

SALT

Salt NZ Dividend Appreciation Fund Fact Sheet – February 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 28 February 2026

Benchmark	S&P/NZX 50 Gross Index
Fund Assets	\$120 million
Inception Date	30 June 2015
Portfolio Manager	Matthew Goodson, CFA

Unit Price at 28 February 2026

Application	1.9187
Redemption	1.9109

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 28 February 2026

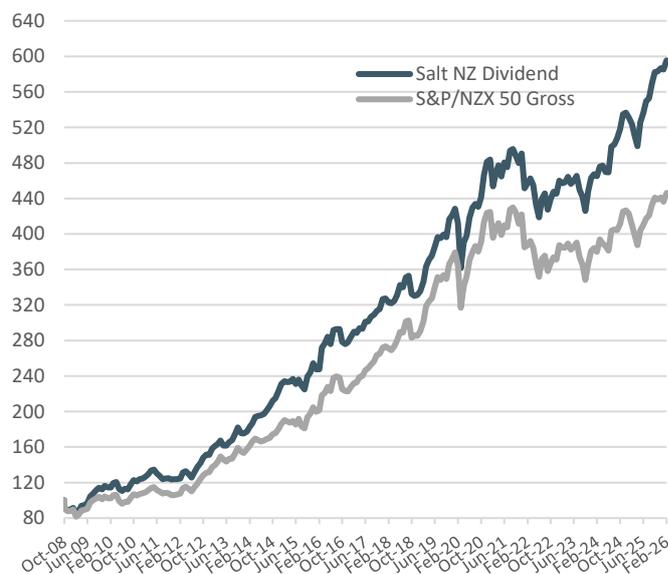
NZ shares	98.90%
Cash	1.10%

Fund Performance to 28 February 2026

Period	Fund Return*	Benchmark Return
1 month	1.76%	2.23%
3 months	2.16%	1.73%
6 months	7.74%	6.13%
1 year	13.20%	8.90%
2-year p.a.	12.91%	8.11%
3 years p.a.	9.04%	4.88%
5 years p.a.	5.51%	2.33%
7 years p.a.	7.97%	5.67%
10 years p.a.	9.12%	8.21%
Inception p.a.	10.76%	8.94%

Performance is after all fees and does not include imputation credits or PIE tax.
*From 1 December 2008 to 28 February 2015, performance is from a fund with the same strategy and the same portfolio manager.

Cumulative Fund Performance to 28 February 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	Auckland International Airport
Heartland Group Holdings	Chorus Networks
Tower	Meridian Energy
NZME	The a2 Milk Company
NZX	Channel Infrastructure NZ

SALT FUNDS MANAGEMENT

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Equities Market Commentary

Markets contended with multiple factors in February. The US Supreme Court ruled against the Trump tariffs, tensions between the US and Iran escalated and an AI-armededdon away from mega-cap US technology stocks continued. US equities were down -0.8% in the month, while developed market equities rose +0.8% (in USD) as performance continued to broaden beyond the US. The global aggregate bond index rose +1.2% (in USD) as investors looked to high quality assets amid growing AI and geopolitical risks.

US data showed a resilient economy. Despite the government shut-down, Q4 GDP rose +1.4% and underlying growth measures were solid. Labour market data was strong and while core PCE inflation dipped to 2.5% in January, other inflation readings were on the high side. Markets continued to expect two further 25bp interest rate cuts from the Fed.

In Australia, the RBA became the first major central bank to tighten policy in this cycle, raising its cash rate by 25bps to 3.85%. The Statement was hawkish, highlighting recent upside inflation pressures, stronger domestic demand and the tight labour market. Furthermore, the Board signalled that inflation is likely to remain above target for some time. Australian equities rose +3.0% but with huge dispersion between Banks soaring +13.5% and Materials surging +9.1% but Technology collapsing by -24.8% and Healthcare falling -17.7%.

NZ labour market data showed employment rising by +0.5% q/q in Q4, the strongest gain in over two years. However, the unemployment rate increased modestly on stronger participation. Broader activity data continues to point to a strengthening recovery. The RBNZ kept the OCR unchanged at 2.25%, increasing its interest rate track by less than markets had priced in. NZ experienced a solid result season and the benchmark advanced +2.2%.

Salt NZ Dividend Fund Commentary

The Fund moderately underperformed in February, advancing by +1.76% compared to the +2.23% move higher by the S&P/NZX50 Gross Index. The month saw highly concentrated returns, with only 15 out of the 50 stocks in the index outperforming.

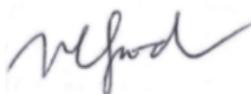
February featured a result season that was largely in line with expectations and saw a number of companies make optimistic forward-looking comments. NZ avoided the worst of the remarkable volatility in Australia where modest beats and misses drove outsized share price reactions and there was an extreme variance between different sectors' performances.

The Fund had two tailwinds of note. Heartland Group (HGH, +6.6%) delivered a strong result which quelled remaining fears of skeletons in the cupboard from their somewhat troubled last few years. The sell-side largely views HGH as fairly valued despite a classic Salt PE path of 13.4x in Jun26, going to 11.8x in Jun27 and 10.3x in Jun28. Plus, they pay a 5.3% cash dividend yield that grows over time and they retain enough capital to reinvest for growth in the high ROIC reverse mortgage segment. The share price has certainly performed well but when a company can reinvest and earn strong excess returns, investors should stay on board for the ride.

The mid-sized overweight in NZME (NZM, +5.2%) bounced on a strong result featuring significant free cashflow generation which easily covers their high dividend yield. While NZM has obvious structural risks, we see these as being a slow-burn and they have positive exposure to any NZ economic upswing.

Key negatives came from two of our underweights. A2 Milk (ATM, +17.0%) reported a slightly stronger result than expected and rose sharply in what we view as an outside reaction for a very expensive stock that stacks up well for momentum focused investors. We viewed the Auckland Airport (AIA, +10.9%) result as being in-line and actually rather weak compositionally (the high multiple retail business was weak) but the stock bounced hard for reasons that were difficult to discern.

At month-end, we project the Fund to have a net yield of 3.8% versus 3.5% for the Index.



Matthew Goodson, Portfolio Manager