Salt Sustainable Global Listed Infrastructure Fund Fact Sheet – February 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 28 February 2025

Benchmark	FTSE Global Core Infrastructure 50/50 Net Tax Index
Fund Assets	$93.22 million
Inception Date	18 August 2021
Underlying Manager	Cohen & Steers

Unit Price at 28 February 2025

Application	1.0832
Redemption	1.0788

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 28 February 2025

Global equities	97.7%
Cash & short-term	2.3%

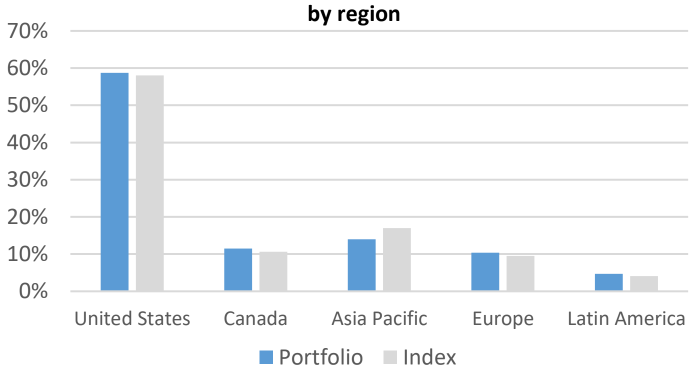
Fund Performance to 28 February 2025

Period	Fund Return	Benchmark Return
1 month	2.53%	1.78%
3 month	-2.50%	-2.86%
6 month	2.84%	1.18%
1 year	19.67%	16.43%
2 years p.a.	10.67%	9.10%
3 years p.a.	7.14%	4.98%
Since inception p.a.	6.81%	4.49%

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

Fund regional weightings as at 28 February 2025*

Sustainable Global Listed Infrastructure fund by region



Source: Cohen & Steers *data to 28 Feb. 2025

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

The fund's top 10 holdings comprise 37.72% of the portfolio.
Source: Cohen & Steers Monthly Investment Report, 28 February 2025

Sustainability metrics

Fund ESG Scores	Portfolio	Index
Cohen & Steers ESG score	6.64	6.41
MSCI ESG score	6.31	6.30

Source: Cohen & Steers Investment Report, 28 February 2025

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Market Review

The Salt Sustainable Global Infrastructure Fund gained in February as more defensive global equities moved into focus for investors. Listed infrastructure advanced and outperformed broader global equities, which pulled back in February. Concern about increasing risks to economic growth and heightened volatility amid the uncertainty of possible tariffs and other policy changes weighed on U.S. markets.

- After a strong start to the year, equity markets lost their momentum in February. Uncertainty about the Trump policy agenda and re-emergent concerns about US growth was the key negative catalyst. The weak US market performance saw developed market equities down -0.7% over the month (in USD).
- Global bonds benefitted from the weaker growth sentiment despite the broader concern that tariffs would lead to higher inflation. We think there was also a geo-political "flight to safety" element in the stronger bond market performance. Treasury yields fell over the month, helping the global aggregate bond index to a +1.4% return (in USD).
- US consumer and business sentiment surveys weakened over the month. A survey of consumer confidence saw its biggest decline since August 2021 as inflation expectations spiked sharply higher. That will be of concern to the US Federal Reserve. Weaker Purchasing Manager Index (PMI) data has raised the risk of firms pulling back on or delaying hiring and investment intentions.
- European equities reacted positively to the prospects of a ceasefire in Ukraine. Defence stocks benefitted from a renewed focus on defence spending. Weak growth and favourable inflation data points to further easing in monetary conditions.
- Japan's GDP expanded at an annualised rate of 2.8% in the December 2024 quarter, significantly exceeding consensus analyst estimates and marking the third straight quarter of expansion. Stronger growth and rising inflation reinforce expectations of further interest rate increases ahead.
- Activity data in China continues to improve, though we think much of this improvement is due to manufacturing exporters front-running US tariffs. A more sustained improvement is still required, and we continue to believe that further consumption-focussed stimulus is required.
- The Reserve Bank of Australia cut interest rates for the first time in February, reducing the cash rate 25bp to 4.1%. The accompanying Statement was hawkish, pushing back on expectations of more to come, at least automatically. The RBA's caution was driven by the fact that while inflation has fallen faster than expected, the labour market remains tight at levels well beyond estimated full employment. We are expecting a short, shallow cutting cycle with probably one or at most two 25bp cuts to come.

