

# SALT

## Salt Core NZ Shares Fund Fact Sheet – March 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 31 March 2026

Benchmark	S&P/NZX 50 Gross Index
Fund Assets	100 million
Inception Date	1 December 2020
Portfolio Manager	Paul Harrison

### Unit Price at 31 March 2026

Application	0.9449
Redemption	0.941

### 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 31 March 2026

NZ shares	95.13%
Australian Shares	4.12%
Cash or cash equivalents	0.75%

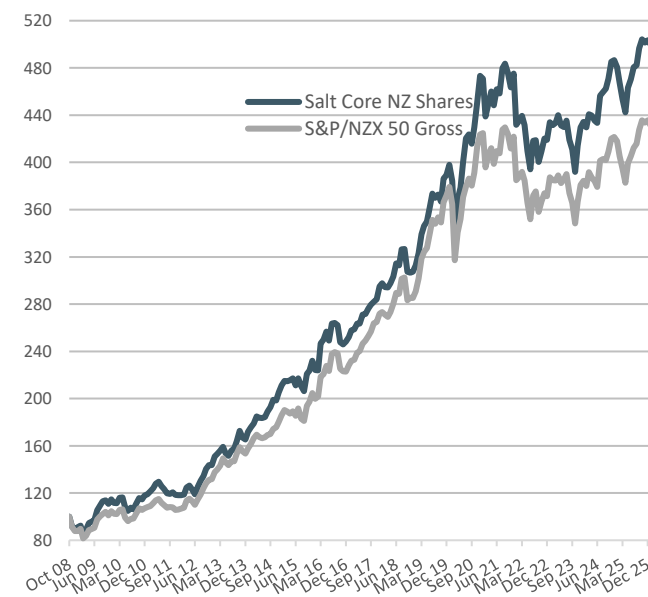
### Fund Performance to 31 March 2026

Period	Fund Return*	Benchmark Return
1 month	-5.90%	-5.91%
3 months	-4.83%	-4.70%
6 months	-3.49%	-2.86%
1 year	5.66%	5.23%
2 years p.a.	4.25%	3.28%
3 years p.a.	3.41%	2.80%
5 years p.a.	1.27%	0.56%
7 years p.a.	5.06%	3.95%
10 years p.a.	6.87%	6.70%
Inception p.a.	9.37%	8.52%

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

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

### Cumulative Fund Performance to 31 March 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	Chorus Networks
Freightways Group	The a2 Milk Company
ANZ	Kiwi Property Group
Mercury	Auckland International Airport

### SALT FUNDS MANAGEMENT

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## Equities Market Commentary

Markets had much to navigate in the March quarter. Mega-cap technology companies came under intense scrutiny during the Q4 earnings season, the US Supreme Court ruled against President Trump's imposition of wide-ranging tariffs and Middle East tensions escalated to full-blown war in Iran. Most financial assets had a tough quarter against this backdrop, with developed market equities down -3.5% (in USD) and the global aggregate bond index fell -1.1%.

US technology stocks had a particularly challenging quarter under the glare of AI's threat to SAAS businesses and questions re the ability of hyper-scalers to generate satisfactory returns against ever higher levels of AI-related capex. The Nasdaq 100 Index fell by -7.0%, with many software companies hit far harder. The S&P/ASX All Technology Index fell -25.0% in the quarter.

Economic data was of little note in the US, and elsewhere for that matter, as the war unfolded and attention turned to the likely growth and inflation implications, and the uncertainty and inevitable trade-offs that would confront central banks. In Australia, the RBA became the first major developed central bank to tighten policy in this cycle, raising its cash rate by 25bps twice over the quarter, taking it to 4.1%. The second hike saw a close vote, though this was mostly a reflection of differing opinions on timing, rather than the need for higher rates.

The RBNZ left interest rates unchanged at its February meeting. A speech in March by the RBNZ Governor took an appropriate line, arguing the bank would look through the initial inflationary effects, but remain vigilant to the risk of that higher inflation becoming embedded. NZ 3-year swap rates rose from 3.20% to 3.73% as markets priced in 2.5 RBNZ hikes by year-end. A plethora of encouraging economic data faltered by quarter's end thanks to the impact of Iran.

## Salt Core NZ Shares Fund Commentary

The March quarter saw investors rush to take risk off the table in industrial and tech sectors, but at the same time, they were driven to the resources sector as commodity prices surged. The NZ50Gross index was down -4.7% and the ASX200 Accumulation index down -1.6%. Australia was helped by the booming rally in the resources sector, which was underpinned by a spike in oil prices from circa US\$60 to US\$100 per barrel. The ASX200 Resources Index posted a +9.7% return for the quarter, whilst the Industrials slid -5.5%. In New Zealand, the risk-off sentiment saw the defensive sectors outperform with NZX consumer staples index rising +6.0% compared with the NZX information technology sector's fall of -22.1%. The Fund marginally underperformed as it recorded a return of -4.8% for the quarter, with the underweight in A2milk (+8.6%) and

overweight in Ebos (-17.1%) and Freightways (-15.1%) being the main negative attributors.

During the quarter, a2Milk reported a strong 1H26 and upgraded guidance from low double digit to mid-teens growth for the full year. Ebos was a drag on performance after reporting a 1H result that slightly missed expectations, and investors wait for comfort around forward operating margins post a period of investment. Freightways fell on fears around higher fuel prices, and weaker economic activity weighed on sentiment for domestic cyclical companies.

One of the top performers in NZ this quarter was Fund overweight Turners (+7.8%), which rallied on the back of an upbeat investor day where they outlined their new FY31 targets of \$100m profit before tax. Heartland (+5.7%) also added to performance over the quarter after posting a solid result in February, with underlying NPAT up \$10.7m in the half. The Fund also benefited by not holding some of the worst performers in the quarter; Air NZ (-25.9%), Serko (-45.5%) and KMD Brands (-31.6%). KMD raised equity at a deeply discounted price to pay down debt. The Fund's net underweight to the retirement sector also added value, with Summerset (-26.7%) and Ryman (-27.1%) falling due to weaker housing sentiment.

In Australia, Fund holding Woolworths (+25.5%) performed very well after reporting a solid 1H and guiding the market to the upper end of their FY26 EBIT growth range in February. The outperformance continued in March as the market pivoted towards lower-risk companies such as Woolworths. Unfortunately, CSL (-17.4%) dragged on performance after reporting a disappointing 1H and the appointment of an interim CEO.

The Fund added to holdings of Fletcher Building, Freightways, Auckland Airport and Xero on weakness, as well as participating in both Genesis and Contact capital raises. The Fund reduced its Woolworths holding into strength.



Paul Harrison, MBA, CA