

SALT

Salt Sustainable Global Listed Infrastructure Fund Fact Sheet – April 2025

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.

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 Global Core Infrastructure 50/50 Net Tax Index on a rolling three-year basis. The Fund targets a portfolio of global infrastructure 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 30 April 2025

Benchmark	FTSE Global Core Infrastructure 50/50 Net Tax Index
Fund Assets	\$104.41 million
Inception Date	18 August 2021
Underlying Manager	Cohen & Steers

Unit Price at 30 April 2025

Application	1.0835
Redemption	1.0791

Investment Guidelines

The guidelines for the Sustainable Global Listed Infrastructure Fund are:

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

Target investment Mix

The target investment mix for the Global Sustainable Listed Infrastructure Fund is:

Global equities	100%
------------------------	------

Fund Allocation at 30 April 2025

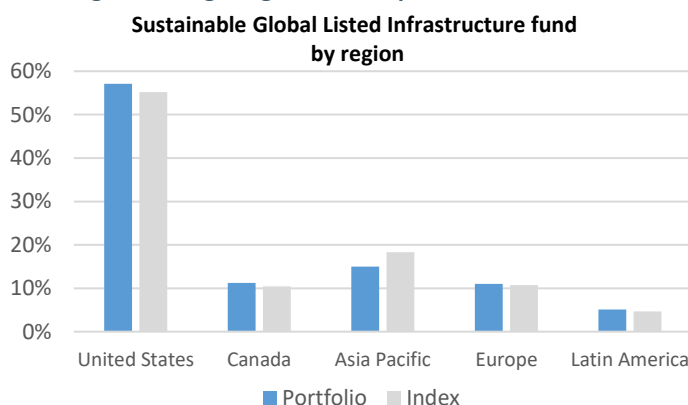
Global equities	99.4%
Cash & short-term	0.6%

Fund Performance to 30 April 2025

Period	Fund Return	Benchmark Return
1 month	-1.10%	0.16%
3 month	2.85%	3.48%
6 month	0.83%	1.95%
1 year	16.62%	15.13%
2 years p.a.	8.82%	7.57%
3 years p.a.	5.72%	3.95%
Since inception p.a.	6.59%	4.75%

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

Fund regional weightings as at 30 April 2025*



Source: Cohen & Steers

*data to 30 April 2025

Top 10 holdings	sector	sector
TC Energy	Midstream	The Williams Companies
Entergy Corp.	Electric	Wisconsin Energy
American Tower	Towers	National Grid UK
NextEra Energy	Electric	Pembina Pipeline
Union Pacific	Freight Rail	Gp Aeroport. Sur-B

The fund's top 10 holdings comprise 35.84% of the portfolio. Source: Cohen & Steers Monthly Investment Report, 30 April 2025

Sustainability metrics

Fund ESG Scores	Portfolio	Index
Cohen & Steers ESG score	6.66	6.41
MSCI ESG score	6.26	6.26

Source: Cohen & Steers Investment Report, 30 April 2025

SALT FUNDS MANAGEMENT

Level 3, The Imperial Buildings, 44 Queen Street | PO Box 106-587, Auckland 1143
P: +64 9 967 7276 | E: info@saltfunds.co.nz | www.saltfunds.co.nz

Market Review

The Salt Sustainable Global Infrastructure Fund declined -1.1% in April (before fees) but outperformed the broader equity market, as more defensive global equities moved into focus for investors. Concern about increasing risks to economic growth and heightened volatility amid the uncertainty of tariffs and other policy changes weighed on U.S. and international markets, particularly in the first half of April, before compromises began.

- Markets were volatile in April as the implications of the evolving changes to the global trade environment impacted on share, bond and currency markets. The month started badly as President's Trump's Liberation Day tariffs surprised in both scale and scope. Share markets recovered later in the month as some measures were softened or delayed. Developed market equities ended the month up +0.9% (in USD terms) but were down -3.7% in NZD terms, with the US underperforming.
- Bond markets were similarly volatile as the yield on 10-year US Treasuries reached 4.6% in the immediate aftermath of Liberation Day, before recovering to 4.2% at the end of the month. The global aggregate bond index returned +0.9% (fully hedged to NZD) over the month. This was helped by a rally in Euro area bond yields over the month.
- US data over the month supported the case of an emerging slowdown in activity. The flash composite Purchasing Managers' Index (PMI) fell to 51.2, while the University of Michigan consumer sentiment index fell to levels not seen since the pandemic. Inflation data came in better than expected with markets pricing in up to 4 interest rate cuts from the Fed this year, which is too aggressive in our view.
- The Eurozone flash composite PMI came in at 50.1 in April. The manufacturing index was largely unchanged as the negative impact of tariffs was offset by expectations of easier fiscal policy. The European Central Bank cut the discount rate 25bp to 2.25%, with the statement noting the disinflationary process remained "well on track". The EU has not retaliated on tariffs, instead hoping to create conditions favourable to a constructive conversation with the US.
- In Japan, a rebound in the services sector saw the all-industry flash PMI rise to 51.1, however, the manufacturing index remained in contractionary territory. This reflects the heightened risks related to the expected negative impact of US tariffs on Japan's export-oriented companies.
- In the first part of the month, tit-for-tat retaliation saw US tariffs on Chinese goods increase to 145%. The US administration's apparent willingness to negotiate helped to ease tensions later in the month. A better-than-expected first quarter GDP print of 5.4% y/y also helped support a rebound in Chinese stocks.
- Global trade disruptions and the implications for Chinese growth saw markets pricing in a significant easing in monetary policy by the Reserve Bank of Australia.

