


Salt Investment Funds
Financial Statements
For the period ended 31 March 2022

Manager's Statement

In the opinion of the Manager, the accompanying Financial Statements are drawn up so as to present fairly the financial position of the Salt Investment Funds as at 31 March 2022 and their results for the period ended on that date in accordance with the requirements of the Salt Investment Funds Trust Deed dated 7 September 2016, which replaced the original Trust Deed dated 16 April 2014.

The directors are of the opinion that the Salt Investment Funds will be able to pay their debts as and when they fall due.

Director



Salt Investment Funds Limited

13 July 2022

Additional Unitholder Information

Notice of Trust Deed Amendment

Under clause 30.1 of the Trust Deed governing the Salt Investment Funds and the Financial Markets Conduct Act 2013 (FMC Act), the Manager, Salt Investment Funds Limited, is required to advise unitholders in summary form of any amendments to the Trust Deed.

There has been no amendment to the Trust Deed dated 7 September 2016 during the period covered by the Financial Statements.

Statements of Comprehensive Income

\$	Note	Enhanced Property Fund		Long Short Fund		NZ Dividend Appreciation Fund		Core NZ Shares Fund		Sustainable Global Shares Fund
		2022	2021	2022	2021	2022	2021	2022	2021	2022
Income										
Interest income on financial assets at amortised cost		5,739	688	128,213	82,602	7,278	3,031	6,669	371	2,397
Dividend and distribution income on financial assets at fair value through profit or loss		965,875	434,656	2,548,482	2,107,367	2,972,646	2,258,368	947,238	187,310	208,445
Dividend expense on financial liabilities at fair value through profit or loss		(111,001)	(64,494)	(1,021,648)	(1,029,887)	-	-	-	-	-
Net foreign currency gains/(losses) on cash and cash equivalents		(8,331)	6,891	9,356	144,531	(43)	28	3,256	-	89,968
Net gains/(losses) on financial assets and liabilities at fair value through profit or loss		(596,078)	2,730,727	10,451,080	21,368,932	(3,408,085)	22,096,776	(2,666,422)	(27,151)	(1,988,954)
Other income		-	1,266	14,375	48,778	803	6,409	533	-	3,153
Total income/(loss)		256,204	3,109,734	12,129,858	22,722,323	(427,401)	24,364,612	(1,708,726)	160,530	(1,684,991)
Expenses										
Management fees	9	194,755	99,121	835,426	957,152	997,165	920,088	360,949	68,577	231,505
Performance fees	9	-	-	959,737	-	-	-	-	-	-
Supervisor fees	9	11,771	6,408	28,883	35,051	54,391	53,228	19,541	3,931	11,625
Administration fees		22,073	11,615	56,923	67,369	71,355	73,806	25,613	5,625	15,738
Transaction costs		95,689	42,981	891,221	1,481,258	207,549	212,189	73,368	11,435	50,891
Other expenses		3,119	2,514	17,419	23,309	16,392	18,728	7,108	2,616	7,926
Total operating expenses		327,407	162,639	2,789,609	2,564,139	1,346,852	1,278,039	486,579	92,184	317,685
Operating profit/(loss)		(71,203)	2,947,095	9,340,249	20,158,184	(1,774,253)	23,086,573	(2,195,305)	68,346	(2,002,676)
Profit/(loss) for the period attributable to Unitholders		(71,203)	2,947,095	9,340,249	20,158,184	(1,774,253)	23,086,573	(2,195,305)	68,346	(2,002,676)
Total comprehensive income/(loss) for the period attributable to Unitholders		(71,203)	2,947,095	9,340,249	20,158,184	(1,774,253)	23,086,573	(2,195,305)	68,346	(2,002,676)

\$	Note	Sustainable Global Listed Property Fund	Sustainable Global Listed Infrastructure Fund	Sustainable Growth Fund	Sustainable Income Fund
		2022	2022	2022	2022
Income					
Interest income on financial assets at amortised cost		110	178	1,975	3,399
Dividend and distribution income on financial assets at fair value through profit or loss		418,392	646,352	229,993	630,936
Net foreign currency gains/(losses) on cash and cash equivalents		(33,637)	94,763	-	-
Net gains/(losses) on financial assets and liabilities at fair value through profit or loss		534,537	3,929,940	(1,317,579)	(1,633,013)
Other income		532	-	-	-
Total income/(loss)		919,934	4,671,233	(1,085,611)	(998,678)
Expenses					
Management fees	9	150,739	258,344	-	89,709
Management fee rebates	9	-	-	(3,600)	(109,091)
Supervisor fees	9	7,540	12,947	-	-
Administration fees		10,247	17,562	12,576	11,922
Transaction costs		70,273	106,830	1,067	2,427
Other expenses		22,756	14,128	128	319
Total operating expenses		261,555	409,811	10,171	(4,714)
Operating profit/(loss)		658,379	4,261,422	(1,095,782)	(993,964)
Profit/(loss) for the period attributable to Unitholders		658,379	4,261,422	(1,095,782)	(993,964)
Total comprehensive income/(loss) for the period attributable to Unitholders		658,379	4,261,422	(1,095,782)	(993,964)

These statements are to be read in conjunction with the accompanying notes.

Statements of Changes in Net Assets Attributable to Unitholders

\$ For the period ended 31 March	Enhanced Property Fund		Long Short Fund		NZ Dividend Appreciation Fund		Core NZ Shares Fund		Sustainable Global Shares Fund
	2022	2021	2022	2021	2022	2021	2022	2021	2022
Net assets attributable to Unitholders at the beginning of the period	12,275,880	11,745,569	50,567,031	86,468,579	101,187,142	78,561,894	20,266,708	-	-
Proceeds from units issued	22,701,420	2,656,805	6,416,713	9,704,944	53,001,814	10,884,408	27,594,093	22,188,594	47,855,610
Redemption of units	(3,948,845)	(4,644,797)	(6,457,807)	(65,742,682)	(30,245,167)	(9,137,961)	(53,141)	(1,999,098)	(22,377)
Distributions	(502,092)	(433,933)	-	-	(2,730,031)	(2,306,988)	(447,098)	-	-
Unitholder tax (liabilities)/rebates	(7,369)	5,141	(61,755)	(21,994)	56,945	99,216	32,246	8,866	(96,003)
Net increase/(decrease) from transactions in units	18,243,114	(2,416,784)	(102,849)	(56,059,732)	20,083,561	(461,325)	27,126,100	20,198,362	47,737,230
Total comprehensive income/(loss) for the period attributable to Unitholders	(71,203)	2,947,095	9,340,249	20,158,184	(1,774,253)	23,086,573	(2,195,305)	68,346	(2,002,676)
Net assets attributable to Unitholders at the end of the period	30,447,791	12,275,880	59,804,431	50,567,031	119,496,450	101,187,142	45,197,503	20,266,708	45,734,554

\$ For the period ended 31 March	Sustainable Global Listed Property Fund	Sustainable Global Listed Infrastructure Fund	Sustainable Growth Fund	Sustainable Income Fund
	2022	2022	2022	2022
Net assets attributable to Unitholders at the beginning of the period	-	-	-	-
Proceeds from units issued	32,213,814	52,704,484	55,353,827	50,674,139
Redemption of units	(458,979)	(17,604)	-	(1,818,549)
Distributions	-	-	-	(964,485)
Unitholder tax (liabilities)/rebates	(26,607)	(92,494)	(70,235)	68,036
Net increase/(decrease) from transactions in units	31,728,228	52,594,386	55,283,592	47,959,141
Total comprehensive income/(loss) for the period attributable to Unitholders	658,379	4,261,422	(1,095,782)	(993,964)
Net assets attributable to Unitholders at the end of the period	32,386,607	56,855,808	54,187,810	46,965,177

Units For the period ended 31 March	Enhanced Property Fund		Long Short Fund		NZ Dividend Appreciation Fund		Core NZ Shares Fund		Sustainable Global Shares Fund
	2022	2021	2022	2021	2022	2021	2022	2021	2022
Units on issue at the beginning of the period	6,693,932	8,027,557	27,813,877	66,553,004	56,812,690	55,567,055	20,281,182	-	-
Units issued	12,073,244	1,541,733	3,263,400	6,792,641	29,748,920	6,451,113	26,510,572	22,196,761	46,449,891
Units redeemed	(2,105,870)	(2,875,358)	(3,305,535)	(45,531,768)	(16,892,919)	(5,205,478)	(56,545)	(1,915,579)	(96,902)
Units on issue at the end of the period	16,661,306	6,693,932	27,771,742	27,813,877	69,668,691	56,812,690	46,735,209	20,281,182	46,352,989

Units For the period ended 31 March	Sustainable Global Listed Property Fund	Sustainable Global Listed Infrastructure Fund	Sustainable Growth Fund	Sustainable Income Fund
	2022	2022	2022	2022
Units on issue at the beginning of the period	-	-	-	-
Units issued	31,613,114	52,261,218	55,249,950	49,687,782
Units redeemed	(449,815)	(50,353)	(71,668)	(1,817,310)
Units on issue at the end of the period	31,163,299	52,210,865	55,178,282	47,870,472

These statements are to be read in conjunction with the accompanying notes.

Statements of Financial Position

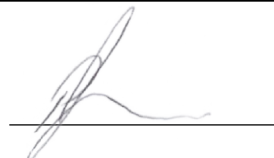
\$ As at 31 March	Note	Enhanced Property Fund		Long Short Fund		NZ Dividend Appreciation Fund		Core NZ Shares Fund		Sustainable Global Shares Fund
		2022	2021	2022	2021	2022	2021	2022	2021	2022
Current assets										
Cash and cash equivalents		1,543,775	360,188	8,143,610	4,701,877	3,040,420	769,105	1,310,889	311,596	1,015,219
Cash and cash equivalents pledged as collateral		-	-	26,000,000	19,500,000	-	-	-	-	-
Financial assets at fair value through profit or loss	6	28,642,227	11,527,781	49,726,969	43,307,302	117,792,645	99,860,536	43,483,546	19,878,015	44,947,548
Financial assets at fair value through profit or loss pledged as collateral	6	1,957,000	1,123,000	2,465,164	3,432,423	-	-	-	-	-
Due from brokers		133,977	153,968	1,109,988	4,758,538	208,741	183,416	352,083	83,983	139,140
Contributions receivable		5,798	2,157	19,750	79,460	10,631	3,520	2,944	-	-
Other receivables		39,738	14,740	518,252	230,193	693,407	385,212	277,962	78,332	45,231
Tax receivable on behalf of unitholders		7,937	8,662	40,564	90,041	56,960	99,221	32,246	8,866	-
Total assets		32,330,452	13,190,496	88,024,297	76,099,834	121,802,804	101,301,010	45,459,670	20,360,792	46,147,138
Current liabilities										
Financial liabilities at fair value through profit or loss	7	1,553,703	829,322	24,123,033	23,028,186	-	-	5,077	-	-
Due to brokers		247,044	61,996	2,911,958	2,230,436	2,180,130	-	206,958	70,912	277,831
Payable to related parties	9	25,844	11,094	1,044,428	75,167	111,388	100,429	42,331	20,294	44,320
Withdrawals payable		30,537	-	715	60,511	-	-	-	-	-
Other payables		25,490	12,204	139,295	138,419	14,836	13,439	7,801	2,878	15,933
Tax payable on behalf of unitholders		43	-	437	84	-	-	-	-	74,500
Total liabilities		1,882,661	914,616	28,219,866	25,532,803	2,306,354	113,868	262,167	94,084	412,584
Net assets attributable to Unitholders		30,447,791	12,275,880	59,804,431	50,567,031	119,496,450	101,187,142	45,197,503	20,266,708	45,734,554

