Salt Select Global Shares Fund Fact Sheet – June 2026

Manager Profile

Salt Funds Management is a boutique investment management firm wholly owned by its employees which specialises in actively seeking to maximise returns while managing the risks of the investment.

Fund Name Change

As of 13 June, the Salt Sustainable Global Shares Fund was renamed the Salt Select Global Shares Fund. There is no change to investment disciplines or approach; however, this aligns the Fund better with current global regulatory and market trends.*

Investment Strategy

To achieve the Fund's investment objectives, the Fund targets a portfolio of global companies with high total return potential and high Quality & Environmental, Social and Governance (ESG) factor scores.

The strategy seeks to provide attractive long-term returns with less long-term volatility than the broader market.

Fund Facts at 30 June 2026

Fund Assets	$98.47 million
Inception Date	12 July 2021
Underlying Manager	Morgan Stanley Investment Management * Effective 28 April 2025 the underlying Morgan Stanley Global Sustain Strategy was renamed the Global Quality Select Strategy. There is no change to the Strategy's investment philosophy and process.

Unit Price at 30 June 2026

Application	1.4079
Redemption	1.4022

Investment Guidelines

The guidelines for the Sustainable Global Shares Fund are:

Global Equities	95% – 100%
Cash	0% – 5%

Target investment Mix

The target investment mix for the Salt Sustainable Global Shares Fund:

Global equities	100%

Fund Allocations at 30 June 2026

Global equities	98.2%
Cash & sundry items	1.8%

Fund Performance to 30 June 2026

Period	Fund Return	Benchmark Return
1 month	3.75%	4.49%
3 months	7.06%	14.08%
1 year	-0.10%	29.49%
2 year p.a.	7.30%	22.93%
3 year p.a.	9.62%	22.32%
Since inception p.a.	8.47%	15.94%

Performance is before fees and tax and adjusted for imputation credits.
Benchmark (MSCI World Index in NZD) performance is gross.

Fund holdings

Top 10 holdings	
Taiwan Semiconductor (TW)	Coca-Cola (US)
Alphabet (US)	AON (US)
ASML (NL)	Netflix (US)
VISA (US)	Amazon (US)
Keyence (JP)	L'Oreal (FR)

Source: MSIM, data as at 30 June 2026.
The Top 10 Holdings represented 45.4% of the total portfolio.

The Portfolio's carbon footprint, measured as weighted average carbon intensity (WACI) was 80% lower than MSCI AC World Index.[A]

Market Review

- Global financial markets delivered another surprisingly resilient quarter despite having to navigate a challenging backdrop that included the Iran-Israel conflict, elevated oil prices, ongoing trade tensions, rising long-term government bond yields and renewed concerns around inflation. Developed market equities rose +13.9% (in USD) over the quarter, supported by resilient corporate earnings and optimism that the worst of the geopolitical uncertainty had passed.

- The quarter was dominated by developments in the Middle East. Brent crude briefly traded close to US$120 per barrel during the height of the conflict before retracing as ceasefire negotiations progressed. While the immediate disruption to energy supplies eased, oil prices remained well above pre-conflict levels, reinforcing the view that geopolitical risk is likely to command a higher structural risk premium than investors have become accustomed to over recent decades.

- Bond markets remained volatile as investors balanced slowing global growth against renewed inflation pressures stemming from higher energy prices and persistent fiscal deficits across many developed economies. The global aggregate bond index was up +0.9% (in USD) over the quarter.

