

# SALT

## Salt Core NZ Shares 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 Core NZ Shares Fund targets a portfolio of shares of New Zealand companies that may, in our opinion, provide a high total return. The Fund may also invest opportunistically in shares of Australian companies.

The Fund's investment process has been designed to facilitate selection of stocks such that the overall portfolio generates an above market total return after each stock is qualified through a number of quality and sustainability screens generated by Salt's disciplined research effort.

### Fund Facts at 31 December 2025

Benchmark	S&P/NZX 50 Gross Index
Fund Assets	103 million
Inception Date	1 December 2020
Portfolio Manager	Paul Harrison

### Unit Price at 31 December 2025

Application	0.9929
Redemption	0.9888

### Investment Guidelines

The guidelines for the Salt Core NZ Shares Fund are shown below:

NZ shares	50% – 100%
Australian Shares	0% – 50%
Unlisted securities	0% – 3%
Cash or cash equivalents	0% - 20%

### Target Investment Mix

The target investment mix for the Salt Core NZ Shares Fund is:

Australasian Equities	100%
-----------------------	------

### Fund Allocation at 31 December 2025

NZ shares	95.19%
Australian Shares	2.95%
Cash or cash equivalents	1.86%

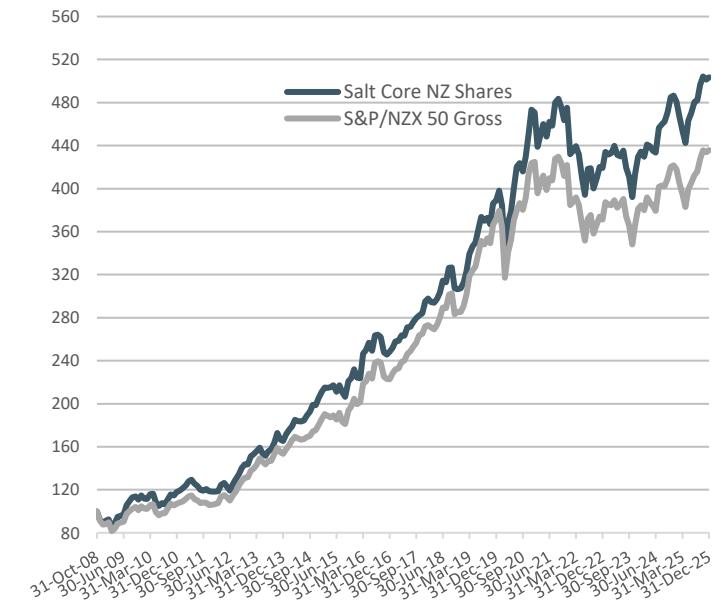
### Fund Performance to 31 December 2025

Period	Fund Return*	Benchmark Return
1 month	0.40%	0.44%
3 months	1.41%	1.93%
6 months	7.08%	7.50%
1 year	3.47%	3.34%
2 years p.a.	8.25%	7.29%
3 years p.a.	6.30%	5.70%
5 years p.a.	1.24%	0.69%
7 years p.a.	7.30%	6.34%
10 years p.a.	8.05%	7.92%
Inception p.a.	9.82%	8.95%

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

\*From 1 December 2009 to 30 December 2020, performance is from a fund with the same strategy and the same portfolio manager.

### Cumulative Fund 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
Ebos Group	Meridian Energy
Freightways Group	Chorus Networks
Heartland Group Holdings	The a2 Milk Company
ANZ	Kiwi Property Group
Mercury NZ	Property for Industry

### SALT FUNDS MANAGEMENT

Level 37, PwC Tower, 15 Customs Street West, Auckland | PO Box 106-587, Auckland 1143

Email: [info@saltfunds.co.nz](mailto:info@saltfunds.co.nz) | [www.saltfunds.co.nz](http://www.saltfunds.co.nz)

## Equities Market Commentary

Developed market equities saw solid returns in the final quarter of the year, rising +3.2% (in USD) the longest US Government shutdown in history concluded and the Fed cut interest rates for a third consecutive time in December taking the Fed funds rate to 3.75%.

The global aggregate bond index eked out a +0.2% (in USD) gain. While the Fed lowered interest rates over the quarter, there is much uncertainty about the scope for further cuts. More broadly, fiscal policy concerns continued to weigh on sovereign bond yields.