Portfolio Review February 2025

Global listed infrastructure advanced in February despite increased market volatility and heightened geopolitical tensions.

Despite generally solid corporate earnings, slower growth expectations weakened investor sentiment, and the 10-year U.S. Treasury yield declined. As a result, more rate-sensitive sectors within listed infrastructure outperformed.

Communications and most regulated utilities rose, supported by lower interest rates and investors' shift to more defensive sectors. Communications posted the strongest gains, as tower companies benefited from the downward move in interest rates.

Rate-sensitive water utilities and electric utilities similarly outperformed, with further support provided by healthy earnings reports. Conversely, gas distribution underperformed, as a U.S.-based hybrid utility—the largest constituent in the sector—provided weak financial guidance.

Commercial infrastructure sectors varied widely. Midstream energy outperformed, boosted by the ongoing increase in gas demand to support the rapid growth in data centres.

Repeated fluctuations in tariff policies adversely affected both marine ports and railways. Weakness in Indian markets also hampered the largest index constituent in the marine ports subsector.

Passenger transportation–related sectors underperformed. Negative earnings reports weighed on performance in the airports sector, although there was wide dispersion within the group caused by country-specific factors. Toll roads posted a slight decline, as shares of an Australia-based company—the dominant sector constituent—fell modestly.

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 February month and outperformed its benchmark.

Key contributors

• Stock selection in gas distribution: Relative performance was helped by our lack of exposure to an underperforming California-based hybrid gas and electric utility. Shares declined sharply after the firm released disappointing 2025 earnings guidance and signalled that future earnings may also be below market expectations.

Additionally, a substantial overweight position in an outperforming Indiana-based utility contributed. The company continued to benefit from expected higher industrial and commercial power demand related to data centre operations in its service area.

• Security selection in electric utilities: Contributors included an overweight in a Louisiana-based company that raised its 2025–28 guidance after signing a large load agreement with an undisclosed customer, its third such deal in recent months.

• Stock selection in communications: An overweight position in a Luxembourg-based satellite telecommunications company that is a key player in C-band spectrum aided relative performance. Shares surged after the newly appointed head of the U.S. Federal Communications Commission (FCC) announced the government's interest in holding another auction in the near term for the higher end of the C-band spectrum.

The auction could substantially benefit the company, since it currently has over 100 MHz of available C-band spectrum capacity. The recent share price performance also reflected (i) improving growth prospects for the government business, in light of Europe's increased focus on defence spending, and (ii) FY24 results that came in above guidance.

Key detractors

• Stock selection in airports: An overweight investment in a Thailand-based airport operator hurt relative performance. Investors punished the shares after the company announced a reduced cash flow outlook due to the need to grant additional concessions to its largest non-airline customer, a duty-free operator.

• Stock selection in midstream energy: An out-of-index position in a U.S.-based exporter of liquefied natural gas detracted from relative performance. The increased likelihood of a ceasefire between Ukraine and Russia was a headwind for the stock, as the company could face a decrease in future European demand for its natural gas exports should trade with Russia resume. Increased competition could also result in lower natural gas prices.

• Out-of-index allocation in environmental services: An out-of-index holding in an Australia-based waste management company detracted. The shares pulled backed after the company announced half-year financial results that were below market expectations citing a challenging market environment.

Investment Outlook (Cohen & Steers commentary)

We seek to maintain a generally balanced portfolio in the current turbulent market environment and elevated level of geopolitical tension and volatility. Given the many global crosscurrents, we favour higher-quality businesses that we believe can perform relatively well in this challenging growth environment.

We 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 also believe we are well positioned to identify and take advantage of the diverse investment opportunities presented by the heightened level of macro uncertainty. We are evaluating the increasingly wide range of economic conditions, currency fluctuations, rate outlooks and growth trajectories that may result from country-specific policy actions, while we also remain focused on underlying fundamentals.