Salt Enhanced Property Fund Fact Sheet – August 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 31 August 2025

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

Unit Price at 31 August 2025

Application	1.4752
Redemption	1.4692

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 31 August 2025

Long Exposure	102.69%
Short Exposure	6.40%
Gross Equity Exposure	109.09%
Net Equity Exposure	96.29%

Fund Allocation at 31 August 2025

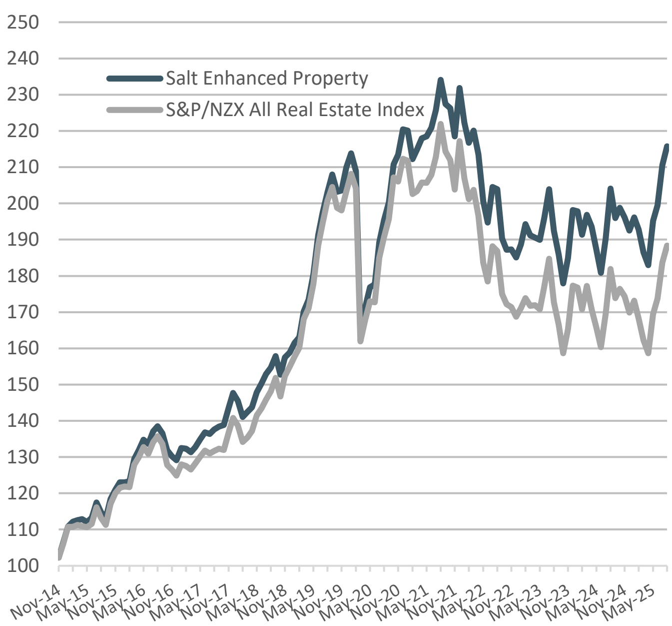
NZ Listed Property Shares	91.88%
AU Listed Property Shares	4.61%
Cash & Cash Equivalents	3.51%

Fund Performance to 31 August 2025

Period	Fund Return	Benchmark Return
1 month	2.48%	2.54%
3 months	10.54%	11.15%
6 months	11.89%	11.97%
1 year	5.69%	3.82%
2 years p.a.	5.89%	5.26%
3 years p.a.	1.42%	0.81%
5 years p.a.	1.71%	0.19%
7 years p.a.	4.65%	3.81%
10 years p.a.	6.36%	5.45%
Inception p.a.	7.24%	6.25%

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

Cumulative Strategy Performance to 31 August 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	Precinct Properties
Servcorp	Kiwi Property Group
New Zealand Rural Land Company	Property for Industry
Asset Plus	Goodman Property Trust
Dexus	Argosy

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Property Market Commentary

The S&P/NZX All Real Estate Gross Index turned in another strong performance in August with an advance of +2.5%. This outperformed the S&P/NZX50 Gross Index, which rose +0.8%, it lagged the Australian property index advance of +4.5% and it was in line with the global FTSE EPRA/NAREIT Index of +2.6%. As was largely expected, the RBNZ cut the OCR target by 25bp to 3.0% but they surprised with a dovish pivot due to the weak economy and now project two further rate cuts. 10-year bond yields were also a solid tailwind, with a move from 4.53% to 4.37%.

Outperformers were led by the small-cap NZ Rural Land Co (NZL, +8.5%), as it launched a strategic review to address its persistent discount to NTA. Other leaders were Kiwi Property (KPG, +6.7%) and Property For Industry (PFI, +4.1%). The only major laggard of note was Precinct Property (PCT, -0.4%).

News was dominated by the results season, and there were no major variances to market expectations, although the increasing complexity of PCT, with its array of management JV's and move into residential development, was one point to note. Results did confirm that valuations have broadly bottomed out and the sector will likely be supported in a falling rate environment by its large post-tax yield advantage over term deposits.

Salt Enhanced Property Fund Commentary

The Fund performed largely in line with the NZ benchmark, returning +2.48% compared to +2.54% by the index.

By far the largest positive came from the long-held position in the serviced office business, Servcorp (SRV, +15.1%), which posted another strong result. The share price has only risen slightly faster than earnings over the last three years, and we retain a large position as we await a further re-rating. Despite more than doubling since we have owned it, SRV's forward PE path is still only 10.0x for Jun26, 9.4x for Jun27 and 9.0x for Jun28, and around 20% of the market cap is net cash. The closest compco is International Workplace Group (ex Regus), which is listed in London and trades on a forward PE of 27x.

Smaller positive assists came from NZ Rural Land (NZL, +8.5%) as it launched a strategic review and a holding in Dexus (DXS, +6.2%).

The largest detractor in a strong up-month was the reasonably sized underweight in Kiwi Property (KPG, +6.7%), which has experienced a solid re-rating following the prior news of releasing the potentially problematic ASB office asset. The Property For Industry (PFI, +4.1%) underweight also weighed a little as it outperformed following a solid result.

Other headwinds came from two shorts, which we view as overpriced and which we use to fund more attractive long positions elsewhere. Charter Hall Social Infrastructure (CQE, +13.8%) and Scentre (SCG, +8.8%) both (over)reacted sharply to results that were good but did not really move the valuation needle.

At month-end, we estimate that the Fund's year-ahead gross dividend yield is 6.7% for a NZ investor.

Matthew Goodson, Portfolio Manager