Salt Select Global Fixed Income Fund Fact Sheet – October 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.

Fund Name Change

As of 13 June, the Salt Sustainable Global Fixed Income Opportunities Fund was renamed the **Salt Select Global Fixed Income 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

The primary objective of the Fund is to target and generate an attractive rate of return over a full three-to-five-year market cycle. To achieve this, the Fund targets a portfolio of global fixed income securities with enhanced total return potential and superior sustainability characteristics.

The objectives of this top-down selection process are to:
1. Reduce exposure to material ESG risk and negative sustainability impacts, through restriction screening of controversial sectors such as weapons, tobacco and some fossil fuels, as well as international norms violations;
2. Tilt the portfolio in favour of the 80% strongest sustainability performers across corporates, by sub- sector, and sovereigns; and
3. Contribute to positive outcomes based on key sustainability themes, with a particular focus on low carbon intensity.

The Fund will invest at least 50% in investment grade bonds, and a minimum of 15% in sustainable bonds. The fund targets its returns to be 100% hedged to the New Zealand dollar.

Fund Facts at 31 October 2025

Benchmark for ESG purposes only	Bloomberg Global Aggregate Index (NZD hedged)
Fund Assets	$194.79 million
Inception Date	10 February 2023
Underlying Manager	Morgan Stanley Investment Management
Average credit rating	Standard & Poor's A- / Moody's Baa1
Effective Duration	3.73 years

Unit Price at 31 October 2025

Application	1.0837
Redemption	1.0825

Fund Allocation at 31 October 2025

Global fixed income securities	98.5%
Cash, FX, short term & sundry	1.5%

Fund Performance at 31 October 2025

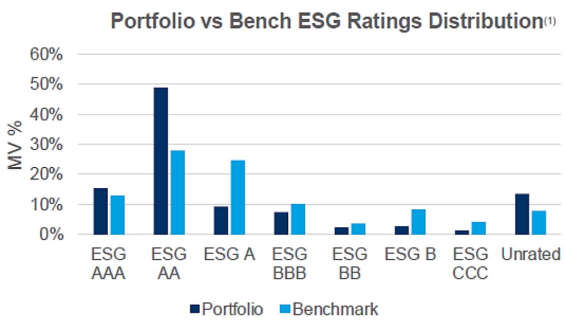
Period	Fund Return (Gross incl. ICs)
1 month	0.57%
3 month	2.34%
6 month	3.88%
1 year	6.80%
2 years p.a.	7.96%
Since inception p.a.	6.12%

Performance is gross of fees and tax. Data as of 31 October 2025.

Sustainability scoring and Emissions intensity

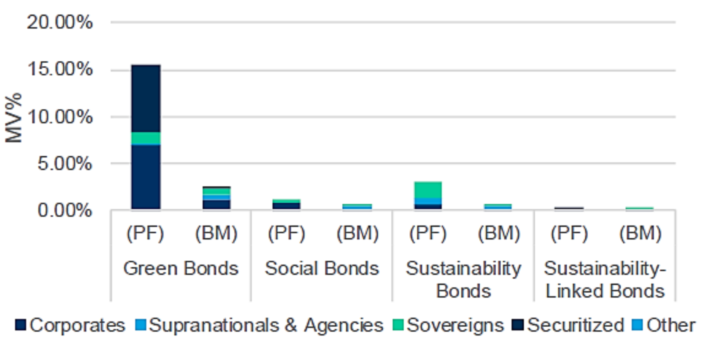
Fund ESG Dashboard	Port.	Agg	Fund YTD change
In-House ESG Research coverage (% Market Value)	75.3%	76.0%	-10.79%
Green, plus Social, Sustainability and Sustainability-linked bonds	20.1%	3.9%	-16.6%
Sustainable SBTi approved / committed targets	27.6%	38.6%	-23.05%
CO_2 Footprint Scope 1&2 (tCO_2e/$mn emission intensity)	62	195	-9.56%
CO_2 Footprint Scope 3 (tCO_2e/$mn emission intensity)	459	714	-8.7%
MSCI ESG Score (Adjusted)	6.83	6.02	-0.36
Negative Indicators			
- Red Flags	0.0%	0.1%	0.0%
- CCC MSCI Rated	1.2%	4.2%	0.0%

Source: MISM Monthly Investment Report/ MSCI ESG Research at 31 Oct. 2025

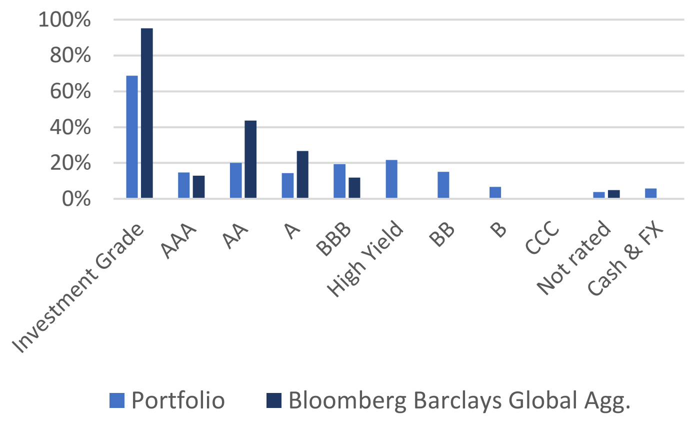


31.Oct. 2025

Portfolio labelled bonds exposures by type



Fund credit ratings vs. Bloomberg Barclays Global Agg.



