

Booster KiwiSaver Scheme

Financial Statements 2020



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Statement of changes in net assets
 For the year ended 31 March 2020

Notes	High Growth		Balanced Growth		Balanced		Moderate		Enhanced Cash		Geared Growth	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Income												
Interest income	419	418	410	416	1,008	1,464	605	839	419	436	7	9
Dividend and distribution income	1,083	-	1,084	-	1,284	-	329	-	-	-	108	-
Other income	261	204	245	193	344	280	108	88	7	6	45	21
Net gains / (losses) on financial instruments at fair value through profit or loss	(9,874)	25,860	(4,643)	24,838	549	35,107	2,752	9,868	6	(4)	(7,657)	3,116
Total income	(8,111)	26,482	(2,904)	25,447	3,185	36,851	3,794	10,795	432	438	(7,497)	3,146
Expenses												
Management fees 6	4,635	3,773	3,958	3,229	5,932	5,157	1,886	1,593	159	130	792	301
Interest Expense	-	-	-	-	-	-	-	-	-	-	616	-
Other expenses	-	-	-	-	-	-	-	-	-	-	188	378
Total expenses	4,635	3,773	3,958	3,229	5,932	5,157	1,886	1,593	159	130	1,596	679
Profit / (losses) and total comprehensive income for the year	(12,746)	22,709	(6,862)	22,218	(2,747)	31,694	1,908	9,202	273	308	(9,093)	2,467
Net assets available for benefits at the beginning of the year	329,170	198,211	289,469	239,335	468,624	413,179	158,286	140,708	17,031	15,427	35,311	14,728
Changes in net assets:												
Profit / (losses) and total comprehensive income for the year	(12,746)	22,709	(6,862)	22,218	(2,747)	31,694	1,908	9,202	273	308	(9,093)	2,467
Contributions from Members 4	66,157	137,636	65,803	54,026	84,720	73,217	49,253	30,527	26,128	4,389	52,769	20,122
Withdrawals by Members 4	(42,569)	(27,329)	(36,260)	(24,335)	(62,984)	(46,214)	(31,391)	(21,069)	(7,231)	(3,030)	(7,943)	(1,852)
Members net PIE tax withdrawals	(1,785)	(2,057)	(1,609)	(1,775)	(2,651)	(3,252)	(875)	(1,082)	(58)	(63)	(305)	(154)
Net assets available for benefits at the end of the year	338,227	329,170	310,541	289,469	484,962	468,624	177,181	158,286	36,143	17,031	70,739	35,311

These financial statements should be read in conjunction with the accompanying notes.

Statement of changes in net assets
 For the year ended 31 March 2020

(continued)

Notes	SRI High Growth		SRI Balanced		SRI Moderate		Trans-Tasman		International Share		Default Saver		Capital Guaranteed		
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	
Income															
Interest income	78	67	115	132	-	-	1	3	2	5	610	617	1,114	1,245	
Dividend and distribution income	53	22	306	207	-	-	-	-	-	-	811	582	-	-	
Other income	32	18	52	30	-	-	3	3	6	5	115	85	21	19	
Net gains / (losses) on financial instruments at fair value through profit or loss	56	4,134	497	3,001	2	-	(684)	1,071	(226)	971	579	2,214	(123)	354	
Total income	219	4,241	970	3,370	2	-	(680)	1,077	(218)	981	2,115	3,498	1,012	1,618	
Expenses															
Management fees	6	821	497	703	460	-	-	105	84	195	164	318	234	501	451
Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses	821	497	703	460	-	-	105	84	195	164	318	234	501	451	
Profit / (losses) and total comprehensive income for the year	(602)	3,744	267	2,910	2	-	(785)	993	(413)	817	1,797	3,264	511	1,167	
Net assets available for benefits at the beginning of the year	51,182	35,423	45,258	33,434	-	-	7,805	7,022	13,344	11,176	71,784	51,515	52,660	47,403	
Changes in net assets:															
Profit / (losses) and total comprehensive income for the year	(602)	3,744	267	2,910	2	-	(785)	993	(413)	817	1,797	3,264	511	1,167	
Contributions from Members	4	36,256	15,761	33,276	13,348	280	-	2,269	1,067	3,225	2,483	40,060	32,428	21,250	12,363
Withdrawals by Members	4	(7,037)	(3,569)	(8,514)	(4,215)	-	-	(1,174)	(1,259)	(2,253)	(1,034)	(21,877)	(14,806)	(11,993)	(8,077)
Members net PIE tax withdrawals	-	(224)	(177)	(228)	(219)	-	-	(5)	(18)	(111)	(98)	(416)	(617)	(209)	(196)
Net assets available for benefits at the end of the year	79,575	51,182	70,059	45,258	282	-	8,110	7,805	13,792	13,344	91,348	71,784	62,219	52,660	

These financial statements should be read in conjunction with the accompanying notes.

Statement of changes in net assets
 For the year ended 31 March 2020

(continued)

Notes	Options		Shielded Growth		Asset Class Growth		Asset Class Balanced		Asset Class Conservative		Switches		TOTAL SCHEME	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Income														
Interest income	-	98	-	-	10	13	4	4	5	6	-	-	4,807	5,772
Dividend and distribution income	-	-	-	-	1,681	1,101	599	129	1,058	230	-	-	8,396	2,271
Other income	-	-	51	19	332	272	60	33	72	61	-	-	1,754	1,337
Net gains / (losses) on financial instruments at fair value through profit or loss	-	597	(123)	4	(10,624)	1,995	(1,773)	338	(1,632)	623	-	-	(32,918)	114,087
Total income	-	695	(72)	23	(8,601)	3,381	(1,110)	504	(497)	920	-	-	(17,961)	123,467
Expenses														
Management fees	6	104	22	8	975	803	186	105	242	207	-	-	21,430	17,300
Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-	616	-
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-	188	378
Total expenses	-	104	22	8	975	803	186	105	242	207	-	-	22,234	17,678
Profit / (losses) and total comprehensive income for the year	-	591	(94)	15	(9,576)	2,578	(1,296)	399	(739)	713	-	-	(40,195)	105,789
Net assets available for benefits at the beginning of the year	-	90,823	962	-	67,640	55,714	12,219	4,637	19,403	16,941	-	-	1,640,147	1,375,675
Changes in net assets:														
Profit / (losses) and total comprehensive income for the year	-	591	(94)	15	(9,576)	2,578	(1,296)	399	(739)	713	-	-	(40,195)	105,789
Contributions from Members	4	406	2,048	1,326	14,907	14,660	5,808	8,000	6,742	4,890	(99,950)	(127,361)	411,001	299,288
Withdrawals by Members	4	(91,809)	(617)	(375)	(7,016)	(4,813)	(1,460)	(737)	(4,043)	(3,022)	99,950	127,361	(154,412)	(130,184)
Members net PIE tax withdrawals	-	(11)	(22)	(4)	(562)	(499)	(89)	(80)	(89)	(119)	-	-	(9,238)	(10,421)
Net assets available for benefits at the end of the year	-	-	2,277	962	65,393	67,640	15,182	12,219	21,274	19,403	-	-	1,847,303	1,640,147

These financial statements should be read in conjunction with the accompanying notes.

Statement of net assets
 As at 31 March 2020

	Notes	High Growth		Balanced Growth		Balanced		Moderate		Enhanced Cash		Geared Growth	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets													
Cash and cash equivalents	3	14,323	17,725	17,594	19,088	43,300	45,315	25,616	30,213	36,177	17,065	1,628	416
Receivables		5,831	59	3,819	59	4,559	127	1,561	75	45	38	5	2
Financial assets at fair value through profit or loss	5	320,219	313,864	291,064	272,433	440,261	426,950	151,026	129,242	-	-	91,111	43,121
Total assets		340,373	331,648	312,477	291,580	488,120	472,392	178,203	159,530	36,222	17,103	92,744	43,539
Liabilities													
Loan	6	-	-	-	-	-	-	-	-	-	-	21,500	8,000
Payables		391	444	354	358	564	554	176	182	23	11	202	74
Member attributed tax payable		1,755	2,034	1,582	1,753	2,594	3,214	846	1,062	56	61	303	154
Financial liabilities at fair value through profit or loss	5	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities (excluding net assets attributable to Members)		2,146	2,478	1,936	2,111	3,158	3,768	1,022	1,244	79	72	22,005	8,228
Net assets attributable to Members		338,227	329,170	310,541	289,469	484,962	468,624	177,181	158,286	36,143	17,031	70,739	35,311

These financial statements should be read in conjunction with the accompanying notes.

Statement of net assets
 As at 31 March 2020

(continued)

	Notes	SRI High Growth		SRI Balanced		SRI Moderate		Trans-Tasman		International Share		Default Saver		Capital Guaranteed	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets															
Cash and cash equivalents	3	4,300	3,242	6,453	4,686	41	-	142	124	130	143	29,849	24,638	62,381	48,290
Receivables		9	7	697	13	-	-	-	-	-	-	550	62	88	110
Financial assets at fair value through profit or loss	5	75,565	48,158	63,202	40,823	240	-	7,982	7,706	13,786	13,313	61,414	47,833	-	4,491
Total assets		79,874	51,407	70,352	45,522	281	-	8,124	7,830	13,916	13,456	91,813	72,533	62,469	52,891
Liabilities															
Loan	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payables		76	46	69	44	(1)	-	8	7	14	15	73	105	49	40
Member attributed tax payable		223	179	224	220	-	-	6	18	110	97	392	603	201	191
Financial liabilities at fair value through profit or loss	5	-	-	-	-	-	-	-	-	-	-	-	41	-	-
Total liabilities (excluding net assets attributable to Members)		299	225	293	264	(1)	-	14	25	124	112	465	749	250	231
Net assets attributable to Members		79,575	51,182	70,059	45,258	282	-	8,110	7,805	13,792	13,344	91,348	71,784	62,219	52,660

These financial statements should be read in conjunction with the accompanying notes.


