Salt NZ Dividend Appreciation Fund Fact Sheet – July 2026

Manager Profile

Salt is an active fund manager. Our investment philosophy centres on the belief that share markets have characteristics that lead to market inefficiencies that can be exploited over time to deliver superior risk-adjusted returns.

Investment Strategy

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.

Fund Facts at 31 July 2026

Benchmark	S&P/NZX 50 Gross Index
Fund Assets	$118 million
Inception Date	31 July 2015
Portfolio Manager	Matthew Goodson, CFA

Unit Price at 31 July 2026

Application	1.8795
Redemption	1.8719

Investment Guidelines

The guidelines for Salt NZ Dividend Appreciation Fund are:

NZ shares	95% – 100%
Cash	0% – 5%
Unlisted securities	0% – 5%
Maximum active position	8%

Target Investment Mix

The target investment mix for Salt NZ Dividend Appreciation Fund is:

New Zealand Equities	100%

Fund Allocation at 31 July 2026

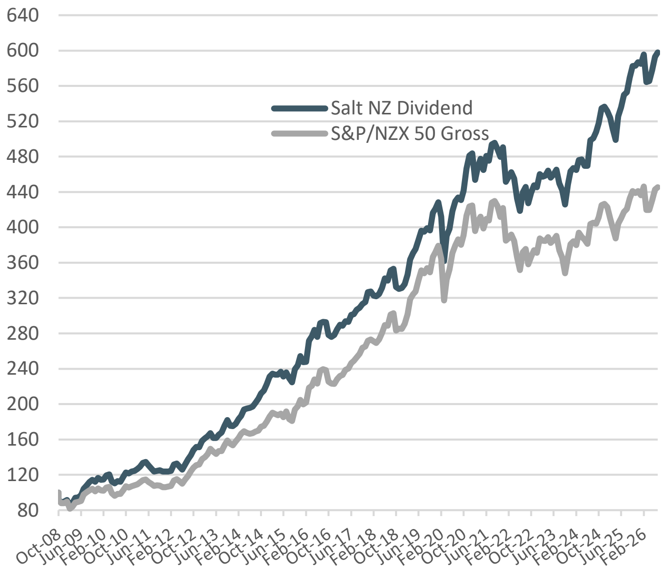
NZ shares	99.04%
Cash	0.96%

Fund Performance to 31 July 2026

Period	Fund Return*	Benchmark Return
1 month	0.84%	0.57%
3 months	5.70%	6.17%
6 months	2.17%	2.06%
1 year	8.75%	6.83%
2-year p.a.	9.28%	5.09%
3 years p.a.	8.55%	4.35%
5 years p.a.	4.60%	1.69%
7 years p.a.	5.99%	3.37%
10 years p.a.	7.40%	6.43%
Inception p.a.	10.52%	8.71%

Performance is after all fees and does not include imputation credits or PIE tax.
*From 1 December 2008 to 31 July 2015, performance is from a fund with the same strategy and the same portfolio manager.

Cumulative Fund Performance to 31 July 2026*



Fund performance has been rebased to 100 from inception.
Past performance is not a reliable indicator of future performance, and no representation or warranty, express or implied, is made regarding future performance.

Top Overweights	Top Underweights
Turners Automotive Group	Chorus Networks
Tower	Meridian Energy
Heartland Group Holdings	A2 Milk
NZME	Auckland International Airport
Ebos Group	Channel Infrastructure NZ

SALT FUNDS MANAGEMENT
Level 37, PwC Tower, 15 Customs Street West, Auckland | PO Box 2673, Auckland 1010
Email: info@saltfunds.co.nz | www.saltfunds.co.nz

Equities Market Commentary

Global markets navigated another eventful month in July with geopolitical tensions, corporate earnings and changing economic outlooks. Global equities were flat, although the Nasdaq 100 Index fell -3.2%. Strong company results continued to underpin confidence, but in parts of the market - particularly technology - companies increasingly needed to exceed already high expectations to sustain further share price gains. This saw market leadership broaden to other sectors.

Bond markets weakened over the month, with US 30-year moving from 4.85% to 5.18%. The Fed voted 9:3 to keep rates on hold, but the yield curve steepened sharply on this. Inflation-adjusted 30-year yields hit 3.0% on fears of rising fiscal deficits and government borrowing requirements.

Japan's economy continued to perform well, supported by firm domestic demand, improving corporate profitability and ongoing fiscal support. However, the JPY continued to depreciate on BoJ policy that is widely perceived as too loose, and this sparked coordinated intervention post month-end.

Australia's economic outlook became more balanced. Slightly softer inflation data removed pressure for an August rate hike, but the RBA continues to emphasise that trimmed mean inflation is well above target at 3.5%, and upside inflation risks remain. Australian house prices are finally beginning to weaken materially following many years of strength.

The RBNZ lifted NZ’s OCR by 25bp to 2.5%, reflecting persistent domestic inflation pressures and growing confidence that the economic recovery is becoming more established. While activity indicators point to a gradual improvement in economic conditions, inflation remains above target, suggesting monetary policy is likely to head back to neutral in the months ahead. Several confidence surveys showed tentative signs of life near month-end.

Salt NZ Dividend Appreciation Fund Commentary

The Fund outperformed in the month of July, advancing by +0.84% compared to the +0.57% move by the S&P/NZX50 Gross Index.

The strongest positive was the small holding in AFT Pharmaceuticals (AFT, +31.4%). We have always admired AFT as a profitable, entrepreneurial business led by the MD, Hartley Atkinson, who has serious skin in the game. They are best known for Maxigesic and Crystaderm, but they have a deep pipeline of interesting formulations under development, which until now have largely flown under the market’s gaze. That changed with a well-received Investor Day and a paid-for research report which slapped a rather optimistic price target on them of NZ$12.70 versus a price of $4.00 at the time.

Other positives were of a lesser magnitude, with underweights in Chorus (CNU, -5.7%) and A2 Milk (ATM, -5.4% assisting. Helpful overweights included Ebos (EBO, +5.8%) and NZX Limited (NZX, +5.7%).

The largest headwind was a modest underweight in Mainfreight (MFT, +13.7%), which delivered a surprisingly strong update at its ASM. The one caveat to it is they may be overearning to a degree on their fuel surcharge. Zero-weights in Channel Infrastructure (CHI, +6.6%) and Sky City (SKC, +12.7%) also detracted.

At month-end, we project the Fund to have a net yield of 3.9% versus 3.6% for the Index.

Matthew Goodson, Portfolio Manager