



SALT

Salt Investment Funds Product Disclosure Statement

Offer of units in the Salt Investment Funds

Dated 5 May 2023

Issued by Salt Investment Funds Limited

This document replaces the Salt Investment Funds product disclosure statement dated 30 June 2022.

This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer on disclose-register.companiesoffice.govt.nz. Salt Investment Funds Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial adviser to help you to make an investment decision.

1. Key information summary

What is this?

This is a managed investment scheme. Your money will be pooled with other investors' money and invested in various investments. Salt Investment Funds Limited will invest your money and charge you a fee for its services. The returns you receive are dependent on the investment decisions of Salt Investment Funds Limited and of its investment manager and the performance of the investments. The value of those investments may go up or down. The types of investments and the fees you will be charged are described in this document.

What will your money be invested in?

Nine funds within the Salt Investment Funds are offered under this Product Disclosure Statement (PDS), collectively referred to as the Funds. These investment options are summarised on the following page. More information about the investment target and strategy for each investment option is provided at Section 3, 'Description of your investment options'.

Who manages the Salt Investment Funds?

Salt Investment Funds Limited (we, our, or us) is the manager of the Salt Investment Funds. See Section 7, 'Who is involved?' for more information.

What are the returns?

The return on your investment comes from:

- any increase or decrease in the Fund's unit price (which you receive when you redeem your units); and
- any distributions made to you from the Fund.

The Long Short Fund, Sustainable Global Shares Fund, and Sustainable Growth Fund do not currently pay distributions. The other Funds pay distributions of all of the net dividend income accrued for the relevant period either quarterly (for the Sustainable Income Fund) or semi-annually (for each other distributing Fund).

All distributions are at our discretion. See Section 2, 'How does this investment work?' for more information.

How can you get your money out?

An investment in a Fund is redeemable. You can usually withdraw units from a Fund at any time provided you withdraw a minimum of \$1,000 from that Fund, and your remaining investment in the Fund is at least \$5,000.

Withdrawals may be paid out either in cash or by transferring investments of the relevant Fund of a value equal to the withdrawal amount to you. If the withdrawal amount is less than 5% of the value of a Fund, we need you and the Supervisor to agree before we can satisfy the withdrawal request by transferring investments in this way. We can suspend or defer withdrawals in certain circumstances.

See Section 2, 'How does this investment work?' for more information about how you can get your money out.

Your investment in these units in the Funds can be sold but there is no established market for trading these financial products. This means that you may not be able to find a buyer for your investment.

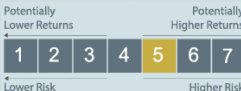
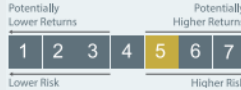
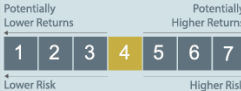
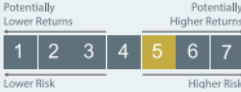
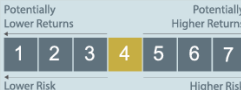
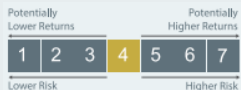

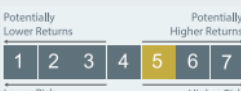
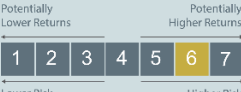
How will your investment be taxed?

Each Fund is a portfolio investment entity (PIE).

The amount of tax you pay in respect of a PIE is based on your Prescribed Investor Rate (PIR). This can be 0%, 10.5%, 17.5%, or 28%. See Section 6 of the PDS, 'What taxes will you pay?' on page 11 for more information.

Where can you find more key information?

We are required to publish quarterly updates for each Fund. The updates show the returns, and the total fees actually charged to investors, during the previous year. The latest fund updates are available at saltfunds.co.nz. We will also give you copies of those documents on request.

