

SALT

Salt Select Global Shares Fund Fact Sheet –November 2025

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 November 2025

Fund Assets	\$97.78 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 November 2025

Application	1.4349
Redemption	1.4291

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%
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Fund Allocations at 30 November 2025

Global equities	98.0%
Cash & sundry items	2.0%

Fund Performance to 30 November 2025

Period	Fund Return	Benchmark Return
1 month	-0.75%	0.04%
3 months	-0.77%	8.53%
1 year	3.07%	20.58%
2 year p.a.	14.42%	26.86%
3 year p.a.	14.43%	22.28%
Since inception p.a.	9.93%	15.34%

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

Microsoft (US)	Coca Cola (US)
SAP (DE)	Thermo Fisher Scientific (US)
Alphabet (US)	Procter & Gamble (US)
Taiwan Semiconductor (TW)	RELX (UK)
VISA (US)	ASML (NL)

Source: MSIM, data as at 30 November 2025.

The Top 10 Holdings represented 42.15% of the total portfolio.

The Portfolio's carbon footprint, measured as weighted average carbon intensity (WACI) was 77% lower than MSCI AC World Index.^A

Market Review

- Markets took something of a breather in November, taking the lead from the US where despite the longest ever Government shutdown ending early in the month, the subsequent dearth of data and signals on growth, inflation and monetary policy took its toll on sentiment. On a brighter note, the third quarter earnings season was solid. Developed market equities closed the month +0.3% higher (in USD), while the global aggregate bond index was also little changed at +0.2% (in USD).
- What data there was in the US was mixed. The delayed September labour market report showed better than expected payrolls growth of +119k, but markets focussed more on the dovish signal from the unemployment rate, which rose to 4.4%. Fed-speak was also mixed, highlighting the divisions amongst the FOMC members.
- Economic data out of Europe supported the narrative that the European Central Bank will be on hold for the foreseeable future. Inflation remains close to target and activity data remains consistent with subdued but positive growth.
- In the UK the focus was on the annual Budget at the end of the month. Higher taxes and the resulting increase in fiscal headroom was positive for Gilt markets.

- However, there was an element of “spend now, pay later” in the detail. In a narrow vote of 5-4, the Bank of England left interest rates unchanged during the month.
- In Japan, consumer price inflation remained well above target. Sentiment continued to build towards a December rate hike. The Bank of Japan has not altered interest rates since the start of the year. New Prime Minister Takaichi’s ¥21 trillion fiscal package and the recent Yen weakness will have a bearing on the BoJ’s December 19th rate decision.
- Latest activity data out of China was soft. October industrial production came in well below consensus, retail sales slowed for a 5th consecutive month, and year-to-date fixed asset investment came in at -1.7%. Authorities will be hoping the recent US-China trade truce and the Rmb1trn fiscal package announced in autumn will help stabilise activity.
- A shockingly strong September quarter CPI out of Australia saw the Reserve Bank of Australia leave interest rates unchanged at its November meeting. Labour market data for October also came in more strongly than expected. Some analysts now see a chance the RBA’s next interest rate move may be up.
- The Reserve Bank of New Zealand cut the Official Cash Rate to 2.25% in a 5-1 vote. The one dissenter would have preferred to leave rates unchanged. We think this will be the bottom of the interest rate cycle. Towards the end of the month there was a run of stronger data, supporting the case the economy has turned the corner. Retail sales volumes growth of +1.9% q/q was particularly strong. However, labour market data remained soft, fulfilling its usual role of the last indicator to turn around.

