

SALT

Funds Management

Quarterly Fund Update: Salt Enhanced Property Fund – 31 March 2018

This fund update was first made publicly available on xx April 2018

What is the purpose of this update?

This document tells you how the Salt Enhanced Property Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. Salt Investment Funds Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

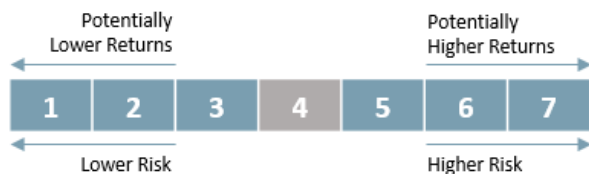
Description of this fund

The Salt Enhanced Property Fund targets a portfolio of shares of New Zealand and Australian property trusts, companies and other property related securities. The Fund may also, at our discretion short sell securities, hold cash, lever its assets and utilise active currency management to generate returns (although generally it will be fully hedged).

Total value of the fund	\$5,477,649
The date the fund started	11 November 2014

What are the risks of investing?

Risk indicator for the Salt Enhanced Property Fund



The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund's assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at www.sorted.org.nz/tools/investor-kickstarter.

Note that even the lowest category does not mean a risk-free investment, and there are other risks that are not captured by this rating.

This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for a five-year period to 31 March 2018. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.

See the product disclosure statement (PDS) for more information about the risks associated with investing in this fund.

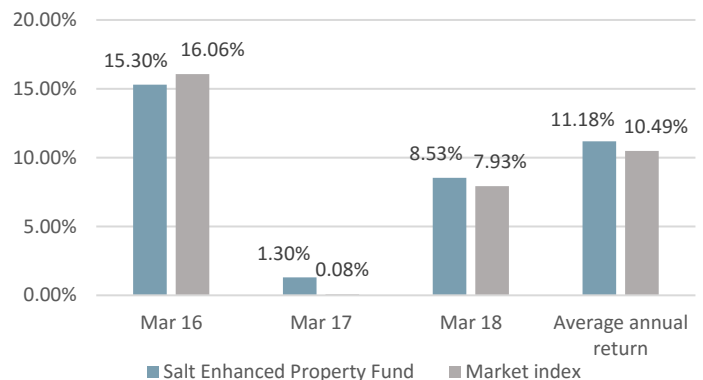
How has the fund performed?

Past year to 31 March 2018

Annual return (after deductions for charges and tax)	8.53%
Annual return (after deductions for charges but before tax)	9.37%
Market index annual return (reflects no deduction for charges and tax)	7.93%

The market index is the S&P/NZX All Real Estate Gross (including Imputation Credits) Index. For more information about the market index see the offer register at www.business.govt.nz/disclose.

Annual return graph



This shows the return after fund charges and tax for each year ending 31 March since the fund started. The last bar shows the average annual return since the fund started, up to 31 March 2018.

Important: This does not tell you how the fund will perform in the future. Returns in this update are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax may be lower.

What fees are investors charged

Investors in the Salt Enhanced Property Fund are charged fund charges. In the year to 31 March 2018, these were:

	% of net asset value
Total fund charges	1.11%
Which are made up of:	
Total management and administration charges	1.08%
Including:	
Manager's basic fee	0.86%
Other management and administration charges	0.22%
Total performance-based fees	0.03%

See the PDS for more information about the basis on which performance fees are charged.

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the PDS on the offer register at www.business.govt.nz/disclose for more information about those fees.

SALT FUNDS MANAGEMENT

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Example of how this applies to an investor

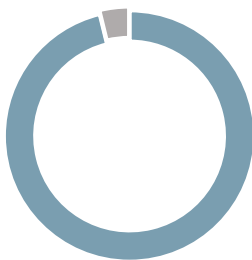
Small differences in fees and charges can have a big impact on your investment over the long term.

Sam had \$10,000 in the fund at the start of the year and did not make any further contributions. At the end of the year, Sam received a return after fund charges were deducted of \$937 (that is 9.37% of his initial \$10,000). This gives Sam a total return after tax of \$853 for the year.

What does this fund invest in?

This shows the types of assets that the fund invests in.

Actual investment mix



- Listed property - 96.18%
- Cash & cash equivalents - 3.82%

Target investment mix

Listed property	95%
Cash & cash equivalents	5%

Currency hedging

The Fund targets a position of fully hedging foreign currency exposure, although this may be partially hedged or completely unhedged at the Manager's discretion.

Top 10 investments

Name	% of Fund Net Assets	Type	Country
Kiwi Property Group	21.16%	Listed Property	NZ
Precinct Properties NZ	14.47%	Listed Property	NZ
Goodman Property Trust	11.99%	Listed Property	NZ
Argosy Property Trust	9.57%	Listed Property	NZ
Stride Property & Stride Investment Management	7.46%	Listed Property	NZ
Vital Healthcare Property Trust	6.71%	Listed Property	NZ
Investore Property	5.60%	Listed Property	NZ
Centuria Metropolitan REIT	4.69%	Listed Property	AU
Property for Industry	4.64%	Listed Property	NZ
Cash (NZD)	2.83%	Cash and cash equivalents	NZ

The top 10 investments make up 89.12% of the net asset value of the fund.

Key personnel

Matthew Goodson	
Current position	Managing Director
Time in position	4 years & 10 months
Previous position	Portfolio Manager at BT Funds Management (NZ) Limited
Time in position	4 years & 5 months

Paul Harrison	
Current position	Managing Director
Time in position	4 years & 10 months
Previous position	Portfolio Manager at BT Funds Management (NZ) Limited
Time in position	5 years

David Oxley	
Current position	Head of Research
Time in position	4 years & 10 months
Previous position	Head of Research at BT Funds Management (NZ) Limited
Time in position	3 months

Andrew Bolland	
Current position	Investment Analyst
Time in position	4 years & 10 months
Previous position	Analyst at BT Funds Management (NZ) Limited
Time in position	2 years and 6 months

Michael Kenealy	
Current position	Investment Analyst
Time in position	3 years & 9 months
Previous position	Investment Analyst at Solid Investments
Time in position	2 years & 2 months

Further information

You can also obtain this information, the PDS for the Salt Enhanced Property Fund, and some additional information from the offer register at www.business.govt.nz/disclose.