Fund (and abbreviated name used in this PDS)	Brief description of Fund and its investment objective	Risk indicator	Estimated total annual fund charges (of net asset value)	Buy / sell spread
Salt NZ Dividend Appreciation Fund (NZ Dividend Appreciation Fund)	Aims to outperform the S&P/NZX 50 Gross Index on a rolling three-year basis by investing predominantly in New Zealand shares that may pay high and sustainable dividends. [^]		1.10%	0.20% of each investment/ withdrawal
Salt Enhanced Property Fund (Enhanced Property Fund)	Aims to outperform the S&P/NZX All Real Estate (Industry Group) Gross Index over a full market cycle by investing predominantly in New Zealand and Australian property and property-related shares. ^{^+}		1.05% Performance-based Fees: Yes (Please see Section 5, 'What are the fees?')	0.20% of each investment/ withdrawal
Salt Long Short Fund (Long Short Fund)	Aims to outperform the Reserve Bank of New Zealand Official Cash Rate +5% p.a. benchmark on a rolling three-year basis by investing long and short in New Zealand and Australian securities. [^] The Fund aims to deliver positive absolute returns in all market environments. ⁺		2.17% Performance-based Fees: Yes (Please see Section 5, 'What are the fees?')	0.20% of each investment/ withdrawal
Salt Core NZ Shares Fund (Core NZ Shares Fund)	Aims to outperform the S&P/NZX 50 Gross Index on a rolling three-year basis by investing predominantly in New Zealand shares but with the ability to invest opportunistically in Australian shares. [^]		* 1.10%	0.20% of each investment/ withdrawal
Salt Sustainable Income Fund (Sustainable Income Fund)	Aims to provide a gross fixed quarterly income in excess of bank deposit rates, along with a positive return on capital on a rolling three-year basis by investing in a diversified mix of growth and defensive assets, with a focus on securities with high Environmental, Social, and Governance (ESG) factor scores and reliable income generation. [^]		* 0.96%	0.20% of each investment/ withdrawal
Salt Sustainable Growth Fund (Sustainable Growth Fund)	Aims to outperform the Reserve Bank of New Zealand's Consumer Price Index +5% p.a. benchmark on a rolling five-year basis by investing in a diversified mix of growth and defensive assets with a focus on securities with high ESG factor scores. [^]		* 1.08%	0.20% of each investment/ withdrawal
Salt Sustainable Global Shares Fund (Sustainable Global Shares Fund)	Aims to outperform the MSCI World (Net) Index in New Zealand dollars on a rolling three-year basis by investing predominantly in a portfolio of global shares with high total return potential and high ESG factor scores. This includes investing in carbon-light companies while excluding core business activities of alcohol, gambling, adult entertainment, tobacco and weapons. ^{^5}		* 1.15%	0.20% of each investment/ withdrawal
Salt Sustainable Global Listed Infrastructure Fund (Sustainable Global Listed Infrastructure Fund)	Aims to exceed the total return of its benchmark, the FTSE Global Core Infrastructure 50/50 Net Tax Index in New Zealand dollars on a rolling three-year basis by investing predominantly in common stock and other equity securities issued by global infrastructure companies with high ESG factor scores. ^{^5}		* 1.16%	0.20% of each investment/ withdrawal
Salt Sustainable Global Listed Property Fund (Sustainable Global Listed Property Fund)	Aims to exceed the total return of its benchmark, the FTSE EPRA/NAREIT Developed Index Net Total Return Index in New Zealand dollars on a rolling three-year basis, by investing predominantly in a diversified portfolio of Real Estate Investment Trusts (REITs) and other publicly traded real estate companies located around the world, including both developed and emerging markets with high ESG factor scores. ^{^5}		* 1.16%	0.20% of each investment/ withdrawal

* The fund has not been in existence for five full years so its risk indicator has been calculated using a mix of returns data of actual fund returns and a portfolio with the same investment strategy for a five-year period to 31 March 2023. As a result, the risk indicator may provide a less reliable indicator of the potential future volatility of the fund. Please see the latest fund update on saltfunds.co.nz for more information on the fund risk indicator.

[^] After fees and expenses but before tax.

[^] See the latest monthly fund fact sheets at saltfunds.co.nz for the latest reporting on ESG factors.

⁺ Given this Fund's broad mandate and wide range of investment tools available, its investment performance will depend, to a larger degree than traditional equity investment funds, on Salt's skill in selecting, combining and implementing investment decisions. These unique features mean that the Fund will not be appropriate for all investors.

See Section 4, 'What are the risks of investing?' for an explanation of the risk indicator and for information about other risks that are not included in the risk indicator. To help clarify your own attitude to risk, you can seek financial advice or work out your risk profile at sorted.org.nz/tools/investor-kickstarter.

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2. How does this investment work?

This PDS contains an offer of units in each of the Funds listed on page 2. Each Fund is established within the registered managed investment scheme known as the Salt Investment Funds.

We, Salt Investment Funds Limited, are the manager of the Salt Investment Funds. We are a wholly owned subsidiary of Salt Funds Management Limited (Salt), a boutique investment management firm specialising in managing New Zealand-centric listed equity and property mandates.

The New Zealand Guardian Trust Company Limited is the supervisor of the Funds (Supervisor). We have appointed Apex Investment Administration (NZ) Limited as the administration manager of the Funds (Administration Manager), and Salt is the investment manager for the Funds. Salt may appoint underlying investment managers for the Funds from time to time. The current underlying investment managers are set out in the statement of investment policy and objectives for the Funds (SIPO).

Structure of the Salt Investment Funds

The Salt Investment Funds is structured as a master trust with multiple funds established within it. The Salt Investment Funds are governed by a master trust deed, and an establishment deed for each fund, entered into between us and the Supervisor. Each Fund is a single trust fund. This means that the assets of one Fund cannot be used to satisfy the liabilities of any other fund within the Salt Investment Funds.

Your investment is converted into units in the Fund you choose. By purchasing units in a Fund you are pooling your investments in that Fund with other investors, which Salt then invests in underlying investments. Your units represent your proportionate holding of that Fund's net assets (its assets less its liabilities, fees and expenses), although they do not give you legal ownership of those underlying assets. Because unit values are based on the value of the relevant Fund's net assets, those unit values will fluctuate in line with the changing value of the relevant Fund's underlying investments and any distributions made (see below).