Statement of net assets
 As at 31 March 2020

(continued)

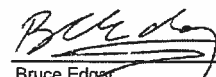
	Notes	Options		Shielded Growth		Asset Class Growth		Asset Class Balanced		Asset Class Conservative		Scheme Application		TOTAL SCHEME	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets															
Cash and cash equivalents	3	-	-	35	8	418	880	195	432	147	506	2,084	1,430	244,812	214,201
Receivables		-	-	6	2	160	175	26	21	21	20	-	-	17,377	770
Financial assets at fair value through profit or loss	5	-	-	2,261	957	65,439	67,155	15,066	11,858	21,211	19,013	-	-	1,619,847	1,446,917
Total assets		-	-	2,302	967	66,017	68,210	15,287	12,311	21,379	19,539	2,084	1,430	1,882,036	1,661,888
Liabilities															
Loan	6	-	-	-	-	-	-	-	-	-	-	-	-	21,500	8,000
Payables		-	-	3	1	72	77	16	12	19	18	2,084	1,430	4,192	3,418
Member attributed tax payable		-	-	22	4	552	493	89	80	86	118	-	-	9,041	10,281
Financial liabilities at fair value through profit or loss	5	-	-	-	-	-	-	-	-	-	-	-	-	-	41
Total liabilities (excluding net assets attributable to Members)		-	-	25	5	624	570	105	92	105	136	2,084	1,430	34,733	21,740
Net assets attributable to Members		-	-	2,277	962	65,393	67,640	15,182	12,219	21,274	19,403	-	-	1,847,303	1,640,148

These financial statements should be read in conjunction with the accompanying notes.

For and on behalf of Booster Investment Management Limited who authorised the issue of these financial statements as at the date below:



John Selby
 Director and Chair of the Board
 17 June 2020



Bruce Edgar
 Director and Chair of the Audit, Risk and Compliance Committee
 17 June 2020

Statement of cash flows
 For the year ended 31 March 2020

	Notes	High Growth		Balanced Growth		Balanced		Moderate		Enhanced Cash		Geared Growth	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Cash flows from operating activities													
Interest received		418	413	412	416	1,009	1,465	605	839	419	435	9	9
Dividends and distributions received		1,083	-	1,084	-	1,284	-	329	-	-	-	81	-
Other Income received		260	192	243	183	342	268	107	85	7	6	43	19
Sale of financial instruments at fair value through profit or loss		43,610	80,117	37,082	71,885	40,173	82,992	17,457	26,875	-	1,000	11,477	7,773
Purchase of financial instruments at fair value through profit or loss		(65,611)	(180,853)	(64,116)	(96,739)	(57,367)	(117,350)	(37,974)	(33,108)	-	-	(67,124)	(28,238)
Interest paid		-	-	-	-	-	-	-	-	-	-	(616)	(299)
Management, administration and other expenses paid		(4,613)	(3,638)	(3,926)	(3,182)	(5,902)	(5,107)	(1,866)	(1,578)	(151)	(129)	(856)	(343)
Net cash (outflow)/inflow from operating activities	8	(24,853)	(103,769)	(29,221)	(27,437)	(20,461)	(37,732)	(21,342)	(6,887)	275	1,312	(56,986)	(21,079)
Cash flows from financing activities													
Proceeds from contributions		66,157	137,636	65,803	54,026	84,720	73,217	49,253	30,527	26,128	4,389	52,769	20,122
Payments for withdrawals		(42,643)	(27,268)	(36,296)	(24,377)	(63,003)	(46,338)	(31,417)	(21,101)	(7,228)	(3,030)	(7,915)	(1,867)
Increase in borrowings	6	-	-	-	-	-	-	-	-	-	-	13,500	2,900
Net (decrease)/increase in pending contributions		-	-	-	-	-	-	-	-	-	-	-	-
PIE tax received/(paid) on behalf of members		(2,063)	(829)	(1,780)	(730)	(3,271)	(953)	(1,091)	(258)	(63)	(65)	(156)	(45)
Net cash inflow/(outflow) from financing activities		21,451	109,539	27,727	28,919	18,446	25,926	16,745	9,168	18,837	1,294	58,198	21,110
Net increase/(decrease) in cash and cash equivalents		(3,402)	5,770	(1,494)	1,482	(2,015)	(11,806)	(4,597)	2,281	19,112	2,606	1,212	31
Cash and cash equivalents at the beginning of the year		17,725	11,955	19,088	17,606	45,315	57,121	30,213	27,932	17,065	14,459	416	385
Cash and cash equivalents at the end of the year	3	14,323	17,725	17,594	19,088	43,300	45,315	25,616	30,213	36,177	17,065	1,628	416

These financial statements should be read in conjunction with the accompanying notes.

Statement of cash flows
For the year ended 31 March 2020

(continued)

Notes	SRI High Growth		SRI Balanced		SRI Moderate		Trans-Tasman		International Share		Default Saver		Capital Guaranteed	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Cash flows from operating activities														
	77	65	114	132	(1)	-	3	3	3	5	610	619	1,113	1,245
	-	3	1	26	-	-	-	-	-	-	188	200	-	-
	31	17	50	29	-	-	3	3	5	4	112	84	21	18
	6,575	3,345	3,281	7,710	-	-	360	477	712	3,332	2,788	13,605	15,993	3,545
	(33,873)	(14,112)	(25,540)	(16,575)	(238)	-	(1,321)	(294)	(1,412)	(4,729)	(15,694)	(26,999)	(11,603)	(2,635)
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(791)	(483)	(677)	(449)	-	-	(104)	(84)	(195)	(161)	(311)	(228)	(496)	(447)
Net cash (outflow)/inflow from operating activities	(27,981)	(11,165)	(22,771)	(9,127)	(239)	-	(1,059)	105	(887)	(1,549)	(12,307)	(12,719)	5,028	1,726
Cash flows from financing activities														
	36,256	15,761	33,276	13,348	-	-	2,269	1,067	3,225	2,483	40,060	32,428	21,250	12,363
	(7,037)	(3,569)	(8,515)	(4,218)	280	-	(1,174)	(1,275)	(2,253)	(1,055)	(21,914)	(14,763)	(11,989)	(8,082)
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(180)	(171)	(223)	(80)	-	-	(18)	(7)	(98)	(70)	(628)	(226)	(198)	(152)
Net cash inflow/(outflow) from financing activities	29,039	12,021	24,538	9,050	280	-	1,077	(215)	874	1,358	17,518	17,439	9,063	4,129
Net increase/(decrease) in cash and cash equivalents	1,058	856	1,767	(77)	41	-	18	(110)	(13)	(191)	5,211	4,720	14,091	5,855
Cash and cash equivalents at the beginning of the year	3,242	2,386	4,686	4,763	-	-	124	234	143	334	24,638	19,918	48,290	42,435
Cash and cash equivalents at the end of the year	4,300	3,242	6,453	4,686	41	-	142	124	130	143	29,849	24,638	62,381	48,290

These financial statements should be read in conjunction with the accompanying notes.

Statement of cash flows
 For the year ended 31 March 2020

(continued)

Notes	Options		Shielded Growth		Asset Class Growth		Asset Class Balanced		Asset Class Conservative		Switches / Scheme Application		TOTAL SCHEME		
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	
Cash flows from operating activities															
	-	101	-	-	9	13	4	3	4	6	-	-	4,808	5,769	
	-	-	-	-	1,696	1,085	596	119	1,057	229	-	-	7,399	1,662	
	-	-	48	17	332	268	59	31	71	60	-	-	1,734	1,284	
	-	63,511	568	339	24,652	-	4,066	-	3,183	-	-	-	211,977	366,506	
	-	-	(1,996)	(1,292)	(33,561)	(9,888)	(9,047)	(7,006)	(7,013)	(1,721)	-	-	(433,490)	(541,539)	
	-	-	-	-	-	-	-	-	-	-	-	-	(616)	(299)	
	-	(196)	(20)	(7)	(974)	(791)	(183)	(97)	(240)	(205)	-	-	(21,305)	(17,125)	
Net cash (outflow)/inflow from operating activities	8	-	63,416	(1,400)	(943)	(7,846)	(9,313)	(4,505)	(6,950)	(2,938)	(1,631)	-	(229,493)	(183,742)	
Cash flows from financing activities															
	-	406	2,048	1,326	14,907	14,660	5,808	8,000	6,742	4,890	(99,950)	(127,361)	410,721	299,288	
	-	(91,831)	(617)	(375)	(7,020)	(4,814)	(1,460)	(737)	(4,043)	(3,022)	99,950	127,361	(154,294)	(130,361)	
	6	-	-	-	-	-	-	-	-	-	-	-	13,500	2,900	
	-	-	-	-	-	-	-	-	-	-	654	(276)	654	(276)	
	-	(1,148)	(4)	-	(503)	(350)	(80)	(5)	(120)	(84)	-	-	(10,476)	(5,173)	
Net cash inflow/(outflow) from financing activities		-	(92,573)	1,427	951	7,384	9,496	4,268	7,258	2,579	1,784	654	(276)	260,105	166,378
Net increase/(decrease) in cash and cash equivalents		-	(29,157)	27	8	(462)	183	(237)	308	(359)	153	654	(276)	30,612	(17,364)
Cash and cash equivalents at the beginning of the year		-	29,157	8	-	880	697	432	124	506	353	1,430	1,706	214,201	231,565
Cash and cash equivalents at the end of the year	3	-	-	35	8	418	880	195	432	147	506	2,084	1,430	244,813	214,201

These financial statements should be read in conjunction with the accompanying notes.

Notes to the financial statements
For the year ended 31 March 2020

1 General information

These financial statements are for the Booster KiwiSaver Scheme (the Scheme) for the year ended 31 March 2020 (the reporting date), with comparatives presented for the year ended 31 March 2019.

The Scheme is established and domiciled in New Zealand and is an FMC Reporting Entity under the Financial Markets Conduct Act 2013. The main purpose of the Scheme is to provide retirement benefits to members. The Scheme was established under a Trust Deed dated 31 October 2006 as a registered superannuation scheme and subsequently converted to a KiwiSaver Scheme on 21 June 2007. The Scheme is currently governed by an amended and consolidated Trust Deed dated 19 September 2016 (as amended and restated).

The Manager of the Scheme is Booster Investment Management Limited (the Manager) and the Supervisor is Public Trust (the Supervisor).

These financial statements were adopted and authorised for issue by the Directors of the Manager, Booster Investment Management Limited on 17 June 2020.

The Scheme is comprised of various Investment Funds (Fund or Funds) as at reporting date.

The Funds as at 31 March 2020 and 31 March 2019 were as follows:

High Growth Fund	Enhanced Cash Fund ⁴	Trans-Tasman Share Fund	Options Fund ²
Balanced Growth Fund	Geared Growth Fund	International Share Fund	Asset Class Growth Fund
Balanced Fund	Socially Responsible Investment (SRI) High Growth Fund ⁵	Default Saver Fund	Asset Class Balanced Fund
Moderate Fund	Socially Responsible Investment (SRI) Balanced Fund	Capital Guaranteed Fund	Asset Class Conservative Fund
	Socially Responsible Investment (SRI) Moderate Fund ³		Shielded Growth Fund ¹

¹ The Shielded Growth Fund was established on 7 May 2018. The 2019 comparative figures for this fund are prepared for 10 months and 23 days.