Portfolio Review

- In November, the Portfolio returned -0.75% (Gross/NZD) while the MSCI World Net Index returned +0.04%. The Portfolio has returned 0.39% (before fees) for the year-to-date (YTD), while the MSCI World has delivered +17.25%.
- In an environment of high valuations and uncertainty, our strategy focuses on companies capable of sustained earnings per share (EPS) growth. We believe our portfolio is set to deliver resilient topline growth well above that of the index and is available at a significant free cash flow discount to the market, to an extent not seen for over a decade.
- Alphabet was the largest contributor to absolute performance, outperforming amidst broader tech sector volatility. The company reported record earnings and a cloud driven EPS uplift, which was further complemented by positive updates relating to its vertical integration strategy.
- Another top contributor was Intercontinental Exchange, which benefitted from rising artificial intelligence (AI)-driven demand for proprietary data, and positive investor sentiment towards recent acquisitions.

Within Consumer Staples, Coca-Cola performed well as third quarter organic growth beat consensus and management reaffirmed full-year guidance, while investors positively received Haleon’s reports on cost-takeout potential through supply-chain, manufacturing, and productivity improvement efforts.

- In Health Care, Steris benefited from positive earnings momentum, supported by robust demand as well as operational efficiencies and a favourable product mix, in addition to reaffirming guidance.
- Turning to the top absolute detractors, both SAP and RELX continued to suffer from negative investor sentiment driven by AI disruption fears, which we believe are overstated. SAP was also impacted by third quarter results, which indicated slower-than-expected cloud growth, margin pressure and a continued drag on profits from the transition to cloud-based revenues in the near term.
- Additionally, Microsoft was caught in a broad sell-off across high-multiple technology names as investors took profits. Keyence continued to suffer from tariff headwinds and weakness in Europe, which offset second quarter organic growth momentum in the Americas and Asia.
- Zoetis was an outlier from the broader healthcare rally, Zoetis’ share price fell in November due to disappointing Q3 results indicating slowing organic growth and a sharp cut to full-year guidance. The slowdown was driven by a decline in vet clinic visits in the U.S., ongoing controversy and falling sales for Librela (the company’s pain relief drug for dogs), and the advent of similar offerings in dermatology and parasiticides which although not visibly stronger franchises, signalled budding competition.

While these headwinds pressured near-term growth and raised concerns about sustaining market share, Zoetis maintains a promising product pipeline and the long-term outlook for the animal health space is positive.

- In terms of relative performance, the Portfolio’s overweight to Health Care and Consumer Staples showed up as a positive effect and while we saw a positive contribution within Communication Services from owning Alphabet, Health Care and Industrials both had negative stock selection.
- Health Care was affected by the lack of exposure to large-cap Pharmaceuticals (up 13% in the month (USD)), while within Industrials data-rich Professional Services names such as RELX and Experian continued to be affected by AI disruption fears, alongside much of Software, fears that we see as unfounded.

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Outlook (MSIM Market View)

Recent months have highlighted a dynamic tension within global equity markets, with optimism that AI will drive a visible transformation in corporate profitability and potentially accelerate the U.S. economy, but also growing scepticism that these high expectations will be fully realised in the near term.

November provided early indications of this shift, as investors rotated out of some of the best-performing cyclical sectors and into more traditionally defensive areas.

Amid elevated valuations and uncertainty, the underperformance of quality equities has reached levels last seen during the dot-com era. Historically, such periods have often been followed by a meaningful resurgence in quality stocks, both in absolute terms and relative to the broader market.

The portfolio is positioned to deliver resilient topline growth well ahead of the market, with compelling quality metrics and a significant free cash flow discount to the market at a level not seen in the past decade.

As the current cycle matures, portfolios built around companies with resilient earnings, strong brands, and pricing power are well positioned to benefit from a return to fundamentals. History suggests that such environments offer attractive opportunities for active management and for investors committed to quality.

In an environment of high valuations and uncertainty, our strategy focuses on companies capable of sustained earnings per share growth. Our portfolio is set to deliver resilient topline growth well above that of the index and is available at a significant free cash flow discount to the market, to an extent not seen over the last decade, making it a very attractive proposition, particularly in relative terms.

Notes

- A. Source: Trucost. 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.

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