Returns from investing in a Fund are reflected in changes in the value of your units, any distributions made from the Fund, and repayment of your investment when you withdraw.

Distributions

The Funds intend to pay distributions of all of the net dividend income (as determined by us) accrued for the relevant period, at the following frequencies:

- NZ Dividend Appreciation Fund, Enhanced Property Fund, Core NZ Shares Fund, Sustainable Global Listed Infrastructure Fund and Sustainable Global Listed Property Fund: Semi-annually (distribution periods ending on 30 April and 31 October).
- Sustainable Income Fund: Quarterly (distribution periods ending on 31 January, 30 April, 31 July and 31 October).

The Long Short Fund, Sustainable Growth Fund and Sustainable Global Shares Fund do not currently pay distributions.

For this purpose, 'net dividend income' generally means all dividend income received during the period, less any dividends paid on borrowed securities (for the Enhanced Property Fund only) although we can change this at our discretion.

Distributions will be calculated within 10 (for the Sustainable Global Listed Infrastructure Fund and Sustainable Global Listed Property Fund) or seven (for every other Fund which pays distributions) business days of the last day of each distribution period. Payments are intended to be made within five business days of the date on which the distribution is calculated.

Distributions are paid on the number of units held as at the close of business of the last business day prior to the day the distribution is calculated. The distribution will reduce the unit price of those units.

You can elect to have distributions re-invested in the Fund or direct credited to your bank account. Re-invested distributions will be applied to purchase additional units in the relevant Fund. Buy spreads are not charged on units issued as a result of distribution re-investment. You can change your election by giving us at least 10 business days' notice. We can amend this notice period by notifying investors and can waive the notice period in our discretion.

All distributions are made at our discretion, and we may change our distribution policy (including by ceasing to offer distribution re-investment) for any Fund from time to time.

Significant benefits

Investing in the Salt Investment Funds offers a range of benefits, including:

- **Diversification:** Pooling together investors' money into a single Fund enables us to invest in a wide range of securities on your behalf, providing better diversification and lowering the overall risk of your investment.
- **Access to unique global investment strategies:** The Funds provide access to Australasian and international investment strategies that might otherwise be difficult to achieve on your own.
- **Experienced investment managers:** The Funds utilise the investment expertise of highly experienced managers who have a multi-decade perspective on investment opportunities and investment risk
- **Responsible investing:** environmental, social and governance (ESG) factors are integrated to various extents across the Funds. Please see Salt's Sustainable Investment Spectrum at saltfunds.co.nz/sustainable for more information. Salt is also a signatory to the United Nations-sponsored Principles of Responsible Investment – more information on the principles and our reporting can be found at unpri.org

Investment strategy of the Funds

Each Fund invests in different types of investments and has a different investment strategy and objective. The Enhanced Property Fund and the Long Short Fund each have unique features (including the use of short selling) which mean that these Funds will not be appropriate for all investors. Further information is set out in Section 3, 'Description of your investment options' and Section 4, 'What are the risks of investing?'

Making investments

You can invest in the Funds either directly or through an administration service.

Investing directly

You can invest in the Funds by making lump sum and regular investments, either by cheque or direct credit. Once you have made an initial investment, there is no obligation to make further payments. Investments of any amount can usually be made, provided the following minimums are met:

Type of minimum	Minimum per Fund
Initial investment	\$5,000
Additional lump sum investment	\$1,000
Regular investment	\$100 per month

We can waive these minimums generally or in a particular case. We can also change these minimums from time to time. We can, at our discretion, accept consideration for units in a form other than cash, including existing investments. Please contact us if you would like to discuss this option.

Investing through an administration service

Any investment made through an administration service will be held by the administration service's custodian on your behalf and different minimum investment levels may apply to the particular service that you use. You will need to make payments to the provider of that service by following the process it has. The provider will be able to provide you with details.

Processing applications

Generally, if we receive a valid application before 1.00pm on a valuation day, we will issue units at the price set using the value of the relevant Fund's assets and liabilities on that day. If we receive the application on or after 1.00pm, we will issue units at the price set using the value of those assets and liabilities on the next valuation day. Valuation days currently occur every business day in Auckland. We also may defer processing applications if we consider it necessary or desirable. Units will be issued at the unit price, which is calculated by dividing the Fund's net asset value by the number of units on issue and adjusting that amount for the applicable buy spread.

See the Other Material Information (OMI) document on the offer register at disclose-register.companiesoffice.govt.nz for more information about making investments.

Withdrawing your investments

You can withdraw part or all of your investment in a Fund at any time.

If you are investing directly, you will need to provide written notification to us at the address set out on page 11 specifying the monetary amount or number of units you wish to withdraw, and the Fund or Funds you wish to withdraw from. If you are investing through an administration service, you will need to request a withdrawal by following the process the provider of that service has. They will be able to provide you with details of that process.

