Salt Select Global Shares Fund Fact Sheet – July 2026

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.

Fund Name Change

As of 13 June, the Salt Sustainable Global Shares Fund was renamed the Salt Select Global Shares Fund. There is no change to investment disciplines or approach; however, this aligns the Fund better with current global regulatory and market trends.*

Investment Strategy

To achieve the Fund's investment objectives, the Fund targets a portfolio of global companies with high total return potential and high Quality & Environmental, Social and Governance (ESG) factor scores.

The strategy seeks to provide attractive long-term returns with less long-term volatility than the broader market.

Fund Facts at 31 July 2026

Fund Assets	$98.23 million
Inception Date	12 July 2021
Underlying Manager	Morgan Stanley Investment Management * Effective 28 April 2025 the underlying Morgan Stanley Global Sustain Strategy was renamed the Global Quality Select Strategy. There is no change to the Strategy's investment philosophy and process.

Unit Price at 31 July 2026

Application	1.4063
Redemption	1.4006

Investment Guidelines

The guidelines for the Sustainable Global Shares Fund are:

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

Target investment Mix

The target investment mix for the Salt Sustainable Global Shares Fund:

Global equities	100%

Fund Allocations at 31 July 2026

Global equities	98.2%
Cash & sundry items	1.8%

Fund Performance to 31 July 2026

Period	Fund Return	Benchmark Return
1 month	-0.01%	-2.70%
3 months	1.76%	4.53%
1 year	-1.08%	20.97%
2 year p.a.	3.95%	18.68%
3 year p.a.	9.52%	20.42%
Since inception p.a.	8.32%	15.03%

Performance is before fees and tax and adjusted for imputation credits.
Benchmark (MSCI World Index in NZD) performance is gross.

Fund holdings

Top 10 holdings	
Taiwan Semiconductor (TW)	Coca-Cola (US)
Alphabet (US)	Amazon (US)
VISA (US)	Microsoft (US)
Keyence (JP)	AON (US)
ASML (NL)	Netflix (US)

Source: MSIM, data as at 31 July 2026.
The Top 10 Holdings represented 44.1% of the total portfolio.

The Portfolio's carbon footprint, measured as weighted average carbon intensity (WACI) was 75% lower than MSCI AC World Index.[A]

Market Review

- Global financial markets navigated another eventful month in July as investor attention shifted from geopolitical tensions early in July back towards corporate earnings and the economic outlook. While renewed concerns in the Middle East briefly lifted energy prices, markets quickly refocused on the resilience of the global economy and company profitability.
- Equity markets remained broadly supported by another solid earnings season, although investors became increasingly selective. 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 beyond some of the strongest performers of recent years.
- Bond markets were weaker over the month as yields moved higher. Major central banks again left policy settings unchanged during July, preferring to gather further evidence on the outlook for growth and inflation. Longer term, markets also continue to focus on rising fiscal deficits and government borrowing requirements as important drivers of bond markets.

- In the United States, another strong earnings season reinforced confidence in the resilience of both corporate America and the broader economy. Strong consumer spending, healthy business investment and improving productivity continued to support economic growth, although markets became more discerning about which companies are best placed to benefit from ongoing investment in artificial intelligence.
- Economic activity across Europe remained comparatively subdued, with manufacturing continuing to face headwinds despite some improvement in consumer confidence. Inflation pressures have eased but remain sufficiently elevated to support a cautious approach from the European Central Bank.
- Japan's economy continued to perform well, supported by firm domestic demand, improving corporate profitability and ongoing fiscal support. Market performance reflected the differing fortunes of sectors, with more domestically focused companies generally outperforming parts of the technology sector.
- China's economic recovery remained uneven. While export-related industries continued to benefit from improving global demand, domestic consumption and the property sector remained soft. Policymakers are expected to continue providing targeted support as they seek to sustain economic growth.
- Australia's economic outlook became more balanced during the month. Softer inflation data reduced immediate pressure for further interest rate increases, although the Reserve Bank of Australia continues to emphasise that upside inflation risks remain and further policy tightening cannot yet be ruled out.
- In New Zealand, the Reserve Bank lifted the Official Cash Rate by 25 basis points, 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.

Portfolio Review

- In July, the Portfolio returned -0.01% (before fees / tax, NZD) and the MSCI World Net Index returned -2.70%. Year to date, the portfolio has returned -1.56%, (before fees/tax) and the index has returned +7.90%.

What drove returns in July?

The largest contributors to absolute performance for the month were **Microsoft** and **Amazon** which benefitted from strong results that reinforced confidence in AI demand and returns (Azure grew 43% year-on-year with revenues surpassing US$100bn and Copilot seats exceeding 30 million (up from around 20 million in the previous quarter.) **Amazon** Web Services (AWS) annual revenue growth accelerated to 37% and AI revenues exceeding a US$25bn annual run rate, while management helpfully outlined the expected payback profile of its data centre and server investments.

Intercontinental Exchange and **CME Group** which rebounded from regulatory uncertainty-driven weakness with strong operating performance, and **SAP** following resilient second-quarter results demonstrating stronger-than-expected cloud bookings.

The largest absolute detractors to absolute performance for the month of July were AI enablers **ASML**, **Synopsys**, **Texas Instruments** and **TSMC,** reflecting a broader pullback across the more cyclical end of the AI supply chain after a period of exceptional performance.

Elsewhere, **AutoZone** weakened on concerns around increased competition in the US auto parts market, although we remain confident in the investment case.

In terms of relative performance, stock selection was the primary driver of outperformance in July, as the sub-industry skews that had weighed on returns in Q2 sharply reversed and market leadership began to broaden.

