SALT

Salt Enhanced Property Fund Fact Sheet – April 2025

Manager Profile

Salt Funds Management is a boutique investment management firm wholly owned by its employees which specialises in actively seeking to maximise returns while managing the risks of the investment. Salt examines investments for their environmental and social impact as well as the quality of their governance.

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 April 2025

Benchmark	S&P/NZX All Real Estate Gross Index
Fund Assets	$18.3 million
Inception Date	11 November 2014
Portfolio Managers	Matthew Goodson, CFA Nicholas Falconer, MBA

Unit Price at 30 April 2025

Application	1.2932
Redemption	1.2879

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 April 2025

Long Exposure	104.67%
Short Exposure	5.36%
Gross Equity Exposure	110.03%
Net Equity Exposure	99.30%

Fund Allocation at 30 April 2025

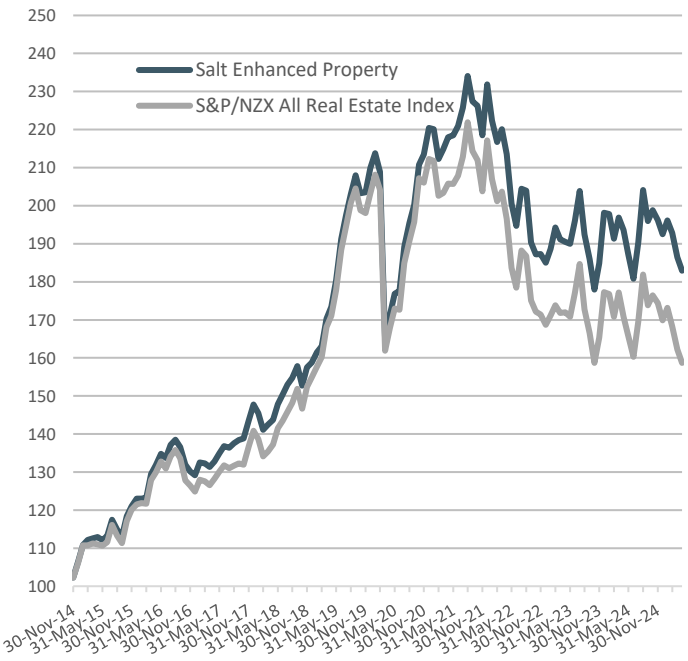
NZ Listed Property Shares	93.16%
AU Listed Property Shares	6.04%
Cash & Cash Equivalents	0.80%

Fund Performance to 30 April 2025

Period	Fund Return	Benchmark Return
1 month	-1.91%	-2.20%
3 months	-6.73%	-8.34%
6 months	-7.98%	-10.05%
1 year	-5.51%	-6.85%
2 years p.a.	-2.02%	-3.17%
3 years p.a.	-5.47%	-6.40%
5 years p.a.	1.03%	-0.69%
7 years p.a.	3.29%	2.42%
10 years p.a.	4.80%	3.87%
Inception p.a.	5.84%	4.76%

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

Cumulative Strategy Performance to 30 April 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	Kiwi Property Group
Servcorp	Precinct Properties
Millennium & Copthorne Hotels	Property For Industry
Asset Plus	Goodman Property Trust
Elanor Commercial Property	Ingenia Communities Group

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Property Market Commentary

The start of April was very volatile for almost all markets with the uncertainty over US tariffs and their potential broader impacts.

The S&P/NZX All Real Estate Gross Index declined -2.2% in April but outperformed the local market, where the NZX50 Gross Index fell -3.0%. Conversely, the Australian S&P/ASX200 A-REIT Accumulation Index had a very strong month to gain +6.3%, recovering last quarter's decline. While the global FTSE EPRA/NAREIT Index closing +0.7% betrays the volatility intra-day in April.

The Reserve Bank again lowered the OCR with a smaller 25-point cut, and by the end of the month we finally saw a shift down in medium-term interest rates with a steepening of the yield curve. Although the NZ 10-year government bond yield is only five basis points lower than the end of 2025 at just under 4.5%, the 1-year and 2-year are 45 and 30 bps lower respectively.

From a NZ REIT perspective, the best-performing stocks were Vital Healthcare (VHP, +2.4%) and Argosy (ARG, +1.5%) as the only two large caps to post gains in the month. At the other end of the spectrum Kiwi Property (KPG, -5.2%) and Precinct (PCT, -3.6%) declined the most.

Amongst our benchmark stocks, the only notable news came from Asset Plus (APL, +1.1%) which provided a valuation update on their single remaining asset. This came in slightly lower but APL still trades on a >40% discount to the new NTA.

There was also an updated offer made by the majority owner of Millennium & Copthorne Hotels (MCK, +15.8%), lifting the price to $2.80 from the initial $2.25 in January. A number of institutional investors (including ourselves) advised their intention to accept the offer – which was conditional on these acceptances.

Salt Enhanced Property Fund Commentary

The Fund had another very good month in terms of relative performance to outperform our NZ benchmark by 28 basis points. Nonetheless, the total return to investors for the month was a decline of -1.91%.

Significant performance contributors were GDI Property (GDI, +3.1%) in Australia which steadily moved up over the month and we took the opportunity to sell some stock into the strength. We also benefited from large underweights in the bottom-performing KPG and PCT, and to a lesser degree Property For Industry (PFI, -3.3%). And of course, the revised offer in MCK meant that position was our single biggest contributor, and we exited the stock through the offer (at the time of writing).

From an underperformance perspective, Servcorp (SRV,-7.5%) was particularly weak relative to the broader Australian market – continuing its tendency to move against the market direction. Our short positions in Australia naturally underperformed but this was offset by some recently established large-cap longs in A-REITs – both areas are good sources of funding for the purchasing we have done of the NZ REITs at what we hope are close to the bottom.

At the time of writing, we estimate that the Fund offers a year-ahead gross dividend yield of 7.0% to a NZ investor.

Nicholas Falconer, Co-Portfolio Manager, MBA