

## Booster's Private Land & Property Portfolio adds dairy farmland

Booster is adding three Southland dairy farms to its Private Land and Property Portfolio (Wholesale Fund). Booster's Private Land and Property Fund (**NZX:PLP**) will benefit fully from this investment because the Wholesale Fund is the sole investment of PLP. These dairy farms will add further portfolio diversification, being the Wholesale Fund's first investments into farmland, and will also provide additional geographic diversification. The total purchase price of the 3 properties is \$32.7 million as determined by independent valuations.

The three dairy farms cover a total area of approximately 1,200 hectares in Southland, with two adjacent farms in the Mossburn area and the third on the coast in Pahia. Booster considers Southland to be an attractive area for dairy investment due to its relatively low entry price compared to other areas.

The Wholesale Fund has agreed to lease the properties to Canterbury Grasslands Limited, an established dairy farming business owned by dairy farmers including staff, and other investors, in conjunction with Booster's Tahi Limited Partnership (an investment fund also managed by a Booster Group company) which has a minority (11.9%) shareholding. Grasslands has a strong track record as an efficient operator focused on long term performance and partnerships.

Each of the properties has a separate but essentially identical lease with a 15-year term and one right of renewal for a further 5 years. The leases provide a yield to the purchase price of 4.5% with a market rent review every three years, and with a 2.0% increase in the lease payments in non-market rent review years.

Historic data suggests dairy land has increased in value by approximately 4.5% per annum over a 20-25 year period, although historic trends are no guarantee of future performance. Overall, the benefits of geographical and sector diversification, and partnering with a strong operator who will be an excellent steward of the land, lead management to believe the purchase of the properties will be additive to the fund.

As part of the internal processes applied where more than one Booster fund has an identifiable interest in the same transaction, the transaction is confirmed to have occurred on arms-length terms and in this case the purchase price and lease terms were supported by independent valuations and the commercial process and outcome was confirmed by an independent director.

The sale and purchase agreements are now unconditional and settlement is anticipated to occur on 22 August 2022. The purchase will be funded via existing cash held within the Private Land and Property Portfolio, newly subscribed units into the fund and funding from the new debt facility (in line with the fund's borrowing policy). With the draw down on the debt facility the Private Land and Property Portfolio will now have a gearing ratio of approximately 19%.

Following this transaction, PLP (through its investment in the Wholesale Fund) will have a property related asset exposure of over \$135 million, and net assets of over \$115 million after net debt.

Investors can continue to purchase units in PLP on the NZX or can subscribe for units in the fund as part of the process described in the fund's Product Disclosure Statement (PDS) that is available at [www.booster.co.nz](http://www.booster.co.nz)

For further information regarding PLP visit [www.booster.co.nz/booster-investments/private-land-and-property-fund](http://www.booster.co.nz/booster-investments/private-land-and-property-fund)

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#### About Booster

Booster Investment Management Limited (Booster) is the manager and issuer of the Fund, and part of the Booster Group which has been helping New Zealanders save since 1998. The group currently administers superannuation and investment funds of over \$5 billion on behalf of more than 170,000 New Zealanders.

For more information, including a copy of the Product Disclosure Statement, please visit [www.booster.co.nz](http://www.booster.co.nz)