This was most evident in Financials, where the Portfolio's Exchanges holdings **Intercontinental Exchange** and **CME Group** rebounded (both up more than +20%) alongside continued strength in **Aon** and **Visa**; Industrials, where the Portfolio's Professional Services holdings outperformed the broader sector; and Information Technology, where the Portfolio's semiconductor holding **TSMC** was broadly flat against a c.-13% decline across the wider industry, complemented by double-digit gains in **Microsoft** and **SAP**. SAP sharply re-rated towards the end of the period, recovering some of the year-to-date underperformance, following a good set of results reporting stronger-than-expected cloud bookings, with current cloud backlog growth reaccelerating to 26% (from 25% in the previous quarter), helping to reinforce investor confidence in the resilience of its core enterprise resource planning franchise

Health Care holdings (+10% versus the index's +1%, led by **Thermo Fisher** and drug distributors **McKesson and Cencora.**) In Industrials, both the Portfolio’s Professional Services and Capital Goods holdings outperformed their respective industries, while in Consumer Discretionary, **Ferrari** (+6%) was significantly ahead of the broader Autos industry (down 14%).

Sector allocation was neutral overall, as the drag from the portfolio's zero weighting in Energy – up 13% in July as oil prices rose sharply – was offset by a number of smaller positive allocation effects elsewhere.

Portfolio Activity

During the month, we took advantage of share price weakness to add to MSCI, a durable, high-quality franchise. The second-quarter results5 reaffirmed the strength of the model, with operating revenue up 12% y-o-y, asset-based fees up over 25% y-o-y, and earnings compounding over 18% after buybacks. As the shares are valued largely on subscription revenue growth, we believe a return toward historical growth rates could drive meaningful re-rating potential as second-quarter results reaffirmed the strength of the model, and our conviction that a return toward historical growth rates could drive meaningful re-rating potential.

We also reduced our position in **Amadeus IT Group**, as a widening range of AI-disruption outcomes continued to erode our conviction in its long-term compounding relative to other opportunities. While its Air IT and Hospitality businesses remain durable, given their system-of-record advantages, its largest profit pool — Air Distribution (GDS) — remains most exposed to AI-native interfaces and agentic workflows that could bypass the traditional channel over time. With the additional cyclical drag on travel from geopolitical uncertainty in the Middle East, we trimmed the position size.

In addition, the Portfolio received shares in **Mobility Global** following its spin-off from S&P Global as part of management's simplification strategy.

MSIM Market Outlook

July's easing of the crowded AI-infrastructure trade showed the risk of narrow leadership; against a broadly weaker market, the Portfolio delivered a strong relative return, although it was flat in absolute terms.

• The market's strong earnings and sustained positive revisions have set a high bar - delivery now hinges on continued margin expansion from elevated levels amid heavy capex, and even modest earnings risk could hit the most crowded names hard.

• The portfolio combines selective exposure to AI enablers where we believe competitive advantages are durable, high-quality businesses where AI disruption risks have, in our view, been over-discounted, and defensive, AI-agnostic franchises in areas like Luxury and Media.

• Whether AI leadership persists, market performance broadens or investor focus returns to business fundamentals, we believe the portfolio is well positioned across a range of outcomes, offering credible through-cycle compounding at an unusual free-cash-flow discount to the market.

The portfolio's low cyclicality should provide resilience.
As ever, we continue to look for reliable compounders and are open-minded as to where we find them.

The next phase will be about delivery

After an exceptionally strong second quarter, the crowded AI infrastructure trade corrected sharply in July, providing evidence of the risks posed by narrow market leadership. Against this backdrop of a broadly flat market, and a sharp drawdown in semiconductor and AI infrastructure exposed shares, the strategies delivered a strong positive return.

As we wrote in June, should market leadership broaden, or should the focus shift away from the cyclical growth shares that had been winning year-to-date, we anticipated the portfolio's low cyclicality, durable earnings profile and exposure to underappreciated quality businesses to drive absolute and relative performance. It was encouraging to see this play out during the month.

Some market commentators have characterised July's reversal in semiconductor and AI infrastructure stocks as primarily a technical flushing-out of leveraged positions held by one-way momentum investors. If that interpretation is correct, the bulk of the correction may already have occurred. The more consequential question is whether the violence of the sell-off is also anticipating a future easing of some bottlenecks in data centre capacity buildout, which would have significant knock-on effects across the AI supply chain. Results reported so far do not point to such a slowdown, with spending plans generally maintained or increased.

Nonetheless, the market is increasing its focus on capital expenditure and additional semiconductor capacity, with investors increasingly demanding evidence that revenue growth and cash returns are sustainable and can deliver adequate return on capital invested.

Strong earnings and a sustained period of positive revisions mean the bar is set high for future earnings growth. For the market, delivering on these expectations depends not just on top-line growth but on continued margin expansion from already elevated levels, against a backdrop of elevated capital expenditure. For the most crowded names, a relatively modest risk to earnings trajectory is likely to have a dramatic impact on share prices.

A good example of this is the sharp drawdown in memory stocks in response to the prospect of the current unusually favourable supply-demand dynamics being challenged by additional capacity coming online in China. These moves illustrate how unforgiving valuations can become when expectations are elevated.

Notes

A. Source: Trucost. As of July 31st, 2026, the Portfolio's weighted average carbon intensity (WACI) was 75% lower than the MSCI AC World Index.

WACI is calculated using Scope 1 & 2 emissions per $m of company revenue. The term carbon refers to greenhouse gas (GHG) emissions, measured in metrics tonnes of carbon dioxide equivalent (CO_2e) emissions. Our data provider's methodology follows the GHG protocol and includes carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6) and Nitrogen Trifluoride (NF_3), calculated in metric tonnes of CO_2 equivalent. Some carbon/carbon equivalents data may be estimated by the data provider. Data excludes cash.