

SALT

Salt Core NZ Shares 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.

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 October 2025

Benchmark	S&P/NZX 50 Gross Index
Fund Assets	\$98 million
Inception Date	1 December 2020
Portfolio Manager	Paul Harrison

Unit Price at 31 October 2025

Application	1.0083
Redemption	1.0042

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 October 2025

NZ shares	94.62%
Australian Shares	2.92%
Cash or cash equivalents	2.46%

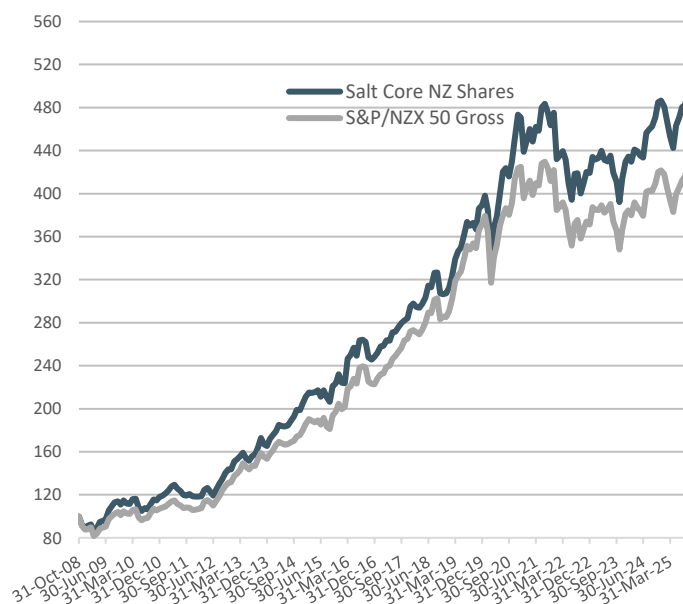
Fund Performance to 31 October 2025

Period	Fund Return*	Benchmark Return
1 month	1.56%	1.93%
3 months	4.94%	5.65%
6 months	13.94%	13.82%
1 year	7.09%	7.20%
2 years p.a.	13.41%	12.23%
3 years p.a.	7.17%	6.12%
5 years p.a.	3.25%	2.32%
7 years p.a.	7.33%	6.44%
10 years p.a.	8.60%	8.51%
Inception p.a.	9.93%	9.04%

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 October 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
ANZ Group	Meridian Energy
Freightways Group	The a2 Milk Company
Ebos Group	Chorus Networks
Mercury NZ	Skellerup Holdings
Heartland Group Holdings	Westpac

SALT FUNDS MANAGEMENT

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Equities Market Commentary

October saw developed market equities rise +2.8% (in USD terms), but the global aggregate bond index fell -0.3% (in USD). Highlights were fluctuating trade tensions with China, a strong overall US corporate earnings season, and the Fed eased by 25bp, taking the Fed funds rate target to 3.75-4.00%. There is an ongoing debate in the US regarding the relative risks between ongoing inflation and the weakening labour market. The decision had dissenters on both sides, and the Chair stated that further cuts were far from a foregone conclusion.

The ECB left rates unchanged and will remain on hold pending further data. Japan's new Prime Minister, Sanae Takaichi is a firm supporter of the reflationary principles of "Abenomics". China's GDP data is coming in better than expected, putting the government's goal of growth "close to 5%" in reach. The star emerging market performer was Argentina with a 64% gain following the overwhelming victory of President Milei's party in the mid-term election.

Australia had a soft September unemployment rate rising to a cycle-high of 4.5% but that was overwhelmed later in the month by a much higher CPI print than expected. The RBA now looks to be on hold at 3.6%. The RBNZ cut the OCR by 50bp to 2.5%. Markets are pricing in a further 25bp cut in November and around a c40% chance of another one in February. Activity data is gradually improving, and remaining inflation drivers are concentrated (e.g. council rates) rather than broad-based. The NZ equity benchmark return of +1.9% in the month was well ahead of Australia's +0.4%.

Salt Core NZ Shares Fund Commentary

Trans-Tasman equity markets continued to strengthen in October, with the NZ50 Gross index gaining +1.9% and the ASX200 accumulation index up +0.4%. The mid-sized NZXMidCap Index names again led the index higher in New Zealand, returning +2.7% vs the large cap NZX 10 index rise of +1.5%. The Fund underperformed the benchmark with a +1.56% return.

ANZ (+10.3%) contributed strongly to relative performance in the month after the bank provided a positive update around expected synergies of \$500m post the integration of Suncorp Bank and estimated cost savings across the bank of a further \$800m.

Cyclical names performed well for the Fund this month post the RBNZ 0.50% interest rate cut. This included Fund overweight Freightways (+7.4%), which reported a pleasing 1Q trading

update with group revenue +8.6%. The outsized rate cut also lifted another of the Fund's positions NZX (+15.1%). The rush for cyclicals pushed the retirement village companies Oceania (+14.5%), Ryman (+10.4%) and Summerset (+8.6%) higher as investors speculated on rising house prices benefiting the three operators. The Fund is underweight this sector with the view that house price recovery will be anaemic and valuations already price in optimistic scenarios. Other notable strong movers not held by the Fund and reflecting the rush for cyclical exposure were Sky TV (+15.1%), Steel & Tube (+9.2%) and Sky City (+10.6%).

After being the star sector in previous months, the listed property sector underperformed in October, weighed down by a \$310m capital raise by Precinct (-6.1%) to reduce bank debt and fund working capital requirements. Investors took this as a "take profits" signal, with concerns for other potential property sector capital raises.

In Australia, CSL (-9.9%) disappointed the market at their AGM after providing updated FY26 guidance below market expectations, as vaccination rates in the US continue to decline, leading to lower earnings in their Seqirus division. Woolworths (+6.4%) added to the Fund's performance in the month after they reported 1Q sales that showed early signs of gaining back lost share from competitors.

During the month, the Fund reduced its holdings in Ryman, Vector and Genesis Energy. The Fund continued to accumulate Heartland Bank and NZX. In Australia, the Fund added Woolworths and ResMed.



Paul Harrison, MBA, CA