Source for charts: MISM as at 31 October 2025

Portfolio Review

- In the one-month period ending 31 October 2025, the portfolio returned 0.57% (before tax & fees.) October's performance was primarily driven by macro decisions along with the portfolio's positioning within spread sectors.:
- Higher risk-free rates continued to benefit performance.
- Stability in policy rates reinforced the value of euro-zone duration, as the ECB held rates steady at 2% and the market is pricing less than a cut by the end of next year. In the U.S., Treasury yields declined modestly across the curve on softer inflation and labour data. While curve-steepening positions detracted amid persistent flattening, longer-duration exposures benefited from falling real yields and markets pricing in FED policy easing in early 2026.
- Macro detracted modestly, as the Fund's short USD position versus a diversified currency basket underperformed amid dollar strength. A stronger U.S. growth pulse and hawkish Fed tone tempered rate-cut expectations, lifting the dollar.
- Hard currency government debt spreads had a small positive impact on performance amid supportive risk sentiment.

Spread sector exposures

- The portfolio's investment-grade corporates and covered bonds contributed to performance from tightening spreads and resilient fundamentals, though gains were offset by detraction in high-yield.
- Long positions within securitized sectors also contributed, led by non-agency RMBS exposure.

Strategy changes

- Overall, duration exposure decreased by 0.26 years, closing at 3.73 years. This was mainly because the portfolio decreased its duration position to U.S. and Euro. This was slightly offset by an increase in New Zealand duration.
- The portfolio's securitized exposure was reduced over the month mainly due to paydowns. The team is actively looking to maintain these positions.
- The Fund marginally trimmed its short USD exposure to ~4% by closing the long DM FX positions and the long CZK. The portfolio maintained a diversified basket of EM currencies to continue to benefit from EM strength.

Market Review and Outlook:

Data Vacuum Defines October; Fed Cuts Amid Uncertainty

The U.S. government shutdown created a historic data gap, leaving markets and policymakers flying half-blind. The Fed still delivered its second 25bp cut, though Chair Powell's cautious tone cooled expectations for further near-term easing as the Treasury curve flattened modestly.

Developed Markets Steady; Policy Divergence Widens

Global yields were little changed as early risk-on sentiment faded post-FOMC. The U.S. curve steepened, while the ECB, BoE, and BoC held policy steady amid softer data. France's downgrade and UK gilt outperformance highlighted regional contrasts; Japan's new LDP leadership fuelled brief volatility before stabilizing.

Emerging Markets Gain Across Hard and Local Currency Debt

EM debt posted positive returns, supported by tighter spreads and local-currency strength in Chile, Indonesia, Peru, and South Africa. Inflows remained robust at $4.6bn for the month, while Argentina's elections and a U.S.–China trade truce helped stabilize sentiment.

Corporate Credit Mixed; Earnings Resilient but Supply Heavy

Investment grade spreads were marginally wider as U.S. issuance surged on AI- and capex-driven supply, while Europe outperformed. High yield softened amid volatility and growing consumer concerns, though earnings remained broadly solid. Convertibles continued to benefit from the AI theme, with issuance hitting record levels.

Securitized and Municipals Outperform Amid Strong Technicals

Agency MBS and securitized credit tightened modestly, outperforming corporates as fundamentals stayed firm. Residential credit led gains while ABS and CMBS held steady. Taxable municipals advanced 1.08%, supported by light supply, stable credit, and persistent institutional demand.

Fixed Income Outlook

Following the Fed's second consecutive 25bp rate cut in October, global fixed income markets are transitioning into a more uncertain phase. Chair Powell's hawkish tone tempered expectations for additional near-term easing, and with the U.S. government shutdown delaying key economic releases, visibility into growth and inflation trends remains limited. The Fed—and markets—are now navigating with partial information, heightening the potential for short-term volatility and reinforcing the need for flexibility and selectivity across portfolios.

Globally, most developed bond markets have adopted a more dovish bias in line with the U.S., while Japan remains on a gradual tightening path. The UK outperformed on improving fiscal credibility and softer data, and euro area yields moved lower as the ECB maintained a steady policy stance. Canada's 25bp rate cut aligned it with the broader easing cycle, though officials signalled a pause ahead. These diverging policy paths support maintaining a neutral duration stance overall, with selective curve-steepening positions and regional relative-value opportunities, particularly in Australia and Canada.

Credit markets continue to benefit from resilient fundamentals, though tight valuations and increased issuance argue for a selective approach. Investment grade credit offers stable carry and limited downgrade risk, while high yield valuations remain demanding but supported by strong earnings.

Securitized products remain attractive given solid collateral performance and favourable technicals—especially in agency MBS and residential mortgage credit—though caution is warranted in consumer ABS and certain CMBS subsectors. Emerging markets retain an appealing combination of high real yields and reform-driven momentum, while country-level differentiation will remain key.

Taxable municipals continue to offer a compelling yield premium over Treasuries and corporates, supported by light supply and healthy institutional demand. Bank loans offer attractive income despite tight spreads, supported by strong CLO demand and limited new supply, though price appreciation may be capped near intrinsic value and volatility remains elevated amid macro uncertainty.

Overall, carry and income generation should remain the dominant drivers of fixed income performance through year-end. With policy visibility constrained and spreads near historical averages, disciplined security selection, sector diversification, and a focus on quality will be essential as investors navigate the closing months of the cycle and the transition toward 2026.