

Booster Innovation Scheme

Annual Report 2022

 booster
Booster Innovation
Fund

This Annual Report 2022 has been
prepared for the year to 31 March 2022.

 booster

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1. Details of Scheme

Name of the scheme: Booster Innovation Scheme (**Scheme**)

Manager: Booster Investment Management Limited (**BIML or Manager**)

Supervisor: Public Trust

Product Disclosure Statement: The date and status of the latest Product Disclosure Statement for the Scheme is:

- Booster Innovation Scheme – Booster Innovation Fund, dated 23 February 2022 – open for applications

Financial Statements and Auditor's Report: The latest financial statements for the Scheme and its auditor report, covering the financial year ended 31 March 2022 were lodged on the scheme register and are available at www.disclose-register.companiesoffice.govt.nz or at www.booster.co.nz.

2. Description of the Scheme

Description of the Scheme: The Booster Innovation Fund (the 'Fund') was established to invest in a portfolio of early-stage companies founded on intellectual property originated or developed in New Zealand that are selected on the basis that they have the potential to become commercially successful globally. The Fund was also listed on the NZX Main Board, code BIF, on 2 March 2022.

Date on which the Scheme started: The Scheme was established on 22 October 2020. The Scheme was offered as a wholesale scheme with its first transaction being on 24 August 2021. The Scheme was registered as a managed investment scheme on 10 November 2021 and became available to investors on 18 November 2021.

The annual financial statements have been prepared for the year ended 31 March 2022, as the Scheme existed for the whole 12-month period.

This Annual Report has been prepared for the year ended 31 March 2022, which covers the period prior to the first transaction (up to 24 August 2021), the period when the Scheme was offered only as a wholesale scheme (24 August to 9 November 2021) and the period from which it was registered as a managed investment scheme (10 November 2021).

3. Information on composition of the Scheme

Units on issue

As noted above, the Scheme had no funds on offer at the start of the accounting period, and had one fund on offer at the end of the accounting period. The number of units on issue in the Fund at the start and at the end of the accounting period was:

Fund	Units on issue at 1 April¹ 2021	Units on issue at 31 March 2022
Booster Innovation Fund	0	6,097,365

¹The opening units as at 1 April are the closing units from the previous accounting period.

Substantial product holders

The Fund is listed on the NZX Main Board under NZX code BIF. Any unitholder that holds more than 5% of the units in the Fund are considered as substantial product holders.

A list of the substantial product holders and their respective unit holding in the Fund, as at the end of the year is as follows:

Substantial product holder	Unit holding	Percentage of holding
Asset Custodian Nominees Limited	2,433,015	39.90%
Booster KiwiSaver Scheme (through PT (Booster KiwiSaver) Nominees Limited)	2,622,300	43.01%
Booster SuperScheme (through PT (Booster Superannuation) Nominees Limited)	676,133	11.09%

4. Changes relating to the Scheme

As noted above, the Scheme's first transaction was on 24 August 2021, which resulted in the Fund taking an exposure in 11 investments via its interest in NZ Innovation Booster Limited Partnership. Over the accounting period, the Fund purchased a number of additional investments resulting in it holding a portfolio of 19 investments as at 31 March 2022.

Statement of Investment Policy and Objectives (SIPO)

No material changes were made to the SIPO of the Scheme's Fund during the accounting period.

A copy of the Scheme's most recent SIPO is available at www.booster.co.nz

Governing document

No changes were made to the Scheme's Trust Deed during the accounting period.

A copy of the Scheme's Trust Deed is available at www.booster.co.nz

Related party transactions

NZ Innovation Booster Limited Partnership

The Scheme's Fund owns units in the NZ Innovation Booster Limited Partnership (**NZIB**). NZIB is a partnership between Booster Financial Services Limited (the parent company of the Manager), Victoria Link Limited and Otago Innovation Limited. Due to Booster Financial Services Limited being a shareholder of the general partner and a limited partner of NZIB (and who had invested through NZIB in conjunction with a number of Booster managed funds prior to the Fund establishment), we consider NZIB to be a related party. All transactions between these related parties are performed on an arm's length basis (and for which no related party benefit is given).

