Salt Sustainable Global Listed Infrastructure Fund Fact Sheet – January 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. Salt examines investments for their environmental and social impact as well as the quality of their governance.

Investment Strategy

The Fund's investment objective is to outperform (after fees and expenses but before NZ tax) the total return of its benchmark, the FTSE Global Core Infrastructure 50/50 Net Tax Index on a rolling three-year basis. The Fund targets a portfolio of global infrastructure companies with sustainable total return potential and superior Environmental, Social and Governance (ESG) credentials and factor scores with respect to the benchmark index.

Fund Facts at 31 January 2025

Benchmark	FTSE Global Core Infrastructure 50/50 Net Tax Index
Fund Assets	$90.23 million
Inception Date	18 August 2021
Underlying Manager	Cohen & Steers

Unit Price at 31 January 2025

Application	1.0576
Redemption	1.0533

Investment Guidelines

The guidelines for the Sustainable Global Listed Infrastructure Fund are:

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

Target investment Mix

The target investment mix for the Global Sustainable Listed Infrastructure Fund is:

Global equities	100%

Fund Allocation at 31 January 2025

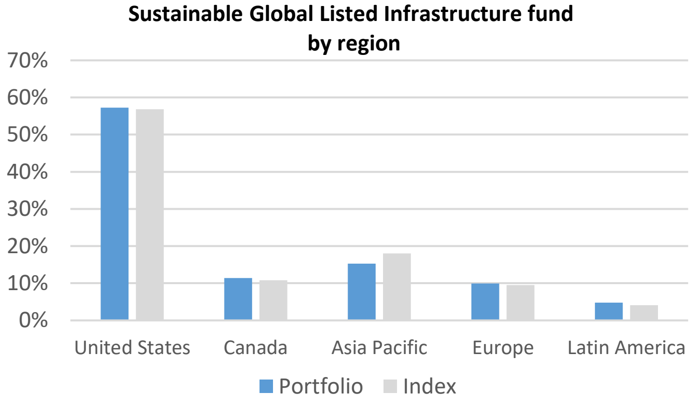
Global equities	98.6%
Cash & short-term	1.4%

Fund Performance to 31 January 2025

Period	Fund Return	Benchmark Return
1 month	0.29%	0.65%
3 month	-1.96%	-1.48%
6 month	3.56%	2.30%
1 year	19.18%	15.63%
2 years p.a.	7.45%	6.02%
3 years p.a.	6.05%	4.10%
Since inception p.a.	6.20%	4.06%

Performance is before fees and PIE tax and adjusted for imputation credits. Benchmark performance is gross.

Fund regional weightings as at 31 January 2025*



Source: Cohen & Steers *data to 31 Jan. 2025

Top 10 holdings	sector		sector
NextEra Energy	Electric	American Tower	Towers
TC Energy	Midstream	CSX	Freight Rail
Union Pacific	Freight Rail	American Electric Power Company	Electric
The Williams Companies	Midstream	Pembina Pipeline	Midstream
NiSource	Gas Distr.	Canadian National Railway	Freight Rail

The fund's top 10 holdings comprise 35.84% of the portfolio.
Source: Cohen & Steers Monthly Investment Report, 31 January 2025

Sustainability metrics

Fund ESG Scores	Portfolio	Index
Cohen & Steers ESG score	6.67	6.40
MSCI ESG score	6.32	6.28

Source: Cohen & Steers Investment Report, 31 January 2025

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Market Review

The Salt Sustainable Global Infrastructure Fund gained slightly in January as more defensive global equities moved into focus for investors. After a period of lower yields, concerns about the U.S. deficit's future path and inflation returned, pressing bond yields higher. This has recently constrained real asset class performance.

- It was a strong start to 2025 for developed market equities with a rise of 3.6% (in USD), led by Europe. Bond yields were volatile over the month with the global aggregate index eking out a +0.6% return (in USD) on tighter credit spreads.
- The return of Donald Trump to the White House and his "America First" agenda was positive for US equities, but the policy detail of tax cuts, immigration curbs and tariffs fuelled expectations of higher US inflation in the period ahead, pushing up sovereign yields.
- The emergence of the Chinese artificial intelligence company DeepSeek challenged the already stretched valuations of the US technology sector. Market concentration in the US tech sector is at record levels and is vulnerable to disruption or earnings disappointment.
- Europe's equity market outperformance over the month was aided by better economic data with the composite Purchasing Managers' Index (PMI) nudging into positive territory at 50.2 in January. The market was also helped by its lower exposure to technology. The European Central Bank cut the deposit rate 25bp to 2.75% at the end of the month.
- The Bank of Japan raised interest rates by 25bp to 0.5% at its January meeting. This reflects the Bank's growing confidence of sustained increases in wages and core inflation. Further interest rate increases appear likely.
- China saw more positive economic news over the month, suggesting past stimulus measures are having an impact. We also attribute some of the better manufacturing data to the front loading of exports to the US ahead of tariffs being imposed, which may not be sustained. Indications are that tariffs on China may be less aggressive than suggested prior to the US election.
- In Australia, better than expected inflation data has opened the door to first interest rate cut by the Reserve Bank of Australia in February. The interest rate cutting cycle appears likely to be short and shallow, especially given the ongoing tightness in the labour market.
- Activity data was mixed in New Zealand over the month, but on balance supportive of a bottoming out of the recent sharp decline in aggregate activity. Developments have been broadly in line with RBNZ projections, thereby providing nothing to dissuade the Bank from proceeding with the already flagged 50bp cut in the Official Cash Rate at its next meeting in February.

