

SALT

Salt Core NZ Shares Fund Fact Sheet – September 2026

Manager Profile

Salt is an active fund manager. Our investment philosophy centres on the belief that share markets have characteristics that lead to market inefficiencies that can be exploited over time to deliver superior risk-adjusted returns.

Investment Strategy

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

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

Fund Facts at 30 September 2026

Benchmark	S&P/NZX 50 Gross Index
Fund Assets	123 million
Inception Date	1 December 2020
Portfolio Manager	Paul Harrison

Unit Price at 30 September 2026

Application	0.9981
Redemption	0.994

Investment Guidelines

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

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

Target Investment Mix

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

Australasian Equities	100%
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Fund Allocation at 30 September 2026

NZ shares	94.31%
Australian Shares	3.77%
Cash or cash equivalents	1.92%

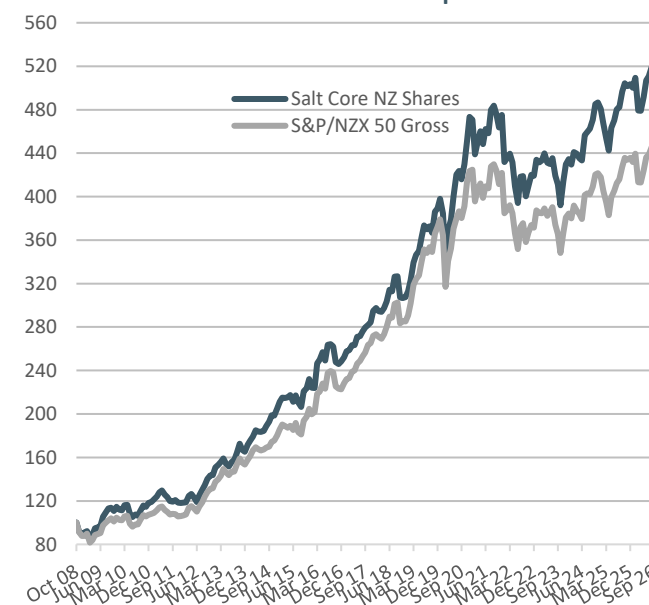
Fund Performance to 30 September 2026

Period	Fund Return*	Benchmark Return
1 month	-1.19%	-0.60%
3 months	1.19%	1.56%
6 months	7.08%	7.14%
1 year	3.34%	4.08%
2 years p.a.	5.34%	5.53%
3 years p.a.	7.67%	6.99%
5 years p.a.	1.19%	0.83%
7 years p.a.	4.67%	3.43%
10 years p.a.	6.95%	6.51%
Inception p.a.	9.51%	8.69%

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

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

Cumulative Fund Performance to 30 September 2026*



Fund performance has been rebased to 100 from inception.

Past performance is not a reliable indicator of future performance, and no representation or warranty, express or implied, is made regarding future performance.

Top Overweights	Top Underweights
Ebos Group	Meridian Energy
Heartland Group Holdings	Genesis Energy
Freightways Group	Auckland International Airport
Infratil	Skellerup
Turners Automotive	Channel Infrastructure

SALT FUNDS MANAGEMENT

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Equities Market Commentary

A variety of offsetting drivers created a challenging September quarter for financial markets. Global equities eked out a +1.9% advance but property stocks retraced by -7.6% in the face of soaring bond yields, with US 30-year yields rising from 4.85% to 5.56%. Performance was unusually narrow, with the S&P500 equal-weighted index being 4.6% behind the +2.3% advance by the S&P500 index. Economic growth and corporate earnings were strong but largely based on unusually wide margins from AI-related sectors.

Geopolitics cast a pall, with the impact of the Iran crisis on oil prices being paramount. Trade tensions continued and are becoming more permanent features of the investment landscape. The Fed lifted rates in September due to persistent inflation and resilient economic activity. Chair Warsh's move away from traditional forward guidance also increased uncertainty around the future path of interest rates.

Bond markets had a difficult quarter. Government bond yields rose sharply across most developed economies as investors reassessed the outlook for inflation and monetary policy. Longer-term yields also reflected growing concerns around fiscal deficits, heavy government borrowing requirements and rising term premia. The ECB and BoJ also hiked rates during the quarter.

The RBA hiked 25bp to 4.6% near quarter's end, with core inflation persisting above the 2-3% target range. However, signs of economic softness became increasingly apparent, raising the question of how much further tightening will be required. The RBNZ also lifted the OCR by 25bp to 2.75%. Economic activity remained relatively resilient despite the impact of higher energy prices, with GDP managing a small increase in the June quarter and earlier data revised higher. A strong rural sector and solid construction activity provided support, although elevated oil prices and a still-soft labour market suggest the recovery is likely to remain uneven.

Salt Core NZ Shares Fund Commentary

The NZ and Australian equity markets gave up their strong starts but still managed to end the September quarter with positive returns. The NZX50 gross index slipped -0.6% in the month of September, which lowered the quarter's return to +1.56%. The ASX200 accumulation index was down -2.4% in September, bringing the quarter-end return to +1.4% in local currency. The weakness in the NZ Dollar inflated the reported return of +2.6% in NZD for the quarter. The Fund lagged the index this quarter with a return of +1.19%.

The NZ market was led higher by heavyweight Fisher and Paykel Healthcare (+17.9%) after upgrading guidance in August on the back of tariff refunds and stronger medical device sales. The Fund's overweight positions in other healthcare names, CSL (+62.5%) and Resmed (+11.0%) helped relative performance. CSL reported IG growth in-line with market expectations and guided to robust IG growth in FY27, which helped alleviate concerns around market share. Resmed reported a strong 4Q with revenue +9% and announced plans for further buybacks.

Adding further to performance were the Fund's overweight positions in banks ANZ (+10.2%) and Heartland Bank (+9.4%), with the former reporting robust 3Q earnings and the latter making positive progress on their merger with TSB and reporting good growth in underlying earnings to \$90.4m for FY26.

The Fund's net underweight in the retirement village sector also aided performance, with Summerset (-13.8%) and Ryman (-18.1%) being amongst the worst-performing stocks on the NZ market as NZ housing continues to be weak in the face of rising interest rates. The Fund's underweight position in Chorus (-11.8%) also helped performance as they issued weaker guidance for EBITDA in FY27 compared to market expectations.

Fund overweight Freightways (-8.2%) was one of the main drags on performance after reporting a strong FY26 with EBITA growth of 14.6% but cautioned on the outlook due to tough macro conditions. Fonterra (+29.0%) rallied after reporting strong underlying profit that was up +24% for the year. The Fund holds nil Fonterra, so this impacted relative performance.





Paul Harrison, MBA, CA

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