Various Booster Funds invest in the Scheme

Units in the Scheme's Fund are held by Booster Financial Services Limited as well as a number of managed investment schemes that are also managed by BIML. All transactions have been performed on an arm's length basis of which a performance-based fee is payable in respect of these investors in the Fund, along with all other investors in this Fund. Further information about the performance-based fee is available in the Scheme's Product Disclosure Statement available at www.booster.co.nz.

There were no other changes to the nature or scale of any related party transactions during the accounting period and all related party transactions were on an arms' length basis.

Further information on the Fund and Related Party Benefits can be found in the Scheme's Product Disclosure Statement and Other Material Information document available at www.booster.co.nz.

Terms of the offer

The Scheme's Fund was opened to retail investors on 19 November 2021 and listed on the NZX Main Board on 2 March 2022.

A copy of the Scheme's current Product Disclosure Statement is available at www.booster.co.nz.

There were no material changes to the terms of the offer over the accounting period.

Valuation and pricing methodologies

No changes were made to the Scheme's Fund valuation and pricing methodologies during the accounting period that impact the net asset value of the Fund or the value of investor's interests.

5. Financial condition and performance of the Scheme

The below information is a summary of the financial information for the Scheme for the year ended 31 March 2022. The full financial statements are available at www.disclose-register.companiesoffice.govt.nz or at www.booster.co.nz.

The financial statements for the Fund are prepared under International Financial Reporting Standards, which differs to the approach applied for unit pricing purposes. There may be occasions where the financial statements are adjusted for information that becomes available post balance date relating to the year-end valuation in accordance with accounting standards. Unit pricing is adjusted on the date the new information is received.

Statement of Financial Performance of the Fund	For the year ended 31 March 2022 \$'000
Investment income	1,270
Fees and expenses	(25)
Net income before tax	1,245

Statement of Financial Position of the Fund	As at 31 March 2022 \$'000
Cash	124
Investments held at fair value	7,521
Other payables	(25)
Net Assets	7,620

Statement of Changes in net assets attributable to unitholders	For the year ended 31 March 2022 \$'000
Net assets at the beginning of the period	-
Proceeds for units issued	6,375
Net profit after tax	1,245
Net Assets attributable to unitholders	7,620

Statement of Cash Flows	For the year ended 31 March 2022 \$'000
Opening cash position	-
Net cash (outflows) from operating activities	(2,511)
Net cash inflows from financing activities	2,635
Cash at end of accounting period	124

The below table shows the breakdown on investments held at fair value. Fair value adjustments refer to unrealised gains/losses for holdings during the period assessed in accordance with valuation methodologies for the Scheme.

Investments held at fair value	For the year ended 31 March 2022 \$'000
Opening balance	-
Acquisitions	6,251
Distributions	568
Fair value adjustments	736
Foreign exchange translation	(34)
Investments at end of accounting period	7,521

6. Fees

Fees and expenses charged by the Fund through the unit price, but not including investor specific action fees, in respect of the Scheme for the accounting period are:

Fee Type and Rate²	Dollar Amount	Percentage of Scheme Property³
Fees and Expenses Charged by the Manager or associated persons		
Performance-based management fee	\$204,000	2.68%
Fees and Expenses Charged by other persons		
Capital raising expenses	nil	n/a
Other fund administration expenses	\$25,150	0.33%
Other fund administration expenses from underlying funds	\$20,963	0.28%

² The disclosed fees and expenses represent the amounts either disclosed or reflected in the financial statements of the Scheme's Fund over that period. This includes fee accrual estimates which are not yet payable (e.g. the performance-based management fee measurement period was extended through to 31 March 2023).

³ The percentage is calculated as the dollar amount divided by the closing value of the net assets of the Scheme's Fund.

Any new fees or changes to existing fees is subject to the Scheme Trust Deed. The Manager will consult and agree any fee change with the Supervisor and provide 1 month's notice of any increase in the fees or charges to all investors in the Fund.