\$ As at 31 March	Note	Sustainable Global Listed Property Fund	Sustainable Global Listed Infrastructure Fund	Sustainable Growth Fund	Sustainable Income Fund
		2022	2022	2022	2022
Current assets					
Cash and cash equivalents		59,543	223,541	246,386	1,380,534
Financial assets at fair value through profit or loss	6	32,203,060	56,561,815	54,013,399	45,516,864
Due from brokers		98,554	107,467	-	-
Management fee rebates receivable	9	-	-	615	1,180
Contributions receivable		25,559	-	-	-
Other receivables		71,303	90,375	418	1,076
Tax receivable on behalf of unitholders		24,352	24,980	-	68,036
Total assets		32,482,371	57,008,178	54,260,818	46,967,690
Current liabilities					
Financial liabilities at fair value through profit or loss	7	17,499	38,245	-	-
Due to brokers		24,531	-	-	-
Payable to related parties	9	31,118	53,925	-	-
Other payables		22,598	23,962	2,773	2,513
Tax payable on behalf of unitholders		18	36,238	70,235	-
Total liabilities		95,764	152,370	73,008	2,513
Net assets attributable to Unitholders		32,386,607	56,855,808	54,187,810	46,965,177

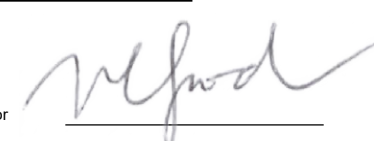
These statements are to be read in conjunction with the accompanying notes.

The Directors of Salt Investment Funds Limited authorised these Financial Statements for issue on 13 July 2022.

Director



Director



Statements of Cash Flows

\$ For the period ended 31 March	Enhanced Property Fund		Long Short Fund		NZ Dividend Appreciation Fund		Core NZ Shares Fund		Sustainable Global Shares Fund
	2022	2021	2022	2021	2022	2021	2022	2021	2022
Cash flows from operating activities									
Proceeds from sale of financial assets	12,578,459	11,783,211	294,674,915	438,874,731	49,461,818	48,234,908	4,748,845	3,219,296	6,591,271
Proceeds from settlement of derivative financial instruments	72,370	61,966	771,786	933,954	-	-	16,981	-	-
Purchase of financial assets and settlement of financial liabilities	(30,062,468)	(9,182,485)	(284,145,848)	(409,834,174)	(61,390,398)	(50,117,366)	(21,948,045)	(1,430,948)	(53,389,151)
Payments for settlement of derivative financial instruments	(95,208)	(97,381)	(859,418)	(2,029,771)	-	-	(40,613)	-	-
Net change in cash and cash equivalents pledged as collateral	-	-	(6,500,000)	28,500,000	-	-	-	-	-
Dividends received on financial assets at fair value through profit or loss	828,666	332,749	2,202,216	2,374,631	2,142,476	1,929,489	577,305	97,162	163,470
Dividends paid on financial liabilities at fair value through profit or loss	(98,676)	(59,167)	(963,658)	(1,231,902)	-	-	-	-	-
Interest income received	5,203	793	109,615	104,150	5,319	3,407	5,728	309	2,210
Other income	-	1,266	14,375	48,778	803	6,409	533	-	3,153
Operating expenses paid	(307,206)	(164,574)	(1,818,501)	(2,668,374)	(1,334,496)	(1,270,263)	(459,619)	(69,012)	(257,432)
Net cash inflow/(outflow) from operating activities	10 (17,078,860)	2,676,378	3,485,482	55,072,023	(11,114,478)	(1,213,416)	(17,098,885)	1,816,807	(46,886,479)
Cash flows from financing activities									
Proceeds from units issued	22,291,435	2,325,434	6,476,423	9,720,815	35,004,720 **	9,032,219	18,142,799 **	493,887	47,855,610
Redemptions of units	(3,918,308)	(4,650,163)	(6,517,603)	(66,084,868)	(21,240,313) **	(9,137,964)	(53,141)	(1,999,098)	(22,377)
Unitholders tax (paid)/received	(6,601)	(11,730)	(11,925)	(109,218)	99,206	37,668	8,866	-	(21,503)
Distributions*	(95,748)	(103,908)	-	-	(477,777)	(458,197)	(3,602)	-	-
Net cash (outflow)/inflow from financing activities	18,270,778	(2,440,367)	(53,105)	(56,473,271)	13,385,836	(526,274)	18,094,922	(1,505,211)	47,811,730
Net increase/(decrease) in cash and cash equivalents	1,191,918	236,011	3,432,377	(1,401,248)	2,271,358	(1,739,690)	996,037	311,596	925,251
Cash and cash equivalents at the beginning of the financial period	360,188	117,286	4,701,877	5,958,594	769,105	2,508,767	311,596	-	-
Foreign exchange gains/(losses) on cash and cash equivalents denominated in foreign currencies	(8,331)	6,891	9,356	144,531	(43)	28	3,256	-	89,968
Cash and cash equivalents at the end of the financial period	1,543,775	360,188	8,143,610	4,701,877	3,040,420	769,105	1,310,889	311,596	1,015,219

* In addition to the distributions paid in cash, the Enhanced Property Fund reinvested distributions of \$406,344 into the Fund during the year ended 31 March 2022 (31 March 2021: \$330,025), the NZ Dividend Appreciation Fund reinvested distributions of \$2,252,254 into the Fund during the year ended 31 March 2022 (31 March 2021: \$1,848,791) and the Core NZ Shares Fund reinvested distribution of \$443,496 into the Fund during the year ended 31 March 2022 (31 March 2021: nil).

** In addition to the cash proceeds from units issued, on 11 June 2021, the Core NZ Shares Fund received a non-cash in specie contribution from the NZ Dividend Appreciation Fund totalling \$9,004,854. This was likewise treated as an in specie withdrawal in the NZ Dividend Appreciation Fund for the same amount. On 22 December 2021, the NZ Dividend Appreciation Fund also received a non-cash in specie contribution from a third party totalling \$15,737,729.

These statements are to be read in conjunction with the accompanying notes.

Statements of Cash Flows

\$ For the period ended 31 March	Sustainable Global Listed Property Fund 2022	Sustainable Global Listed Infrastructure Fund 2022	Sustainable Growth Fund 2022	Sustainable Income Fund 2022
Cash flows from operating activities				
Proceeds from sale of financial assets	9,716,422	19,293,675	-	3,000,000
Proceeds from settlement of derivative financial instruments	1,387,576	2,387,556	-	-
Purchase of financial assets and settlement of financial liabilities	(40,084,824)	(70,348,577)	(55,100,985)	(49,518,941)
Payments for settlement of derivative financial instruments	(2,744,221)	(4,033,751)	-	-
Dividends received on financial assets at fair value through profit or loss	347,158	556,088	-	-
Interest income received	41	67	1,557	2,323
Other income	532	-	-	-
Operating expenses paid	(207,839)	(331,924)	(8,013)	6,047
Net cash inflow/(outflow) from operating activities	10 (31,585,155)	(52,476,866)	(55,107,441)	(46,510,571)
Cash flows from financing activities				
Proceeds from units issued	32,188,255	52,704,484	55,353,827	50,153,523
Redemptions of units	(458,979)	(17,604)	-	(1,818,549)
Unitholders tax (paid)/received	(50,941)	(81,236)	-	-
Distributions*	-	-	-	(443,869)
Net cash (outflow)/inflow from financing activities	31,678,335	52,605,644	55,353,827	47,891,105
Net increase/(decrease) in cash and cash equivalents				
Cash and cash equivalents at the beginning of the financial period	93,180	128,778	246,386	1,380,534
Foreign exchange gains/(losses) on cash and cash equivalents denominated in foreign currencies	-	-	-	-
	(33,637)	94,763	-	-
Cash and cash equivalents at the end of the financial period	59,543	223,541	246,386	1,380,534

* In addition to the distributions paid in cash, the Sustainable Income Fund reinvested distributions of \$520,616 into the Fund during the year ended 31 March 2022.

These statements are to be read in conjunction with the accompanying notes.

Notes to the Financial Statements

1. General information

Reporting Entities

The Salt Investment Funds ('the Funds') are open-ended investment funds domiciled in New Zealand and originally established in Auckland under a Master Trust Deed dated 16 April 2014. This Master Trust Deed was replaced with a new Master Trust Deed on 7 September 2016 to align with the requirements of the Financial Markets Conduct Act 2013 (FMC Act), and entry into the FMC regime.

The Financial Statements are prepared for the year ended 31 March 2022, except for the Sustainable Global Shares Fund, Sustainable Global Listed Property Fund, Sustainable Global Listed Infrastructure Fund, Sustainable Growth Fund and Sustainable Income Fund, which are all presented for their respective date of commencement of operations to 31 March 2022. Comparative figures are for the year ended 31 March 2021. There are no comparatives for the Sustainable Global Shares Fund, Sustainable Global Listed Property Fund, Sustainable Global Listed Infrastructure Fund, Sustainable Growth Fund and Sustainable Income Fund as these Funds commenced operations during the current reporting period.

Unit Trust Establishment Deeds between the Manager and The New Zealand Guardian Trust Company Limited ('the Supervisor') have been executed for the following funds:

- * Salt Enhanced Property Fund was established on 16 April 2014 and commenced operations on 11 November 2014.
- * Salt Long Short Fund was established on 16 April 2014 and commenced operations on 30 June 2014.
- * Salt NZ Dividend Appreciation Fund was established on 16 April 2014 and commenced operations on 30 June 2015.
- * Salt Core NZ Shares Fund was established on 16 September 2020 and commenced operations on 1 December 2020.
- * Salt Sustainable Global Shares Fund was established on 22 December 2020 and commenced operations on 12 July 2021.
- * Salt Sustainable Global Listed Property Fund was established on 22 December 2020 and commenced operations on 16 September 2021.
- * Salt Sustainable Global Listed Infrastructure Fund was established on 22 December 2020 and commenced operations on 23 August 2021.
- * Salt Sustainable Growth Fund was established on 22 December 2020 and commenced operations on 16 September 2021.
- * Salt Sustainable Income Fund was established on 22 December 2020 and commenced operations on 20 May 2021.

The Funds are a registered Managed Investment Scheme as defined by the FMC Act and are subject to the provisions of that Act.