- In the United States, equity markets continued to be supported by another strong corporate earnings season, reinforcing confidence in the resilience of the economy. Economic activity slowed modestly but remained consistent with ongoing expansion, while inflation moved higher as the effects of elevated energy prices flowed through to headline consumer prices. By quarter end, markets had largely abandoned expectations of further Federal Reserve easing.
- Europe remained the weakest of the major developed economies. Business surveys softened over the quarter and economic growth continued to lag other regions. However, higher energy prices pushed inflation higher, leaving the European Central Bank facing the difficult trade-off of weaker growth alongside renewed inflation pressures.
- In Japan, economic growth remained solid, supported by robust domestic demand, strong exports and expansionary fiscal policy. Inflation remained above the Bank of Japan's target, allowing policymakers to continue the gradual normalisation of monetary policy.
- China's economy remained subdued throughout the quarter. Household spending and property market activity continued to disappoint, while manufacturing momentum softened. Although policymakers introduced additional fiscal support measures, markets remained cautious about the durability of China's recovery given ongoing structural challenges in the property sector and weak consumer confidence.
- Australia faced a difficult combination of slowing economic growth and persistent inflation. Sticky domestic price pressures and higher fuel costs prompted the Reserve Bank of Australia to deliver further interest rate increases during the quarter, although softer activity data towards quarter end reduced expectations of an extended tightening cycle.
- In New Zealand, the focus was firmly on policy. The Reserve Bank left the OCR unchanged but signalled that the next move in interest rates is likely to be higher as inflation pressures remain elevated. The Government's Budget presented a somewhat stronger near-term fiscal outlook than expected, although the underlying economic assumptions appear optimistic given the uncertain global environment and the ongoing drag from higher energy prices.

Portfolio Review

- In June, the Portfolio returned 3.75% (Gross/NZD) and the MSCI World Net Index returned 4.49%. For the Second Quarter of 2026, the portfolio has returned 7.06% (Gross/NZD) and the index has returned 14.08%.

What drove returns in June?

The largest contributors to absolute performance for the month were semiconductor leaders **TSMC (**+243 basis points [bps]) and **ASML** (+192 bps), both benefitting from strong first-quarter results and robust AI-linked demand. **TSMC** delivered a record-breaking quarter and raised its full-year revenue growth guidance and **ASML** saw robust demand across both logic and memory customers, with increased 2026 guidance improving visibility around future EUV demand. Signs of a broadening industrial recovery also supported **Keyence** (+160 bps), which rose more than 40% as factory automation demand improved and management committed to returning more capital to shareholders, and Texas Instruments (+146 bps), where firmer industrial end-market demand alongside continued data centre strength reinforced confidence in its long-term outlook. Finally, **Alphabe**t (+110 bps) re-rated on strong first-quarter results which highlighted resilience in Search and accelerating Google Cloud growth.

he largest absolute detractor to absolute performance for the month was **Netflix** (-117 bps), which gave back some of its exceptional earlier-year gains as softer-than-expected second-quarter guidance and declines in engagement figures, likely due to FIFA world cup, overshadowed otherwise solid first-quarter results. Financial exchanges **Intercontinental Exchange** (-75 bps) and **CME Group** (-70 bps) weakened as trading volumes moderated from exceptional levels and the emergence of U.S. perpetual futures products raised concerns over the long-term economics of traditional exchange operators, although we continue to view the core competitive positions of both franchises as intact. Elsewhere, **Zoetis** (-58 bps), which we exited during the quarter, declined following disappointing first-quarter results that raised cyclical and structural concerns around its core U.S. companion animal business and **SAP** (-20 bps) more than reversed modest post-Sapphire gains as software weakened broadly in June, even as we continue to see its deeply embedded system of record as a solid base.

In terms of relative performance, sector level attribution and the negative stock selection effect continue to be skewed by sub-industry exposure as the market's **GenAI disruption fears** drive an indiscriminate sell-off across multiple names. This is particularly impactful in Financials where the Portfolio's skew to the Exchanges & Data sub-industry group (-9%) lagged other parts of the sector, notably Banks (+18%); Industrials where the Portfolio's Research & Consulting holdings struggled (-3%) as opposed to Capital Goods (+14%) which remained the strongest-performing area and Information Technology where the Portfolio's semiconductor holdings delivered strong absolute returns (+48%) but were unable to keep pace with the benchmark's +55% gain. The modest overweight to Software, up just 5% in Q2, further weighed on relative returns.