7. Scheme property

As at 31 March 2022, the Fund held the following investments:

Company	Business Sector	Business Sub-Sector	Business Development Stage	% Share interest
Alimetry Limited ⁴	Life sciences and medical technologies	Screening and diagnostics – human health	Early stage	1.1%
Allegro Energy Pty Limited ⁴	Energy and clean technologies	Energy storage	Seed	2.2%
Amaroq Therapeutics Limited ⁴	Life sciences and medical technologies	Life sciences – human health	Seed	8.1%
Avalia Immunotherapies Limited ^{4,6}	Life sciences and medical technologies	Life sciences – human health	Seed	12.3%
BioLumic Inc	Materials and technologies	Agriculture technologies	Expansion	1.0%
Codify Asset Solutions (CAS) Limited ⁴	Information technology services	Building industry software	Early stage	2.4%
Chitogel Limited ⁴	Life sciences and medical technologies	Biotechnology – human health	Expansion	1.6%
Ferronova Pty Limited ⁴	Life sciences and medical technologies	Screening and diagnostics – human health	Expansion	4.1%
Inhibit Coatings Limited ⁴	Materials and technologies	Material coatings	Early stage	2.4%
InsituGen Limited ⁴	Life sciences and medical technologies	Screening and diagnostics – animal and human health	Early stage	18.1%
Jaipuna Limited (trading as Amy.app)	Information technology services	Education technologies	Early stage	1.4%
Ligar Limited Partnership ⁴	Materials and technologies	Biotechnology materials	Expansion	0.9%
Marama Labs Limited ⁴	Information technology services	Software and measurement hardware	Early stage	10.2%

Mekonos Inc ⁴	Life sciences and medical technologies	Life sciences – human health	Expansion	0.4%
Montoux Limited	Information technology services	Life and health insurances	Expansion	2.3%
PowerON Limited	Materials and technologies	Soft robotics	Early stage	5.6%
Sensor Holdings Limited (trading as StretchSense) ⁵	Information technology services	Augmented and virtual reality	Expansion	1.2%
Tasmanlon Limited ⁴	Energy and clean technologies	Energy storage	Seed	9.5%
Xframe Pty Limited ⁴	Materials and technologies	Construction materials	Early stage	7.2%

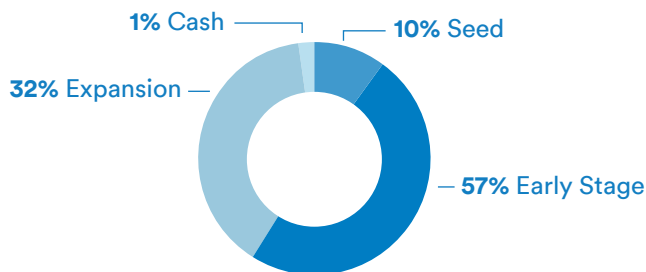
⁴ Investments are held indirectly via an interest in NZIB.

⁵ Investments are held via convertible note, percentage indicates estimated equity position on conversion.

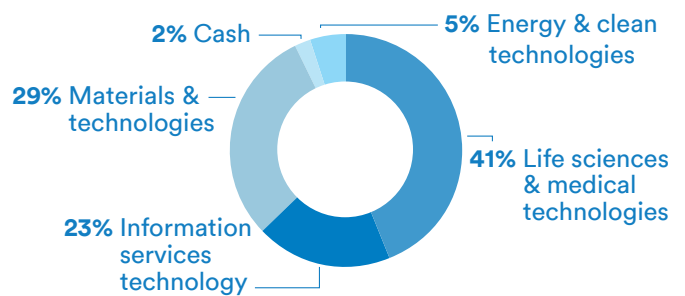
⁶ Part of this investment is in the form of a convertible note, with the option to convert to equity. The percentage share interest is the effective interest that would result on conversion of the convertible note.

No investments were held at 1 April 2021. The following charts provide an analysis of the composition of the investment portfolio as at 31 March 2022.

Fund value by business stage

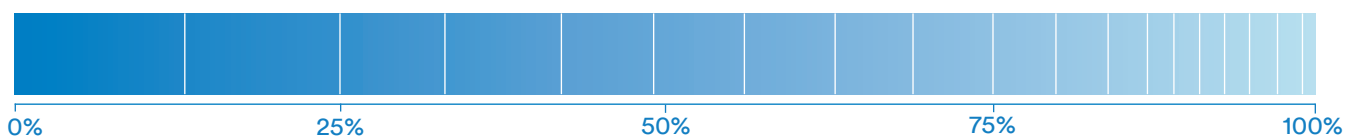


Fund value by sector



Fund value by individual holding

This chart shows the relative size of each of the 19 investments in which the Fund held an interest in as at 31 March 2022 (as a proportion of NAV). Commercial confidentiality obligations restrict the identification of each investment.



