

SALT

Salt NZ Dividend Appreciation Fund Fact Sheet – April 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 30 April 2026

Benchmark	S&P/NZX 50 Gross Index
Fund Assets	\$113 million
Inception Date	30 June 2015
Portfolio Manager	Matthew Goodson, CFA

Unit Price at 30 April 2026

Application	1.8226
Redemption	1.8152

Investment Guidelines

The guidelines for the NZ Dividend Appreciation Fund are shown below:

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

Target Investment Mix

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

New Zealand Equities	100%
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Fund Allocation at 30 April 2026

NZ shares	98.82%
Cash	1.18%

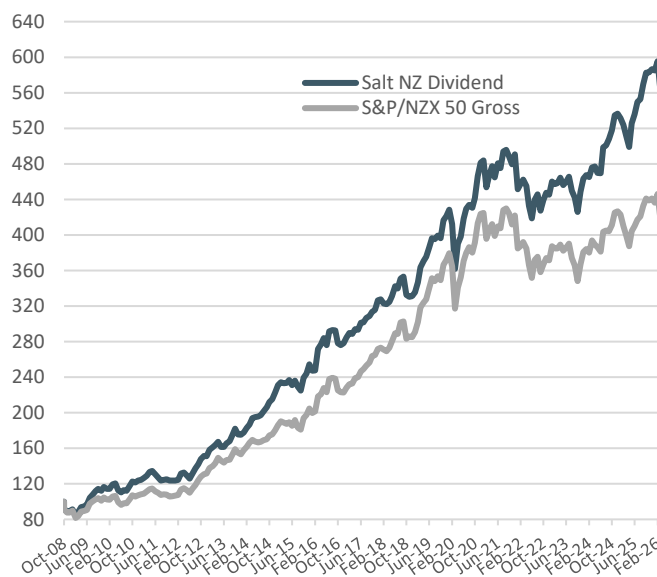
Fund Performance to 30 April 2026

Period	Fund Return*	Benchmark Return
1 month	0.22%	-0.07%
3 months	-3.34%	-3.87%
6 months	-2.89%	-4.76%
1 year	12.86%	8.40%
2-year p.a.	8.67%	3.88%
3 years p.a.	6.65%	2.39%
5 years p.a.	3.36%	0.27%
7 years p.a.	6.15%	3.69%
10 years p.a.	7.37%	6.58%
Inception p.a.	10.33%	8.47%

Performance is after all fees and does not include imputation credits or PIE tax.

*From 1 December 2008 to 30 April 2015, performance is from a fund with the same strategy and the same portfolio manager.

Cumulative Fund Performance to 30 April 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	Auckland International Airport
NZME	The a2 Milk Company
NZX	Channel Infrastructure NZ

SALT FUNDS MANAGEMENT

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Equities Market Commentary

Equity markets largely looked through the turbulent geopolitical environment in April, even though the Strait of Hormuz remained blocked and Brent crude oil pushed through \$110/pb by month-end. Developed market equities rose +9.6% (in USD) over the month, with the Nasdaq 100 surging +15.3% thanks to the AI boom.

The wall of worry weighed more on bond markets as yields rose in the face of higher oil prices, concerns about inflation and how central banks will respond, and ongoing concerns about fiscal sustainability. The global aggregate bond index was up +1.2% (in USD) over the month.

April reinforced the narrative of a still-resilient US economy, with corporate earnings broadly holding up despite ongoing policy uncertainty and geopolitical noise. However, a firmer inflation pulse, helped in part by higher energy costs linked to the Iran conflict, saw bond yields push higher, suggesting markets are increasingly uneasy about the medium-term policy and fiscal outlook.

In Australia, core inflation continued to print at uncomfortably high levels. Trimmed mean inflation came in at +3.3% y/y in March. This led markets to correctly project a third rate hike to 4.35% in early May. NZ March quarter inflation saw a strong headline rate of +3.1% y/y. Only a fraction of the recent fuel price increase came through in this data with the bulk still to come and likely to push the headline rate over 4%. The RBNZ's focus is on second round effects but it's too early to make any assessment, though most core measures are already in the top-half of the target range. There is a wide range of views on the RBNZ's next move. Some expect a May hike, but we think that's too early.

Salt NZ Dividend Fund Commentary

The Fund continued its strong recent record with a month of moderate outperformance in April, advancing by +0.22% compared to the -0.07% decline by the S&P/NZX50 Gross Index.

It was an interesting month for the market, with most names outperforming and the Fund getting a lot of its relative upside by being under or zero-weight the small number of sharp laggards. The most material of these was a2 Milk (ATM, -24.9%) which delivered a surprise guidance downgrade mostly centred on product supply difficulties. We were bemused that these had not been flagged several months earlier as they had been evident in the results of their supplier, Synlait Milk. We also had no holdings in KMD Brands (KMD, -47.0%), which fell heavily on its hugely discounted equity raising, nor Sky City (SKC, -9.3%). It was just a shame they weren't larger in the index.

A number of overweights did well, led by our old friend Tower (TWR, +8.9%) although the only news was a positive analyst initiation report. NZX Limited (NZX, +6.9%) and NZME (NZM, +2.8%) also outperformed solidly.

The largest headwind was our relatively large overweight in Heartland Group (HGH, -5.0%), which pulled back on a combination of bad debt fears from the Iran crisis and a very high start-point from having been included in the FTSE Small Cap Index at end-March (which we assisted with some liquidity). HGH's trading update during the month was fine but it's too early for the Iran impact to really filter through to them yet. We see sizeable medium-term upside from their exceedingly attractive reverse mortgage business, but we may just have to work our way through a bumpy quarter or two first. Underweights in Skellerup (SKL, +12.9%) and Chorus (CNU, +3.7%) also detracted from returns.

At month-end, we project the Fund to have a net yield of 4.0% versus 3.7% for the Index.



Matthew Goodson, Portfolio Manager