Salt Global Listed Property Fund Fact Sheet – May2025

Manager Profile

Salt Funds Management is a boutique investment management firm wholly owned by its employees which specialises in actively seeking to maximise returns while managing the risks of the investment. Salt examines investments for their environmental and social impact as well as the quality of their governance.

Fund Name Change

As of 13 June, the Salt Sustainable Global Listed Property Fund is being renamed the Salt Global Listed Property Fund. There is no change to investment disciplines or approach; however, this aligns the fund better with current global regulatory trends.

Investment Strategy

The Fund's investment objective is to outperform (after fees and expenses but before NZ tax) the total return of its benchmark, the FTSE EPRA Nareit Developed Real Estate Index Hedged in NZD on a rolling three-year basis. The Fund targets a portfolio of global listed real estate companies with sustainable total return potential and superior Environmental, Social and Governance (ESG) credentials and factor scores with respect to the benchmark index.

Fund Facts at 31 May 2025

Benchmark	FTSE EPRA Nareit Developed Real Estate Index hedged into NZD
Fund Assets	$40.62 million
Inception Date	16 September 2021
Underlying Manager	Cohen & Steers

Unit Price at 31 May 2025

Application	0.8584
Redemption	0.8549

Investment Guidelines

The guidelines for the Global Listed Property Fund are:

Global equities	95% – 100%
Cash	0% – 5%

Target Investment Mix

The target investment mix for the Global Listed Property Fund is:

Global equities	100%

Fund Allocation at 31 May 2025

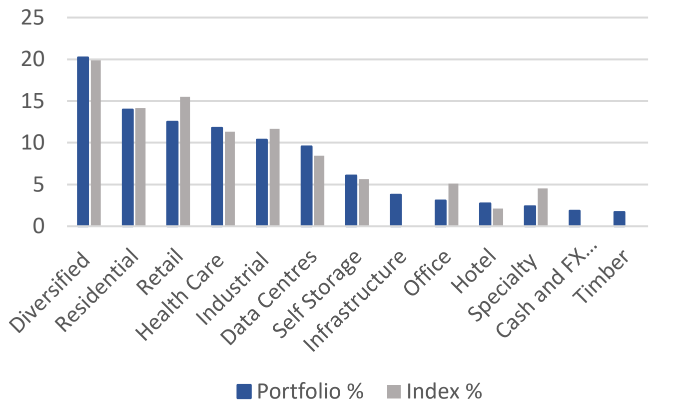
Global equities	98.2%
Cash & short-term, FX forwards	1.8%

Fund Performance to 31 May 2025

Period	Fund Return	Benchmark Return
1 month	2.69%	2.48%
3 months	0.38%	-0.79%
6 months	-3.11%	-3.88%
1 year	9.90%	8.83%
2 years p.a.	10.34%	8.45%
3 years p.a.	2.37%	-0.03%
Since inception p.a.	0.85%	-1.64%

Performance is before fees and PIE tax and adjusted for imputation credits. Benchmark performance is gross.

Fund Sectoral Weightings in % as at 31 May 2025



Source: Cohen & Steers 31 May 2025

Top 10 holdings as at 31 May 2025	
Welltower	Extra Space Storage
Digital Realty Trust	Goodman Group
Prologis	Host Hotels & Resorts
Invitation Homes	Sun Communities
Equinix	Simon Property Group

The fund's top 10 holdings comprise 40.46% of the portfolio

Source: Cohen & Steers Monthly Report 31 May 2025

Sustainability metrics (for information only)

Fund ESG Scores	Portfolio	Index
Cohen & Steers ESG score	6.93	6.69
MSCI ESG score	6.12	6.03

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Market Review

The Salt Global Property Fund rose for the May month, gaining 2.69% (before fees) and outperforming its benchmark which rose 2.48% for the month, against a backdrop of continuing market volatility and uncertainty despite equity market gains.

- May saw a strong bounce in global markets as investors doubted the US commitment to tariff plans with the so-called Taco ("Trump Always Chickens Out!") Trade. Equities also defied a rise in bond yields that was caused both by the stagflationary risks from tariffs and extremely loose US fiscal policy proposals. These concerns saw Moodys become the last agency to move the US credit rating off its former AAA status.