8. Changes to persons involved in the Scheme

The Manager

BIML is the manager, administration manager and investment manager of the Scheme. This did not change during the accounting period.

There were no changes to the key personnel and there were no changes to the directors of the Manager.

The Supervisor

Public Trust is the Supervisor of the Scheme and this did not change during the accounting period.

There were no changes to the board of the Supervisor.

Listed Securities Registrar

Link Market Services was appointed as the unit registrar to provide registry services on 2 March 2022.

Other Persons Involved

The Custodian (PT (Booster Investments) Nominees Limited) and the Auditor (Ernst and Young) did not change during the accounting period.

9. How to find further information

Information relating to the Scheme is available on the scheme register and information relating to the Fund is on the offer register at www.disclose-register.companiesoffice.govt.nz by searching 'Booster Innovation Scheme' for the scheme register and 'Booster Innovation Fund' for the offer register:

- The **offer register** includes the product disclosure statement, other material information and material contracts for the Scheme.
- The **scheme register** includes the trust deed, the SIPO, the financial statements and the annual reports for the Scheme.

To request this annual report and other information about the Scheme and your investment (free of charge):

write to Booster Investment Management Limited,
PO Box 11872, Manners Street, Wellington 6142

email investments@booster.co.nz

call **0800 40 40 50** from 8.00am to 5.00pm (Monday to Friday)

visit www.booster.co.nz

10. Contact details and complaints

If you have any queries or complaints about the Scheme, you can contact the Manager (in the first instance), or the Supervisor, at the contact details below:

Manager

Chief Operating Officer

Booster Investment Management Limited
Level 19, Aon Centre, 1 Willis Street
PO Box 11872, Manners St
Wellington 6142

Phone: **0800 336 338**

Email: clientservices@booster.co.nz

Supervisor

General Manager, Corporate Trustee Services

Public Trust
Level 8, Public Trust Building,
22-28 Willeston St,
Private Bag 5902
Wellington 6140

Phone: **0800 371 471**

Email: CTS.Enquiry@PublicTrust.co.nz

If you have any queries on your listed securities holdings, you can contact the Securities Registrar on the contact details below:

Securities Registrar

Link Market Services

Level 30, PwC Tower,
15 Customs Street West
PO Box 91976
Auckland 1142

Phone: **09 375 5998**

Email: enquiries@linkmarketservices.co.nz

If your complaint can't be resolved by the Manager, the Supervisor or the Securities Registrar, you can refer it to one of the following approved dispute resolution schemes. They won't charge you a fee to investigate or resolve your complaint.

Manager's Approved Dispute Resolution Scheme

Financial Dispute Resolution Service

Level 4, 142 Lambton Quay
Freepost 231075
PO Box 2272
Wellington 6140

Phone: **0508 337 337**

Email: enquiries@fdrs.org.nz

Website: www.fdrs.org.nz

Supervisor's Approved Dispute Resolution Scheme

Financial Services Complaints Limited

Level 4, 101 Lambton Quay
PO Box 5967
Wellington 6140

Phone: **0800 347 257**

Email: complaints@fscl.org.nz

Website: www.fscl.org.nz

Securities Registrar's Approved Dispute Resolution Scheme

Financial Services Complaints Limited

Level 4, 101 Lambton Quay
PO Box 5967
Wellington 6140

Phone: **0800 347 257**

Email: complaints@fscl.org.nz

Website: www.fscl.org.nz

Booster Investment Management Limited (BIML) is the issuer of the Booster Innovation Scheme. None of BIML, Public Trust, or any director, board member or nominee of any of those entities, or any other person guarantees the Scheme's performance, returns or repayment of capital. A copy of the Scheme's Product Disclosure Statement is available at www.booster.co.nz



We're here to help.

To find out more about Booster Innovation Scheme, talk to your financial adviser, visit our website or call us on **0800 40 40 50**.

booster.co.nz

Booster Investment Management Limited
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