.com/bloomberg-barclays-indices/">http://www.bloombergindices.com/bloomberg-barclays-indices/</a>
New Zealand Fixed Interest	Bloomberg NZBond Composite Index <sup>123</sup> Bloomberg NZBond Credit Index <sup>1234</sup> Bloomberg NZBond Bank Bill Index <sup>6</sup>	<a href="https://data.bloomberglp.com/professional/sites/10/AusBond-and-NZBond-Index-Methodology.pdf">https://data.bloomberglp.com/professional/sites/10/AusBond-and-NZBond-Index-Methodology.pdf</a>
Cash & Cash Equivalents	Bloomberg NZBond Bank Bill Index <sup>123456</sup>	<a href="https://data.bloomberglp.com/professional/sites/10/AusBond-and-NZBond-Index-Methodology.pdf">https://data.bloomberglp.com/professional/sites/10/AusBond-and-NZBond-Index-Methodology.pdf</a>

The footnotes indicate which funds use which of the above benchmarks provided the fund has a non-zero benchmark % for the asset class as outlined in Section 6:

<sup>1</sup> Defensive, Moderate, Balanced, Growth, Shielded Growth, High Growth funds

<sup>2</sup> Socially Responsible funds and Wealth Series funds

<sup>3</sup> Focus Series funds

<sup>4</sup> Income and Corporate Bond funds

<sup>5</sup> Enhanced Cash Portfolio. As the Enhanced Cash Fund is a single sector fund, a single benchmark index is used.

<sup>6</sup> Income Securities Portfolio



[investments@booster.co.nz](mailto:investments@booster.co.nz)

**0800 336 338**

Monday to Friday 8am – 8pm

If you're overseas, call +64 4 894 4300

**[booster.co.nz](http://booster.co.nz)**