² On 14 March 2018 the Manager resolved to close and wind up the Options Fund and commenced selling financial assets held in this fund. The Fund's Financials have been included for comparative purposes.

³ On 23 March 2020 the Manager launched the Socially Responsible Investment (SRI) Moderate Fund.

⁴ On 23 March 2020 the Enhanced Income Fund was renamed the Enhanced Cash Fund.

⁵ On 23 March 2020 the Socially Responsible Investment (SRI) Growth Fund was renamed the Socially Responsible Investment (SRI) High Growth Fund.

Included as part of the Scheme is the Scheme or Application account. This is a clearing account for all Scheme application and withdrawal monies. Monies held in this account are either waiting unitisation and transfer into a Fund (once all necessary contribution and member information has been received by the Scheme), or have been de-unitised and are waiting transfer to a Member or to a Member's nominated KiwiSaver scheme.

The Manager was appointed as a KiwiSaver Default Provider for a seven year term from 1 July 2014. From that date the Scheme is one of nine default KiwiSaver schemes that accepts persons allocated by Inland Revenue as default members. Default members are invested in the Scheme's default investment Fund, the Default Saver Fund, a Fund that was established and available to all Scheme Members from 1 July 2014.

The principal accounting policies applied in the preparation of these financial statements are set out below.

2 Summary of significant accounting policies

(a) Basis of preparation

The financial statements of the Funds and the Scheme have been prepared in accordance with the Trust Deed governing the Scheme, the KiwiSaver Act 2006, section 7 of the Financial Markets Conduct Act 2013 and Generally Accepted Accounting Practice in New Zealand (NZ GAAP). For the purpose of complying with NZ GAAP, the Scheme is a for-profit entity. They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) issued by the New Zealand Accounting Standards Board and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board, and other applicable financial reporting standards as appropriate for profit oriented entities. The financial statements of the Scheme have been prepared in accordance with Tier 1 for profit reporting requirements outlined in the External Reporting Board's Accounting Standards Framework (XRB-A1) and they have been prepared on the assumption that the Scheme operates on a going concern basis except the Options Portfolio which was wound up on 7 May 2018 and is presented on a liquidation basis.

The statement of net assets is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current.

Notes to the financial statements
For the year ended 31 March 2020

2 Summary of significant accounting policies (continued)

(b) Basis of measurement

The financial statements have been prepared on an accrual basis and at historical cost, except for investments in financial assets or financial liabilities at fair value through profit or loss, which have been measured at fair value.

All values are rounded to the nearest thousand dollars (\$'000), except where otherwise indicated.

(c) Income

Income is recognised to the extent that it is probable that economic benefits will flow to the Funds and the income can be readily measured.

Interest Income is recognised using the effective interest rate method, and includes income earned on cash equivalents.

Dividend and distribution income is recognised when the right to receive the payment is established.

Net realised and unrealised gains or losses on financial instruments at fair value through profit or loss are calculated as the difference between the fair value at sale or redemption, or at reporting date, and the fair value recorded at the date of the last valuation. This difference includes both realised and unrealised gains and losses, but does not include interest or dividend revenue.

(d) Financial instruments at fair value through profit or loss

Financial assets and financial liabilities at fair value through profit or loss are initially measured at fair value. Subsequent to initial recognition, all financial instruments at fair value through profit or loss are measured at fair value with changes in their fair value recognised in profit or loss within the statement of changes in net assets, resulting in transaction costs being reflected in the movement in fair value for the period. For financial assets and financial liabilities that are actively traded in organised financial markets, fair value is determined by reference to exchange quoted market bid prices at the close of business on the reporting date. Financial assets and financial liabilities in unlisted managed investment funds are recorded at the redemption value per unit as reported by the Managers of such funds.

(e) Forward foreign exchange contracts

The Scheme and Funds may utilise forward foreign exchange contracts (either directly or indirectly) as part of their foreign currency hedging strategy. See Note 7(b(i)) for more details on the hedging strategy and the direct residual foreign currency exposure of the Funds and Scheme. Subsequent to initial recognition, all forward foreign exchange contracts are revalued to market value on a daily basis. Changes to the market value are recognised through profit or loss in the statement of changes in net assets.

(f) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held on call with financial institutions, other short term, highly liquid investments with maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in the statement of net assets. Payments and receipts relating to the purchase and sale of financial instruments are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Scheme and Fund's main income generating activity.

(g) Receivables

Receivables may include amounts for unsettled dividends, interest and distributions. Dividend and distributions are accrued on ex date. Interest is accrued at each reporting date from the time of last payment or from purchase date. Receivables are recognised initially at fair value plus any directly attributable transaction costs and subsequently at amortised cost using the effective interest rate method less any allowance for credit losses.

An allowance for doubtful debts is made when collection of an amount is no longer probable and credit risk has increased since initial recognition.

If, at the reporting date, the credit risk has not increased significantly the Scheme and the Funds shall measure the loss allowance at an amount equal to the 12 month expected credit losses. If credit risk has increased significantly, the loss allowance is measured at the lifetime expected credit loss. If the credit risk of an individual financial asset increases to the point that it is considered credit impaired, interest is calculated on the carrying amount net of the loss allowance. Amounts are generally received within 90 days of being recorded as receivable.

Any impairment is recognised in the Statement of changes in net assets as an expense.

Notes to the financial statements
For the year ended 31 March 2020

2 Summary of significant accounting policies (continued)

(h) Payables

Payables includes liabilities, loans payable and accrued expenses owing by the Scheme and Funds which are unpaid at the reporting date. Purchases of financial assets are recorded on trade date, and normally settled within three business days. Purchases of financial assets that are unsettled at reporting date are included in payables. Payables and loans payable are initially recognised at fair value less any directly attributable transaction costs and subsequently measured at amortised cost.

(i) Taxation

Portfolio Investment Entity (PIE) Tax

The Scheme has elected to be a PIE under the Income Tax Act 2007. Under the PIE regime income is effectively taxed in the hands of the Members and therefore the Scheme has no tax expense or deferred tax assets or deferred tax liabilities. The Scheme, as a PIE, pays no income tax on the taxable income of the Scheme and Funds and all taxable income and tax credits are attributed to Members in proportion to the units they hold on the days when taxable income and credits arise. The Scheme deducts tax from each Member's allocation using each Members' Notified Prescribed Investor Rate, or if a rate has not been notified, at the default Prescribed Investor Rate (PIR) of 28% (2019: 28%).

Goods and Services Tax (GST)

The Scheme is not registered for GST. The financial statements are stated as inclusive of GST where applicable.

(j) Member funds

Units issued by the Funds provide the members with the right to require redemption for cash at the value proportionate to the member's share in each Fund's net asset value (provided they meet the eligibility requirements under the KiwiSaver Act 2006 or any other enactment).

(k) Currency

Functional and presentation currency

The Scheme's Members are primarily located within New Zealand, with all transactions with Members and the Scheme and Funds denominated in New Zealand Dollars ('NZD'). The NZD is considered as the currency that most faithfully represents the activities of the Scheme and Funds. The financial statements are presented in NZD which is the Scheme and Fund's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at reporting date exchange rates, of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss within the statement of changes in net assets. Assets and liabilities denominated in foreign currency are translated to NZD at the exchange rate prevailing at reporting date.

The Scheme and Funds do not isolate that portion of gains or losses on securities and derivative financial instruments that are measured at fair value through profit or loss and which is due to changes in foreign exchange rates from that which is due to changes in the market price of securities. Such fluctuations are included with the net gains and losses on financial instruments at fair value through profit or loss.

(l) Member Activity

Subject to the terms of the Trust Deed and applicable legislation, units held in the Funds of the Scheme are redeemable at the Member's option, meet the definition of a puttable instrument, and are therefore classified as equity. The units are redeemable for cash based on their redemption price. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the reporting date if Members exercised their right to redeem units in the Funds.

(m) Vested benefits

Amounts available for benefits is the Scheme's present obligation to pay benefits to Members and has been calculated as the difference between the carrying value of the assets and the carrying value of the liabilities in the Funds at year end. These benefits have been fully vested to members. Vested benefits are the rights to which, under conditions of the Scheme, are not conditional or continued membership. No guarantees have been made in respect to the liability of promised benefits, with the exception of the Capital Guaranteed Fund. Refer to note 6 for further details.

Notes to the financial statements
For the year ended 31 March 2020

2 Summary of significant accounting policies (continued)

(n) Contributions and withdrawals

Subject to the terms of the Trust Deed and applicable legislation, contributions and withdrawals are recognised when the Manager has confirmed the validity of a Member's application or withdrawal request.

(o) Investment entities

The Funds meet the definition of an investment entity.

The Manager determined that the Funds meet the definition of an investment entity by considering the number of members in the Funds, the Funds business purpose which is to generate a return to Members from capital appreciation and that substantially all of the funds financial assets are measured and evaluated on a fair value basis.

(p) Use of estimates and judgements

The preparation of financial statements necessarily requires estimation and judgements. The resulting accounting estimates will, by definition, seldom equal the related actual results. The most significant judgement made in the preparation of these financial statements relates to the reliance on the underlying Fund Manager's valuation of financial assets and liabilities at fair value through profit or loss which is detailed in note 5.

(q) Standards, amendments and interpretations to existing standards

Several amendments and interpretations apply for the first time in 2020, but do not have an impact on the financial statements of the Funds and Scheme. The Funds and Scheme have not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Notes to the financial statements
For the year ended 31 March 2020

3 Cash and cash equivalents

	High Growth		Balanced Growth		Balanced		Moderate		Enhanced Cash		Geared Growth	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Cash at Bank	2,294	1,003	2,059	1,044	3,302	1,597	973	786	540	225	1,628	416
Cash Equivalents	12,029	16,722	15,535	18,044	39,998	43,718	24,643	29,427	35,637	16,840	-	-
Total Cash and cash equivalents	14,323	17,725	17,594	19,088	43,300	45,315	25,616	30,213	36,177	17,065	1,628	416

	SRI High Growth		SRI Balanced		SRI Moderate		Trans-Tasman		International Share		Default Saver		Capital Guaranteed	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Cash at Bank	951	722	462	409	4	-	142	124	130	143	864	604	982	324
Cash Equivalents	3,349	2,520	5,991	4,277	37	-	-	-	-	-	28,985	24,034	61,399	47,966
Total Cash and cash equivalents	4,300	3,242	6,453	4,686	41	-	142	124	130	143	29,849	24,638	62,381	48,290

	Options		Shielded Growth		Asset Class Growth		Asset Class Balanced		Asset Class Conservative		Scheme Application		TOTAL SCHEME	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Cash at Bank	-	-	35	8	418	880	195	432	147	506	2,084	1,430	17,210	10,653
Cash Equivalents	-	-	-	-	-	-	-	-	-	-	-	-	227,602	203,547
Total Cash and cash equivalents	-	-	35	8	418	880	195	432	147	506	2,084	1,430	244,812	214,200

The Funds invest their cash at bank in "on call" deposits at floating interest rates with New Zealand banks registered with the Reserve Bank of New Zealand.