The minimums currently applying to withdrawals (unless it is for all of your units in the relevant Fund), are:

Type of minimum	Minimum per Fund
Partial withdrawal	\$1,000
Remaining holding	\$5,000

You will need to make a full withdrawal if the requested withdrawal would reduce the value of your remaining unit holding in the relevant Fund to less than the above minimum balance. We can waive the above requirements at our discretion.

Withdrawals will be processed as soon as possible after we receive written notification that you wish to withdraw, and in any case will be processed within 15 (for the Long Short Fund, Sustainable Global Listed Infrastructure Fund, and Sustainable Global Listed Property Fund) or 10 (for every other Fund) business days of receipt. Valid withdrawal notices received by us on a valuation day before 1.00 pm will be processed at the unit price set using the value of the Fund's assets and liabilities on that day. Withdrawal notices received on or after 1.00 pm will be processed at the unit price set using the value of those assets and liabilities on the following valuation day. If we do not think it is practical or desirable to calculate the relevant withdrawal amount on those days then we will process the withdrawal at the unit price applicable to the first valuation day we consider practicable. The unit price for all withdrawals is adjusted for the applicable sell spread.

We have discretion to satisfy a withdrawal request by either paying you the amount you withdraw in cash, or transferring investments of the relevant Fund to you. Unless the amount withdrawn is 5% or more of the value of the Fund for the relevant valuation day, you and the Supervisor must agree before we can satisfy a withdrawal request by transferring investments to you. We will contact you if we propose to transfer investments to you to satisfy a withdrawal request.

If, within three months, investors request to withdraw or switch 5% or more of the units in a Fund, we can defer the redemption of those units for up to 90 days. We can also suspend withdrawals and switches from a Fund for up to three months if it is not practicable or would be materially prejudicial to the interests of investors in that Fund to permit withdrawals. We can extend the time period for suspensions or deferrals with the Supervisor's agreement.

See the OMI document on the offer register at disclose-register.companiesoffice.govt.nz for more information about withdrawals.

How to switch between funds

You can switch between available funds within the Salt Investment Funds at any time. A switch is treated as a withdrawal from one fund and an investment in another and the applicable buy and sell spreads will be incurred.

The minimums applying to switches (unless it is for all of your units in the relevant fund) are the same as those for withdrawals. Switches can also be suspended or deferred in the same circumstances as withdrawals.

3. Description of your investment options

The table below shows details of each Fund:

Fund	Summary of investment objectives and strategy	Target investment mix+	Risk category	Minimum suggested investment time frame
NZ Dividend Appreciation	The Fund's investment objective is to outperform the S&P/NZX 50 Gross Index on a rolling three-year basis by investing predominantly in New Zealand shares. ^ The Fund targets a portfolio of shares of New Zealand companies that may, in our opinion, pay high and sustainable dividends.	Australasian equities 100%	5	5 years
Enhanced Property	The Fund's investment objective is to outperform the S&P/NZX All Real Estate (Industry Group) Gross Index over a full market cycle by investing predominantly in New Zealand and Australian property and property-related shares. ^ It targets a portfolio of shares of New Zealand and Australian property trusts, companies and other property related securities with exposure to property and property-related sectors. #	Listed property 95% Cash and cash equivalents 5%	5	5 years

Long Short	The Fund's investment objective is to outperform the Reserve Bank of New Zealand Official Cash Rate +5% p.a. benchmark on a rolling three-year basis. [^] The Fund aims to deliver positive absolute returns in all market environments. [#]	Australasian equities 30% Cash and cash equivalents 70%	4	5 years
Core NZ Shares	The Fund's investment objective is to outperform the S&P/NZX 50 Gross Index on a rolling three-year basis by investing predominantly in New Zealand shares but with the ability to invest opportunistically in Australian shares. [^] The Fund targets a portfolio of shares of New Zealand companies that may, in our opinion, provide a high total return. The Fund may also invest opportunistically in shares of Australian companies.	Australasian equities 100%	5*	5 years
Sustainable Income	The Fund's investment objective is to provide a gross fixed quarterly income in excess of bank deposit rates, along with a positive return on capital on a rolling three-year basis. [^] The Fund targets a diversified mix of growth and defensive assets, with a focus on securities with high ESG factor scores and reliable income generation.	Australasian equities 30% International equities 15% New Zealand fixed interest & International fixed interest 35% Listed property 15% Cash and cash equivalents 5%	4*	3 years
Sustainable Growth	The Fund's investment objective is to outperform the Reserve Bank of New Zealand's Consumer Price Index +5% p.a. benchmark on a rolling five-year basis. [^] The Fund targets a diversified mix of growth and defensive assets, with a focus on securities with high ESG factor scores.	Australasian equities 25% International equities 45% New Zealand fixed interest & International fixed interest 15% Listed property 10% Alternatives 0% Cash and cash equivalents 5%	4*	5 years
Sustainable Global Shares	The Fund's investment objective is to outperform the MSCI World (Net) Index in New Zealand dollars on a rolling three-year basis. [^] The Fund targets a portfolio of global companies with high total return potential and high ESG factor scores. The Fund invests in intrinsically carbon-light companies while also excluding the business activities of alcohol, gambling, adult entertainment, tobacco and weapons. [§]	International and Australasian equities 100%	5*	5 years
Sustainable Global Listed Infrastructure	The Fund's investment objective is to exceed the total return of its benchmark, the FTSE Global Core Infrastructure 50/50 Net Tax Index in New Zealand dollars on a rolling three-year basis. [^] The Fund targets investing in in common stock and other equity securities issued by global infrastructure companies with high ESG factor scores. [§]	International and Australasian equities 100%	5*	5 years
Sustainable Global Listed Property	The Fund's investment objective is to exceed the total return of its benchmark, the FTSE EPRA/NAREIT Developed Index Net Total Return Index in New Zealand dollars on a rolling three-year basis. [^] The Fund targets a diversified portfolio of REITs and other publicly traded real estate companies located around the world, including both developed and emerging markets with high ESG factor scores. [§]	Listed property 100%	6*	5 years