The objectives of the Funds are as follow:

- * Salt Enhanced Property Fund: The Fund targets a portfolio of shares of New Zealand and Australian property trusts, companies and other property related securities. The Fund may also, at our discretion, short sell securities, hold cash, lever assets and utilise active currency management to generate returns (although generally will be fully hedged). The Fund's investment objective is to outperform the S&P/NZX All Real Estate Gross Index on a rolling three year basis.
- * Salt Long Short Fund: The Fund aims to deliver positive absolute returns in all market environments. In addition to holding "long-only" New Zealand and Australian securities, the Fund may at the Manager's discretion short sell securities, hold cash, lever its assets and utilise active currency management to generate returns. The Fund's investment objective is to outperform the Reserve Bank of New Zealand Official Cash Rate +5% p.a. benchmark over the full market cycle.
- * Salt NZ Dividend Appreciation Fund: The Fund targets a portfolio of shares of New Zealand companies that may, in the Manager's opinion, pay high and sustainable dividends.
- * Salt Core NZ Shares Fund: The Fund targets a portfolio of shares of New Zealand companies that may, in the Manager's opinion, provide a high total return. The Fund may also invest opportunistically in shares of Australian companies.
- * Salt Sustainable Global Shares Fund: The Fund targets a portfolio of global companies with high total return potential and high ESG factor scores. The Fund's investment objective is to outperform the MSCI World (Net) Index in New Zealand dollars on a rolling three year basis.
- * Salt Sustainable Global Listed Property Fund: The Fund targets a diversified portfolio of REITs and other publicly traded real estate companies located around the world, including both developed and emerging markets with strong ESG credentials*. The Fund's investment objective is to exceed the total return of its benchmark, the FTSE EPRA/NAREIT Developed Index Net Total Return Index in New Zealand dollars on a rolling three year basis.
- * Salt Sustainable Global Listed Infrastructure Fund: The Fund targets investing in common stock and other equity securities issued by global infrastructure companies with strong ESG credentials*. The Fund's investment objective is to exceed the total return of its benchmark, the FTSE Global Core Infrastructure 50/50 Net Tax Index in New Zealand dollars on a rolling three year basis.
- * Salt Sustainable Growth Fund: The Fund targets a mix of growth and defensive assets, with a focus on securities with strong ESG credentials. The Fund's investment objective is to outperform the Reserve Bank of New Zealand's Consumer Price Index +5% p.a. benchmark on a rolling five year basis.
- * Salt Sustainable Income Fund: The Fund targets a diversified mix of growth and defensive assets, with a focus on securities with strong ESG credentials and reliable income generation. The Fund's investment objective is to provide a gross fixed quarterly income in excess of bank deposit rates, along with a positive return on capital on a rolling three year basis.

The Funds' investment activities are managed by Salt Investment Funds Limited (the 'Manager'). The registered office for Salt Investment Funds Limited is Level 3, The Imperial Buildings, 44 Queen Street, Auckland.

These Financial Statements were authorised for issue by the Board of Directors of the Manager on 13 July 2022.

Statutory Base

The Financial Statements have been prepared in accordance with the requirements of the FMC Act and the Master Trust Deed.

* As set out in the Fund's Product Disclosure Statement at 31 March 2022 (the Product Disclosure Statement dated 22 December 2020).

Notes to the Financial Statements

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied throughout the period presented, unless otherwise stated.

2.1 Basis of preparation

The Financial Statements have been prepared in accordance with the requirements of the FMC Act, the Master Trust Deed and Generally Accepted Accounting Practice in New Zealand (NZ GAAP). These Financial Statements comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), and other applicable Financial Reporting Standards, as appropriate for for-profit entities. The Financial Statements also comply with International Financial Reporting Standards (IFRS). The Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities (including derivative financial instruments) at fair value through profit or loss.

Standards and amendments to existing standards effective 1 April 2021 impacting the Funds

There are no standards, amendments to standards or interpretations that are effective for the year beginning on 1 April 2021 that have a material effect on the Financial Statements of the Funds.

There are no standards, amendments to standards or interpretations that are issued but not yet effective that will have a material effect on the Financial Statements of the Fund.

2.2 Financial instruments

(a) Classification

Financial assets

Financial assets are recognised initially at fair value. After initial recognition, financial assets are measured at fair value or amortised cost, determined on the basis of both (a) the Fund's business model for managing the financial assets; and (b) the contractual cash flow characteristics of the financial asset.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss can be either designated as such upon initial recognition or measured at fair value in accordance with NZ IFRS 9 *Financial Instruments*. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Funds are primarily focused on fair value information and use that information to assess the assets' performance and to make decisions. Financial assets at fair value through profit or loss comprise of equity instruments held long, unlisted trusts and derivatives (including forward currency contracts) that have a positive fair value at year end. The Funds do not designate any derivatives as hedges in a hedging relationship.

(ii) Financial assets at amortised cost

(a) **Cash and cash equivalents** include deposits held at call with banks and deposits with brokers in New Zealand dollars and foreign currencies, but does not include cash pledged as collateral which is disclosed separately, also as a financial asset at amortised cost.

(b) **Receivables** are amounts representing assets owing to the Funds and may include amounts due for interest or dividends, contributions receivable or amounts due from brokers for securities sold that have been contracted for but not yet settled or delivered at year end.

Financial liabilities

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss can be either designated as such upon initial recognition or measured at fair value in accordance with NZ IFRS 9. The portfolio of financial liabilities is managed and performance is evaluated on a fair value basis. Financial liabilities at fair value through profit or loss comprise of equity instruments sold short and derivatives (including forward foreign exchange contracts) that have a negative fair value at year end. The Salt Long Short Fund and the Salt Enhanced Property Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions.

(ii) Financial liabilities at amortised cost

(a) **Payables** are amounts representing liabilities and accrued expenses owing by the Funds at year end and may include related party fees, withdrawals payable and amounts due to brokers for purchase of unsettled securities at year end.

(b) Recognition, measurement and derecognition

(i) Financial assets and liabilities at fair value through profit or loss

The Funds recognise financial assets and liabilities at fair value through profit or loss on the date they become parties to the contractual agreement. Financial assets and liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the Statements of Comprehensive Income.

Subsequent to initial recognition, all financial assets and liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value are recognised in the Statements of Comprehensive Income.

Financial assets at fair value through profit or loss are derecognised when the rights to receive cash flows from the financial assets have expired or the Funds have transferred substantially all of the risks and rewards of ownership. Financial liabilities at fair value through profit or loss are derecognised when the obligation under the liability is discharged, cancelled or expires. Any gain or loss arising on derecognition of the financial asset or financial liability at fair value through profit or loss is included in the Statements of Comprehensive Income in the year the item is derecognised.

(ii) Financial assets and liabilities at amortised cost

The Funds recognise financial assets at amortised cost on the date they become parties to the contractual agreement. Financial assets and liabilities at amortised cost are initially recognised at fair value.

Subsequent to initial recognition, all financial assets and liabilities at amortised cost are measured at amortised cost (and for financial assets less any impairment). Any impairment charge is recognised in the Statements of Comprehensive Income. At each reporting date, the Funds measure the loss allowance of all financial assets at amortised cost at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Funds shall measure the loss allowance at an amount equal to 12 month expected credit losses. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by the Manager as any contractual payment which is more than 30 days past due or a counterparty credit rating which has fallen below BBB/Baa. Any contractual payment which is more than 90 days past due is considered credit impaired.

Financial assets at amortised cost are derecognised when the rights to receive cash flows from the investments have expired or the Funds have transferred substantially all or the risks and rewards of ownership. Financial liabilities at amortised cost are derecognised when the obligation under the liability is discharged, cancelled or expires. Any gain or loss arising on derecognition of the financial asset or financial liability at amortised cost is included in the Statements of Comprehensive Income in the year the item is derecognised.

Notes to the Financial Statements

2. Summary of significant accounting policies (continued)

2.2 Financial instruments (continued)

(c) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

· Fair value in an active market

The fair value of financial assets and liabilities traded in active markets, such as public trading securities are based on quoted market prices at the close of trading on the reporting date, where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of fair value.

· Fair value in an inactive or unquoted market

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. The Funds' use a variety of methods and makes assumptions that are based on market conditions existing at the year end. Valuation techniques used include the use of recent arm's length market transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

The fair value of derivatives that are not exchange-traded is estimated at the amount that the Funds would receive or pay to terminate the contract at year end taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of a forward contract is determined as the net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date.

2.3 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statements of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or counterparty.

2.4 Net assets attributable to unitholders

The Funds issue units that are redeemable at the Unitholders' option and have identical features and are therefore classified as equity. Redemptions takes place at the Redemption Price which represents the unit price less transaction costs. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the balance date if Unitholders exercised their right to put the units back to the Funds gross of the spread to cover transaction costs. Units are issued to unitholders at the subscription value, which represents the unit price plus transaction costs.

Applications received for units in the Funds are recorded net of any entry fees payable prior to the issue of units in the Funds. Redemptions from the Funds are recorded gross of any exit fees payable after the cancellation of the units redeemed. Units are issued and redeemed at the holder's option at prices based on the Fund's net asset value per unit at the time of issue or redemption. The Funds' unit prices are calculated by dividing the net assets attributable to the holders of the Fund with the total number of outstanding units of the Fund. In accordance with the provisions of the offering documents, investment positions are valued based at the appropriate market value for the purpose of determining the net asset value per unit for subscriptions and redemptions.

2.5 Investment income

Interest income and expense

Interest income on financial assets at amortised cost is included in the Statements of Comprehensive Income on an accruals basis.

Dividend and distribution income and expenses

Dividend and distribution income and dividend expenses are recognised on the ex-dividend date with any related foreign withholding tax recorded in the Statements of Changes in Net Assets Attributable to Unitholders as a unitholder tax liability. Dividend income from financial assets at fair value through profit or loss is recognised in the Statements of Comprehensive Income within dividend and distribution income on financial assets at fair value through profit or loss. Dividend expense on short sales of equity securities is recognised in the Statements of Comprehensive Income within dividend expense on financial liabilities at fair value through profit or loss.

Net gains and losses on financial assets and liabilities at fair value through profit or loss

Realised and unrealised gains and losses are reflected in the Statements of Comprehensive Income as net gains/(losses) on financial instruments at fair value through profit or loss.

Unrealised gains or losses include the change in net market value of investments held as at balance date and the reversal of prior years unrealised gains or losses on investments that have been realised in the current year. Realised gains or losses are calculated based on the gross sale proceeds and the weighted average cost of the investments sold.

Notes to the Financial Statements

2. Summary of significant accounting policies (continued)

2.6 Collateral

Cash collateral provided by the Funds is identified in the Statements of Financial Position as 'cash and cash equivalents pledged as collateral' and is not included as a component of 'cash and cash equivalents'. For collateral other than cash, if the party to whom the collateral is provided has the right by contract to sell or re-pledge the collateral the Fund classifies that asset in their Statements of Financial Position separately from other assets and liabilities as pledged collateral. Where the party to whom the collateral is provided does not have the right to sell or re-pledge, a disclosure of the collateral provided is made in the notes to the Financial Statements.

2.7 Expenses

All expenses, including the Funds' management fees, performance fees and supervisor fees, are recognised in the Statements of Comprehensive Income on an accruals basis.

