

SALT

Salt Enhanced Property Fund Fact Sheet – September 2025

Manager Profile

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

Investment Strategy

The Salt Enhanced Property Fund targets a portfolio of shares of New Zealand and Australian property trusts, companies and other property-related securities with exposure to commercial, residential, retail, tourism, industrial, medical, educational, rural, retirement, and other property sectors. The Fund may also, at our discretion, short sell securities, hold cash, lever its assets and utilise active currency management to generate returns.

Fund Facts at 30 September 2025

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

Unit Price at 30 September 2025

Application	1.5578
Redemption	1.5515

Investment Limits

The limits for the Enhanced Property Fund are shown below:

Gross Equity Exposure ¹	70% – 200%
Net Equity Exposure ¹	70% – 100%
Unlisted Securities ¹	0% – 5%
Cash or Cash Equivalents	0% – 30%

1. To NZ and Australian property and property-related securities.

Fund Exposures at 30 September 2025

Long Exposure	105.00%
Short Exposure	7.04%
Gross Equity Exposure	112.04%
Net Equity Exposure	97.95%

Fund Allocation at 30 September 2025

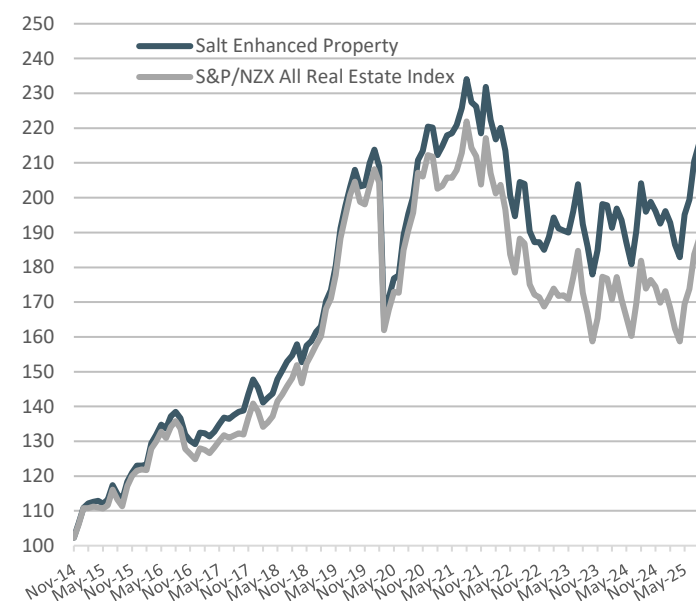
NZ Listed Property Shares	95.57%
AU Listed Property Shares	2.71%
Cash & Cash Equivalents	1.72%

Fund Performance to 30 September 2025

Period	Fund Return	Benchmark Return
1 month	5.60%	5.81%
3 months	14.22%	14.70%
6 months	22.16%	22.85%
1 year	16.26%	14.94%
2 years p.a.	10.70%	10.08%
3 years p.a.	5.68%	4.97%
5 years p.a.	2.32%	0.80%
7 years p.a.	5.17%	4.28%
10 years p.a.	7.10%	6.23%
Inception p.a.	7.72%	6.75%

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

Cumulative Strategy Performance to 30 September 2025



Fund performance has been rebased to 100 from inception.

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

Top Overweights	Top Underweights/Shorts
GDI Property Group	Precinct Properties
Servcorp	Property for Industry
New Zealand Rural Land Company	Kiwi Property Group
Asset Plus	Stockland Corporation
Dexus	Argosy

SALT FUNDS MANAGEMENT

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Property Market Commentary

The S&P/NZX All Real Estate Gross Index rose by an exceptional +14.6% in the September quarter, the strongest quarterly advance since September 2009. This sharply outperformed broader NZ equities which rose +5.5%, the Australian property index advance of +4.6% and the global FTSE EPRA/NAREIT Index rose of +3.5%. It reflected actual and expected rate cuts, a view that NTA's have bottomed and a very low start point from an unusually aggressive sell-down of NZ property at the end of the June quarter. As was largely expected, the RBNZ cut the OCR target by 25bp to 3.0% but they surprised with a dovish pivot due to the weak economy and now project two further rate cuts. 10-year bond yields fell from 4.58% to 4.29% and 3-year swap rates fell from 3.31% to 2.78%.

Outperformers were led by Stride Property (SPG, +24.4%), which sold the Silverdale Shopping Centre from its own balance sheet to its managed vehicle, Investore. This was closely followed by Kiwi Property (+20.5%), whose retail assets are performing well and which managed to surprisingly re-lease the ASB Office Asset which had perhaps had some risk of being stranded. Laggards were Investore (IPL, +7.9%) and Goodman Property (GMT, +11.2%).

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

Salt Enhanced Property Fund Commentary

The Fund slightly lagged the extraordinary surge of the NZ property benchmark, returning +14.22% compared to +14.70% by the index for the quarter.

By far the largest positive came from the long-held position in Servcorp (SRV, +26.9%), which posted a very strong result as serviced office demand booms in the era of work-from-home. Despite very strong performance since the Fund has owned SRV, it remains relatively cheap, being on a forward PE of 10.2x with c20% of the market cap in net cash. Its closest compco is the London-listed International Workplace Group (Regus), which is on a forward PE of 20x Dec26, with less growth than SRV.

Smaller positive assists came from NZ Rural Land (NZL, +14.0%) as it launched a strategic review amid booming prices for its dairy farm tenants; GDI Property (+5.4%) which sharply lagged the NZ returns but outperformed Australia as it executed well in the solid Perth office market; and Asset Plus (+16.2%) which had a degree of leasing success at its sole remaining asset.

Underweights in Precinct Property (PCT, +11.5%) and Property For Industry (PFI, +12.2%) also weighed in terms of their contributions, even though they underperformed the broader index advance.

Other headwinds came from two shorts which we view as overpriced and which we use to fund more attractive long positions elsewhere. Charter Hall Social Infrastructure (CQE, +18.8%) and Scentre Group (SCG, +17.1%) both rose sharply following good results even though these did not really move the valuation needle. Overall, we estimate that our shorts detracted -0.35% from performance which is unsurprising in a positive quarter. Our Australian positions overall contributed +0.79%.

At month-end, we estimate that the Fund's year-ahead gross dividend yield is 6.1% for a NZ investor.



Matthew Goodson, Portfolio Manager