+ Targets indicate an average value of what might be expected and should be considered as a general guide only. The actual investment mix could vary quite markedly in the normal course of undertaking the Funds' investment strategy. See the SIPO for the Funds for more information about how the Funds invest.

* The fund has not been in existence for five full years, so its risk indicator has been calculated using a mix of returns data of actual fund returns and a portfolio with the same investment strategy for a five-year period to 31 March 2023. As a result, the risk indicator may provide a less reliable indicator of the potential future volatility of the fund. Please see the latest fund update on saltfunds.co.nz for more information on the fund risk indicator.

[§] See the latest monthly fund fact sheets at saltfunds.co.nz for the latest reporting on ESG factors.

[^] After fees and expenses but before tax.

[#] This Fund may also, at our discretion, short sell securities, hold cash, lever its assets and utilise active currency management to generate returns (although it will generally be fully hedged). Given the Fund's wide investment limits, broad range of risk management tools, and ability to short sell/employ leverage, its return is unlikely to reflect general equity market performance and its performance will depend, to a larger degree than traditional equity funds, on Salt's investment decisions. As a result, the Fund will not be appropriate for all investors.

We can change the SIPO for the Funds after consulting with the Supervisor. We will give you at least one month's prior notice of any material changes to the SIPO. The most current version of the SIPO is available on the schemes register at disclose-register.companiesoffice.govt.nz. A description of any material changes to the SIPO will be included in the Funds' annual report. Further information about the assets in the Funds can be found in the fund updates at saltfunds.co.nz.

Responsible Investment, including environmental, social, and governance (ESG) considerations, is integrated in the investment policies and procedures of the Salt Investment Funds as at the date of this product disclosure statement. You can obtain our Responsible Investment Policy and more information about ESG consideration in our investment policies and procedures at saltfunds.co.nz/sustainable

4. What are the risks of investing?

Understanding the risk indicator

Managed funds in New Zealand must have a standard risk indicator. The risk indicator is designed to help investors understand the uncertainties both for loss and growth that may affect their investment. You can compare funds using the risk indicator.

Set out on the right is an example (blank) risk indicator. See the table on page 2 for the filled-in risk indicator for each Fund.



The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund's assets goes up and down (volatility). A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at sorted.org.nz/tools/investor-kickstarter.

Note that even the lowest category does not mean a risk-free investment, and there are other risks (described under the heading 'Other specific risks') that are not captured by this rating.

This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for the five years to 31 March 2023. While risk indicators are usually relatively stable, they do shift from time to time. You can see the most recent risk indicator in the latest fund update for each Fund.

General investment risks

Some of the things that may cause a Fund's value to move up and down, which affect the risk indicators, are investment return risk, market risk, company risk, credit risk, liquidity risk, currency risk, derivative risk, and concentration risk.

Risk	Description
Investment return risk	Investment risk is the risk that returns from the Funds' investments will be negative or lower than expected, affecting the value of your investment in the Funds. Different asset classes have different levels of risk. For example, equity and property investments are generally considered higher risk and potentially more volatile than fixed interest and cash assets.
Market risk	Investments generally are affected by movements in market demand and supply, economic conditions, market sentiment, political events, natural disasters, other global events (such as pandemics), and consumer demand.
Company risk	The risks associated with an investment in a particular company, including the risk that the value of its securities may fluctuate as a result of factors specific to that company.
Credit risk	Credit risk is the risk that a party to a contract with a Fund defaults, fails to complete a transaction, or otherwise becomes unable to meet its financial obligations.
Liquidity risk	Liquidity risk is the risk that investments cannot be sold without loss of capital and minimum delay, due to either limited market depth for the trading of the investment in the secondary market or disruptions in the marketplace for the investment.
Currency risk	Funds that invest in overseas markets may have their returns impacted by the changes in the currency exchange rate between the overseas market currency and the New Zealand dollar (although Funds with foreign currency exposure use varying levels of currency hedging).
Derivative risk	As the Funds may use a range of derivatives including forwards, futures and options, their investment movements may be more volatile than a fund with no derivative exposure.
Concentration risk	As the Funds focus on investing in equity securities, they may have large exposures to underlying companies, geographical areas, or industries. An adverse impact on these exposure areas will have a greater impact on returns than a more diversified portfolio.