Disclaimer: The information in this publication has been prepared from sources believed to be reliable and accurate at the time of preparation but Salt Funds Management Limited, its officers, directors, agents, and employees make no representation or warranty as to the accuracy, completeness, or currency of any of the information contained within, and disclaim any liability for loss which may be incurred by any person relying on this publication. All analysis, opinions and views reflect a judgment at the date of publication and are subject to change without notice. This publication is provided for general information purposes only. The information in this publication should not be regarded as personalised advice and does not take into account an individual investor's financial situation or goals. An individual investor should, before making any investment decisions, seek professional advice. Past performance is not a reliable indicator of future performance and no representation or warranty, express or implied, is made regarding future performance.

- NZ March quarter CPI was at the top end of market expectations, with inflation ticking higher to 2.5%. Activity data was broadly consistent with the theme of a stabilisation seen in recent months. The RBNZ cut the Official Cash Rate 25bp, lower than their recent pace of 50bp cuts, to 3.5%.

Portfolio Review April 2025

Listed infrastructure advanced in April and outperformed the broader equity market in what was an extremely volatile month. April began with President Trump's announcement of 'Liberation Day' tariffs that sparked recession concerns and the worst one-week selloff in the equity markets since the Covid pandemic. Stocks later recovered much of their losses after the announcement of a 90-day pause in the implementation of reciprocal tariffs on some trading partners.

Bonds also experienced significant fluctuations; credit spreads widened, and the 10-year U.S. Treasury yield reached a peak of around 4.6% before settling at 4.2% by month-end.

Passenger transportation-related sectors outperformed. Toll roads posted the strongest gains, driven by strong performance in non-U.S. markets like Brazil and Europe. Shares of an Australia-based company—the largest constituent in the sector—also rose significantly, propelled by its defensiveness.

Airports outperformed as sustained demand for air travel boosted earnings results from Mexican and European airport operators.

Water utilities and gas distribution companies performed well, fuelled by their defensive characteristics. Communications, another traditionally defensive sector, also performed well in the month, led by tower companies (which reported positive earnings and outlooks). Conversely, electric utilities lagged due to concerns over a proposed U.S. Congressional bill that repealed key provisions in the Inflation Reduction Act, creating uncertainty about future support for renewable energy projects. Debate continues in Congress over future energy subsidies.

Commercial infrastructure sectors lagged. Midstream energy was the weakest-performing sector, affected by recession concerns and falling oil prices due to OPEC's decision to increase production. Additionally, a disappointing start to the earnings season impacted performance.

Railways underperformed, hindered by concerns over freight volumes due to an economic slowdown and tariffs. Marine ports also lagged, although there was a wide return dispersion within the sector, as tariff exposure and potentially slower cargo volumes weighed on performance.

Portfolio performance

The portfolio had a negative total return for April month and underperformed its benchmark.

Key contributors

- Stock selection in electric utilities: Avoidance of several U.S. based utilities contributed to relative performance.

Additionally, the portfolio benefited from an overweight investment in a Brazilian utility; the company and Brazil as a whole were seen as shielded from the effects of U.S. tariffs

- Stock selection in midstream energy: Having no exposure to an American oil & gas pipeline operator helped relative performance, as falling oil prices and lower-than-expected first-quarter earnings negatively impacted the stock. However, the positive selection effect in midstream energy was offset by an adverse overweight allocation to the sector.
- There were no other significant contributors to relative performance at the sector level.

Key detractors

- Stock selection in gas distribution: An overweight investment in an Indiana-based utility declined on concerns surrounding data centres and a broader market unwinding of data centre-related winners.
- Stock selection in communications: An overweight position in a Luxembourg-based satellite telecommunications company detracted from performance, as did avoidance of a U.S.-based tower company which reported strong earnings in the latter half of the month.
- Underweight allocation and stock selection in water utilities: An underweight allocation to the relatively defensive sector detracted. Additionally, the portfolio did not own several U.K.-based utilities that outperformed on the flow of capital from U.S. to European equities.

Investment Outlook (Cohen & Steers commentary)

We seek to maintain a generally balanced portfolio in the current turbulent market environment and elevated level of geopolitical tension.

The uncertainty premium being priced into the market is beneficial for infrastructure as an asset class, which provides more predictability in an environment of weaker economic growth and sticky inflation.

Given the many global crosscurrents, we favour higher-quality businesses that we believe can perform relatively well in this challenging growth environment.

We still believe that we are at a positive inflection point for power demand, as we see an increasingly important relationship between power generation, grid reliability and rapid data centre growth. The need for electric and gas infrastructure to support data centre demand is expected to drive significant investment opportunities within the asset class. However, we are also closely monitoring customer affordability.

We are likewise keeping an eye on companies making major capital spending decisions in the current environment. As active investors, we believe we are well positioned to identify and capitalize on the diverse investment opportunities presented by the heightened level of macro uncertainty. We are evaluating the increasingly wide range of economic outcomes, currency fluctuations, rate outlooks and growth trajectories that may result from country-specific policy actions.

Disclaimer: The information in this publication has been prepared from sources believed to be reliable and accurate at the time of preparation but Salt Funds Management Limited, its officers, directors, agents, and employees make no representation or warranty as to the accuracy, completeness, or currency of any of the information contained within, and disclaim any liability for loss which may be incurred by any person relying on this publication. All analysis, opinions and views reflect a judgment at the date of publication and are subject to change without notice. This publication is provided for general information purposes only. The information in this publication should not be regarded as personalised advice and does not take into account an individual investor's financial situation or goals. An individual investor should, before making any investment decisions, seek professional advice. Past performance is not a reliable indicator of future performance and no representation or warranty, express or implied, is made regarding future performance.