2.8 Foreign currency translation

(a) Functional and presentation currency

Items included in the Funds' Financial Statements are measured using the currency of the primary economic environment in which they operate (the "functional currency"). The functional currency for the Funds is the New Zealand dollar, which reflects the currency in which the Funds compete for funds and are regulated. The majority of the Funds' investors are from New Zealand, with the subscriptions and redemptions of the units denominated in New Zealand dollars. The performance of the Funds are measured in New Zealand dollars. The Manager considers the New Zealand dollar as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The Financial Statements are presented in New Zealand dollars, which is also the Funds' presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at year end.

Foreign exchange gains and losses resulting from translation are included in the Statements of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statements of Comprehensive Income within 'net foreign currency gains/(losses) on cash and cash equivalents'.

Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statements of Comprehensive Income within 'net gains/(losses) on financial assets at fair value through profit or loss'.

2.9 Income tax

The Funds qualify as and have elected to be Portfolio Investment Entities (PIE) for tax purposes. Under the PIE regime income is effectively taxed in the hands of the Unitholders and therefore the Funds have no income tax expense. Accordingly, no income tax expense is recognised in the Statements of Comprehensive Income. Income is disclosed gross of any resident and foreign withholding taxes deducted at source and the taxes are included in Unitholder tax liabilities in the Statements of Changes in Net Assets Attributable to Unitholders.

Under the PIE regime, the Manager attributes the taxable income of the Funds to Unitholders in accordance with the proportion of their interest in the Funds. The income attributed to each Unitholder is taxed at the Unitholder's "prescribed investor rate" which is capped at 28% on redemptions and annually at 31 March each year.

Unitholder tax liabilities disclosed in the Statements of Changes in Net Assets Attributable to Unitholders consists of withdrawals to meet Unitholder tax liabilities under the PIE regime and any resident and foreign withholding taxes deducted at source.

2.10 Goods and services tax ("GST")

The Funds are not registered for GST. The Statements of Comprehensive Income and Statements of Cash Flows have been prepared so that all components are stated inclusive of GST. All items in the Statements of Financial Position are stated inclusive of GST.

2.11 Investment Entity

The Funds have direct investments in other Funds managed by the Manager. The Funds meet the definition of investment entities in line with the requirements of NZ IFRS 10 - "Consolidated financial statements". Accordingly, they do not consolidate the entities they control, and instead account for them at fair value through profit or loss. The Funds meet the following conditions which are set out in NZ IFRS 10:

- (i) The Funds have obtained funds for the purpose of providing investments with investment management services;
- (ii) The Funds' business purpose, which is communicated directly to investors, is investing solely for returns from capital appreciation and investment income; and
- (iii) The performance of investments made through other funds managed by the Manager, is measured and evaluated on a fair value basis.

The Funds also display all four typical characteristics that are associated with an investment entity:

- (i) The Funds have more than one investment, either on a direct basis or on a look-through basis to the underlying investments in the Salt Investment Funds which were formed to provide investment management services to the Funds;
- (ii) They have more than one investor;
- (iii) They have investors that are not related parties; and
- (iv) Ownership interests in the Funds are represented by units in the Funds.

Notes to the Financial Statements

3. Critical accounting estimates and judgements

The Manager of the Funds make estimates and assumptions that affect the reported amounts of assets and liabilities. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below. Estimates are continually evaluated and are based on historical experience among other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fair value of securities not quoted in an active market

The fair value of securities not quoted in an active market may be determined by the Manager using reputable pricing sources (such as pricing agencies) or indicative prices from bond/debt market-makers. Where no market data is available for example over the counter derivatives, the Manager will price positions based on valuation models and techniques generally recognised within the industry.

The valuation models employed use observable data, to the extent practicable. However, areas such as credit risk, volatilities and correlations require the Manager to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

For all other financial instruments, including amounts due from/to brokers, accounts payable and accrued expenses, the carrying amounts approximate fair value due to the short term nature of these financial instruments.

Net assets attributable to Unitholders

The Funds classify units as equity instruments in accordance with NZ IAS 32, 'Financial Instruments: Presentation'. The Funds continue to assess the classification of the redeemable units to ensure it has all the features or meet all the conditions set out in paragraphs 16A and 16B of NZ IAS 32.

4. Derivative financial instruments

4.1 Forward foreign currency contracts

Forward foreign currency contracts are contractual obligations to buy or sell one currency on a future date in exchange for a second currency at a specified forward foreign exchange rate which is established in an organised market. The forward contracts are agreed between the parties to the contract and are not traded on an exchange. The Funds' open positions in forward contracts at balance date are outlined below:

\$ As at 31 March	Enhanced Property Fund		Long Short Fund		NZ Dividend Appreciation Fund		Core NZ Shares Fund		Sustainable Global Shares Fund
	2022	2021	2022	2021	2022	2021	2022	2021	2022
Forward exchange contracts (notional value in NZ\$)	2,809,442	971,074	20,698,084	13,248,815	-	-	758,643	-	-
Forward exchange contracts (fair value in NZ\$)	(14,573)	(7,845)	(127,733)	(129,605)	-	-	(2,992)	-	-

\$ As at 31 March	Sustainable Global Listed Property Fund	Sustainable Global Listed Infrastructure Fund	Sustainable Growth Fund	Sustainable Income Fund
	2022	2022	2022	2022
Forward exchange contracts (notional value in NZ\$)	32,652,834	53,046,843	-	-
Forward exchange contracts (fair value in NZ\$)	985,509	1,302,191	-	-

Notes to the Financial Statements

5. Financial risk management

5.1 Financial risk factors

The Funds' activities expose the Funds to a variety of financial risks: market risk (including currency risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

All investments in securities present a risk of loss of capital. The Funds hold long listed equities where the maximum loss of capital is limited to the carrying value of those positions. On the equity securities sold short, the maximum loss of capital can be unlimited.

The management of these risks is carried out by the Manager under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as written policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk, the use of derivative financial instruments and the investment of excess liquidity.

The Enhanced Property Fund and Long Short Funds use of leverage can increase the Funds' exposure to these market risks, which in turn can also increase the potential returns/(losses) the Funds can achieve. The Manager manages these exposures on an individual securities level.

The Manager uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below.

5.1.1 Market risk

(a) Price risk

The Funds invest in a combination of listed and unlisted Australasian and global equity securities and unlisted trusts. These equity instruments are market linked and are susceptible to general market fluctuations and individual share price movements. These investment activities expose the Funds to market price risk arising from holding investments for which prices in the future are uncertain. Where non-monetary financial instruments are denominated in a foreign currency, the price initially expressed in foreign currency and then converted into New Zealand dollars will also fluctuate because of changes in foreign exchange rates, which are included in price risk. Paragraph (b) 'Foreign exchange risk' below sets out how this component of price risk is managed and measured.

The Funds' Manager uses a combination of the following strategies to mitigate some of the price risk.

The Manager diversifies the Funds' holdings in a wide range of positions to reduce the amount of risk and adheres to position limits for individual securities in accordance with the Fund's investment guidelines and overall investment strategy. Enhanced Property Fund and Long Short Fund also recognise that the potential losses on a short position are unlimited if the share's price rises and manage individual security exposure so that positions sizes are rarely as large as long positions.

For Enhanced Property Fund and Long Short Fund, the Manager monitors the Fund's net equity exposure and gross equity exposure.

Net equity exposure is defined as:

$$\frac{(\text{Absolute Value of Long Positions} - \text{Absolute Value of Short Positions})}{\text{Gross Fund Value}}$$

Gross equity exposure is defined as:

$$\frac{(\text{Absolute Value of Long Positions} + \text{Absolute Value of Short Positions})}{\text{Gross Fund Value}}$$

The Manager manages these exposures by the setting of limits, as below:

* The limit of the net equity exposure imposed on the Enhanced Property Fund is between +70% (the value of the long positions exceed the value of the short positions by 70%) and +100% net equity exposure. The maximum gross equity exposure (the combined value of long positions and short positions) taking into account leverage through the use of short selling and derivatives is 200% of the Fund's gross fund value.

* The limit of the net equity exposure imposed on the Long Short Fund is between -30% (the value of the short positions exceed the value of the long position by 30%) and +60% net equity exposure (the value of the long positions exceed the value of the short positions by 60%). The maximum gross equity exposure (the combined value of long positions and short positions) taking into account leverage through the use of short selling and derivatives is 400% of the Fund's gross fund value.

The table below summarises the sensitivity of the Funds' Net Assets Attributable to Unitholders to movements in the listed equity and unlisted trust prices, including the effect of movements in foreign currency exchange rates, as at 31 March. If the prices for the listed equities/unlisted trusts in which the Funds' invest had increased or decreased by 5% (which represents the Manager's best estimate of a reasonable possible shift in exchange rates with regard to historical volatility), with all other variables held constant, this would have had the following impact on the Statements of Comprehensive Income and Net Assets Attributable to Unitholders:

\$ As at 31 March	Enhanced Property Fund		Long Short Fund		NZ Dividend Appreciation Fund		Core NZ Shares Fund		Sustainable Global Shares Fund
	2022	2021	2022	2021	2022	2021	2022	2021	2022
5% increase in prices	1,453,005	589,156	1,409,842	1,192,057	5,889,632	4,993,027	2,174,073	993,901	2,247,377
5% decrease in prices	(1,453,005)	(589,156)	(1,409,842)	(1,192,057)	(5,889,632)	(4,993,027)	(2,174,073)	(993,901)	(2,247,377)

\$ As at 31 March	Sustainable Global Listed Property Fund	Sustainable Global Listed Infrastructure Fund	Sustainable Growth Fund	Sustainable Income Fund
	2022	2022	2022	2022
5% increase in prices	1,560,003	2,761,069	2,700,670	2,275,843
5% decrease in prices	(1,560,003)	(2,761,069)	(2,700,670)	(2,275,843)

Notes to the Financial Statements

5. Financial risk management (continued)

5.1.1 Market risk (continued)

(b) Foreign exchange risk

The Funds operate internationally and hold both monetary and non-monetary assets denominated in currencies other than New Zealand dollars, the functional currency. Foreign currency risk, as defined in NZ IFRS 7, 'Financial Instruments: Disclosures', arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. NZ IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk.

Foreign exchange risk management is undertaken by the Funds' Manager who adopts a policy of generally being fully hedged while retaining the right to be partially hedged or unhedged.