Other specific risks

The other specific risks set out below also apply to the Funds but are not reflected in the risk indicators. We have processes in place to mitigate, to the extent practicable, these risks.

Risk	Description
Key person risk	As we and Salt are boutique fund managers, the Funds are dependent on the continued involvement and commitment of key investment personnel. The loss of any of them could have an adverse effect on our and Salt's ability to make investment decisions in respect of the Funds, and therefore on the Funds' returns.
Risks relating to performance of the parties involved in the Funds	Various parties are involved in the operation of the Funds, including us, Salt, the Supervisor, the Administration Manager, underlying investment managers, and in the case of the Long Short Fund and the Enhanced Property Fund, the counterparty which each Fund sources its securities lending from. If any of these parties fail to properly perform their obligations to the Funds, the value of your investment in the Funds or your ability to withdraw may be negatively affected. In addition, as Salt is our parent company, any issue affecting its ability to perform functions may also affect us.

Long Short Fund and Enhanced Property Fund

Risk	Description
Short selling risk	When short selling, the relevant Fund borrows shares it does not own from a counterparty and sells these with the intention of buying them back (and returning them to the lender of the security) at a later date and at a lower price, thereby making a profit. As the theoretical upper limit on a share price is unlimited, the potential loss (and negative effect on returns) is also unlimited. The lender may request return of the shares which gives rise to the possibility that shares will have to be bought at a time not of our choosing, potentially resulting in losses.
Leverage risk	These Funds employ leverage through the use of short selling and derivatives (see the table on page 6). A Fund that utilises leverage has greater exposure to the value of market securities than a Fund which has not used leverage. This magnifies the potential gains and losses from investments and increases the volatility of the Fund's return compared to a Fund that has not used leverage.
Stock lending risk	When borrowing shares from a counterparty to short, the Fund is required to post collateral in the form of cash or securities with the counterparty. Collateral acts as a form of guarantee that the shares borrowed by the Fund will be returned. The lender has the right to sell or lend the collateral to other parties. The Fund, therefore, is exposed to the creditworthiness of the lender in obtaining the collateral back if an adverse event occurred, which may negatively affect returns if we are unable to obtain that collateral.

See the OMI document on the offer register at disclose-register.companiesoffice.govt.nz for more information about risks.

5. What are the fees?

You will be charged fees for investing in the Salt Investment Funds. Fees are deducted from your investment and will reduce your returns. If we invest in other funds, those funds may also charge fees. The fees you pay will be charged in two ways:

- regular charges (for example, annual fund charges). Small differences in these fees can have a big impact on your investment over the long term
- one-off fees or charges (for example, buy / sell spreads).

Annual fund charges

Fund	Estimated total annual fund charges (of net asset value)			
	Management fees	Other management and administration charges	Performance-based fees	Total
NZ Dividend Appreciation	0.96%	0.14%	N/A	1.10%
Enhanced Property	0.86%	0.16%	0.03%	1.05%
Long Short	1.52%	0.17%	0.47%	2.17%
Core NZ Shares	0.96%	0.14%	N/A	1.10%
Sustainable Income	0.78%	0.18%	N/A	0.96%
Sustainable Growth	0.90%	0.18%	N/A	1.08%

Sustainable Global Shares	1.02%	0.13%	N/A	1.15%
Sustainable Global Listed Infrastructure	1.02%	0.14%	N/A	1.16%
Sustainable Global Listed Property	1.02%	0.14%	N/A	1.16%

Explanation of categories of fees

The fees outlined above cover the following two fee categories:

Fee category	What it covers
Management and administration charges	<p>The management and administration charges cover the following:</p> <ul style="list-style-type: none"> • Management fees; and • Other management and administration charges, which includes Supervisor's fees, Custodian's fees, Administration fees, Establishment cost recoveries (where applicable) and Other expenses. These other management and administration charges (other than extraordinary or special fees or expenses) are currently capped at (excluding GST) 0.20% of each Fund's average daily gross fund value except for the Enhanced Property Fund and Long Short Fund which are capped at 0.25% per annum per Fund. <p>All fees and expenses in this category are estimates based on each Fund's actual fees and expenses incurred in the 12 months to 31 March 2023.</p> <p>See the OMI document on the offer register at disclose-register.companiesoffice.govt.nz for more information about how management and other management and administration charge estimates are calculated.</p>
Performance-based fees	<p>The performance fee for the Long Short Fund and Enhanced Property Fund is an estimate based on the average of the relevant Fund's actual performance fees charged in the seven 12-month periods to 31 March 2023.</p> <p>See the OMI document on the offer register at disclose-register.companiesoffice.govt.nz for more information about how performance-based fee estimates are calculated.</p>
<p>All of the above fees and expenses are deducted from the unit value. Each of the fees listed above, other than Other expenses, are calculated and accrued daily as a percentage of the daily gross fund value of the relevant Fund (essentially meaning its net assets but ignoring any accruals for fees and expenses).</p> <p>All fees are paid monthly in arrears (except for the Supervisor's fee, which is paid quarterly in arrears, and the performance fees, which are paid annually in arrears) from the relevant Fund.</p>	

In addition to the above, transaction costs, which include brokerage, short selling expenses and other associated costs, are reflected in the Funds' unit prices and could therefore affect returns.

