

PLP – Quarterly Client Update – 30 September 2022

10 October 2022

Booster Investment Management Limited as Manager of the Fund (the Manager), has provided a copy of the Quarterly Client Update for the quarter ended 30 September 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 30 September 2022

Portfolio Performance

The Private Land and Property Fund has delivered a steady return for investors in the latest quarter. This has reflected income on the properties held and some ongoing, gradual recognition of capital gains from some parcels of land increasing in value as newer plantings mature towards full productive capacity.

The Fund aims to generate a 6.5% annualised return from these sources on average over 7-year periods. Recent performance has tracked in line with this objective, while overall returns since the start of the fund also include the benefit of market revaluation gains on the Marlborough vineyard land and Northland kiwifruit orchard in particular (albeit such market valuation changes are not a primary objective of the Fund).

As anticipated in last quarter's report, it has been an active few months for new investment. A combined \$50m has been invested across mainly avocado and dairy farming land from the far north to Southland. Held within the underlying wholesale Private Land and Property Portfolio (in which the Fund invests), these properties add diversification both across new crop types and geographically around New Zealand. As described more below, they also reflect our approach built around strong partnerships, with the properties leased to quality operators – in this case known to us through the activities of Booster's Tahi Fund. While partnering with good stewards of the land is important, the opportunity to lock in long-term lease income is also valuable in smoothing changes in production volumes and prices, as this supports regular cashflow and helps the Fund deliver income to investors.

Growing portfolio diversification

In July four properties were added across Northland, Bay of Plenty, and Gisborne. These are primarily avocado orchards, but also include plantings of citrus (lemons) and a small amount of green kiwifruit. The properties are largely all planted, with some further potential development on two of the sites which could total up to 8 canopy Ha of avocados. Across the three avocado orchards, the trees are of varying states of maturity, which means we expect the Fund to benefit from an increase in the value of those properties as the trees reach full maturity.

The properties have been leased to Darling Group Holdings Limited, a company majority owned by the Darling family and with Booster's Tahi Limited Partnership (an investment fund also managed by a Booster Group company) as a minority shareholder.



New automated packing system for Darling Group Avocados

Investing in the backbone of New Zealand

Around two thirds of the new investment made during the quarter is adding an allocation to dairy land, through the purchase of three farm properties for a combined purchase price of \$32.7m.

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. We consider Southland to be an attractive area for dairy investment due to its relatively low entry price compared to other areas.

Income on the properties comes from a long-term (15 year) lease to established dairy operator Canterbury Grasslands. Canterbury Grasslands has a strong track record as an efficient operator focused on long term performance and partnerships, which we have been able to observe through a minority ownership stake purchased by Booster's Tahi Fund earlier this year.

Key Facts

Private Land and Property Fund (PLPF)

Fund Size (net asset value)	\$119.4 million
Inception Date	07/01/2019
Manager	Booster Investment Management Ltd
Supervisor	Public Trust
Fund Type	Portfolio Investment Entity (PIE)

The Private Land and Property Fund obtains its property exposure by investing into the wholesale Private Land and Property Portfolio (PLPP) alongside some cash held within the Fund.

Private Land and Property Portfolio (PLPP)

Fund Size (net asset value)	\$118.3 million
Inception Date	13/06/2017
Manager	Booster Investment Management Ltd
Supervisor	Public Trust
Fund Type	Portfolio Investment Entity (PIE)

PLPF Performance as at 30 September 2022

PLPF has a minimum suggested investment timeframe of four years, and its performance aims are measured over a seven-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	2.0%	1.8%
Last 6 months	8.8%	8.4%
Last 12 months	11.8%	11.2%
Last 2 years (p.a)	13.9%	13.1%
Last 3 years (p.a)	11.3%	10.4%
Last 5 years (p.a)*	11.2%	10.2%
Since inception 13/06/2017 (p.a)*	10.8%	9.9%

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 underlying wholesale PLPP 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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PLPP Investment Holdings

Wholesale Portfolio	\$	%
Total Assets (millions)		
Property Assets (location / region)		
Awatere Valley, Marlborough <i>Vineyard properties</i>	23.1	16.6
Hope, Nelson Region <i>Vineyard properties</i>	19.0	13.7
Hawke's Bay <i>Winery building</i>	3.0	2.2
Hawke's Bay <i>Vineyard property</i>	5.8	4.2
Mahana, Nelson region <i>Winery building & Vineyard property</i>	4.1	2.9
Kerikeri, Northland <i>Kiwifruit orchard property</i>	22.8	16.5
Waimea, Nelson region <i>Waimea West Hops Ltd</i>	8.7	6.3
Southland <i>Dairy farmland</i>	32.8	23.6
Bay of Plenty & the Far North <i>Avocado orchards</i>	17.7	12.7
Total property assets	137.0	
Other Assets		
Cash / Income	0.7	
Accrued income	1.2	
Total Assets	138.9	
Total Liabilities (millions)		
Liability		
Borrowings with BNZ	19.5	
Other liabilities (incl accrued expenses)	1.0	
Total liabilities	20.5	
Net asset value	118.3	
Gearing Ratio		14.0

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 Private Land and Property Portfolio to effect its gearing strategy which results in BNZ holding a security interest over most of the assets held by the Private Land and Property 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.