Cash Equivalents represent units held in the Enhanced Cash Portfolio which is an investment option within the Booster Investment Scheme and invests in short term interest bearing securities which have a credit rating of AAA to A-.

Notes to the financial statements
For the year ended 31 March 2020

4 Membership activity

The Membership activity of the Scheme is presented in the Financial Statements for each Fund that comprises the Scheme. This by its nature will include activity between Funds. The Membership activity of the overall Scheme is presented below.

	TOTAL SCHEME	
	2020 \$'000	2019 \$'000
Contributions		
Member contributions at section 64 contribution rate	123,399	103,851
Employer contributions	69,708	61,227
Crown contributions (section 226) and fee subsidies	26,060	23,390
Transfers of Members' accumulations into scheme from other KiwiSaver schemes	134,182	78,034
Transfers of Members' accumulations into scheme from registered superannuation schemes	6,402	2,273
Transfers of Members' accumulations into scheme from Australian superannuation schemes	6,460	5,338
Lump sum contributions	44,790	25,176
Other voluntary contributions over section 64 contribution rate	-	-
Total contributions	411,001	299,288
Withdrawals		
First home purchase withdrawals	23,809	16,664
Mortgage diversion withdrawals	5	9
KiwiSaver end payment date withdrawals	38,077	26,813
Withdrawals on death	2,866	2,523
Serious illness withdrawals	1,876	1,691
Withdrawals or transfers on permanent emigration	729	418
Significant financial hardship withdrawals	3,153	2,968
Transfers of Members' accumulations out of scheme into other KiwiSaver schemes	79,287	75,306
Transfers of Members' accumulations out of scheme into Australian superannuation schemes	779	198
Amounts required to be paid under other enactments	208	151
Invalid enrolment withdrawals	429	311
Administration fees	3,194	3,131
Total withdrawals	154,412	130,184

Notes to the financial statements
For the year ended 31 March 2020

5 Financial assets and liabilities at fair value through profit or loss

The non-derivative financial assets at fair value through profit or loss have been presented below based on their exposure (net of hedges) to the underlying asset classes as opposed to the legal nature of the assets owned. For example, the international fixed interest holdings are held via unlisted managed investment funds rather than directly through international fixed interest bonds. The legal nature of the assets owned is reflected in Note 7 - Financial risk management.

	High Growth		Balanced Growth		Balanced		Moderate		Enhanced Cash		Geared Growth	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<i>Non-Derivative financial assets:</i>												
Australian Shares	19,780	11,497	18,300	18,086	23,089	23,891	3,724	3,268	-	-	6,561	2,025
International Fixed Interest	12,179	9,935	27,433	23,130	102,654	96,434	43,156	37,490	-	-	-	-
International Shares	189,062	209,913	135,381	131,176	159,743	150,668	29,565	29,281	-	-	57,524	29,201
New Zealand Fixed Interest	8,871	6,635	32,966	26,149	72,764	67,012	51,986	37,172	-	-	-	-
New Zealand Shares	73,820	61,657	60,313	58,978	60,856	64,001	16,381	15,890	-	-	21,979	9,411
Property Related Shares	16,507	14,227	16,671	14,914	21,155	24,944	6,214	6,141	-	-	5,047	2,484
Total financial assets held at fair value through profit or loss	320,219	313,864	291,064	272,433	440,261	426,950	151,026	129,242	-	-	91,111	43,121

	SRI High Growth		SRI Balanced		SRI Moderate		Trans-Tasman		International Share		Default saver	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<i>Non-Derivative financial assets:</i>												
Australian Shares	4,852	1,747	3,152	2,226	7	-	3,110	3,015	-	-	1,674	1,470
International Fixed Interest	2,982	1,502	14,632	9,174	67	-	-	-	-	-	25,930	19,346
International Shares	45,892	32,233	23,514	14,507	48	-	-	-	13,786	13,313	11,271	9,173
New Zealand Fixed Interest	2,086	1,019	10,604	6,508	80	-	-	-	-	-	17,193	13,722
New Zealand Shares	16,303	9,616	8,564	6,137	27	-	4,872	4,691	-	-	3,977	3,194
Property Related Shares	3,450	2,041	2,736	2,271	11	-	-	-	-	-	1,229	920
<i>Derivative financial assets:</i>												
Foreign Exchange Contracts	-	-	-	-	-	-	-	-	-	-	140	8
Total financial assets held at fair value through profit or loss	75,565	48,158	63,202	40,823	240	-	7,982	7,706	13,786	13,313	61,414	47,833

Notes to the financial statements
For the year ended 31 March 2020

5 Financial assets and liabilities at fair value through profit or loss (continued)

	Capital Guaranteed		Asset Class Growth		Asset Class Balanced		Asset Class Conservative		Shielded Growth		TOTAL SCHEME	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<i>Non-Derivative financial assets:</i>												
Alternative (Options)	-	-	-	-	-	-	-	-	-	-	-	-
Australian Shares	-	282	2,684	2,874	421	334	303	242	134	34	87,791	70,990
International Fixed Interest	-	395	5,885	6,116	5,689	4,579	13,842	12,623	80	29	254,529	220,751
International Shares	-	2,268	45,715	45,893	6,967	5,330	5,010	4,313	1,379	643	724,857	677,912
New Zealand Fixed Interest	-	530	-	-	-	-	-	-	53	19	196,603	158,765
New Zealand Shares	-	1,016	7,882	8,782	1,195	1,002	893	836	514	189	277,576	245,401
Property Related Shares	-	-	3,273	3,490	794	613	1,163	999	101	43	78,351	73,086
<i>Derivative financial assets:</i>												
Foreign Exchange contracts	-	-	-	-	-	-	-	-	-	-	140	8
Total financial assets held at fair value through profit or loss	-	4,491	65,439	67,155	15,066	11,858	21,211	19,013	2,261	957	1,619,847	1,446,917

Investments greater than 5% of net assets available for benefits

	High Growth		Balanced Growth		Balanced		Moderate		Enhanced Cash		Geared Growth	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Booster Investment Enhanced Cash Portfolio	-	5%	5%	6%	8%	9%	14%	19%	99%	99%	-	-
Booster Wholesale Australian Shares Fund	5%	-	5%	5%	-	-	-	-	-	-	8%	-
Booster Wholesale Global Direct Shares Fund	-	-	-	-	-	-	-	-	-	-	-	-
Booster Wholesale Global Fixed Interest Fund	-	-	9%	8%	21%	21%	24%	24%	-	-	-	-
Booster Wholesale Global Index Plus Shares Fund	46%	52%	36%	37%	27%	26%	14%	15%	-	-	67%	68%
Booster Wholesale Global Specialist Managers Fund	10%	11%	8%	8%	6%	6%	-	-	-	-	14%	14%
Booster Wholesale New Zealand Fixed Interest Fund	-	-	11%	9%	15%	14%	29%	23%	-	-	-	-
Booster Wholesale New Zealand Shares Fund	19%	16%	16%	17%	10%	11%	8%	8%	-	-	29%	24%
Booster Wholesale Property Fund	-	-	-	-	-	-	-	-	-	-	6%	-

Notes to the financial statements
For the year ended 31 March 2020

5 Financial assets and liabilities at fair value through profit or loss (continued)

Investments greater than 5% of net assets available for benefits

	Shielded Growth		SRI High Growth		SRI Balanced		SRI Moderate		Trans-Tasman		Default Saver	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Booster Investment Enhanced Cash Portfolio	-	-	-	-	9%	9%	13%	-	-	-	32%	33%
Booster Wholesale Australian Shares Fund	-	-	-	-	-	-	-	-	38%	39%	-	-
Booster Wholesale Australian Socially Responsible Share Fund	-	-	6%	-	-	-	-	-	-	-	-	-
Booster Wholesale Global Socially Responsible Shares Fund	-	-	58%	63%	34%	32%	17%	-	-	-	-	-
Booster Wholesale New Zealand Fixed Interest Fund	-	-	-	-	15%	14%	28%	-	-	-	19%	19%
Booster Wholesale New Zealand Shares Fund	-	-	-	-	-	-	-	-	60%	60%	-	-
Booster Wholesale New Zealand Socially Responsible Fund	-	-	20%	19%	12%	14%	10%	-	-	-	-	-
Booster Wholesale Property Fund	-	-	-	-	-	5%	-	-	-	-	-	-
Booster Investment Shielded Growth Fund	99%	99%	-	-	-	-	-	-	-	-	-	-
UBS MSCI World Socially Responsible UCITS ETF	-	-	-	-	-	-	-	-	-	-	12%	13%
Vanguard Int'l Shares Select Exclusions Fund - NZD Hgd	-	-	-	-	-	-	-	-	-	-	-	-
Vanguard Ethically Conscious Gbl Agg Bond Index Fund NZD Hgd	-	-	-	-	21%	20%	24%	-	-	-	28%	27%
Vanguard Int'l Shares Select Exclusions Index Fund	-	-	-	-	-	-	-	-	-	-	-	-

	Options		Asset Class Growth		Asset Class Balanced		Asset Class Conservative		Capital Guaranteed		International Share	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
DFA Emerging Markets Trust	-	-	13%	14%	9%	9%	-	-	-	-	-	-
Booster Investment Enhanced Cash Portfolio	-	-	-	-	-	-	-	-	99%	91%	-	-
DFA Five Year Diversified Fixed Interest Trust – NZD Hedged	-	-	-	-	13%	13%	26%	26%	-	-	-	-
DFA Global Bond Trust – NZD Hedged	-	-	6%	6%	21%	21%	20%	20%	-	-	-	-
DFA Global Core Equity Trust – NZD Hedged	-	-	28%	41%	19%	26%	10%	13%	-	-	-	-
DFA Global Core Equity Trust – Unhedged	-	-	-	14%	-	9%	-	-	-	-	-	-
DFA Global Large Company Trust	-	-	15%	-	9%	-	-	-	-	-	-	-
DFA Global Real Estate Trust - NZD Hedged	-	-	5%	5%	5%	5%	5%	5%	-	-	-	-
DFA Global Small Company Trust	-	-	6%	-	-	-	-	-	-	-	-	-
DFA Global Value Trust	-	-	8%	-	6%	-	-	-	-	-	-	-
DFA Two Year Diversified Fixed Interest Trust - NZD Hedged	-	-	-	-	-	-	19%	19%	-	-	-	-
NZ Core Equity Trust	-	-	12%	13%	8%	8%	-	-	-	-	-	-
Booster Wholesale Global Index Plus Shares Fund	-	-	-	-	-	-	-	-	-	-	82%	82%
Booster Wholesale Global Specialist Managers Fund	-	-	-	-	-	-	-	-	-	-	18%	17%

Notes to the financial statements
For the year ended 31 March 2020

6 Related Parties

(a) Responsible Entities

Booster Investment Management Limited is the Manager of the Scheme. The Manager is a wholly owned subsidiary of Booster Financial Services Limited. Under the terms of the Trust Deed the Manager is entitled to receive management fees and the Supervisor is entitled to receive a fee for its services. All fees are deducted from Members' accounts or from the assets of each of the Funds.