All fees are disclosed on a before-tax basis. GST will be added to fees and may be included in some expenses, as applicable.

Performance fees

The performance fees portion of the annual fund charges for the Enhanced Property Fund and the Long Short Fund set out above is charged on the following basis:

Fund	Hurdle rate of return*	Amount of performance fee**	Frequency of calculation	Maximum limit
Long Short	The Reserve Bank of New Zealand Official Cash Rate plus 5% per annum over the performance period	15%	The performance period is every 12 months up to and including 31 March each year. The performance fee is accrued and adjusted on a daily basis and paid annually in arrears.	None
Enhanced Property	The return of the S&P/NZX All Real Estate (Industry Group) Gross Index plus 1% per annum over the performance period	10%	The performance period is every 12 months up to and including 31 March each year. The performance fee is accrued and adjusted on a daily basis and paid annually in arrears.	None

Each Fund's performance fee is subject to a **high-water mark**. This means that the performance fee is only payable if and to the extent that the gross value of each unit in the relevant Fund at the end of a performance period, adjusted for imputation credits (for the Long Short Fund only), any distributions made, and any unpaid performance fee that has accrued since the last high-water mark was set, exceeds the previous high-water mark. The first high water mark is the unit price on commencement of the first performance period for the relevant Fund and is only ever reset to a higher unit price if a performance fee is payable, at which point the new high-water mark will be set at the relevant Fund's unit value on that day.

* The 'hurdle rate' is the minimum return each Fund must achieve before a performance fee is payable (assuming the high-water mark unit price is exceeded).

** As a percentage of the relevant Fund's return in excess of the hurdle rate of return, plus any GST.

In our fund updates, we will compare the Long Short Fund's performance against a market index that we consider reflects changes in the market value of the types of asset that the Fund invests in. However, the hurdle rate of return for the performance fee payable to us is based on the Reserve Bank of New Zealand Official Cash Rate plus 5% per annum over the performance period. This means you may be paying a performance fee even if the Fund's performance (after fees but before tax) does not match or beat a market index which has more comparable assets.

In our fund updates, we will compare the Enhanced Property Fund's performance against the S&P/NZX All Real Estate (Industry Group) Gross (including Imputation Credits) Index. This means that imputation credits are included when calculating market index returns in our fund updates, but are not included in the Fund's and index's returns when calculating the performance fee for that Fund. This means there is a chance that you may pay a performance fee even if the Fund's performance (after fees but before tax) does not match or beat the index we use for calculating market index returns in our fund updates.

Buy/sell spreads

Investors are currently charged a buy/sell spread to reflect the associated transaction costs of buying or selling units in a Fund. These reflect our estimate of the brokerage and other costs incurred when units are purchased or redeemed.

The current buy/sell spreads (which can change at our discretion) are as follows:

Fund	Buy/sell spread	How and when payable
Each Fund	0.20% of funds invested into the Fund and 0.20% of funds withdrawn from the Fund.	The spread is deducted from the relevant amount at the time you invest or withdraw. The spread is retained in the relevant Fund and ensures other investors entering and exiting the Fund do not adversely affect the returns on your investment. No spreads are charged on units issued as a result of distribution re-investment.

We can change buy/sell spreads without notice, as outlined below (for example, during stressed market conditions, spreads may materially increase).

Individual action fees

There are currently no individual action fees charged. You may be charged other fees on an individual basis for investor-specific decisions or actions in the future. See the OMI document on the offer register at disclose-register.companiesoffice.govt.nz.

Example of how fees apply to an investor

John invests \$10,000 in the Core NZ Shares Fund. He is charged a buy spread of \$20 (0.20% of \$10,000). This brings the starting value of his investment to \$9,980.

He is also charged management and administration fees, which work out to about \$109.78 (1.10% of \$9,980). These fees might be more or less if his account balance has increased or decreased over the year.

Estimated total fees for the first year

Buy spreads: \$20

Fund charges: \$109.78

See the latest fund update for an example of the actual returns and fees investors were charged over the past year.

This example applies only to the NZ Core Shares Fund. If you are considering investing in other funds in the Salt Investment Funds, this example may not be representative of the actual fees you may be charged.

The fees can be changed

We can change the fees set out above or introduce new fees in the future, subject to the maximum fees set out in the master trust deed for the Funds. The maximum management fee that can be charged is 2% of the gross fund value of a Fund, and the maximum Supervisor's fee is the greater of \$20,000 for all funds within the Salt Investment Funds or 0.075% plus any GST. Where fees are increased we will give affected investors one month's prior notice. We may increase or remove the cap on fees or expenses for a Fund by one month's notice to affected investors. We can also change the buy/sell spreads without notice, and there are no limits on the spreads that we can charge. For current spreads, see saltfunds.co.nz. Although we do not currently intend to do so, we can introduce contribution, withdrawal, or switching fees by two months' notice. We can also waive our fees.