The BoJ raised rates for a second time in 2025 in December, taking the policy rate to 0.75%. This policy rate is now at its highest level in 30 years. With above-target inflation looking increasingly entrenched, further interest rate normalisation appears likely in 2026.

Inflation data continued to surprise to the upside in Australia through the December quarter. This saw the RBA leave interest rates unchanged, with comments from Governor Bullock at the December meeting indicating a tightening bias.

The RBNZ cut the OCR to 2.25% in a 5-1 vote in its final meeting of the year. While the projected interest rate track showed an easing bias, the Statement was taken as hawkish by the market, prompting the new RBNZ Governor to articulate the bank's discomfort with the rise in interest rates post-Statement. Rising mid-duration rates were given further impetus by much better activity data, in particular a +1.1% increase in Q3 GDP which was significantly higher than the RBNZ's forecast of +0.4%. The easing cycle is over and the next move in NZ interest rates is up, with timing dependent on inflation's behaviour.

The quarter was a better one for NZ equities, with the S&P/NZX50 Gross Index up +1.9% as green shoots in the local economy started to appear on the back of recent rate cuts and ongoing terms of trade strength.

## Salt Core NZ Shares Fund Commentary

The December quarter was a better one for the New Zealand share market with the NZ50 gross index up +1.9% as green shoots in the local economy started to appear on the back of recent interest rate cuts. This compares to Australia where some recent elevated inflation data has led the market to start to price in interest rate hikes as early as February. The ASX200 accumulation index was down -1.0% for the quarter. The Fund lagged the benchmark over this period with a return of +1.4%.

In New Zealand, cyclicals dominated the quarterly returns. Of note, portfolio holding Turners (+17.6%) joined the rally after reporting record 1st half performance with NPAT +13% compared to the prior year. Turners' auto and finance businesses should benefit as the economy starts to pick up over 2026. Fletcher Building (+9.2%) rallied on the back of expectations that the NZ economy will

strengthen in 2026, underpinning a rebound in residential, commercial and infrastructure activity. The Fund's holding in ANZ bank (+9.4) was a positive contributor this quarter and was the only bank out of the big four (NAB, CBA, WBC) to produce a positive return (in AUD) for the quarter. ANZ provided a positive strategy update in October after announcing increased synergies post the integration of Suncorp bank and further cost savings via a number of productivity initiatives. The fund's overweight position in Heartland (+11.4%) continued to perform well after providing a positive 1Q trading update at their AGM and re-iterating full year guidance of at least \$85m.

Tower (+15.4%) was another strong performer this quarter after reporting a record result for FY25 with underlying NPAT up 28.4% compared to the prior year. Management expects 2026 to be another robust year of growth, guiding the market to gross written premium growth of 5-10%.

The Fund's net underweight across the retirement sector detracted from relative performance as Ryman (+12.4%), Summerset (+15.1%) and Oceania (+33.3%) all benefited from expectations that the housing market will improve in 2026. The nil holding in Sky City (+36.4%) also detracted from performance as it rallied on similar macroeconomic theographics of improved consumer spending in 2026. Another detractor from performance was Ebos (-7.3%), which continued to decline post a weak update in August,

Australia was all about the resources sector over the quarter with the materials GIC up +13%. This compared to the technology GIC which was down -23.7% to be the weakest sector for the period. The Fund holds resource "adjacent" stock Orica (+14.9%) which rose strongly after it reported a solid FY25 result with stronger medium-term guidance. Other Australian holdings, Woolworths (+10.0%) and Challenger (+8.7%) both added to performance. Woolworths showed signs of closing the sales gap to competitors in their 1Q trading update, while Challenger is set to benefit from APRA's proposed changes to current capital standards. Detracting from performance was CSL (-12.9%), and Resmed (-12.2%) as they got caught up in potential US healthcare policy change, and Xero (-27.6%) after it reported a weak result for their recent acquisition of payments business Melio coupled with continued fears of potential disruption from AI.

The Fund was a buyer early in the quarter of cyclicals such as Fletcher Building, Freightways, and Heartland Bank. The Fund reduced its exposure to bond rate sensitive name Vector and reduced its positions in Ryman and PFI.



Paul Harrison, MBA, CA