(b) Details of Key Management Personnel

Directors

The Directors of the Manager are considered to be Key Management Personnel.

The Directors of the Manager in office during the year or up to the date of signing of these financial statements were:

	<u>Appointed</u>
Allan Seng Tong Yeo	29 April 1999
Brendon Hugh Doyle	27 February 2017
Bruce Adrian Edgar	3 October 2016
John Ross Selby	16 May 2016
Paul Gerard Foley	30 April 2013

In addition to the Directors, the Manager is considered to be Key Management Personnel with the authority for the strategic direction and management of the Scheme.

Key management personnel transactions

No amounts have been paid by the Scheme to the Directors in their capacity as Directors of the Manager.

Directors of the Manager may hold units in the Fund's in their capacity as Members of the Scheme. All transactions between these parties are pursuant to, and governed by, the terms of the Trust Deed of the Scheme.

The Directors interests at the reporting date consist of Booster KiwiSaver Geared Growth Fund \$44,000 (2019 \$10,000), Booster KiwiSaver High Growth Fund \$32,000 (2019 \$91,000) and the Booster KiwiSaver Balanced Fund \$45,000 (2019 Nil).

(c) Manager and Supervisor fees and other transactions

Under the terms of the Trust Deed, the Manager is entitled to receive management fees which are expressed as a percentage of the net assets of each Fund (excluding GST).

The fees rates for the Funds are as follows:

	2020	2019		2020	2019
High Growth Fund	1.27%p.a.	1.27%p.a.	International Share Fund	1.32%p.a.	1.32%p.a.
Balanced Growth Fund	1.22%p.a.	1.22%p.a.	Trans-Tasman Share Fund	1.17%p.a.	1.17%p.a.
Balanced Fund	1.17%p.a.	1.17%p.a.	Default Saver Fund	0.38%p.a.	0.38%p.a.
Moderate Fund	1.07%p.a.	1.07%p.a.	Capital Guaranteed Fund	0.90%p.a.	0.90%p.a.
Enhanced Cash Fund	0.82%p.a.	0.82%p.a.	Options Fund	n/a	1.15%p.a.
Geared Growth Fund	1.27%p.a.	1.27%p.a.	Asset Class Growth Fund	1.29%p.a.	1.29%p.a.
Socially Responsible Investment High Growth Fund	1.17%p.a.	1.17%p.a.	Asset Class Balanced Fund	1.22%p.a.	1.22%p.a.
Socially Responsible Investment Balanced Fund	1.17%p.a.	1.17%p.a.	Asset Class Conservative Fund	1.15%p.a.	1.15%p.a.
Socially Responsible Investment Moderate Fund	1.17%p.a.	n/a	Shielded Growth Fund	1.27%p.a.	1.27%p.a.

Notes to the financial statements
For the year ended 31 March 2020

6 Related Parties (continued)

The management fees paid to the Manager for each Fund is disclosed in the statement of changes in net assets as "Management Fees". The amount of management fees payable at reporting date are noted in the table below.

This fee comprises fees payable to the Manager for providing investment management and administration services (including any fees payable to an underlying fund) and the fee payable to the Supervisor for providing supervisory services, and reimburses the Manager's and the Supervisor's regular costs, expenses and liabilities incurred in running the Scheme.

All fees and expense reimbursements charged through the unit price of the underlying investments (except for performance fees and foreign exchange facilitation fees (as above)) are fully rebated to the Funds. The exceptions do not apply to the Default Saver Fund for which any performance fees and foreign exchange facilitation fees are rebated. During the current year the total amounts directly rebated to the Funds are included in the Statement of changes in net assets as "Other income". The amount of rebates receivable at reporting date are noted in the table below.

	High Growth		Balanced Growth		Balanced		Moderate		Enhanced Cash		Geared Growth	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Management Fees outstanding as at reporting date	373	351	329	296	492	462	163	143	19	12	101	44
Rebates outstanding as at reporting date	22	21	21	20	30	28	9	9	1	1	5	2

	SRI High Growth		SRI Balanced		SRI Moderate		Trans-Tasman		International Share		Default Saver	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Management Fees outstanding as at reporting date	80	50	70	44	-	-	8	8	16	15	29	23
Rebates outstanding as at reporting date	3	2	5	3	-	-	-	-	-	-	10	8

	Capital Guaranteed		Shielded Growth		Asset Class Growth		Asset Class Balanced		Asset Class Conservative		TOTAL SCHEME	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Management Fees outstanding as at reporting date	45	40	2	1	75	74	16	12	21	19	1,839	1,594
Rebates outstanding as at reporting date	2	2	6	2	26	25	5	4	6	6	151	133

The Manager paid the Supervisor \$512,000 (2019: \$413,000) in Supervisor fees.

The Manager paid Ernst & Young \$26,250 (2019: Grant Thornton - \$26,200) in audit fees and \$2,400 (2019: Grant Thornton - \$2,400) in registry audit fees.

Except for the Default Saver Fund, the Manager and/or the Supervisor are entitled to be reimbursed out of the Scheme for all non-regular and extraordinary costs, expenses and liabilities incurred by them in acting as the Manager or Supervisor of the Scheme not otherwise met out of the annual management fee. The Scheme did not reimburse the Manager or the Supervisor for such costs in the current or prior year.

Default Saver Fund – Expenses:

The Manager and/or the Supervisor are not entitled to be reimbursed out of the Default Saver Fund for non-regular and extraordinary costs, expenses and liabilities incurred by them in acting as the Manager or Supervisor of the Scheme not otherwise met out of the annual management fee. The Supervisor is entitled to be reimbursed by the Manager for non-regular and extraordinary costs, expenses and liabilities relating to the Default Saver Fund incurred by it in acting as the Supervisor of the Scheme not otherwise met out of the annual management fee.

Notes to the financial statements
For the year ended 31 March 2020

6 Related Parties (continued)

Gearing Fee and Loans from Related Funds:

1.1% p.a. of the geared component of the Geared Growth Fund ("GGF") is payable to the Manager (2019: 1.1% p.a.). The total expense for the current period is \$188,000 (2019: \$79,000).

There is a Loan Facility agreement in place between the Supervisor of the GGF and the Supervisor of the Income Securities Portfolio of the Booster Investment Scheme ("ISP") to provide a facility of up to \$30m (2019: \$8m) to the GGF from the ISP upon the terms and subject to the conditions set out in the agreement. As at reporting date, \$5,000,000 was outstanding under this facility (2019: \$8,000,000). The interest paid for the current period was \$338,000 (2019: \$229,000) and the overall movement was the decrease in the loan as disclosed in the statement of cash flows.

There is a Loan Facility agreement in place between the Supervisor of the GGF and the Supervisor of the Booster Investment Scheme Corporate Bond Fund to provide a facility of up to \$10m (2019: Nil) to the GGF from the Corporate Bond Fund upon the terms and subject to the conditions set out in the agreement. As at reporting date, \$4,000,000 was outstanding under this facility (2019: Nil). The interest paid for the current period was \$10,000 (2019: Nil) and the only movement was the drawdown as disclosed in the statement of cash flows.

There is a Loan Facility agreement in place between the Supervisor of the GGF and the Supervisor of the Booster Investment Scheme New Zealand Fixed Interest Portfolio to provide a facility of up to \$25m (2019: Nil) to the GGF from the New Zealand Fixed Interest Portfolio Fund upon the terms and subject to the conditions set out in the agreement. As at reporting date, \$12,500,000 was outstanding under this facility (2019: Nil). The interest paid for the current period was \$265,000 (2019: Nil) and the only movement was the drawdown as disclosed in the statement of cash flows.

Foreign Exchange Facilitation Fee:

Up to 0.50% p.a. (2019: 0.50% p.a.) of any net foreign exchange transactions undertaken by a Fund is payable to Booster Custodial Administration Services Limited, a wholly owned subsidiary of Booster Financial Services Limited. This fee does not apply to the Default Saver Fund. For the year ended 31 March 2020 the Funds incurred direct fees of \$Nil (2019: \$1,000).

Withdrawal / Account Closure Fee:

An account closure fee of \$30 (2019: \$30) is charged when a Member closes their Scheme account, and is deducted from the Members' accounts. This fee is not charged to members where all their money has been fully invested in the Default Saver Fund since they joined the Scheme.

Member Fee:

The Standard Member Fee is \$36 per annum (2019: \$36) (\$3.00 per month) for members with an account balance greater than \$500. Members who have had all their money fully invested in the Default Saver Fund since they joined the Scheme paid no member fee unless the balance of their member account was greater than \$10,001, where a fee of \$2.50 per month applied. From October 2019, there is no member fee for Default Saver Fund members.

During the year, member and withdrawal/account closure fees of \$3,448,000 were deducted from member accounts and paid to the Manager by cancelling units in members' accounts (2019: \$3,350,000). At reporting date, member and withdrawal/account closure fees payable were \$286,000 (2019: \$279,000).

Capital Guarantee Fund:

The Manager provides a limited guarantee in relation to the unit price of the Capital Guaranteed Fund:

- the unit price of the Fund on any 31 March will not be less than the unit price of the Fund on 31 March in the year before; and
- if the Fund is terminated, the unit price of the fund on the termination date will not be less than the unit price of the Fund on 31 March in the year before.