At the balance date the Funds had the following foreign currency exposures due to holdings of monetary assets and liabilities (expressed in NZD equivalents):

\$ As at 31 March	Enhanced Property Fund		Long Short Fund		NZ Dividend Appreciation Fund		Core NZ Shares Fund		Sustainable Global Shares Fund
	2022	2021	2022	2021	2022	2021	2022	2021	2022
Monetary assets/(liabilities)									
Australian Dollar (AUD)	(2,580,926)	(792,492)	(19,223,712)	(9,884,261)	8	8	(453,467)	-	-
Euro (EUR)	-	-	-	-	-	-	-	-	139,140
United States Dollar (USD)	-	-	2,691	-	-	-	5,602	-	912,625
Canadian Dollar (CAD)	-	-	-	-	-	-	-	-	922
British Pound (GBP)	-	-	-	-	-	-	-	-	(75,647)
Hong Kong Dollar (HKD)	-	-	-	-	-	-	-	-	405
Swiss Franc (CHF)	-	-	-	-	-	-	-	-	(116,402)

\$ As at 31 March	Sustainable Global Listed Property Fund	Sustainable Global Listed Infrastructure Fund	Sustainable Growth Fund	Sustainable Income Fund
	2022	2022	2022	2022
Monetary assets/(liabilities)				
Australian Dollar (AUD)	(1,333,149)	(3,397,395)	-	-
Euro (EUR)	(2,421,404)	(3,348,641)	-	-
United States Dollar (USD)	(18,443,985)	(30,430,830)	-	-
Canadian Dollar (CAD)	(469,459)	(6,397,227)	-	-
British Pound (GBP)	(1,951,678)	(1,636,731)	-	-
Hong Kong Dollar (HKD)	(1,674,106)	(2,700,684)	-	-
Japanese Yen (JPY)	(2,904,194)	(1,665,445)	-	-
Swedish Krona (SEK)	(711,852)	-	-	-
Swiss Franc (CHF)	(105,913)	(481,062)	-	-
Singapore Dollar (SGD)	(1,239,690)	-	-	-
Mexican Peso (MXN)	-	(1,063,047)	-	-
Brazilian Real (BRL)	-	27,488	-	-
Philippine Peso (PHP)	-	11,710	-	-

The table below summarises the impact on the Statements of Comprehensive Income and Net Assets Attributable to Unitholders on monetary assets and liabilities, comprising of debt instruments, derivatives, receivables and cash and cash equivalents at balance date, had the exchange rates between the New Zealand dollar and the foreign currencies increased or decreased by 5% with all other variables held constant. The analysis is based on an exchange rate movement of 5% which represents the Manager's best estimate of a reasonable possible shift in exchange rates with regard to historical volatility.

\$ As at 31 March	Enhanced Property Fund		Long Short Fund		NZ Dividend Appreciation Fund		Core NZ Shares Fund		Sustainable Global Shares Fund
	2022	2021	2022	2021	2022	2021	2022	2021	2022
Monetary assets/(liabilities)									
Exchange rates increased by 5%	122,901	37,738	915,287	470,679	-	-	21,327	-	(41,002)
Exchange rates decreased by 5%	(135,838)	(41,710)	(1,011,633)	(520,224)	-	-	(23,572)	-	45,318

\$ As at 31 March	Sustainable Global Listed Property Fund	Sustainable Global Listed Infrastructure Fund	Sustainable Growth Fund	Sustainable Income Fund
	2022	2022	2022	2022
Monetary assets/(liabilities)				
Exchange rates increased by 5%	1,488,354	2,432,470	-	-
Exchange rates decreased by 5%	(1,645,023)	(2,688,519)	-	-

Notes to the Financial Statements

5. Financial risk management (continued)

5.1.1 Market risk (continued)

(c) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets interest rates on the fair value of financial assets and liabilities and future cash flow. The Funds hold cash and cash equivalents in New Zealand dollars that expose the Fund to cash flow interest rate risk. The Funds hold fixed interest securities that expose them to fair value interest rate risk. The interest rate risk arising from these investments is managed by the Manager.

(i) Cash flow sensitivity analysis

At the reporting date, had the interest rate increased or decreased by 1% (31 March 2021: 0.1%), which is the Manager's assessment of a reasonable movement with regard to historical volatility on cash and cash pledged as collateral, with all other variables held constant, this would have had the following impact on the Statements of Comprehensive Income and Net Assets Attributable to Unitholders:

\$ As at 31 March	Enhanced Property Fund		Long Short Fund		NZ Dividend Appreciation Fund		Core NZ Shares Fund		Sustainable Global Shares Fund
	2022	2021	2022	2021	2022	2021	2022	2021	2022
1% increase in interest rates (31 March 2021: 0.1%)	15,438	360	341,436	24,202	30,404	769	13,109	312	10,152
1% decrease in interest rates (31 March 2021: 0.1%)	(15,438)	(360)	(341,436)	(24,202)	(30,404)	(769)	(13,109)	(312)	(10,152)

\$ As at 31 March	Sustainable Global Listed Property Fund	Sustainable Global Listed Infrastructure Fund	Sustainable Growth Fund	Sustainable Income Fund
	2022	2022	2022	2022
1% increase in interest rates (31 March 2021: 0.1%)	595	2,235	2,464	13,805
1% decrease in interest rates (31 March 2021: 0.1%)	(595)	(2,235)	(2,464)	(13,805)

(ii) Fair value interest rate risk

At the reporting date, had the interest rate increased or decreased by 1% (31 March 2021: 0.1%), which is the Manager's assessment of a reasonable movement with regard to historical volatility with all other variables held constant, this would have had the following impact on the Statements of Comprehensive Income and Net Assets Attributable to Unitholders:

\$ As at 31 March	Enhanced Property Fund		Long Short Fund		NZ Dividend Appreciation Fund		Core NZ Shares Fund		Sustainable Global Shares Fund
	2022	2021	2022	2021	2022	2021	2022	2021	2022
1% increase in interest rates (31 March 2021: 0.1%)	-	(20)	-	-	-	-	-	-	-
1% decrease in interest rates (31 March 2021: 0.1%)	-	20	-	-	-	-	-	-	-

\$ As at 31 March	Sustainable Global Listed Property Fund	Sustainable Global Listed Infrastructure Fund	Sustainable Growth Fund	Sustainable Income Fund
	2022	2022	2022	2022
1% increase in interest rates (31 March 2021: 0.1%)	-	-	-	-
1% decrease in interest rates (31 March 2021: 0.1%)	-	-	-	-

5.1.2 Credit risk

The Funds are exposed to credit risk, which is the risk that a counterparty or issuer of a security will be unable to pay amounts in full when they fall due. The Funds measure credit risk and expected credit losses using probability of default, exposure at default and loss given default. The Manager considers both historical analysis and forward looking information in determining any expected credit loss. The main credit risks to which the Funds are exposed to arise from the Fund's investments in money market securities such as cash and cash equivalents, cash and cash equivalents pledged as collateral, amounts due from brokers, contributions receivable and other receivable balances. The Enhanced Property Fund and the Long Short Fund are also exposed to credit risk for collateral posted as security for the Funds' short positions. The maximum credit risk of financial instruments is considered to be the carrying value recognised in the Statements of Financial Position.

The Funds' credit risk is managed with respect to cash and cash equivalents and for the Enhanced Property Fund and the Long Short Fund collateral posted with the borrowing counterparty, by imposing a minimum credit ratings with counterparties. The credit rating for the Funds' cash and cash equivalents is AA-. The credit rating for Enhanced Property Fund and Long Short Fund's collateral is A. The Funds transactions in listed securities are only undertaken with approved brokers.

The Funds restrict their exposure to credit losses on derivatives by entering into International Swaps and Derivatives Association ("ISDA") arrangements with their counterparties with whom they undertake derivative transactions. The arrangements do not result in an offset of the Statement of Financial Position assets and liabilities as transactions are usually settled on a gross basis. However, the credit risk associated with favourable contracts is reduced by the arrangement to the extent that if an event of default occurs, all amounts with the counterparty are terminated and settled on a net basis. The overall exposure to credit risk on derivative instruments subject to such arrangements can change substantially within a short period, as it is affected by each transaction subject to the arrangement.

At 31 March 2022 and 31 March 2021, all cash and cash equivalents, cash held as collateral and amounts due from brokers are held with counterparties with high credit ratings. The Manager considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Funds.

Notes to the Financial Statements

5. Financial risk management (continued)

5.1.3 Liquidity risk

Liquidity risk is the risk that the Funds may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Funds' investments in listed equity securities are considered readily realisable, as they are listed on recognised stock exchanges. The Manager also diversifies the Funds' holdings by holding a wide range of positions to reduce the amount of liquidity risk.

The table below analyses the Funds' financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows excluding gross settled derivatives.

\$ As at 31 March	Enhanced Property Fund		Long Short Fund		NZ Dividend Appreciation Fund		Core NZ Shares Fund		Sustainable Global Shares Fund
	2022	2021	2022	2021	2022	2021	2022	2021	2022
Financial liabilities at fair value through profit or loss									
Less than 7 days	1,547,956	821,477	24,045,483	22,898,581	-	-	5,077	-	-
7 days to 1 month	5,747	7,845	77,550	129,605	-	-	-	-	-
Due to brokers									
Less than 7 days	247,044	61,996	2,911,958	2,230,436	2,180,130	-	206,958	70,912	277,831
Payable to related parties									
7 days to 1 month	25,844	11,094	84,691	75,167	111,388	100,429	42,331	20,294	44,320
1 month - 1 year	-	-	959,737	-	-	-	-	-	-
Withdrawals payable									
Less than 7 days	30,537	-	715	60,511	-	-	-	-	-
Other payables									
7 days to 1 month	25,490	12,204	139,295	138,419	14,836	13,439	7,801	2,878	15,933
\$ As at 31 March	Sustainable Global Listed Property Fund		Sustainable Global Listed Infrastructure Fund		Sustainable Growth Fund		Sustainable Income Fund		
	2022	2022	2022	2022	2022	2022	2022	2022	
Financial liabilities at fair value through profit or loss									
Less than 7 days	7,664		28,463		-		-		
Over 1 month	9,835		9,782		-		-		
Due to brokers									
Less than 7 days	24,531		-		-		-		
Payable to related parties									
7 days to 1 month	31,118		53,925		-		-		
Other payables									
7 days to 1 month	22,598		23,962		2,773		2,513		

Notes to the Financial Statements

5. Financial risk management (continued)

5.2 Capital risk management

The Funds' capital is represented by net assets attributable to unitholders. The Manager's objectives when managing capital is to safeguard the Funds' ability to continue as a going concern in order to provide returns for unitholders and to maintain a strong capital base to support the development of the investment activities of the Funds while maintaining sufficient liquidity to meet Unitholder redemptions.

The Manager has the right to suspend withdrawals from the Funds if, for good reason, the Manager formed the opinion that it is not desirable, or would be prejudicial to the interests of the unitholders in the Funds as a whole, or such redemption would threaten that Funds' eligibility for PIE status.

The Funds strive to invest the subscription funds of Unitholders in investments that meet the Fund's objectives while maintaining sufficient liquidity to meet Unitholder redemptions.

The Funds do not have any externally imposed capital requirements. Units may be redeemed daily subject to the receipt of the redemption request.

5.3 Fair value estimation

NZ IFRS 13 *Fair Value Measurements* requires the Funds to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- * Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- * Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- * Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement.

