

SALT

Quarterly Fund Update: Salt NZ Dividend Appreciation Fund – 30 June 2022

This fund update was first made publicly available on 28 July 2022.

What is the purpose of this update?

This document tells you how the Salt NZ Dividend Appreciation Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. Salt Investment Funds Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

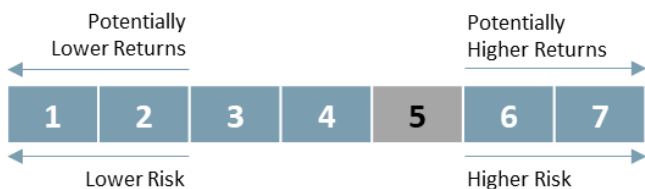
Description of this fund

The Salt NZ Dividend Appreciation Fund targets a portfolio of shares of New Zealand companies that may, in our opinion, pay high and sustainable dividends. A considerable body of robust research suggests that stocks with strong and sustained dividend policies tend to generate higher free cash flow than average and outperform their index benchmarks over time. The strategy is not intended to naively generate the highest possible yield but rather to generate a high and sustainable dividend yield.

| | |
|---------------------------------|---------------|
| Total value of the fund | \$106,481,529 |
| The date the fund started | 30 June 2015 |
| Number of investors in the fund | 45 |

What are the risks of investing?

Risk indicator for the Salt NZ Dividend Appreciation 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. 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 www.sorted.org.nz/tools/investor-kickstarter.

Note that even the lowest category does not mean a risk-free investment, and there are other 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 a five-year period to 30 June 2022. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.

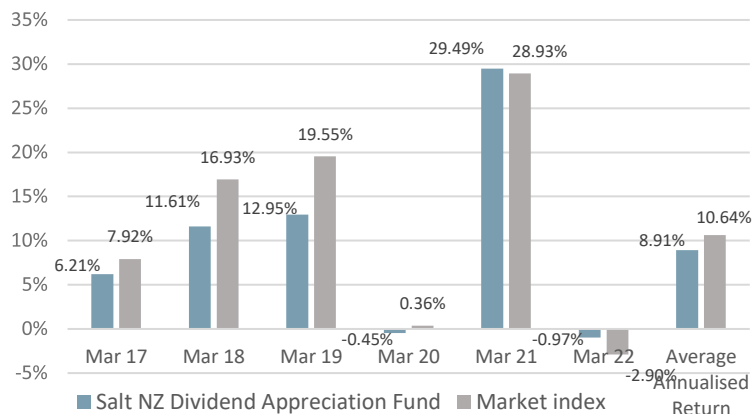
See the product disclosure statement (PDS) for more information about the risks associated with investing in this fund.

How has the fund performed?

| | Average over past five years | Past year |
|--|------------------------------|-----------|
| Annual return (after deductions for charges and tax) | 6.92% | -12.83% |
| Annual return (after deductions for charges but before tax) | 7.81% | -12.20% |
| Market index annual return (reflects no deduction for charges and tax) | 8.30% | -13.50% |

The market index is the S&P/NZX 50 Gross (including Imputation Credits) Index. For more information about the market index see the offer register at business.govt.nz/disclose.

Annual return graph



This shows the return after fund charges and tax for each year ending 30 March since the fund started. The last bar shows the average annual return since the fund started, up to 30 June 2022. Returns in this update are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax may be lower.

Important: This does not tell you how the fund will perform in the future.

What fees are investors charged

Investors in the Salt NZ Dividend Appreciation Fund are charged fund charges. In the year to 31 March 2022, these were:

| | % of net asset value |
|--|----------------------|
| Total fund charges | 1.10% |
| Which are made up of: | |
| Total management and administration charges | 1.10% |
| Including: | |
| Manager's basic fee | 0.96% |
| Other management and administration charges | 0.14% |
| Total performance-based fees | 0.00% |

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the PDS on the offer register at business.govt.nz/disclose for more information about those fees.