Portfolio Activity

In June, we initiated a position in **Nintendo**, a high-quality intellectual property and platform franchise we believe is mispriced by the market as a cyclical hardware story, using a pull back in the shares following the peak of Switch 2 optimism to buy at a compelling entry point.

As covered in previous commentaries, earlier in the quarter we also initiated **Hermès Internationa**l, an exceptional luxury franchise, **McKesson** the largest and, in our view, highest-quality U.S. drug distributor, **Ferguson**, a scaled market leader in the fragmented North American plumbing and HVAC markets and **Schneider Electric**, a global leader in electrical equipment and automation offering AI-infrastructure.

These purchases were partly funded by the sale of **Zoetis**, for reasons covered above, **Abbott Laboratories** due to reduced confidence in both the earnings mix and the long-term investment case and **Arthur J. Gallagher**, as insurance-broker exposure was consolidated into the higher-conviction holding **Aon**.

We added to **Netflix**, using the share-price pullback to build the position at attractive valuation levels, while taking profits from **TSMC, Texas Instruments and Keyence**.

We also reduced **Microsof**t on rising capex requirements and reduced visibility over future earnings as well as **Booking Holdings** and **Amadeus** on AI increased uncertainty around future cash flows and the range of outcomes.

MSIM Market Outlook

Global equity markets slipped back somewhat in June, having rebounded in May from Q1's geopolitically-driven sell off but the US remained close to historical highs driven by AI trades.

• Exceptionally strong markets, elevated valuations and growing concentration leave us cautious.

•Global equities have staged their strongest quarter since 2020, with MSCI World up 14% and the S&P 500 15%, supported by strong earnings and an easing of Middle East risk, yet breadth remains very narrow (fewer than 30% of S&P 500 names have outperformed).

•AI remains the dominant theme, but returns are increasingly concentrated - **Semis and Hardware drove almost 60% of the MSCI World's return** and now make 30% of S&P 500 market cap, above the dotcom peak, as retail and leveraged flows crowd into the same names.

•The key question is whether these elevated earnings reflect a durable step-change in industry economics or a temporarily favourable point in the cycle.

• Memory is a cautionary example - a widely followed basket rose more than 130% as operating margins jumped from a historical 0-30% range to 70-80%. Such economics have typically invited new supply and proved self-correcting.

We remain convinced of AI's long-term impact, but greater selectivity will be essential to separate durable winners from businesses simply riding near-term enthusiasm.

•Within the portfolio, we participate in AI selectively via quality enablers such as **TSMC, Synopsys and Schneider Electric** and the hyperscalers **Microsoft, Amazon and Alphabet**, while avoiding areas where earnings power looks frothy or business quality is insufficient.

•We balance this with high quality compounders that have derated on AI fears but remain fundamentally intact, alongside opportunities outside the AI debate like Luxury (Hermès, Ferrari) and pharmaceutical distribution (McKesson, Cencora) leaving the portfolio at an unusual free-cash-flow discount and positioned across a range of potential outcomes.

The portfolio's low cyclicality should provide resilience should we see a growth scare. As ever, we continue to look for reliable compounders and are open-minded to where we find them.

Notes

A. Source: Trucost. As of June 30th, 2026, the Portfolio's weighted average carbon intensity (WACI) was 80% lower than the MSCI AC World Index.

WACI is calculated using Scope 1 & 2 emissions per $m of company revenue. The term carbon refers to greenhouse gas (GHG) emissions, measured in metrics tonnes of carbon dioxide equivalent (CO2e) emissions. Our data provider's methodology follows the GHG protocol and includes carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF6) and Nitrogen Trifluoride (NF3), calculated in metric tonnes of CO2 equivalent. Some carbon/carbon equivalents data may be estimated by the data provider. Data excludes cash.