The determination of what constitutes 'observable' requires significant judgement by the Manager. The Manager considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy the Funds' financial assets and financial liabilities (by class) measured at fair value at period end:

\$ As at 31 March	Enhanced Property Fund		Long Short Fund		NZ Dividend Appreciation Fund		Core NZ Shares Fund		Sustainable Global Shares Fund
	2022	2021	2022	2021	2022	2021	2022	2021	2022
Level 1 Assets									
<i>Financial assets at fair value through profit or loss</i>									
Listed equities	28,636,865	11,481,602	49,699,564	43,307,302	117,792,645	99,860,536	43,481,461	19,878,015	44,947,548
Listed equities pledged as collateral	1,957,000	1,123,000	2,465,164	3,432,423	-	-	-	-	-
Listed fixed interest securities	-	46,179	-	-	-	-	-	-	-
Total Level 1 Assets	30,593,865	12,650,781	52,164,728	46,739,725	117,792,645	99,860,536	43,481,461	19,878,015	44,947,548
Level 2 Assets									
<i>Financial assets at fair value through profit or loss</i>									
Forward foreign exchange contracts	5,362	-	27,405	-	-	-	2,085	-	-
Total Level 2 Assets	5,362	-	27,405	-	-	-	2,085	-	-
Total assets at fair value through the profit or loss	30,599,227	12,650,781	52,192,133	46,739,725	117,792,645	99,860,536	43,483,546	19,878,015	44,947,548
Level 1 Liabilities									
<i>Financial liabilities at fair value through profit or loss</i>									
Listed equities sold short	1,533,768	821,477	23,967,895	22,898,581	-	-	-	-	-
Total Level 1 Liabilities	1,533,768	821,477	23,967,895	22,898,581	-	-	-	-	-
Level 2 Liabilities									
<i>Financial liabilities at fair value through profit or loss</i>									
Forward foreign exchange contracts	19,935	7,845	155,138	129,605	-	-	5,077	-	-
Total Level 2 Liabilities	19,935	7,845	155,138	129,605	-	-	5,077	-	-
Total liabilities at fair value through the profit or loss	1,553,703	829,322	24,123,033	23,028,186	-	-	5,077	-	-

Notes to the Financial Statements

5. Financial risk management (continued)

\$ As at 31 March	Sustainable Global Listed Property Fund 2022	Sustainable Global Listed Infrastructure Fund 2022	Sustainable Growth Fund 2022	Sustainable Income Fund 2022
Level 1 Assets				
<i>Financial assets at fair value through profit or loss</i>				
Listed equities	31,200,052	55,221,379	505,642	-
Total Level 1 Assets	31,200,052	55,221,379	505,642	-
Level 2 Assets				
<i>Financial assets at fair value through profit or loss</i>				
Forward foreign exchange contracts	1,003,008	1,340,436	-	-
Unlisted trusts	-	-	53,507,757	45,516,864
Total Level 2 Assets	1,003,008	1,340,436	53,507,757	45,516,864
Total assets at fair value through the profit or loss	32,203,060	56,561,815	54,013,399	45,516,864
Level 2 Liabilities				
<i>Financial liabilities at fair value through profit or loss</i>				
Forward foreign exchange contracts	17,499	38,245	-	-
Total Level 2 Liabilities	17,499	38,245	-	-
Total liabilities at fair value through the profit or loss	17,499	38,245	-	-

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include listed equity securities held long and listed equity securities sold short. The Funds do not adjust the quoted price for these instruments.

Investments classified within Level 2 trade in markets that are not considered to be active but are valued based on alternative pricing sources supported by observable inputs. The Manager exercises judgement and makes estimates based on the quantity and quality of pricing sources used. Where no market data is available, the Manager may price positions using its own models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. The Funds' forward foreign exchange contracts are valued indirectly from observable market data and are therefore classified within level 2. The fair value of unlisted trusts is determined using the redemption price, based on the valuation of its underlying investments. This also is within level 2 as all significant inputs used to calculate the fair value are based on observable market data.

There were no level 3 assets or liabilities at 31 March 2022 (31 March 2021: nil). There were no changes between levels in the period ended 31 March 2022 (31 March 2021: nil).

Notes to the Financial Statements

5. Financial risk management (continued)

5.4 Offsetting and amounts subject to master netting arrangements and similar agreements

The Funds have in place an ISDA agreement with Westpac Banking Corporation. According to the terms of the ISDA, all the derivatives are settled net.

Enhanced Property Fund and Long Short Fund have in place a Global Master Securities Lending ("GMSL") agreement with Macquarie Bank. The Funds receive and give collateral in the form of cash and marketable securities in respect of securities borrowed to undertake short selling activities. Collateral in the form of cash or securities can be transferred during the term of the loan but have to be returned on maturity of the transaction. The terms also give each counterparty the right to terminate a loan. The Global Master Securities Lending agreement does not meet the criteria for offsetting in the Statements of Financial Position as it creates a right of set off that is enforceable only following an event of default of the Fund or its counterparty. Per the terms of the GMSL agreement, an event of default includes the following:

- failure by a party to pay, repay or deliver collateral when due;
- failure by a party to make payments when due if such failure is not remedied within 3 business days after notice of such failure is given to the party;
- an act of insolvency;
- any warranty outlined in the agreement made by a party being incorrect or untrue in any material respect;
- all or any material part of the assets of either party being transferred or ordered to be transferred to a trustee;
- any party being declared in default or being suspended or expelled from membership of or participation in, any securities exchange or suspended or prohibited from dealing in securities by any regulatory authority, in each case on the grounds that it has failed to meet any requirements relating to financial resources or credit rating;
- failure by a party to perform any other of its obligation required by the agreement and not remedying such failure within 30 days after notice of such failure is given to the party; or
- in respect of Long Short Fund only, the Net Asset Value of the Fund (exclusive of withdrawals and redemptions) as of the last Business Day of a given calendar month declines by 20% or more from the last Business Day of the previous calendar month or 30% or more from the last Business Day of the immediately preceding third calendar month or 40% or more from the last Business Day of the immediately preceding twelfth calendar month.

The following tables present the Funds' financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements. The tables are presented by type of financial instrument.

\$ As at 31 March	Enhanced Property Fund		Long Short Fund		NZ Dividend Appreciation Fund		Core NZ Shares Fund		Sustainable Global Shares Fund
	2022	2021	2022	2021	2022	2021	2022	2021	2022
<i>Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements:</i>									
Gross amounts of recognised financial assets	1,962,362	1,123,000	28,492,569	22,932,423	-	-	2,085	-	-
Gross amounts of recognised financial liabilities set-off in the Statements of Financial Position	-	-	-	-	-	-	-	-	-
Net amounts of financial assets presented in the Statements of Financial	1,962,362	1,123,000	28,492,569	22,932,423	-	-	2,085	-	-
<i>Related amounts not set-off in the Statements of Financial Position</i>									
Financial instruments	(1,533,768)	(821,477)	(23,967,895)	(22,898,581)	-	-	(2,085)	-	-
Net amount	428,594	301,523	4,524,674	33,842	-	-	-	-	-
<i>Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements</i>									
Gross amounts of recognised financial liabilities	(1,553,703)	(829,322)	(24,123,033)	(23,028,186)	-	-	(5,077)	-	-
Gross amounts of recognised financial assets set-off in the Statements of Financial Position	-	-	-	-	-	-	-	-	-
Net amounts of financial liabilities presented in the Statements of Financial	(1,553,703)	(829,322)	(24,123,033)	(23,028,186)	-	-	(5,077)	-	-
<i>Related amounts not set-off in the Statements of Financial Position</i>									
Financial instruments	1,533,768	821,477	-	-	-	-	2,085	-	-
Cash and cash equivalents	-	-	23,967,895	22,898,581	-	-	-	-	-
Net amount	(19,935)	(7,845)	(155,138)	(129,605)	-	-	(2,992)	-	-

Notes to the Financial Statements

5. Financial risk management (continued)

\$ As at 31 March	Sustainable Global Listed Property Fund 2022	Sustainable Global Listed Infrastructure Fund 2022	Sustainable Growth Fund 2022	Sustainable Income Fund 2022
<i>Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements:</i>				
Gross amounts of recognised financial assets	1,003,008	1,340,436	-	-
Gross amounts of recognised financial liabilities set-off in the Statements of Financial Position	-	-	-	-
Net amounts of financial assets presented in the Statements of Financial	1,003,008	1,340,436	-	-
<i>Related amounts not set-off in the Statements of Financial Position</i>				
Financial instruments	(17,499)	(38,245)	-	-
Net amount	985,509	1,302,191	-	-
<i>Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements</i>				
Gross amounts of recognised financial liabilities	(17,499)	(38,245)	-	-
Gross amounts of recognised financial assets set-off in the Statements of Financial Position	-	-	-	-
Net amounts of financial liabilities presented in the Statements of Financial	(17,499)	(38,245)	-	-
<i>Related amounts not set-off in the Statements of Financial Position</i>				
Financial instruments	17,499	38,245	-	-
Cash and cash equivalents	-	-	-	-
Net amount	-	-	-	-

6. Financial assets at fair value through profit or loss

\$ As at 31 March	Enhanced Property Fund		Long Short Fund		NZ Dividend Appreciation Fund		Core NZ Shares Fund		Sustainable Global Shares Fund
	2022	2021	2022	2021	2022	2021	2022	2021	2022
Financial assets at fair value through profit or loss									
Forward foreign exchange contracts	5,362	-	27,405	-	-	-	2,085	-	-
Listed equities	28,636,865	11,481,602	49,699,564	43,307,302	117,792,645	99,860,536	43,481,461	19,878,015	44,947,548
Listed equities pledged as collateral	1,957,000	1,123,000	2,465,164	3,432,423	-	-	-	-	-
Listed fixed interest securities	-	46,179	-	-	-	-	-	-	-
Total financial assets at fair value through profit or loss	30,599,227	12,650,781	52,192,133	46,739,725	117,792,645	99,860,536	43,483,546	19,878,015	44,947,548

\$ As at 31 March	Sustainable Global Listed Property Fund 2022	Sustainable Global Listed Infrastructure Fund 2022	Sustainable Growth Fund 2022	Sustainable Income Fund 2022
Financial assets at fair value through profit or loss				
Forward foreign exchange contracts	1,003,008	1,340,436	-	-
Listed equities	31,200,052	55,221,379	505,642	-
Unlisted trusts	-	-	53,507,757	45,516,864
Total financial assets at fair value through profit or loss	32,203,060	56,561,815	54,013,399	45,516,864

Notes to the Financial Statements

7. Financial liabilities at fair value through profit or loss

\$ As at 31 March	Enhanced Property Fund		Long Short Fund		NZ Dividend Appreciation Fund		Core NZ Shares Fund		Sustainable Global Shares Fund
	2022	2021	2022	2021	2022	2021	2022	2021	2022
Financial liabilities at fair value through profit or loss									
Forward foreign exchange contracts	19,935	7,845	155,138	129,605	-	-	5,077	-	-
Listed equities sold short	1,533,768	821,477	23,967,895	22,898,581	-	-	-	-	-
Total financial liabilities at fair value through profit or loss	1,553,703	829,322	24,123,033	23,028,186	-	-	5,077	-	-

\$ As at 31 March	Sustainable Global Listed Property Fund	Sustainable Global Listed Infrastructure Fund	Sustainable Growth Fund	Sustainable Income Fund
	2022	2022	2022	2022
Financial liabilities at fair value through profit or loss				
Forward foreign exchange contracts	17,499	38,245	-	-
Total financial liabilities at fair value through profit or loss	17,499	38,245	-	-