The risk of loss in value is managed by following a relatively conservative investment strategy for the Fund to limit the potential for losses and to maintain the Fund's value.

(d) Booster Investment Scheme (BIS) and Booster Investment Scheme 2 (BIS 2)

Booster Investment Management Limited (BIML) is also the manager of the BIS and BIS 2 which are both registered schemes under the Financial Markets Conduct Act 2013.

All management fees and expense reimbursements charged by BIML and supervisor fees paid to the supervisor through the unit prices of the BIS and BIS 2 funds are fully rebated to the Funds. In addition, where the Funds invest in managed investment funds that are not managed by the BIML (or related parties of BIML), except for performance-based fees, all management fees charged by those funds are fully rebated to the Scheme by BIML.

The Funds had the following amounts invested in BIS and BIS2 at reporting date:

	High Growth		Balanced Growth		Balanced		Moderate		Enhanced Cash		Geared Growth	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Investment in BIS	315,644	314,563	290,023	274,584	460,361	451,591	170,459	153,606	35,681	16,878	88,708	41,509
Investment in BIS 2	5,512	5,874	5,297	5,533	7,862	7,886	2,343	2,513	-	-	965	829

Notes to the financial statements
For the year ended 31 March 2020

6 Related Parties (continued)

	SRI High Growth		SRI Balanced		SRI Moderate		Trans-Tasman		International Share		Default Saver	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Investment in BIS	75,938	49,182	54,572	35,936	210	-	7,982	7,706	13,786	13,313	53,108	43,394
Investment in BIS 2	-	-	-	-	-	-	-	-	-	-	-	-
	Capital Guaranteed		Shielded Growth		Asset Class Growth		Asset Class Balanced		Asset Class Conservative		TOTAL SCHEME	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Investment in BIS	61,485	52,565	2,261	957	-	-	-	-	-	-	1,630,218	1,455,784
Investment in BIS 2	-	-	-	-	-	-	-	-	-	-	21,979	22,635

(e) Booster Tahī Limited Partnership (Booster Tahī LP)

Booster Tahī LP is a limited partnership registered under the Limited Partnerships Act 2008. It is not a registered managed investment scheme under the Financial Markets Conduct Act 2013. Booster Funds Management Limited (BFML) is the manager of Booster Tahī LP and Booster Tahī GP Limited (BTGP) is the general partner of Booster Tahī LP. Both BFML and BTGP are wholly owned subsidiaries of Booster Financial Services Limited (BFSL). Some Funds within the Scheme invest in Booster Tahī LP.

BFML is entitled to a performance fee from Booster Tahī LP based on returns generated by Booster Tahī LP. As BFML is a related party of BIML, BIML rebates 0.50% of its management fee where it relates to investments in Booster Tahī LP.

Rebates received by the Funds are included in the Statement of changes in net assets available for benefits as "Rebates". Rebates outstanding at reporting date are disclosed as "rebates" in Note 6(c) Manager and Supervisor fees and other transactions. Included therein are rebates received in respect to the investment in Booster Tahī LP the details of which are listed below.

	High Growth		Balanced Growth		Balanced		Moderate		Geared Growth	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Investment in Booster Tahī LP	10,767	10,126	11,002	10,335	11,791	11,221	2,830	2,601	1,349	776
Rebates received with respect to Booster Tahī LP	-	15	-	14	-	16	-	4	-	1
Rebates outstanding with respect to Booster Tahī LP	-	2	-	2	-	2	-	-	-	-
Performance fee charged	17	138	18	141	19	152	4	35	1	11
Distributions received from Booster Tahī LP	780	-	796	-	864	-	200	-	60	-

(f) NZ Innovation GP Limited (NZIB GP)

NZ Innovation Booster LP (NZIB LP)

NZIB LP is a limited partnership registered under the Limited Partnerships Act 2008. It is not a registered managed investment scheme under the Financial Markets Conduct Act 2013. NZIB GP is the general partner of NZIB LP. NZIB GP is 50% owned by BFSL. John Selby, Allan Yeo, Brendon Doyle and Paul Foley (alternate) were directors of both the Manager and NZIB GP. Some Funds within the Scheme invest in NZIB LP.

	High Growth		Balanced Growth		Balanced		Moderate		Geared Growth	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Investment in NZIB LP	350	60	308	64	319	69	81	15	89	7

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For the year ended 31 March 2020

7 Financial risk management

As at reporting date, the Scheme is primarily invested in unlisted managed investment schemes and cash and cash equivalents. Risks arising from holding financial instruments are managed through a process of on-going identification, measurement and monitoring. The Scheme and Funds may be exposed to credit risk, market price risk and liquidity and cash flow risk arising from the financial instruments it holds.

The risks are measured using a method that reflects the expected impact on the results and net assets attributable to Members of the Scheme from reasonably possible changes in the relevant risk variables. Information about these risk exposures at the reporting date, measured on this basis, is disclosed below. Information about the total fair value of financial instruments exposed to risk, as well as compliance with established investment mandate limits, is also monitored by the Manager. These mandate limits reflect the investment strategy and market environment of the Scheme, as well as the level of risk that the Scheme is willing to accept, with additional emphasis on selected industries. This information is prepared and reported to relevant parties within the Manager on a regular basis (ranging from daily to monthly depending on the nature of the information) as deemed appropriate.

In order to avoid excessive concentrations of risk, the Manager monitors the Scheme's and Fund's exposure to ensure concentrations of risk remain within acceptable levels. The risk management policies employed by the Manager to manage these risks are discussed below.

(a) Credit risk

Credit risk represents the risk that the counterparty will fail to discharge an obligation and cause the Scheme to incur a financial loss.

With respect to credit risk arising from the financial assets of the Scheme, the Scheme's exposure to credit risk arises from default of the counterparty, with the current exposure equal to the fair value of these instruments as disclosed in the statement of net assets. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the current maximum exposure at the reporting date.

Concentrations of credit risk are minimised in each fund primarily by:

- Ensuring counterparties, together with the respective credit limits, are approved and consistent with the investment objectives for each Fund;
- Ensuring that transactions are undertaken with a large number of counterparties; and
- Ensuring that the majority of transactions are undertaken on recognised exchanges.

The carrying amount of financial assets best represents the maximum credit risk exposure at each reporting date. This relates also to financial assets carried at amortised cost, as they have a short term to maturity.

The credit risk exposure has been prepared on the basis of each Fund's direct investments only and not on a look through basis for investments held indirectly through managed investment funds. Where the Funds invest into managed investment funds ("underlying funds") managed by the Manager, the investment strategies of these underlying funds aim to achieve an appropriate diversification of investments to manage their credit risk. As at reporting date the Funds investments in managed investment funds that were indirectly exposed to credit risk are set out in the table to follow.

The Manager does not consider there to be significant credit risk in relation to accounts receivable or cash equivalents. Accounts receivable is made up of unsettled sales of financial assets or income receivables, all of which have settled subsequent to the reporting date. Cash Equivalents represent units held in the Booster Investment Series Enhanced Cash Portfolio which invests in short term interest bearing securities which have a credit rating of AAA to A-.

Notes to the financial statements
For the year ended 31 March 2020

7 Financial risk management (continued)

The table below shows the maximum credit risk exposure and the credit quality by class of asset for debt instruments and cash at bank using Standard and Poor's rating categories.

	High Growth		Balanced Growth		Balanced		Moderate		Enhanced Cash	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Indirect credit exposure										
Investments in managed funds that are indirectly exposed to credit risk	33,079	33,292	75,934	67,323	215,415	207,164	119,785	104,088	35,637	16,840
Direct credit exposure										
Cash at bank: AAA to A-	2,294	1,003	2,059	1,044	3,302	1,597	973	786	540	225
Financial assets at fair value through profit or loss: AAA to A-	-	-	-	-	-	-	-	-	-	-
Financial assets at fair value through profit or loss: Not rated	-	-	-	-	-	-	-	-	-	-
Total	2,294	1,003	2,059	1,044	3,302	1,597	973	786	540	225

	Geared Growth		SRI High Growth		SRI Balanced		SRI Moderate		Trans-Tasman	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Indirect credit exposure										
Investments in managed funds that are indirectly exposed to credit risk	-	-	8,417	5,040	31,227	19,958	184	-	-	-
Direct credit exposure										
Cash at bank: AAA to A-	1,628	416	951	722	462	409	4	-	142	124
Financial assets at fair value through profit or loss: AAA to A-	-	-	-	-	-	-	-	-	-	-
Financial assets at fair value through profit or loss: Not rated	-	-	-	-	-	-	-	-	-	-
Total	1,628	416	951	722	462	409	4	-	142	124

	International Share		Default Saver		Capital Guaranteed		Shielded Growth		Asset Class Growth	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Indirect credit exposure										
Investments in managed funds that are indirectly exposed to credit risk	-	-	72,107	57,102	61,399	48,891	133	49	5,885	6,116
Direct credit exposure										
Cash at bank: AAA to A-	130	143	864	604	982	324	35	8	418	880
Financial assets at fair value through profit or loss: AAA to A-	-	-	-	-	-	-	-	-	-	-
Financial assets at fair value through profit or loss: Not rated	-	-	-	-	-	-	-	-	-	-
Total	130	143	864	604	982	324	35	8	418	880

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7 Financial risk management (continued)

	Asset Class Balanced		Asset Class Conservative		Scheme Application		TOTAL SCHEME	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Indirect credit exposure								
Investments in managed funds that are indirectly exposed to credit risk	5,689	4,579	13,842	12,623	-	-	678,733	583,065
Direct credit exposure								
Cash at bank: AAA to A-	195	432	147	506	1,430	1,430	16,556	10,653
Financial assets at fair value through profit or loss: AAA to A-	-	-	-	-	-	-	-	-
Financial assets at fair value through profit or loss: Not rated	-	-	-	-	-	-	-	-
Total	195	432	147	506	1,430	1,430	16,556	10,653

Indirect credit exposure includes holdings in Fixed Interest/Bond/Cash Funds where the underlying assets are subject to credit risk.

(b) Market price risk

Market price risk is the risk that the value of the Funds will fluctuate as a result of changes in market prices. This risk is managed by ensuring that all activities are transacted in accordance with mandates, overall investment strategy and within approved limits.

Market risk comprises three types of risk; foreign currency risk, interest rate risk and other market price risk.

(b(i)) Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

The foreign currency risk disclosures have been prepared on the basis of the Funds direct investments (including investments in non-New Zealand domiciled managed investment funds) and not on a look through basis for investments held indirectly through New Zealand domiciled managed investment funds.

