



CarbonFund

Quarterly Fund Update: Carbon Fund – 30 June 2019

This fund update was first made publicly available on 2 August 2019

What is the purpose of this update?

This document tells you how the Carbon Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. Salt Investment Funds Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

Description of this fund

The Carbon Fund’s investment objective is to provide investors with a total return exposure to movements in the price of carbon credits. The Fund has the ability to buy carbon credits in emissions trading schemes in New Zealand and offshore. As a result, the Fund may also provide exposure to the price of carbon offshore.

Total value of the fund	1,531,091
The date the fund started	8 November 2018
Number of investors in the fund	96

What are the risks of investing?

Risk indicator for the Carbon Fund



The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund’s assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at www.sorted.org.nz/tools/investor-kickstarter.

Note that even the lowest category does not mean a risk-free investment, and there are other risks that are not captured by this rating.

This risk indicator is not a guarantee of a fund’s future performance. The risk indicator is based on the returns data of New Zealand carbon credits for a five-year period to 30 September 2018. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.

See the product disclosure statement (PDS) for more information about the risks associated with investing in this fund.

How has the fund performed?

Past year to 30 June 2019

Annual return (after deductions for charges and tax)	Not applicable
Annual return (after deductions for charges but before tax)	Not applicable
Market index annual return (reflects no deduction for charges and tax)	Not applicable

There is no appropriate market index and no suitable peer group index against which to assess the performance of the fund. For more information about the market index see the offer register at www.business.govt.nz/disclose.

What fees are investors charged

Investors in the Carbon Fund are charged fund charges. In the period since inception to 31 March 2019, these were:

	% of net asset value
Total fund charges Which are made up of:	0.96%
Total management and administration charges Including:	0.96%
Manager’s basic fee	0.96%
Other management and administration charges	0.00%
Total performance-based fees	0.00%

See the PDS on the offer register at www.business.govt.nz/disclose for more information about those fees.

Example of how this applies to an investor

Small differences in fees and charges can have a big impact on your investment over the long term.

Sam had \$10,000 in the fund at the date the fund started and did not make any further contributions. At the end of the year, Sam incurred a loss after fund charges were deducted of \$577 (that is -5.77% of his initial \$10,000). Sam did not pay any other charges. This gives Sam a total loss after tax of \$577 for the year.

SALT FUNDS MANAGEMENT

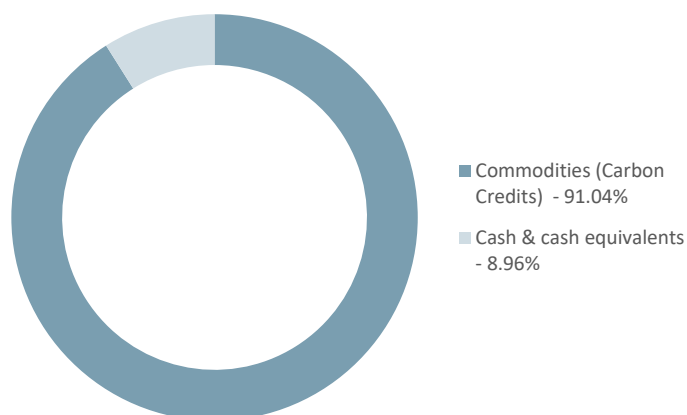
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What does this fund invest in?

This shows the types of assets that the fund invests in.

Actual investment mix



Target investment mix

Commodities (Carbon Credits)	98%
Cash	2%

Top 10 investments

Name	% of Fund Net Assets	Type	Country
Carbon Credits - NZ Emissions Trading Scheme	91.04%	Commodities	NZ
Cash (NZD)	8.96 %	Cash & Cash Equivalents	NZ

The top 10 investments make up 100% of the net asset value of the fund.

Key personnel

Matthew Goodson	
Current position	Managing Director
Time in position	6 years & 1 month
Previous position	Portfolio Manager at BT Funds Management (NZ) Limited
Time in position	4 years & 5 months

Paul Harrison	
Current position	Managing Director
Time in position	6 years & 1 month
Previous position	Portfolio Manager at BT Funds Management (NZ) Limited
Time in position	5 years

Paul Turnbull	
Current position	Chief Investment Officer
Time in position	1 month
Previous position	Research Analyst at Jarden
Time in position	6 years

Tristian Joll	
Current position	Senior Investment Analyst
Time in position	1 month
Previous position	Director, Equity Research at Jarden
Time in position	3 years

Michael Kenealy	
Current position	Investment Analyst
Time in position	5 years
Previous position	Investment Analyst at Solid Investments
Time in position	2 years & 2 months

Further information

You can also obtain this information, the PDS for the Carbon Fund, and some additional information from the offer register at www.business.govt.nz/disclose.