

PLP – Quarterly Client Update – 31 December 2022

18 January 2023

Booster Investment Management Limited as Manager of the Fund (the Manager), has provided a copy of the Quarterly Client Update for the quarter ended 31 December 2022.

For further information regarding the Private Land and Property Fund visit www.booster.co.nz/booster-investments/private-land-and-property-fund

For more information, please contact:

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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.

PLP is a managed investment fund that invests in land and property-based investments by investing in units in Booster's Private Land and Property Portfolio. PLP only holds these units.

For more information, including a copy of the Product Disclosure Statement and latest net asset value per unit, please visit www.booster.co.nz

Private Land & Property Fund

Quarterly Client Update

Update as at and for the quarter ending 31 December 2022

Investment Performance

The Fund has continued to deliver steady returns for investors over the last quarter of 2022. This is a combination of continued cash income on the properties, and continued gradual recognition of capital gains on those properties where plantings are maturing towards full productive capability. The Fund aims to generate a 6.5% annualised return from these sources over a 7 year rolling period. Capital gains from general property market movements are not a primary objective but the Fund also benefited from several market valuation gains during the year.

During the quarter, we received an updated independent valuation of our investment in Waimea West Hops Limited. This resulted in an 8.6% increase of the value of the interest in Waimea West Hops and a 0.6% increase in the net asset value of PLPF which has been an added benefit to returns for the quarter.

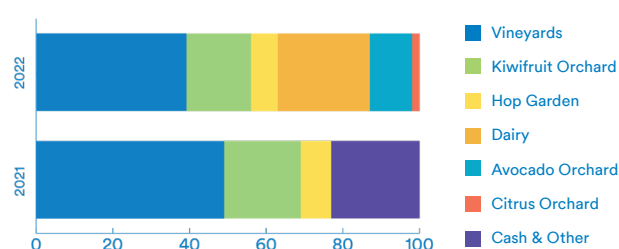
For 2022 as a whole, approximately 6% of the 13% total return for the Fund is from market valuation uplifts based on updated independent valuations, on top of the ongoing activity of the Fund. Approximately 7% results from the regular performance of the properties, consistent with the long-run objective. This was split relatively evenly between cash income and the gradual recognition of gains on properties where crops are maturing.

As parcels of land continue to approach full maturity it is expected the split of returns will begin to shift in favour of the income returns. In order to continue to supplement the fund's cash income, we will seek opportunities to invest further in properties where there is the opportunity to add value through enhancing productive capability.

2022 Fund review

Over \$50 million of capital was deployed across two new investments (avocados and dairy farms) in 2022. Both of these are leased properties with the orchards also having some parcels of land still to reach full maturity. Overall, this has been the primary driver of the increase in gross assets of the Wholesale Portfolio, from \$102.1 million at the end of 2021 to \$141.2 million at the end of 2022. The Wholesale Portfolio entered into a new borrowing facility with BNZ during the year to fund further growth and provide additional capital flexibility.

The new investments have added both geographic and crop diversity to the fund. With the addition of the dairy farms in Southland and the orchards in the Far North and Bay of Plenty the fund now has investments across the country. The increased crop diversity can be seen below, with a notable drop in exposure to vineyards for the fund. This added diversity helps to reduce the impact on the fund of significant fluctuations in any one market. We will continue to explore options to add further diversity to the fund as we look for new investments.



Modernising hops production

Waimea West Hops commissioned its new processing facilities in November. These new harvesting facilities consists of a large modern processing shed, kiln and a modern hop processor ready for the 2023 harvest. This replaces the significantly dated infrastructure which was 60+ years old.

These new facilities will significantly increase the processing capabilities and will also allow Waimea West to process hops for third parties in addition to its own adding the potential for additional revenue streams.



Waimea West Hops new processing facility.

Key Facts

Private Land and Property Fund (Fund)

Fund Size (net asset value)	\$125.2 million
Inception Date	07/01/2019
Manager	Booster Investment Management Ltd
Supervisor	Public Trust
Fund Type	Portfolio Investment Entity (PIE)

The Fund obtains its property exposure by investing into the Wholesale Portfolio alongside some cash held within the Fund.

Private Land and Property Portfolio (Wholesale Portfolio)

Fund Size (net asset value)	\$123.3 million
Inception Date	13/06/2017
Manager	Booster Investment Management Ltd
Supervisor	Public Trust
Fund Type	Portfolio Investment Entity (PIE)

Fund Performance as at 31 December 2022

The Fund has a minimum suggested investment timeframe of four years, and its performance aims are measured over a 7-year horizon. The return information below includes returns due to property market movements which vary over time, so the range of returns may be different over a longer period. However the fund aims to achieve a long-run return of 6.5% pa (before tax, after fees) from a combination of rental and crop income, and capital gain from improvements in property productive capacity. Past performance is not an indicator of future performance.

	Before Tax	After Tax at 28% PIR
Last 3 months	2.5%	2.3%
Last 6 months	4.5%	4.1%
Last 12 months	13.0%	12.3%
Last 2 years (p.a)*	14.6%	13.9%
Last 3 years (p.a)*	11.6%	10.8%
Last 5 years (p.a)*	11.4%	10.5%
Since inception 13/06/2017 (p.a)*	10.8%	9.8%

*All figures are after fees. Please see the Product Disclosure Statement for further details on fees. Returns prior to the inception of PLPF in January 2019 are based on the Wholesale Portfolio return.

The Private Land and Property Fund (Fund) is part of the Booster Investment Scheme 2 which is issued and managed by Booster Investment Management Limited. The Fund's Product Disclosure Statement is available at www.booster.co.nz, by contacting your financial adviser or by calling Booster on 0800 336 338.

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Investment Holdings

Wholesale Portfolio	\$	%
Total Assets (millions)		
Property Assets (location / region)		
Awatere Valley, Marlborough <i>Vineyard properties</i>	\$23.2	16.5
Hope, Nelson Region <i>Vineyard properties</i>	\$19.0	13.5
Hawke's Bay <i>Winery building</i>	\$3.0	2.1
Hawke's Bay <i>Vineyard property</i>	\$5.8	4.1
Mahana, Nelson region <i>Winery building & Vineyard property</i>	\$4.1	2.9
Kerikeri, Northland <i>Kiwifruit orchard property</i>	\$23.1	16.3
Waimea, Nelson region <i>Waimea West Hops Ltd</i>	\$9.8	6.9
Southland <i>Dairy farmland</i>	\$32.8	23.2
Bay of Plenty & the Far North <i>Avocado orchards</i>	\$18.3	13.0
Total property assets	\$139.1	
Other Assets		
Cash / Income	\$0.6	
Accrued expenses	\$1.5	
Total Assets	\$141.2	
Total Liabilities (millions)		
Liability		
Borrowings with BNZ	\$16.5	
Other liabilities (incl Property Operating Costs)	\$1.3	
Total liabilities	\$17.8	
Net asset value	\$123.3	
Gearing Ratio		11.7

The investment objective and strategy of the Wholesale Portfolio allows it to borrow to invest in more land and properties or to develop land and properties it already holds. Bank of New Zealand (BNZ) has provided a loan facility of up to 50% of the value of the secured properties for use by the Wholesale Portfolio to effect its gearing strategy which results in BNZ holding a security interest over most of the assets held by the Wholesale Portfolio. For further information on the Wholesale Portfolio, please refer to the Fund's PDS and Other Material Information document.

The gearing ratio shows the level of borrowing the Wholesale Portfolio has undertaken as a percentage of total assets.