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| **MEDIA STATEMENT****Booster responds to FMA’s commencement of civil proceedings****12 June 2024, Wellington:**Booster Investment Management Limited strongly disputes allegations made by the Financial Markets Authority (FMA) in civil proceedings relating to its Booster Tahi Fund that were announced today, and will defend its position vigorously. It denies any wrongdoing and stands by its robust investment practices which have delivered good returns for customers.The FMA’s allegations relate to Booster’s investment in certain wine businesses later amalgamated into Booster Wine Group (**BWG**).  This investment comprises less than 1.3% of its overall funds under management (FUM) as at 31 May 2024 being 0%-2.65% for KiwiSaver funds and 0%-3.83% for non-KiwiSaver funds.  Booster rejects the FMA’s underlying contention that investments into BWG were not in the best interest of Booster’s investors.  Booster stands behind its decision to invest in the wine sector via BWG.  Tahi’s wine investments have grown annual production capacity from 700,000 litres to 9 million litres and Tahi has received over $13m of distributions from these businesses.  The investments required to achieve this were entirely consistent with Booster’s strategy to grow a geographically diverse and scaled wine business.The Tahi Fund has performed, delivering positive performance for investors. The Tahi Fund was introduced in 2017 to provide Booster’s retail offerings (such as its KiwiSaver and Investment Funds) exposure to direct investment into Kiwi companies as part of a diversified investment strategy. As well as being a good strategy for Booster’s investors, direct investment into Kiwi companies has provided an important solution for New Zealand’s productivity challenge and is an area where our capital markets have been lacking. Importantly, the Tahi Fund has delivered on its original purpose to provide differentiated returns from listed shares over a medium to long term period.  Since inception of the Tahi Fund, its reported returns were 6.9% p.a. on average after fees and before tax to 31 May 2024.   By way of example, Booster’s Balanced KiwiSaver fund has reported 5.8% pa on average over the same period, with Tahi therefore providing a positive benefit to that fund.Booster takes a disciplined approach to its investment decisions which are subject to rigorous governance processes including Board oversight. Valuations of Tahi investments and published returns are independently audited. Booster expects that it will have the opportunity to explain these processes, which underpin the reported returns of the Tahi fund, as part of the proceedings.All investment decisions were made by experienced and qualified people with the best interests of Booster’s investors being the key consideration.Booster respects the role of the FMA which has an important role in safeguarding our financial markets. We have cooperated with the FMA throughout a lengthy investigation process and we welcome the opportunity that we are now being provided to constructively engage with the FMA’s supervision team to focus on what we do today and how we do things going forward.  We will also strongly defend the allegations in the proceedings.Booster looks forward to the opportunity ahead to demonstrate that it acts in its customers’ best interests. We stand by the good work we have done and we will continue to innovate for the benefit of our investors.New Zealand needs a strong and well-functioning financial markets sector. A well-functioningeco-system requires all participants to play their part – be it Government, officials, the regulator, and business. We support the role of the regulator in providing a regulatory framework that protects consumers while also encouraging innovation. We will work hard to ensure that this occurs.*Allan Yeo**Managing Director, Booster* |