

# SALT

## Salt Enhanced Property Fund Fact Sheet – December 2025

### 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 31 December 2025

Benchmark	S&P/NZX All Real Estate Gross Index
Fund Assets	\$20 million
Inception Date	11 December 2014
Portfolio Managers	Matthew Goodson, CFA

### Unit Price at 31 December 2025

Application	1.4623
Redemption	1.4564

### Investment Limits

The limits for the Enhanced Property Fund are shown below:

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

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

### Fund Exposures at 31 December 2025

Long Exposure	107.57%
Short Exposure	8.07%
Gross Equity Exposure	115.64%
Net Equity Exposure	99.50%

### Fund Allocation at 31 December 2025

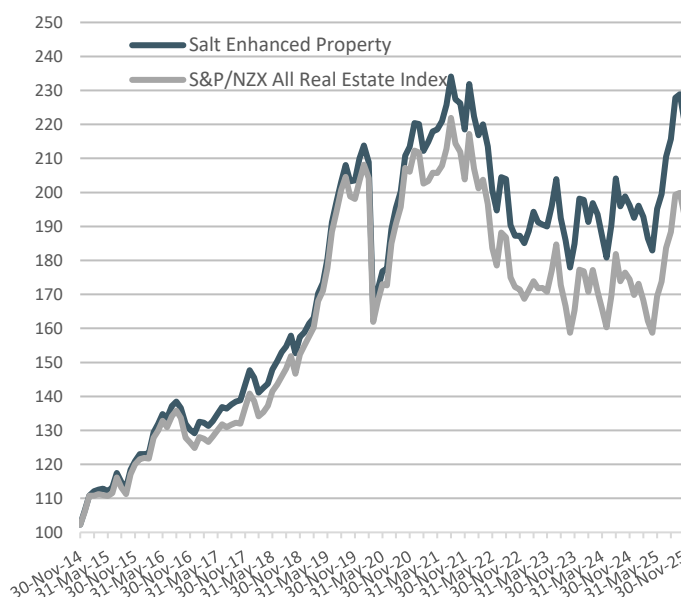
NZ Listed Property Shares	99.77%
AU Listed Property Shares	-0.18%
Cash & Cash Equivalents	0.05%

### Fund Performance to 31 December 2025

Period	Fund Return	Benchmark Return
1 month	-0.90%	-1.09%
3 months	-3.83%	-3.98%
6 months	9.84%	10.14%
1 year	13.79%	12.69%
2 years p.a.	5.16%	4.53%
3 years p.a.	5.29%	4.84%
5 years p.a.	-0.40%	-1.62%
7 years p.a.	4.49%	3.39%
10 years p.a.	5.79%	4.87%
Inception p.a.	7.16%	6.21%

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

### Cumulative Strategy Performance to 31 December 2025



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
GDI Property Group	Property for Industry
Servcorp	Kiwi Property Group
Asset Plus	GPT Group
New Zealand Rural Land Company	Argosy
Vital Healthcare Property Trust	Charter Hall Group

### SALT FUNDS MANAGEMENT

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## Property Market Commentary

After two extremely strong quarters in June and September, the S&P/NZX All Real Estate Gross Index retraced by -4.0% in the December quarter. A \$190m placement by Vital Healthcare Property (VHP) in November created a significant liquidity overhang for the market as it followed the large \$285m equity raising by Precinct Properties (PCT) in October. The VHP raising was to fund a long-awaited internalisation, while PCT has a number of potential developments in its pipeline.

After making a 50bp rate cut in October, the RBNZ followed on with a further 25bp in late November, taking the OCR target to 2.25%. While this is likely the last cut in the cycle, the sizeable gap between the sector's dividend yield and term deposit rates should be strongly supportive in the period ahead. The sector may also be supported by likely cap rate contraction and possibly a tightening of price to NTA multiples.

NZ property lagged the broader NZ equity market, which advanced by +1.9%, as optimism grew regarding earnings prospects in 2026. NZ 10-year bond yields rose from 4.29% to 4.52%. The Australian property index declined by a lesser -1.4% in the quarter, which was perhaps surprising given their surge in 10-year bond yields from 4.30% to 4.75% and strong data making it likely that the RBA will hike in 2026. The global FTSE EPRA/NAREIT Index declined by a slight -0.6%.

There was a sharp performance divergence over the quarter, with the key laggards being the two equity-raisers, Vital Healthcare Property (VHP, -9.3%) and Precinct Properties (PCT, -7.8%). Outperformers were Stride Property (SPG, +1.9%) and Kiwi Property (KPG, +1.7%).

## Salt Enhanced Property Fund Commentary

The Fund slightly outperformed the NZ benchmark a return of -3.82% compared to the -3.98% decline by the index.

The largest positive was being underweight Precinct Property (PCT, -7.8%) ahead of its sizeable, discounted equity raising. Unfortunately, the Fund had been near-neutral in Vital Healthcare Property (VHP, -9.3%) ahead of its equity raising on both relative value and likely FTSE/EPRA NAREIT index inclusion grounds. Other positives were an underweight in Goodman Property (GMT, -6.9%) and overweight in NZ Rural Land (NZL, +7.4%), which announced a strategic review.

Headwinds were relatively minor and were led by our moderate short in Charter Hall (CHC, +8.6%). While CHC is performing strongly as a business, and they upgraded guidance during the period, it was unclear as to how much this relied on valuation uplifts and performance fees. We view CHC as being extremely expensive and potentially vulnerable to a higher rate environment in Australia. Other headwinds were a pullback in the hitherto very strong Servcorp (SRV, -4.6%) and a small decline in GDI Property (GDI, -2.9%). Aside from rising bond yields in Australia, there was no other fundamental news behind these moves.

In total, the Fund's Australian positions detracted 0.16% from returns, within which, the small group of shorts was neutral overall. This was slightly disappointing given that that market fell in the quarter but was due to the CHC position.

At quarter-end, we estimate that the Fund's year-ahead gross dividend yield is 6.8% for a NZ investor. While the market is temporarily weak as it digests two major equity raisings, we have a positive outlook for 2026 given the sizeable yield premium to term deposit rates and improving property fundamentals as the NZ economy finally begins to rebound.



Matthew Goodson, Portfolio Manager