- Developed market equities rose +5.9% (+5.3% in NZD terms), and the Nasdaq 100 charged ahead by +9.6%. The risk-on move was underscored by cryptocurrency movements, which included Bitcoin +11% and Ethereum +42%. This came despite the Fed leaving rates unchanged and making relatively hawkish comments concerning stagflation.

- Bond yields rose sharply, with US 10-year yields rising by 28bp to 4.43% and the Japan sell-off continued with an 18bp move to 1.50%. The global aggregate bond index returned -0.3%.

- Australian equities participated in the global advance, rising +4.2%. The RBA cut the cash rate by 25bp to 3.85% and took a surprisingly dovish stance re potential future moves.

- Conversely, while the RBNZ also cut the OCR target by 25bp to 3.25%, stubborn remaining inflation pressures saw them move to a more hawkish outlook and market pricing now only implies a move to just below 3.0%.

- NZ equities rose by +4.3%, with the mini reporting season showing companies experiencing some tentative signs of life.

Portfolio Review May 2025

In the month, the Fund had a total return of 2.7%, which compared with a total gross return of 2.5% for its benchmark. For the year-to-date, the account had a total gross return of 4.1%, compared with 2.7% for its benchmark.

Global real estate securities rose in May as the U.S. agreed to temporary tariff relief with various trading partners. In mid-May, the U.S. announced a mutual 90-day pause on escalating tariff rates with China, allowing further negotiation. A similar agreement was reached toward month-end between the U.S. and the European Union. The U.S. Federal Reserve left its benchmark interest rate unchanged, citing heightened economic uncertainty stemming from U.S. trade policy. The 10-year U.S. Treasury yield rose amid concerns around the country's fiscal and economic outlook.

In the U.S., real estate securities advanced, with a rebound in cyclical sectors and strength in data centres. Cyclical sectors, which had trailed in recent months on economic concerns, fared well on improving macro sentiment.

Hotel and office companies were among the biggest outperformers. Industrial landlords, which among REITs are the most directly affected by tariffs, also found favour, aided by strength in an industrial bellwether company. Among retail-oriented properties, regional malls and shopping centres slightly advanced. While a Class A mall operator's earnings results slightly missed expectations, business fundamentals remain healthy. Comments from a recent International Council of Shopping Centres (ICSC) conference suggested that the market feels solid across leasing and financing transactions, with no visible signs of a slowdown. Despite increasing economic uncertainty, retail sales appear to be holding up well.

Data centres extended their gains in the wake of a strong earnings report from an Austin-based REIT, which reported its second-strongest leasing quarter in history. A large chipmaker reported robust data centre revenues and strong demand for its artificial intelligence (AI) infrastructure, a positive readthrough for data centre demand broadly.

Self-storage companies benefited from solid earnings performance relative to expectations.

Among residential property types, apartments and single-family homes for rent fell modestly. The apartment sector reported earnings results in late April suggesting weaker-than-expected leasing. While data on the single-family homes for rent sector suggested healthy growth relative to apartments, the sector's pricing power appears to be moderating.

Health care companies were bifurcated, with bellwether senior housing companies gaining on better-than-expected fundamentals while lab offices declined.

European real estate securities rose as the U.S. extended the deadline for tariffs on the EU. With tariffs paused, investors shifted focus toward earnings results. In Spain, a diversified landlord advanced on its solid first-quarter results, which included an encouraging update on its data centre leasing momentum. France gained on strong performance among retail and office companies. A mall operator held its investor day, which was confident in tone, and issued a dividend payout outlook above consensus expectations.

U.K. real estate securities rose, with REIT earnings results generally in line with expectations. One REIT reported an acceleration in same-store revenue growth and occupancy gains across the London office market and major retail assets.

Some of the more economically sensitive sectors, including retail and industrial office landlords, outperformed. The more defensive health care sector trailed. In Belgium, a health care property operator—an acquisition target of a peer health care REIT—strongly outperformed. In Germany, a residential company (the largest index constituent) rose on a solid earnings result. Sweden, considered a relatively interest rate–sensitive market, trailed.