To the extent that a Fund holds international investments, the level of currency hedging is set with regards to the investment objective within each investment sector. International property and fixed interest investments are fully hedged, while the level of hedging within international and Australian shares is actively managed by the Manager.

At the reporting date, the benchmark for the proportion of the currency exposure hedged in each of the investment sectors, where applicable, is as follows:

	Default Saver		Asset Class Growth		Asset Class Balanced		Asset Class Conservative	
	2020	2019	2020	2019	2020	2019	2020	2019
Hedging presented as percentage of fund:								
International Shares	63%	60%	40%	60%	40%	60%	40%	60%
Australian Shares	n/a	n/a	0%	0%	0%	0%	0%	0%

Foreign currency risk sensitivity analysis

	Default Saver		Asset Class Growth		Asset Class Balanced		Asset Class Conservative		TOTAL SCHEME	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<i>Financial assets and liabilities at fair value through profit or loss</i>										
Carrying amount exposed to currency risk (net of hedges)	11,271	9,173	30,000	21,211	4,556	2,470	3,267	1,967	49,094	34,820
Foreign Currency Rate (NZD to Foreign) + 10%	(1,127)	(917)	(3,000)	(2,121)	(456)	(247)	(327)	(197)	(4,909)	(3,482)
Foreign Currency Rate (NZD to Foreign) - 10%	1,127	917	3,000	2,121	456	247	327	197	4,909	3,482

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7 Financial risk management (continued)

(b(ii)) Interest rate risk

Interest rate risk represents the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. A Fund's exposure to market value risk for changes in interest rates relate primarily to investments in fixed interest bonds and debentures. The duration of the instrument (expressed at Fund level) has a significant influence on the interest rate sensitivity.

The interest rate risk exposure has been prepared on the basis of each Fund's direct investments only and not on a look through basis for investments held indirectly through other managed investment funds.

The analysis below shows the effect of fair value changes on profit or loss and net assets that would result from reasonable changes in the interest rate.

	Geared Growth		TOTAL SCHEME	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<i>Financial instruments at fair value through profit or loss</i>				
Amount exposed to interest rate risk	(21,500)	(8,000)	(21,500)	(8,000)
Interest rate - 1.00%	215	80	215	80
Interest rate + 1.00%	(215)	(80)	(215)	(80)

Excluded funds do not have material direct exposure to interest rate risk.

(b(iii)) Other market price risk

Other market price risk represents the risk that the value of a financial instrument will fluctuate because of changes in market prices other than interest rates and foreign currency rates.

Other market price risk sensitivity analysis

The analysis below shows the effect on profit or loss and net assets that would result in reasonable changes in market fluctuations where a Fund has invested in managed investment funds or directly in equity securities.

	High Growth		Balanced Growth		Balanced		Moderate		Enhanced Cash		Geared Growth	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<i>Financial instruments at fair value through profit or loss</i>												
Amount exposed to market risk	320,219	313,864	291,064	272,433	440,261	426,950	151,026	129,242	-	-	91,111	43,121
Market -10%	(32,022)	(31,386)	(29,106)	(27,243)	(44,026)	(42,695)	(15,103)	(12,924)	-	-	(9,111)	(4,312)
Market +10%	32,022	31,386	29,106	27,243	44,026	42,695	15,103	12,924	-	-	9,111	4,312

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7 Financial risk management (continued)

Other market price risk sensitivity analysis (continued)

	SRI High Growth		SRI Balanced		SRI Moderate		Trans-Tasman		International Share		Default Saver	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<i>Financial instruments at fair value through profit or loss</i>												
Amount exposed to market risk	75,565	48,158	63,202	40,823	240	-	7,982	7,706	13,786	13,313	61,274	47,825
Market -10%	(7,557)	(4,816)	(6,320)	(4,082)	(24)	-	(798)	(771)	(1,379)	(1,331)	(6,127)	(4,783)
Market +10%	7,557	4,816	6,320	4,082	24	-	798	771	1,379	1,331	6,127	4,783
	Capital Guaranteed		Asset Class Growth		Asset Class Balanced		Asset Class Conservative		Shielded Growth		TOTAL SCHEME	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<i>Financial instruments at fair value through profit or loss</i>												
Amount exposed to market risk	-	4,491	65,439	67,155	15,066	11,858	21,211	19,013	2,261	957	1,619,707	1,446,909
Market -10%	-	(449)	(6,544)	(6,716)	(1,507)	(1,186)	(2,121)	(1,901)	(226)	(96)	(161,971)	(144,691)
Market +10%	-	449	6,544	6,716	1,507	1,186	2,121	1,901	226	96	161,971	144,691

At reporting date significant disruption was occurring in the financial markets as a consequence of the COVID-19 pandemic. As at 31 March 2020, all funds remained consistent with their liquidity ranges as set out in their SIPOs.

As at 31 May 2020 the unaudited investment value of the Funds has changed as detailed below (excluding income received), compared to the position reflected in the Statement of Net Assets as at 31 March 2020, reflecting the general upturn in the financial markets since the reporting date.

The potential future impact to the Funds as a result of Covid-19 is unknown at the point of issuing the financial statements. However, the Manager is actively monitoring and managing the liquidity position of the Funds on an ongoing basis.

The unaudited information used in this note has been extracted directly from the investment management system.

% Change in value of investments (31 March - 31 May 2020)	2020
High Growth Fund	11.64%
Balanced Growth Fund	9.96%
Balanced Fund	7.78%
Moderate Fund	5.17%
Geared Growth Fund	17.69%
Socially Responsible Investment High Growth Fund	11.89%
Socially Responsible Investment Balanced Fund	7.92%
Socially Responsible Investment Moderate Fund	9.64%
Enhanced Cash Fund	0.00%

% Change in value of investments (31 March - 31 May 2020)	2020
International Share Fund	14.03%
Trans-Tasman Share Fund	14.33%
Default Saver Fund	3.29%
Capital Guaranteed Fund	-0.03%
Asset Class Growth Fund	11.42%
Asset Class Balanced Fund	8.39%
Asset Class Conservative Fund	5.08%
Shielded Growth Fund	9.86%

Notes to the financial statements
For the year ended 31 March 2020

7 Financial risk management (continued)

(c) Liquidity and cash flow risk

Liquidity risk is the risk that the Funds will experience difficulty in either realising assets or raising sufficient funds to satisfy commitments associated with financial instruments. Cash flow risk is the risk that future cash flows derived from holding financial instruments will fluctuate. The risk management guidelines adopted by the Funds are designed to minimise liquidity and cash flow risk through ensuring that there is no significant exposure to illiquid or thinly traded financial instruments, applying limits to ensure there is no concentration of liquidity risk to a particular counterparty or market. Based on the maturity profiles and, where applicable, the existence of secondary markets, all financial assets, except as listed below, are realisable within six months of the reporting date and all financial liabilities are payable within six months of the reporting date. The loans in the Geared Growth Fund are repayable within 20 Business Days if the Lender terminates the Loan Facility.

	High Growth		Balanced Growth		Balanced		Moderate		Geared Growth		TOTAL SCHEME	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Financial assets realisable in greater than 6 months	16,279	16,001	16,299	15,868	19,653	19,107	5,173	5,115	2,315	1,606	59,719	57,697

(d) Estimation of fair values

NZ IFRS 13 *Fair Value Measurement* requires the Scheme to measure and disclose fair values using the following fair value hierarchy:

Level 1 - quoted prices (unadjusted) in active markets for identical assets and liabilities;

Level 2 - inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(d) Estimation of fair values (continued)

All financial assets and financial liabilities at fair value through profit or loss as disclosed in note 5 are classified as level 2 fair value instruments, except for financial assets classified as global shares in the Default Saver Fund totalling \$11,271,000 (2019: \$9,173,000), which are classified as level 1.

The Fund's holdings in managed investment funds are valued at the price quoted by the manager of each those funds.

There were no transfers between Level 1 and Level 2 in 2020 or 2019.

Measurement of fair value of financial instruments classified as Level 2

Financial instruments classified as being Level 2 include forward foreign currency contracts and holdings in managed investment funds.

Managed Investment Funds

The Scheme's holdings in managed investment funds are valued at the price quoted by the manager of those funds.

There were no transfers between Level 1 and Level 2 in 2020 or 2019, and there were no financial instruments classified as Level 3.

All financial assets and liabilities recognised within the financial statements are classified as either Level 1 (based on quoted prices in active markets) or Level 2 (observable inputs other than quoted prices in Level 1).

During the current environment, the volatility of prices on various financial markets has increased. This had a direct effect on the fair value measurement of financial instruments at the reporting date. The Manager considers the fair value of the financial instruments is appropriately reflected in the financial statements. There have been no adjustments required to the fair value of the financial instruments.

There is no indication of increased credit, liquidity, or market risk in light of Covid-19 other than those already disclosed.

Notes to the financial statements
For the year ended 31 March 2020

8 Reconciliation of profit/(loss) attributable to Members to net cash flows from operating activities

	High Growth		Balanced Growth		Balanced		Moderate		Enhanced Cash	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Profit/(loss)	(12,746)	22,709	(6,862)	22,218	(2,747)	31,694	1,908	9,202	273	308
Reinvested dividends	-	-	-	-	-	-	-	-	-	-
Net unrealised (gains) / losses on financial instruments held at fair value through profit or loss	22,671	(11,109)	17,398	(10,382)	12,147	(18,837)	2,798	(4,463)	-	3
Net realised (gains) / losses on financial instruments held at fair value through profit or loss	(12,810)	(14,741)	(12,763)	(14,458)	(12,720)	(16,311)	(5,572)	(5,409)	-	2
Net (purchases) / sales of financial instruments at fair value through profit or loss	(22,001)	(100,736)	(27,034)	(24,854)	(17,194)	(34,358)	(20,517)	(6,233)	-	1,000
Change in income receivables	(2,052)	(27)	(1,773)	(7)	(3,247)	31	(1,070)	1	(68)	(2)
Change in expense payables	22	135	33	46	30	49	20	15	7	1
Net cash flows from operating activities	(26,916)	(103,769)	(31,001)	(27,437)	(23,731)	(37,732)	(22,433)	(6,887)	212	1,312