We must publish a fund update for each Fund showing the fees actually charged during the most recent year. Fund updates, including past updates, are available at saltfunds.co.nz.

6. What taxes will you pay?

Each Fund is a portfolio investment entity. The amount of tax you pay is based on your prescribed investor rate (PIR). To determine your PIR, go to ird.govt.nz and search 'Prescribed Investor Rate'. If you are unsure of your PIR, we recommend you seek professional advice or contact the Inland Revenue Department. It is your responsibility to tell us your PIR when you invest or if your PIR changes. If you do not tell us, a default rate may be applied. If the rate applied to your PIE income is lower than your correct PIR, you will be required to pay any tax shortfall as part of the income tax year-end process. If you are an individual investor and the rate applied to your PIE income is higher than your PIR, any tax over-withheld will be used to reduce any income tax liability you may have for the tax year and any remaining amount will be refunded to you. Other investors will not receive a refund of any over-withheld tax.

If you invest in the Fund through an administration service that is a proxy for investors under the Income Tax Act 2007, that service provider will be the investor in the Fund on your behalf. It is your responsibility to tell your service provider your PIR when you invest in the Fund or if your PIR changes. If you do not tell them, the default rate of the service provider may be applied.

See the OMI document on the offer register at disclose-register.companiesoffice.govt.nz for more information about the tax consequences of an investment in the Salt Investment Funds.

7. Who is involved?

About Salt Investment Funds Limited

The manager of the Salt Investment Funds is Salt Investment Funds Limited. We are responsible for managing and administering the Funds. We are a wholly owned subsidiary of Salt (the Funds' investment manager), a boutique investment management firm specialising in managing New Zealand-centric listed equity and property mandates.

You can contact us by calling 09 967 7276, emailing info@saltfunds.co.nz, or writing to PO Box 106-587, Auckland, 1143.

Who else is involved?

Title	Name	Role
Supervisor	The New Zealand Guardian Trust Company Limited	Supervisor of the Funds under the Financial Markets Conduct Act and responsible for supervising us as manager of the Funds.
Custodian	The New Zealand Guardian Trust Company Limited	Holds the assets of the Funds.
Administration manager	Apex Investment Administration (NZ) Limited	Provides unit pricing and registry services.
Investment manager	Salt Funds Management Limited	Decides which assets the Funds will invest in.

8. How to complain

You can lodge a complaint with us:

Call: 09 967 7276 during normal business hours
Email: info@saltfunds.co.nz
Write to: Salt Investment Funds Limited, PO Box 106-587, Auckland, 1143

You can also lodge a complaint with the Supervisor:

Call: 09 909 5100 or 0800 87 87 82 during normal business hours
Write to: The New Zealand Guardian Trust Company Limited, Level 6, 191 Queen Street, Auckland

We and the Supervisor are each a member of an approved dispute resolution scheme operated by Financial Services Complaints Limited (FSCL). If you have complained to us and you have reached the end of our internal complaints process without your complaint being resolved to your satisfaction, FSCL may be able to consider your complaint. FSCL will not charge a fee to any complainant to investigate or resolve a complaint.

Call: 0800 347 257 during normal business hours
Email: complaints@fscl.org.nz
Write to: Financial Services Complaints Limited, PO Box 5967, Wellington 6145

9. Where you can find more information

Further information relating to the Salt Investment Funds, including financial statements, annual reports, quarterly fund updates, the master trust deed and establishment deeds for the Funds, and SIPO, is available on the offer register and the scheme register at: disclose-register.companiesoffice.govt.nz. A copy of the information on the offer register or scheme register is available on request from the Registrar of Financial Service Providers.

You may also receive a statement of the units held within 14 days of allotment of your investment or a quarterly statement detailing all investments, portfolio movements, and withdrawals over the period. Distribution statements will be sent to investors at the time of payment of any distributions.

You can also obtain, free of charge:

Type of information	How to obtain
Fund updates	Fund updates are available from our website and on request.
Fund information relevant to you	You can inspect documents we hold that are relevant to you, and other documents legally required to be provided to you, at our offices during normal business hours, or request an extract of those documents, by written request to us. Direct investors in the Funds can also obtain an estimate of unit holdings in the same way.

You will also be sent an annual tax statement which will include PIE income allocated to you and the amount of tax paid at your chosen PIR. You will also be asked to confirm your IRD number and PIR.

You can find general information about us, Salt, the Funds, and the investment management team on our website at saltfunds.co.nz.

10. How to apply

To invest directly in the Funds, please:

- complete the application form at the end of this PDS and ensure your payment is made in accordance with the instructions in the application form
- send the application form, together with your cheque (if relevant) and any other documentation (as set out in the application form) to the address set out in the application form.

To invest through an administration service, please contact us for a list of eligible administration services at any time.