8. Financial instruments by category

\$ As at 31 March	Enhanced Property Fund		Long Short Fund		NZ Dividend Appreciation Fund		Core NZ Shares Fund		Sustainable Global Shares Fund
	2022	2021	2022	2021	2022	2021	2022	2021	2022
Financial assets at fair value through profit or loss									
Financial assets at fair value through profit or loss	28,642,227	11,527,781	49,726,969	43,307,302	117,792,645	99,860,536	43,483,546	19,878,015	44,947,548
Financial assets at fair value through profit or loss pledged as collateral	1,957,000	1,123,000	2,465,164	3,432,423	-	-	-	-	-
Total assets at fair value through profit or loss	30,599,227	12,650,781	52,192,133	46,739,725	117,792,645	99,860,536	43,483,546	19,878,015	44,947,548
Financial assets at amortised cost									
Due from brokers	133,977	153,968	1,109,988	4,758,538	208,741	183,416	352,083	83,983	139,140
Contributions receivable	5,798	2,157	19,750	79,460	10,631	3,520	2,944	-	-
Other receivables	39,738	14,740	518,252	230,193	693,407	385,212	277,962	78,332	45,231
Cash and cash equivalents pledged as collateral	-	-	26,000,000	19,500,000	-	-	-	-	-
Cash and cash equivalents	1,543,775	360,188	8,143,610	4,701,877	3,040,420	769,105	1,310,889	311,596	1,015,219
Total financial assets at amortised cost	1,723,288	531,053	35,791,600	29,270,068	3,953,199	1,341,253	1,943,878	473,911	1,199,590
Total financial assets	32,322,515	13,181,834	87,983,733	76,009,793	121,745,844	101,201,789	45,427,424	20,351,926	46,147,138
Financial liabilities at fair value through profit or loss									
Financial liabilities at fair value through profit or loss	1,553,703	829,322	24,123,033	23,028,186	-	-	5,077	-	-
Total financial liabilities at fair value through profit or loss	1,553,703	829,322	24,123,033	23,028,186	-	-	5,077	-	-
Financial liabilities at amortised cost									
Due to brokers	247,044	61,996	2,911,958	2,230,436	2,180,130	-	206,958	70,912	277,831
Payable to related parties	25,844	11,094	1,044,428	75,167	111,388	100,429	42,331	20,294	44,320
Withdrawals payable	30,537	-	715	60,511	-	-	-	-	-
Other payables	25,490	12,204	139,295	138,419	14,836	13,439	7,801	2,878	15,933
Total financial liabilities at amortised cost	328,915	85,294	4,096,396	2,504,533	2,306,354	113,868	257,090	94,084	338,084
Total financial liabilities	1,882,618	914,616	28,219,429	25,532,719	2,306,354	113,868	262,167	94,084	338,084

Notes to the Financial Statements

8. Financial instruments by category (continued)

\$ As at 31 March	Sustainable Global Listed Property Fund 2022	Sustainable Global Listed Infrastructure Fund 2022	Sustainable Growth Fund 2022	Sustainable Income Fund 2022
Financial assets at fair value through profit or loss				
Financial assets at fair value through profit or loss	32,203,060	56,561,815	54,013,399	45,516,864
Total assets at fair value through profit or loss	32,203,060	56,561,815	54,013,399	45,516,864
Financial assets at amortised cost				
Due from brokers	98,554	107,467	-	-
Management fee rebates receivable	-	-	615	1,180
Contributions receivable	25,559	-	-	-
Other receivables	71,303	90,375	418	1,076
Cash and cash equivalents pledged as collateral	-	-	-	-
Cash and cash equivalents	59,543	223,541	246,386	1,380,534
Total financial assets at amortised cost	254,959	421,383	247,419	1,382,790
Total financial assets	32,458,019	56,983,198	54,260,818	46,899,654
Financial liabilities at fair value through profit or loss				
Financial liabilities at fair value through profit or loss	17,499	38,245	-	-
Total financial liabilities at fair value through profit or loss	17,499	38,245	-	-
Financial liabilities at amortised cost				
Due to brokers	24,531	-	-	-
Payable to related parties	31,118	53,925	-	-
Other payables	22,598	23,962	2,773	2,513
Total financial liabilities at amortised cost	78,247	77,887	2,773	2,513
Total financial liabilities	95,746	116,132	2,773	2,513

Notes to the Financial Statements

9. Related parties

9.1 General

Salt Investment Funds Limited is the Manager of the Funds. The Supervisor of the Funds is The New Zealand Guardian Trust Company Limited, who is also the Custodian of the Funds. Salt Funds Management Limited is the parent entity of the Manager.

9.2 Related party fees

The Funds incurred the following fees to related parties:

\$ For the period ended 31 March	Enhanced Property Fund		Long Short Fund		NZ Dividend Appreciation Fund		Core NZ Shares Fund		Sustainable Global Shares Fund
	2022	2021	2022	2021	2022	2021	2022	2021	2022
<i>Salt Investment Funds Limited</i>									
Management fees	194,755	99,121	835,426	957,152	997,165	920,088	360,949	68,577	231,505
Performance fees	-	-	959,737	-	-	-	-	-	-
<i>The New Zealand Guardian Trust Company Limited</i>									
Supervisor fees	11,771	6,408	28,883	35,051	54,391	53,228	19,541	3,931	11,625
	206,526	105,529	1,824,046	992,203	1,051,556	973,316	380,490	72,508	243,130

\$ For the period ended 31 March	Sustainable Global Listed Property Fund	Sustainable Global Listed Infrastructure Fund	Sustainable Growth Fund	Sustainable Income Fund
	2022	2022	2022	2022
<i>Salt Investment Funds Limited</i>				
Management fees	150,739	258,344	-	89,709
Management fee rebates	-	-	(3,600)	(109,091)
<i>The New Zealand Guardian Trust Company Limited</i>				
Supervisor fees	7,540	12,947	-	-
	158,279	271,291	(3,600)	(19,382)

The Funds owed the following amounts to related parties at balance date:

\$ As at 31 March	Enhanced Property Fund		Long Short Fund		NZ Dividend Appreciation Fund		Core NZ Shares Fund		Sustainable Global Shares Fund
	2022	2021	2022	2021	2022	2021	2022	2021	2022
<i>Salt Investment Funds Limited</i>									
Management fees payable	22,075	9,430	77,416	68,426	97,058	86,510	36,655	17,395	38,513
Performance fees payable	-	-	959,737	-	-	-	-	-	-
<i>The New Zealand Guardian Trust Company Limited</i>									
Supervisor fees payable	3,769	1,664	7,275	6,741	14,330	13,919	5,676	2,899	5,807
	25,844	11,094	1,044,428	75,167	111,388	100,429	42,331	20,294	44,320

\$ As at 31 March	Sustainable Global Listed Property Fund	Sustainable Global Listed Infrastructure Fund	Sustainable Growth Fund	Sustainable Income Fund
	2022	2022	2022	2022
<i>Salt Investment Funds Limited</i>				
Management fees payable	27,173	47,244	-	-
Management fee rebates receivable	-	-	(615)	(1,180)
<i>The New Zealand Guardian Trust Company Limited</i>				
Supervisor fees payable	3,945	6,681	-	-
	31,118	53,925	(615)	(1,180)

Notes to the Financial Statements

9. Related parties (continued)

The management fees payable to the Manager are calculated and accrued daily and paid monthly in arrears.

A performance fee is charged on Funds' return in excess of its performance target. For the Enhanced Property Fund the performance target is the S&P/NZX All Real Estate Gross Index + 1% per annum. For the Long Short Fund the performance target is the Reserve Bank of New Zealand Official Cash Rate plus 5% per annum:

In respect of the Enhanced Property Fund, the performance fee will only be paid if the relevant Fund's gross unit price, adjusted for any distributions made, and any accrued but unpaid performance fee, is greater than the return of the S&P/NZX All Real Estate Gross Index +1% per annum over the performance period and the 'high water mark' unit price is exceeded.

In respect of the Long Short Fund, the performance fee will only be paid if the relevant Fund's gross unit price, adjusted for imputation credits, any distributions made, and any accrued but unpaid performance fee, is greater than the return of the Reserve Bank of New Zealand Official Cash Rate plus 5% per annum over the performance period and the 'high-water mark' unit price is exceeded.

Each Fund's performance fee is subject to a high-water mark. This means that the performance fee is only charged if and to the extent that the gross value of each unit in the relevant Fund at the end of a performance period, adjusted for imputation credits, any distributions made, and any unpaid performance fee that has accrued since the last high water mark was set, exceeds the previous high-water mark. The first high water mark is the unit price on commencement of the relevant Fund and is only ever reset to a higher unit price if a performance fee is payable to the Manager, at which point the new-high-water mark will be set at the relevant Fund's unit value on that day.

Enhanced Property Fund's first performance period is from 24 August 2016 to (and including) 31 March 2017, and then every 12 months up to and including 31 March each year. Long Short Fund's performance period is every 12 months up to and including 31 March each year. The performance fee is accrued and adjusted on a daily basis and paid in arrears.

The Manager has the ability to amend the determination of the management fees and performance fees upon one month's notice to unitholders, subject to the maximum fees set out in the Master Trust Deed.

The Supervisor fees are paid annually of up to 0.05% of the Gross Asset Value of the assets of each of the Funds, which are calculated and charged to the Fund on a monthly basis. The fee is inclusive of the fees payable to the Supervisor for its custodial services. The annual fee to the Supervisor is subject to a minimum aggregate annual fee of \$20,000 plus any GST per annum, which is spread equitably across all Funds that have commenced operations.

The Manager will pay audit fees of \$91,500 plus GST on behalf of the Funds. This fee is payable to PricewaterhouseCoopers in respect of the audit of the Financial Statements of the Funds for the period ended 31 March 2022 (31 March 2021: \$40,033 plus GST).

