

SALT

Salt Enhanced Property Fund Fact Sheet – September 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 Enhanced Property Fund targets a portfolio of shares of New Zealand and Australian property trusts, companies and other property-related securities with exposure to commercial, residential, retail, tourism, industrial, medical, educational, rural, retirement, and other property sectors. The Fund may also, at our discretion, short sell securities, hold cash, lever its assets and utilise active currency management to generate returns.

Fund Facts at 30 September 2026

Benchmark	S&P/NZX All Real Estate Gross Index
Fund Assets	\$18 million
Inception Date	11 December 2014
Portfolio Managers	Matthew Goodson, CFA

Unit Price at 30 September 2026

Application	1.2899
Redemption	1.2846

Investment Limits

The limits for the Enhanced Property Fund are shown below:

Gross Equity Exposure ¹	70% – 200%
Net Equity Exposure ¹	70% – 100%
Unlisted Securities ¹	0% – 5%
Cash or Cash Equivalents	0% – 30%

1. To NZ and Australian property and property-related securities.

Fund Exposures at 30 September 2026

Long Exposure	103.40%
Short Exposure	3.96%
Gross Equity Exposure	107.36%
Net Equity Exposure	99.44%

Fund Allocation at 30 September 2026

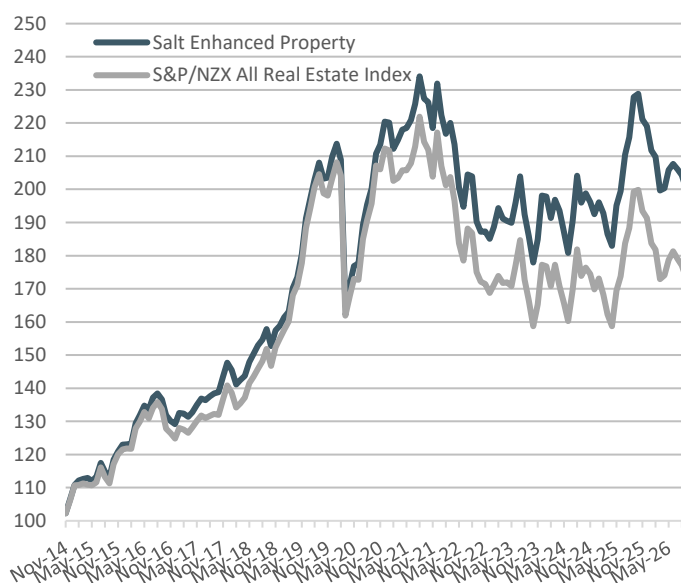
NZ Listed Property Shares	94.98%
AU Listed Property Shares	4.57%
Cash & Cash Equivalents	0.45%

Fund Performance to 30 September 2026

Period	Fund Return	Benchmark Return
1 month	-2.07%	-2.17%
3 months	-3.65%	-4.50%
6 months	0.22%	0.13%
1 year	-12.19%	-13.12%
2 years p.a.	1.04%	-0.07%
3 years p.a.	2.47%	1.73%
5 years p.a.	-2.81%	-3.77%
7 years p.a.	-0.76%	-2.05%
10 years p.a.	3.74%	2.85%
Inception p.a.	5.88%	4.92%

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

Cumulative Strategy Performance to 30 September 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/Shorts
Storage King Group	Property for Industry
GDI Property Group	BWP Group
Servcorp	Vital Healthcare Property
New Zealand Rural Land Company	Goodman NZ
Asset Plus	Kiwi Property Trust

SALT FUNDS MANAGEMENT

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Property Market Commentary

The S&P/NZX All Real Estate Gross Index fell by -4.3% in the September quarter to mark a very weak annual outcome of -12.3%. Rising interest rates were clearly the key driver, with NZ 3-year swap rates rising sharply from 3.45% to 4.22% over the quarter. This was far from an isolated occurrence, with the Australian property benchmark falling by an even sharper -8.4% in the quarter and the global FTSE EPRA/NAREIT Index declining -7.6%.

Result season in August saw no major surprises, and it was notable that interest rate pressures were less marked on NZ REITs than they were in Australia, a key reason for the difference in market performance. Cap rates have been relatively stable thus far, but the hitherto strong industrial property market is showing increased vacancy amid tepid absorption and moderate amounts of speculative development. Major company-specific news came from Precinct Property's (PCT) sale of a 50% interest in PWC Tower and its decision to repay their PCTHB convertible bonds rather than convert them into shares. Their upcoming decision re their massive development proposal above the Downtown Carpark will be critical to the office market outlook.

Major laggards in the quarter were Winton Land (WIN, -18.2%) on governance concerns, CDL Investments NZ (CDI, -16.9%) on weak residential land markets and Precinct Property (PCT, -7.8%). Outperformers were merely less weak than the rest of the index, with Asset Plus (APL, -0.2%), Investore (IPL, -0.5%) and Argosy Property (-0.5%) being the highlights.

Salt Enhanced Property Fund Commentary

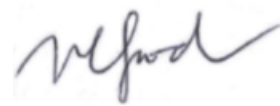
The Fund outperformed the NZ benchmark over the quarter, with a return of -3.63% compared to the -4.15% by the index.

A highlight was the contribution from our Australian holdings. As one might expect in a quarter when that market fell -8.4%, our small group of shorts delivered a significant +0.60% tailwind. This was partially offset by our longs, but Australia overall still contributed +0.45%, a pleasing outcome given we were slightly net long that market. Stock selection was strong in the period.

Positive contributions unsurprisingly came from our largest shorts and underweights. Standouts here were Charter Hall, (CHC, -17.5%), BWP Group (BWP, -5.0%), Goodman NZ Property (GNZ, -5.5%) and Property For Industry (PFI, -5.2%). However, the most pleasing positive contributor was our large overweight in GDI Property (GDI, +4.2%), which dramatically outperformed the Australian property sector. GDI trades at \$0.61, the NTA is \$1.21 on a defensible cap rate of 6.9%, and replacement-cost type "valuations" are far higher again. Gearing is fine at 34%, and they are doing a small buyback with the proceeds of some car-yard sales at NTA. The Perth market is gradually tightening, with net effective rents slowly lifting.

The key headwind was our holding in the leading global serviced office business, Servcorp (SRV, -10.0%). SRV has circa 20% of its assets in the Middle East and is trading as if these have all been blown up rather than continuing to generate income. Adjusting its market cap for its sizeable net cash holding, we estimate SRV is on a cash PE below 5x. We expect that if/when the Iran debacle is over, SRV may re-rate sharply.

At quarter-end, we estimate a gross yield from the Fund to a 28% taxpayer of 7.9%.



Matthew Goodson, Portfolio Manager