	Geared Growth		SRI High Growth		SRI Balanced		SRI Moderate		Trans-Tasman	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Profit/(loss)	(9,093)	2,467	(602)	3,744	267	2,910	2	-	(785)	993
Reinvested dividends	-	-	(53)	(18)	(306)	(181)	-	-	-	-
Net unrealised (gains) / losses on financial instruments held at fair value through profit or loss	9,370	(1,868)	1,761	(3,667)	628	(2,825)	(2)	-	817	(920)
Net realised (gains) / losses on financial instruments held at fair value through profit or loss	(1,712)	(1,248)	(1,816)	(466)	(1,123)	(178)	-	-	(133)	(152)
Net (purchases) / sales of financial instruments at fair value through profit or loss	(55,647)	(20,465)	(27,298)	(10,767)	(22,259)	(8,865)	(238)	-	(961)	183
Change in income receivables	(159)	(1)	(183)	(6)	(227)	1	(1)	-	(15)	-
Change in expense payables	98	36	30	15	26	11	-	-	-	1
Net cash flows from operating activities	(57,143)	(21,079)	(28,161)	(11,165)	(22,994)	(9,127)	(239)	-	(1,077)	105

Notes to the financial statements
For the year ended 31 March 2020

8 Reconciliation of profit/(loss) attributable to Members to net cash flows from operating activities continued

	Options		International Share		Default saver		Capital Guaranteed		Asset Class Growth	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Profit/(loss)	-	591	(413)	817	1,797	3,264	511	1,167	(9,576)	2,578
Reinvested dividends	-	-	-	-	(623)	(383)	-	-	-	-
Net unrealised (gains) / losses on financial instruments held at fair value through profit or loss	-	15,304	412	(257)	(843)	(2,707)	314	271	16,447	(1,995)
Net realised (gains) / losses on financial instruments held at fair value through profit or loss	-	(15,901)	(185)	(714)	260	499	(213)	(623)	(5,823)	-
Net (purchases) / sales of financial instruments at fair value through profit or loss	-	63,511	(700)	(1,397)	(12,906)	(13,394)	4,390	910	(8,909)	(9,888)
Change in income receivables	-	-	(100)	-	(625)	(5)	(177)	(3)	(489)	(21)
Change in expense payables	-	(89)	1	2	6	7	5	4	1	13
Net cash flows from operating activities	-	63,416	(985)	(1,549)	(12,934)	(12,719)	4,830	1,726	(8,349)	(9,313)

	Asset Class Balanced		Asset Class Conservative		Shielded Growth		TOTAL SCHEME	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Profit/(loss)	(1,296)	399	(739)	713	(94)	15	(40,195)	105,789
Reinvested dividends	-	-	-	-	-	-	(982)	(582)
Net unrealised (gains) / losses on financial instruments held at fair value through profit or loss	2,043	(338)	2,068	(623)	156	(12)	88,185	(44,425)
Net realised (gains) / losses on financial instruments held at fair value through profit or loss	(270)	-	(436)	-	(33)	8	(55,349)	(69,692)
Net (purchases) / sales of financial instruments at fair value through profit or loss	(4,981)	(7,006)	(3,830)	(1,721)	(1,428)	(953)	(221,513)	(175,033)
Change in income receivables	(85)	(13)	(123)	(2)	(6)	(2)	(10,400)	(56)
Change in expense payables	4	8	2	2	1	1	286	257
Net cash flows from operating activities	(4,585)	(6,950)	(3,058)	(1,631)	(1,404)	(943)	(239,968)	(183,742)

9 Change in liabilities arising from financing activities

	Geared Growth	
	2020 \$'000	2019 \$'000
Opening Net debt value	8,000	5,100
Proceeds from drawdown of borrowings	18,500	2,900
Repayment of borrowings	(5,000)	-
Closing Net debt value	21,500	8,000

Notes to the financial statements
For the year ended 31 March 2020

10 Contingent assets and liabilities and commitments

There are no outstanding contingent assets or liabilities or commitments at the reporting date (2019 : Nil).

11 Capital Management

The Scheme's capital is represented by redeemable units and is reflected in the statement of net assets as net assets attributable for benefits. In accordance with the risk management policies outlined in Note 7, the Scheme invests contributions received in appropriate investments whilst maintaining sufficient liquidity to meet any withdrawal requests. As part of the investment mandates some funds have borrowing facilities. These funds have complied with loan covenants throughout the reporting period to 31 March 2020 and 31 March 2019. Compliance with investment management mandate limits is monitored by the Manager with oversight from the Supervisor.

12 Events occurring after reporting date

2020

No significant events have occurred since the reporting date which would impact on the financial position of the Funds and Scheme or on the financial performance and cash flows of the Funds and Scheme for the year ended on that date.

Refer to note 7 for comments on market movements subsequent to the reporting date given the significant market volatility as a result of Covid-19. The returns have not significantly changed between 31 May 2020 to signing date.

2019

On 1 April 2019, the Supervisor of the Geared Growth Fund entered into a Loan Agreement with the Supervisor of the New Zealand Fixed Interest Portfolio in the Booster Investment Scheme (which is also managed by the Manager) to provide a facility of up to \$9,500,000. As at the date of signing of these financial statements, \$1,600,000 had been lent pursuant to the Loan Agreement and the applicable interest rate was OCR + 2.5% which was 4.25%.

Independent Auditor's Report

To the Scheme Participants of each Fund comprising the Booster Kiwisaver Scheme (the "Scheme")

Opinion

We have audited the financial statements of the following funds (each a "Fund" and collectively "the Funds") which together comprise the Scheme:

- ▶ High Growth
- ▶ Balanced Growth
- ▶ Balanced
- ▶ Moderate
- ▶ Enhanced Cash
- ▶ Geared Growth
- ▶ SRI High Growth
- ▶ SRI Balanced
- ▶ SRI Moderate
- ▶ Trans-Tasman Share
- ▶ International Share
- ▶ Default Saver
- ▶ Capital Guaranteed
- ▶ Shielded Growth
- ▶ Asset Class Growth
- ▶ Asset Class Balanced
- ▶ Asset Class Conservative

We have audited the financial statements of each Fund and the Scheme on pages 1 to 31 which comprise the statement of net assets of each Fund and the Scheme as at 31 March 2020, and the statement of changes in net assets and the statement of cash flows for the period then ended of each Fund and the Scheme, and the notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements on pages 1 to 31 present fairly, in all material respects, the financial position of each Fund and the Scheme as at 31 March 2020 and their financial performance and cash flows for the period then ended in accordance with New Zealand equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

This report is made solely to each Fund's Scheme Participants, as separate bodies. Our audit has been undertaken so that we might state to each Fund's Scheme Participants those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than each Fund and each Fund's Scheme Participants, as a body, for our audit work, for this report, or for the opinions we have formed.



Basis for opinion

We conducted our audits in accordance with International Standards on Auditing (New Zealand). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Financial Statements* section of our report.

We are independent of the Funds and Scheme in accordance with Professional and Ethical Standard 1 (revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Ernst & Young provides other assurance services to the Funds and the Scheme. Partners and employees of our firm may deal with the Funds or the Scheme on normal terms within the ordinary course of the business of the Funds or the Scheme. We have no other relationship with, or interest in, the Funds or the Scheme.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audits of the financial statements of the current period. These matters were addressed in the context of our audits of the financial statements as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audits addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audits of the financial statements* section of the audit report, including in relation to these matters. Accordingly, our audits included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinions on the accompanying financial statements.

In respect of the Enhanced Cash Fund, Capital Guaranteed Fund and the Options Fund we determined that there were no Key Audit Matters to communicate in our report.

Investments in Financial Assets at Fair Value through Profit or Loss, including the valuation impact of COVID-19 (Key Audit Matter for all Funds other than the Enhanced Cash Fund, Capital Guaranteed Fund and the Options Fund)

Why significant

- ▶ The Scheme's and each Fund's investments in financial assets at fair value through profit or loss represent over 85% of their total assets.
- ▶ As detailed in the accounting policies, in particular Note 2d to the financial statements, these investments are recognised at fair value through profit or loss in accordance with NZ IFRS 9: *Financial Instruments*.
- ▶ Market volatility can have a significant impact on the value of these financial assets and the financial statements therefore the recognition and valuation of investments is considered a key area of audit focus. At and subsequent to 31 March 2020 financial markets were significantly impacted by the COVID-19 pandemic and during this period they have experienced greater than usual volatility.
- ▶ Disclosures regarding the Fund's investments at 31 March 2020 are included in Note 5 to the financial statements and regarding the impact of market volatility on investments subsequent to balance date are included in Note 7.b.iii to the financial statements.

How our audit addressed the key audit matter

Our audit procedures included:

- ▶ Gaining an understanding of the processes used to record investment transactions and the revaluation of the investment portfolio each working day.
- ▶ Testing a selection of the controls in place at the manager that are relevant to the Fund's investments. We considered the implications of any control deficiencies for our audit. We relied on these controls to gain assurance over the recognition and valuation of the investment balances.
- ▶ For each investment holding:
 - ▶ agreeing the number of units held by each relevant Fund to the register of the relevant Scheme or Limited Partnership in which the Funds invest; and
 - ▶ agreeing the respective closing prices at balance date to the relevant pricing system.
- ▶ In relation to closing prices:
 - ▶ on a sample basis, recalculating the closing price as the net assets of the investee per unit on issue in the relevant Scheme or Limited Partnership;
 - ▶ considering the work performed in, and results arising from, the audits of the underlying funds and limited partnerships in which the Funds are invested to provide evidence in relation to the investees' net assets; and
 - ▶ considering any differences between the exit price used and the net assets per unit calculations.
- ▶ Assessing whether the disclosures in the financial statements appropriately reflected the Fund's exposure to financial instrument risk with reference to NZ IFRS 7 *Financial Instruments: Disclosures*, considering the COVID-19 related impacts on investment valuation.



Other Matter - Prior Period Financial Statements Audited by a Predecessor Auditor

The financial statements of Funds and Scheme for the year ended 31 March 2019 were audited by another auditor who expressed an unmodified opinion on those statements on 24 June 2019.

Manager's responsibilities for the financial statements

The Manager is responsible, on behalf of each of the Funds and the Scheme, for the preparation and fair presentation of the financial statements in accordance with New Zealand equivalents to International Financial Reporting Standards and International Financial Reporting Standards, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing on behalf of each Fund and the Scheme, the Fund's and Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or Scheme or cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audits of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (New Zealand) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of Scheme Participants taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audits of the financial statements is located at the External Reporting Board's website: <https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-2/>. This description forms part of our auditor's report.

The engagement partner on the audits resulting in this independent auditor's report is Stuart Mutch.

The logo for Ernst & Young, featuring the company name in a stylized, cursive script.

Chartered Accountants
Wellington
19 June 2020