9.3 Investment by the Funds in related parties

\$ As at 31 March	Sustainable Growth Fund 2022	Sustainable Income Fund 2022
Enhanced Property Fund	-	12,468,905
NZ Dividend Appreciation Fund	-	15,735,787
Core NZ Shares Fund	12,959,548	-
Sustainable Global Shares Fund	18,606,026	-
Sustainable Global Listed Property Fund	10,051,921	-
Sustainable Global Listed Infrastructure Fund	7,248,939	8,405,044

9.4 Income earned/(losses incurred) by the Funds from their investment in related parties

\$ For the period ended 31 March	Sustainable Growth Fund 2022	Sustainable Income Fund 2022
Enhanced Property Fund	-	(387,347)
NZ Dividend Appreciation Fund	-	(826,387)
Core NZ Shares Fund	(1,215,452)	-
Sustainable Global Shares Fund	(596,474)	-
Sustainable Global Listed Property Fund	371,921	-
Sustainable Global Listed Infrastructure Fund	638,939	684,321

9.5 Directors' interests

At balance date the Directors or related parties of Directors of the Manager had the following holdings in the respective Fund:

\$ As at 31 March	Enhanced Property Fund		Long Short Fund		NZ Dividend Appreciation Fund		Core NZ Shares Fund		Sustainable Global Shares Fund
	2022	2021	2022	2021	2022	2021	2022	2021	2022
Holdings of the Directors of the Manager and their related parties	946,494	829,879	2,447,175	2,120,167	100,375	101,349	-	-	-

\$ As at 31 March	Sustainable Global Listed Property Fund	Sustainable Global Listed Infrastructure Fund	Sustainable Growth Fund	Sustainable Income Fund
	2022	2022	2022	2022
Holdings of the Directors of the Manager and their related parties	-	-	-	-

Notes to the Financial Statements

10. Reconciliation of operating (loss)/profit to net cash outflow from operating activities

\$ For the period ended 31 March	Enhanced Property Fund		Long Short Fund		NZ Dividend Appreciation Fund		Core NZ Shares Fund		Sustainable Global Shares Fund
	2022	2021	2022	2021	2022	2021	2022	2021	2022
Operating profit/(loss)	(71,203)	2,947,095	9,340,249	20,158,184	(1,774,253)	23,086,573	(2,195,305)	68,346	(2,002,676)
Adjustments for non-cash items									
Net unrealised changes in the fair value of financial assets & liabilities	1,275,064	(2,503,624)	3,253,407	(29,840,461)	9,988,281	(18,373,187)	2,696,791	116,913	2,035,639
Net foreign currency losses/(gains) on cash and cash equivalents	8,331	(6,891)	(9,356)	(144,531)	43	(28)	(3,256)	-	(89,968)
Net dividends (received)/paid as shares rather than cash	(108,250)	(105,683)	(17,796)	(161,396)	(523,934)	(482,584)	(171,244)	(11,878)	-
	1,175,145	(2,616,198)	3,226,255	(30,146,388)	9,464,390	(18,855,799)	2,522,291	105,035	1,945,671
Movements in working capital items									
(Increase)/decrease in trade and other receivables	(25,005)	3,881	(288,107)	450,208	(308,195)	154,081	(199,630)	(78,332)	(45,162)
Increase/(decrease) in trade and other payables	28,036	3,392	970,137	(306,250)	12,356	7,776	26,960	23,172	60,253
Net change in cost of investments	(18,185,833)	2,338,208	(9,763,052)	64,916,269	(18,508,776)	(5,606,047)	(17,253,201)	1,698,586	(46,844,565)
	(18,182,802)	2,345,481	(9,081,022)	65,060,227	(18,804,615)	(5,444,190)	(17,425,871)	1,643,426	(46,829,474)
	(17,007,657)	(270,717)	(5,854,767)	34,913,839	(9,340,225)	(24,299,989)	(14,903,580)	1,748,461	(44,883,803)
Net cash inflow/(outflow) from operating activities	(17,078,860)	2,676,378	3,485,482	55,072,023	(11,114,478)	(1,213,416)	(17,098,885)	1,816,807	(46,886,479)

\$ For the period ended 31 March	Sustainable Global Listed Property Fund	Sustainable Global Listed Infrastructure Fund	Sustainable Growth Fund	Sustainable Income Fund
	2022	2022	2022	2022
Operating profit/(loss)	658,379	4,261,422	(1,095,782)	(993,964)
Adjustments for non-cash items				
Net unrealised changes in the fair value of financial assets & liabilities	(2,055,534)	(5,152,389)	1,317,579	1,658,139
Net foreign currency losses/(gains) on cash and cash equivalents	33,637	(94,763)	-	-
Net dividends (received)/paid as shares rather than cash	-	-	(229,993)	(630,936)
	(2,021,897)	(5,247,152)	1,087,586	1,027,203
Movements in working capital items				
(Increase)/decrease in trade and other receivables	(71,303)	(90,375)	(1,033)	(2,256)
Increase/(decrease) in trade and other payables	53,716	77,887	2,773	2,513
Increase in net cost of investments	(30,204,050)	(51,478,648)	(55,100,985)	(46,544,067)
	(30,221,637)	(51,491,136)	(55,099,245)	(46,543,810)
	(32,243,534)	(56,738,288)	(54,011,659)	(45,516,607)
Net cash inflow/(outflow) from operating activities	(31,585,155)	(52,476,866)	(55,107,441)	(46,510,571)

11. Registry switches

During the period ended 31 March 2022, there were \$375,323 (2021: \$8,708,803) of switches in the Salt Long Short Fund, \$2,168,835 (2021: \$2,288,008) of switches in the Salt NZ Dividend Appreciation Fund, \$84,515 (2021: \$404,454) of switches in the Salt Enhanced Property Fund, \$61,068 (2021: nil) of switches in the Salt Sustainable Global Property Fund, \$17,269 (2021: nil) of switches in the Salt Sustainable Global Infrastructure Fund and \$471,701 (2021: nil) of switches in the Salt Sustainable Income Fund. There were no switches in the Salt Core NZ Shares Fund, Salt Sustainable Global Shares Fund and Salt Sustainable Growth Fund. These occur in instances such as individuals transferring to joint accounts, individuals transferring to Portfolio Investment Proxys (PIPs) or PIP to PIP transfers. No investments or cash are exchanged and there is no income or expense generated, it's a change in the registry name only. These switches are processed as a withdrawal and corresponding contribution.

12. Commitments and contingent liabilities

As at 31 March 2022, the Funds had no material commitments or contingencies (31 March 2021: none).

13. Events occurring after the balance date

Subsequent to balance date, the Long Short Fund purchased Carbon Fund (CO2) units. At the date of the directors' signing, 13 July 2022, the Long Short Fund held 700,942 Carbon Fund units. This represented 1.54% of the units on issue at this time.

The Funds' Product Disclosure Statement (PDS) was updated on 30 June 2022. The financial reporting is based on the previous PDS.

Other than as disclosed above, there have been no events subsequent to balance date that require adjustment to, or disclosure of, in these Financial Statements.



Independent auditor's report

To the unitholders of:

- Salt Enhanced Property Fund
- Salt Long Short Fund
- Salt NZ Dividend Appreciation Fund
- Salt Core NZ Shares Fund
- Salt Sustainable Global Shares Fund
- Salt Sustainable Global Listed Property Fund
- Salt Sustainable Global Listed Infrastructure Fund
- Salt Sustainable Growth Fund
- Salt Sustainable Income Fund

(Collectively referred to as the Funds)

Our opinion

In our opinion, the accompanying financial statements of the Funds present fairly, in all material respects, the financial position of the Funds as at 31 March 2022, their financial performance and their cash flows for the year/period then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS).

What we have audited

The Funds' financial statements comprise:

- the statements of financial position as at 31 March 2022;
- the statements of comprehensive income for the year/period then ended;
- the statements of changes in net assets attributable to unitholders for the year/period then ended;
- the statements of cash flows for the year/period then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Funds in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.



We are the auditor of Salt Investment Funds Limited, the Manager. We have provided the following services to the Manager: agreed upon procedures on the net tangible assets calculation and the audit of listed funds managed by the Manager. Subject to certain restrictions, employees of our firm may invest in the Funds on normal terms within the ordinary course of trading activities of the Funds. These services and relationships have not impaired our independence as auditor of the Funds. Other than in our capacity as auditor, we have no other relationships with, or interests in, the Funds.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of the key audit matter	How our audit addressed the key audit matter
<p>Valuation and Existence of financial assets and liabilities at fair value through profit or loss</p> <p>Refer to notes 5.3, 6 and 7 of the financial statements for the Funds' financial assets and liabilities at fair value through profit or loss.</p> <p>This was an area of focus for the audit as the financial assets and liabilities at fair value through profit or loss represent the majority of the assets and liabilities held by the Funds at 31 March 2022.</p> <p>Valuation</p> <p>The fair value of listed equities traded in active markets are based on unadjusted quoted market prices at 31 March 2022 and are categorised as level 1 in the fair value hierarchy.</p> <p>The fair value of forward foreign exchange contracts are determined using valuation techniques. The valuation technique includes assumptions that are based on observable inputs and market conditions existing at 31 March 2022 and are categorised as level 2 in the fair value hierarchy.</p> <p>The fair value of unlisted trusts are categorised as level 2 in the fair value hierarchy and are based on the redemption price established by the unlisted trusts' administrator. In assessing the fair value, the Manager uses information provided by the unlisted trusts' administrator including the controls reports.</p> <p>Existence</p> <p>Holdings of financial assets are held by the custodian on behalf of the Funds (the Custodian). The Custodian uses a sub-custodian for certain financial assets.</p>	<p>We assessed the processes employed by the Manager, for recording and valuing the financial assets and liabilities at fair value through profit or loss including the relevant controls operated by third party service organisations. The third party service organisations include the Administrator, sub-custodian and unit pricing administrators for externally managed unlisted trusts. Our assessment of the business processes included obtaining the internal control reports over custody and investment accounting provided by the third party service organisations.</p> <p>We evaluated the evidence provided by the internal control reports over the design and operating effectiveness of the key controls operated by the third party service organisations for the year to 31 March 2022 including bridging letters as applicable.</p> <p>For investments in listed investments where quoted market prices in an active market are available, we have agreed the market price at 31 March 2022 to independent third party pricing sources.</p> <p>For investments in forward foreign exchange contracts we agreed the observable inputs to third party pricing sources and used our own valuation experts to test the fair value using independent valuation models.</p> <p>For investments in unlisted trusts we agreed the redemption price at 31 March 2022 to confirmations provided by the unlisted trusts' administrator.</p> <p>We obtained confirmation from the Custodian, sub-custodian, financial institutions and counterparties of the holdings of all financial assets and liabilities held by the Funds at balance date.</p>



Our audit approach

Overview

Materiality

We determined materiality for each Fund separately. Our materiality for each Fund is calculated based on approximately 1% of Net assets attributable to Unitholders for each Fund.

We chose Net assets attributable to Unitholders as the benchmark because, in our view, the objective of the Funds is to provide unitholders with a total return on the Funds' net assets, taking into account both capital and income returns.

Key audit matters

As reported above, we have one key audit matter, being Valuation and Existence of financial assets and liabilities at fair value through profit or loss

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance about whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements of each Fund as a whole as set out above. These, together with qualitative considerations, helped us to determine the scope of our audit, the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements of each Fund as a whole.

How we tailored our audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements of each Fund as a whole, taking into account the structure of each Fund, the Funds' investments and the accounting and registry processes and controls.

The Manager is responsible for the governance and control activities of the Funds. The Funds' investments are held by the Custodian and sub-custodian where applicable. The Manager has outsourced investment accounting (Administrator) and registry services (Registrar) to a third party service provider.

In completing our audit, we performed relevant audit procedures over the control environment of the Custodian, the Administrator, the Registrar and the Manager to support our audit conclusions.



Other information

The Manager is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon which the annual report will refer to.

Our opinion on the financial statements does not cover the other information and we will not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements

The Manager is responsible for the preparation and fair presentation of the financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing each Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate a Fund or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at:

<https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-2/>

This description forms part of our auditor's report.



Who we report to

This report is made solely to each Fund's unitholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than each Fund's unitholders, as a body, for our audit work, for this report or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Vatsana Vanpraseuth.

For and on behalf of:

PricewaterhouseCoopers

Chartered Accountants
Auckland
13 July 2022