The Asia Pacific region advanced on the trade war pause and more favourable macro drivers in Hong Kong and Australia. Hong Kong markets surged in May as the U.S.-China trade war calmed down, with a 90-day truce. For property stocks, a few macro drivers turned more favourable, including a weaker U.S. dollar (more inbound tourism and less resident outbound leakage), a lower Hong Kong inter-bank offered rate (HIBOR; positive for housing affordability and interest cost burden of companies), and a lower Hong Kong 10-year bond yield. A retail landlord outperformed.

The Australian REIT sector also advanced, supported by an interest rate cut announcement from the Reserve Bank of Australia. A data centre specialist and a fund manager outperformed, while an office landlord trailed.

In Japan, developers were mixed; one proxy underperformed amid sector rotation, while another benefited from management's remarks around commitment to the shareholder. Among J-REITs, hotel and office advanced, while industrial and residential companies trailed.

Singapore trailed within the region, partly due to high bond yields globally and investor rotation out of more defensive REITs. Data centre REITs were a bright spot in what was otherwise broad-based weakness, which included industrial and health care companies.

Portfolio Performance

The portfolio had a positive total return in the month and outperformed its benchmark.

Key contributors

• **Stock selection in the U.S.:** Our non-investment in health care REIT Ventas was beneficial, as it missed FFO expectations due to meaningfully decelerating senior housing fundamentals. Overweight positions in data centre specialist Digital Realty Trust and Host Hotels & Resorts also aided performance.

• **Stock selection and an overweight in Hong Kong:** Our overweight in retail-oriented Link REIT aided performance. We have grown more positive on Hong Kong due to inflecting property fundamentals and a stabilizing China macro backdrop, although we recently trimmed some exposure on strength.

• **Overweight in France:** Our overweight in one of the best-performing countries contributed. France benefited from strong performance among retail and industrial office stocks in particular.

Key detractors

• **Stock selection in Spain:** An out-of-index position in Cellnex Telecom fell, as investors favoured more cyclical property types during the month.

• **Stock selection in Singapore:** Overweight positions in diversified REIT CapitaLand Integrated Commercial Trust, retail-oriented Frasers Centrepoint Trust, and health care–focused Parkway Life REIT fell in May following earlier performance strength, as investors rotated into more cyclical sectors.

• **Stock selection in Belgium:** Our non-investment in Cofinimmo detracted; the health care specialist's shares advanced amid news of a potential merger.

Investment Outlook (Cohen & Steers commentary)

As we move forward in an environment shaped by tariffs and heightened volatility, we believe real estate stocks are less likely to feel the brunt of the negative effects. Real estate's historical performance has been underpinned by REITs' stable business models, which focus on acquiring and developing high-quality assets that generate recurring income tied to leases. This business does not rely directly on importing or exporting goods, meaning real estate should be less affected by tariffs. (However, certain sectors, such as industrial and retail, may face more tariff-related risks).

We maintain a positive view of U.S. REITs, with a preference for assets with strong secular growth profiles and pricing power. Data centres should continue to benefit from strong demand for cloud computing and artificial intelligence.

The single-family rental sector has benefited from affordability issues in the for-sale market, which have led to higher demand for rental housing. Within health care, we have a positive outlook on senior housing, where accelerating occupancy and pricing power are driving revenue growth higher.

We have become more positive on self-storage in anticipation of an inflection in sector fundamentals.

Within retail, we believe certain landlords with high-quality properties and strong external growth profiles stand to gain market share over time. However, we are mindful of recent (and likely continuing) retailer bankruptcies and the effects that elevated inflation and a slowdown in the economy could have on the U.S. consumer.

We remain cautious toward offices as businesses reassess their future needs.

We see value opportunities in European real estate, but we are wary of rising geopolitical tensions in the region. Our current positioning is differentiated more by property sector and individual security than by country, based on the common drivers affecting property types across the region. We like logistics and self-storage, which tend to be more defensive and have structural growth characteristics. We also favour high-quality continental retail.

In Asia Pacific, we prefer countries with more favourable economic backdrops. Within Australia, we favour industrial, self-storage and residential developers; we are cautious on retail and offices.

In Singapore, we are positive on underlying hospital fundamentals and continue to favour retail, as sales remain above pre-pandemic levels, which we believe should lead to an increase in rents. We have reduced our weighting in Japan; however, we favour developers with strong shareholder return potential. We continue to like hotels. We have grown more positive on Hong Kong due to inflecting property fundamentals and a stabilizing China macro backdrop.