Portfolio Review January 2025

Global equities and listed infrastructure both advanced in January despite increased market volatility and heightened geopolitical tensions. Continued signs of economic resilience and encouraging GDP data—which edged into expansionary territory, particularly in the U.S. and Europe—boosted stocks. A solid start to corporate earnings season was also supportive.

Bond yields were somewhat choppy but ended the month little changed, and inflation remained in check. Late in the month, the announcement of DeepSeek, a potentially disruptive new AI entrant from China, roiled the tech sector. Concern about trade tariffs also negatively affected certain markets.

Commercial infrastructure sectors varied widely. **Railways** was the top-performing sector in January, rebounding strongly on reports of encouraging earnings and an improved outlook for freight rail traffic. Midstream energy also outperformed, bolstered by a favourable environment for conventional energy and continued investor optimism around the potential increase in gas demand due to rapid power demand growth from data centres.

Conversely, **marine ports** was the weakest-performing sector in the month, hampered by uncertainty around tariffs and macroeconomic weakness in India.

Passenger transportation–related sectors posted positive returns. Airports outperformed, although there was wide dispersion within the group (caused by country-specific factors). Toll roads advanced but underperformed the broader asset class. Shares of an Australia-based company—the dominant index constituent—rose modestly on the prospect that the government's soon-to-be-released rate review would not be as detrimental as once feared.

Regulated utilities and communications underperformed in the current higher-for-longer interest rate environment. Additionally, the spectre of potential liability exposure resulting from the devastating California wildfires, along with the turbulence in AI-related stocks caused by the DeepSeek announcement, weighed on the performance of certain companies in the electric utilities and gas distribution sectors.

Portfolio performance

The portfolio had a positive total return for the January month but underperformed its benchmark.

Key contributors

• Stock selection in gas distribution: Relative performance was helped by our lack of exposure to a Southern California– based hybrid gas distribution and electric utility that pulled back in January. Investors worried about the potential long-term impact of the catastrophic Los Angeles–area wildfires on the liability framework for utilities across the state.

• Stock selection in marine ports: Lack of exposure to an underperforming India-based port operator contributed to relative performance. The Indian market has been weak, and investors shifted their focus to other regions, including China, where the economic outlook appears more promising. However, the positive effect of the selection in marine ports was partially offset by an adverse overweight allocation in the sector.

• Out-of-index allocation in environmental services: Out-of-index positions in two outperforming waste management companies boosted relative performance. Investors favoured waste management companies in the current uncertain market environment, largely due to the industry's strong pricing power and resilient business characteristics.

Key detractors

• Stock selection and underweight allocation in railways: Not owning an outperforming Canada-based freight railway hurt relative returns. The company's fourth-quarter earnings release came in ahead of consensus expectations; it reported strong profit growth, driven in large part by efficiency gains, as it continued to capture operational synergies from its 2023 merger with a large U.S.-based railway. Additionally, an underweight sector allocation was detrimental, as railways was the strongest-performing sector in the asset class for the month.

• Stock selection in electric utilities: An overweight position in a Northern California–based electric utility detracted. Although the company's service area was not affected directly by the recent Los Angeles wildfires, the stock pulled back, as investors worried that payouts to the involved utilities would deplete the future funds available in the shared reparations pool.

• Stock selection in midstream energy: An out-of-index position in a U.S.-based exporter of liquid natural gas weighed on relative performance. The company's recent IPO performed below expectations, but we believe its longer-term potential remains attractive.

Investment Outlook (Cohen & Steers commentary)

We seek to maintain a generally balanced portfolio. We view the current environment of stabilizing growth as supportive, but we are also mindful of potentially reaccelerating inflation, particularly given the new U.S. presidential administration.

We favour higher-quality businesses that we believe can perform relatively well in an economy emerging from a period of slowing growth.

We also believe that we are at a positive inflection point for power demand, as we see an increasingly important relationship between power generation, grid reliability and rapid data centre growth.

The need for electric and gas infrastructure to support data centre demand is expected to drive significant investment opportunities within the asset class. However, we are also closely monitoring customer affordability.

As active investors, we believe we are well positioned to identify and take advantage of the diverse investment opportunities presented by the current heightened level of macro uncertainty. We are aware that increased dispersion in economic conditions and outlook trajectories may result from country-specific policy actions; meanwhile, we also remain focused on underlying fundamentals.