SALT FUNDS MANAGEMENT

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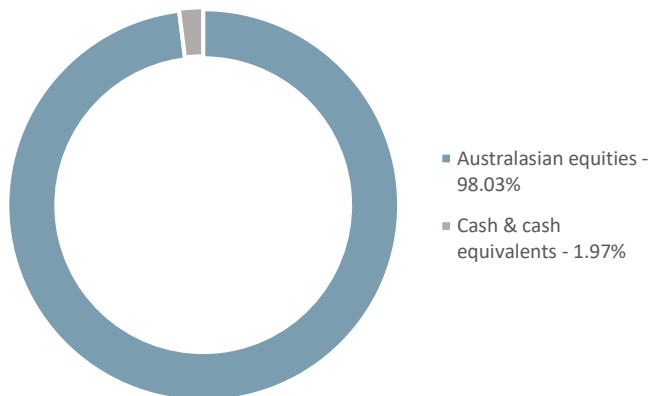
Example of how this applies to an investor

Small differences in fees and charges can have a big impact on your investment over the long term. Sam had \$10,000 in the fund at the start of the year and did not make any further contributions. At the end of the year, Sam incurred a loss after fund charges were deducted of \$1,220 (that is -12.20% of his initial \$10,000). Sam didn't pay any other charges. This gives Sam a total loss after tax of \$1,283 for the year.

What does this fund invest in?

This shows the types of assets that the fund invests in.

Actual investment mix



Target investment mix

| | |
|-----------------------|------|
| Australasian equities | 100% |
|-----------------------|------|

Top 10 investments

| Name | % of Fund Net Assets | Type | Country |
|--------------------------------|----------------------|-----------------------|---------|
| Fisher & Paykel Healthcare | 10.47% | Australasian equities | NZ |
| Spark New Zealand | 7.97% | Australasian equities | NZ |
| Mainfreight | 6.29% | Australasian equities | NZ |
| Auckland International Airport | 5.93% | Australasian equities | NZ |
| Ebos Group | 5.61% | Australasian equities | NZ |
| Meridian Energy | 5.45% | Australasian equities | NZ |
| Infratil | 5.01% | Australasian equities | NZ |
| Fletcher Building | 4.74% | Australasian equities | NZ |
| Tower | 4.09% | Australasian equities | NZ |
| Contact Energy | 3.91% | Australasian equities | NZ |

The top 10 investments make up 59.47% of the net asset value of the fund.

Key personnel

| | |
|------------------------|---|
| Matthew Goodson | |
| Current position | Managing Director |
| Time in position | 9 years & 1 month |
| Previous position | Portfolio Manager at BT Funds Management (NZ) Limited |
| Time in position | 4 years & 5 months |

| | |
|----------------------|---|
| Paul Harrison | |
| Current position | Managing Director |
| Time in position | 9 years & 1 month |
| Previous position | Portfolio Manager at BT Funds Management (NZ) Limited |
| Time in position | 5 years |

| | |
|----------------------|----------------------------|
| Paul Turnbull | |
| Current position | Chief Investment Officer |
| Time in position | 3 years & 1 month |
| Previous position | Research Analyst at Jarden |
| Time in position | 6 Years |

| | |
|---------------------|---|
| Greg Fleming | |
| Current position | Head of Global Diversified Funds |
| Time in position | 1 year & 3 months |
| Previous position | Head of Investment Strategy at AMP Capital NZ |
| Time in position | 4 Years & 8 months |

| | |
|---------------------|--------------------------------------|
| Bevan Graham | |
| Current position | Economist |
| Time in position | 1 year & 4 months |
| Previous position | NZ Managing Director, AMP Capital NZ |
| Time in position | 2 years & 2 months |

Further information

You can also obtain this information, the PDS for the Salt NZ Dividend Appreciation Fund, and some additional information from the offer register at business.govt.nz/disclose.