

## **Consolidated Establishment Deed**

Salt NZ Dividend Appreciation Fund

**Salt Investment Funds Limited**

**The New Zealand Guardian Trust Company  
Limited**

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**Deed** dated 10 February 2017

## **Parties**

- 1 **Salt Investment Funds Limited** at Auckland (**'Manager'**)
- 2 **The New Zealand Guardian Trust Company Limited** at Auckland (**'Supervisor'**)

## **Introduction**

- A The Manager and the Supervisor are parties to:
- a a master trust deed dated 16 April 2014, as amended and consolidated on 7 September 2016 and as amended from time to time (**'Trust Deed'**) which sets out the terms and conditions on which units in the managed investment scheme known as the Salt Investment Funds managed by the Manager (**'Scheme'**) are offered for subscription; and
  - b an Establishment Deed dated 16 April 2014 and amended and consolidated on 7 September 2016 (**'Existing Establishment Deed'**) for a fund within the Scheme known as the Salt New Zealand Dividend Appreciation Fund (**'Fund'**) which sets out the specific terms and conditions relating to the Fund (**'Fund Particulars'**).
- B The Supervisor is the trustee and supervisor, and the Manager is the manager, of the Scheme and the Fund.
- C Under clause 31.1 of the Trust Deed, the Supervisor and the Manager may at any time make any alteration, modification, variation, or addition (**'Amendment'**) to the provisions of the Existing Establishment Deed (by means of a deed executed by the Supervisor and the Manager) to the extent permitted by the FMCA.
- D Section 139(1)(a) of the FMCA permits an amendment to or a replacement of the Trust Deed or an Establishment Deed to be made with the consent of the Supervisor, which the Supervisor must not provide unless:
- a either:
    - i the amendment or replacement is approved by, or contingent on approval by, the Unit Holders; or
    - ii the Supervisor is satisfied that the amendment or replacement does not have a material adverse effect on the scheme participants; and
  - b the Supervisor certifies to that effect and certifies, or obtains a certificate from a lawyer, that the Trust Deed and Establishment Deeds for the Scheme, as amended or replaced, will comply with sections 135 to 137 of the FMCA on the basis set out in the certificate.
- E The Manager and the Supervisor wish to amend the Existing Establishment Deed by way of amendment and consolidation to amend the distribution policy for the Fund.
- F Prior to executing this Deed, the Supervisor obtained a certificate from a lawyer that the Trust Deed and Establishment Deeds for the Scheme, as amended by this Deed, will comply with sections 135 to 137 of the FMCA. By executing this Deed the Supervisor certifies that it is satisfied that the amendments to be made by this Deed do not have a material adverse effect on the Unit Holders.

## **Covenants**

In accordance with the powers of amendment contained in clause 31.1 of the Trust Deed, it is declared that with effect on and from the date of this Deed, the Existing Establishment Deed is amended and consolidated by substituting the provisions of the Existing Establishment Deed with all of the provisions of this Deed so that from that date the Fund will be operated, administered, and governed in accordance with the provisions of this Deed and the Trust Deed.

### **1 Interpretation**

1.1 In this Deed:

- a unless the context otherwise requires, words defined in the Trust Deed shall have the same meaning in this Deed;
- b clauses 1.2 to 1.5 of the Trust Deed shall apply to this Deed, with all necessary modifications; and
- c references to the Trust Deed means the Trust Deed as amended or supplemented from time to time.

### **2 Confirmation of Fund**

2.1 The Supervisor agrees to continue to act as trustee and supervisor for the Unit Holders of the Fund and to hold the Trust Fund in trust for those Unit Holders, upon and subject to the terms and conditions contained or implied in this Deed, the Trust Deed, and the Fund Particulars.

### **3 Fund Particulars**

3.1 The Fund Particulars for the Fund are set out in the Schedule to this Deed.

### **4 Counterparts**

4.1 This Deed may be executed in two or more counterpart copies each of which will be deemed an original and all of which together will constitute one and the same instrument. A party may enter into this Deed by signing a counterpart copy and sending it to the other parties (including by facsimile or email).

### **5 Delivery**

5.1 **Delivery of Deed**

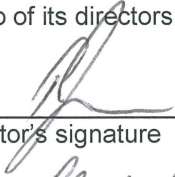
For the purposes of section 9 of the Property Law Act 2007 (and without limiting any other mode of delivery) this Deed will be delivered by each party on the earlier of:

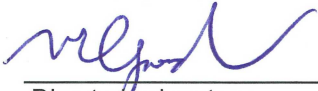
- a physical delivery of an original of this Deed, executed by the relevant party, into the custody of the other party or the other party's solicitors; or
- b transmission by the relevant party or its solicitors (or any other person authorised in writing by the relevant party) of a facsimile, photocopied or scanned copy of an original of this Deed, executed by the relevant party, to the other party or the other party's solicitors.

**Execution**


Executed and delivered as a deed

**Signed for Salt Investment Funds Limited**  
by two of its directors:

  
\_\_\_\_\_  
Director's signature  
PAUL HARRISON  
\_\_\_\_\_  
Director's name

  
\_\_\_\_\_  
Director's signature  
Matthew Goodson  
\_\_\_\_\_  
Director's name

Signed for and on behalf of  
**The New Zealand Guardian Trust Company Limited**  
by its authorised signatories in the presence of:

  
\_\_\_\_\_  
Authorised signatory

**MARK PATRICK JEPHSON**  
\_\_\_\_\_  
Name

  
\_\_\_\_\_  
Authorised signatory

**RICHARD SPONG**  
\_\_\_\_\_  
Name

**WITNESS TO BOTH SIGNATURES**

Full Name: Debra Gail Morton  
Residential Address: Auckland  
Occupation: Corporate Trusts Administrator  
Signature: \_\_\_\_\_

  
1165  
ACT 1164

Witness to both signatures: \_\_\_\_\_

Print name: \_\_\_\_\_

Occupation: \_\_\_\_\_

Address: \_\_\_\_\_

## Schedule 1 Fund particulars

**Name of Fund:** Salt NZ Dividend Appreciation Fund, or such other name as the Manager may determine from time to time.

**Authorised Investments:** The Authorised Investments for the Fund are:

- ordinary shares, ordinary units, stapled securities, preference shares, convertible and converting notes, warrants, options, rights and other securities in corporations listed on the NZX operated by NZX Limited ('NZX'), or dual-listed on the NZX and the Australian Securities Exchange ('ASX'), or if not then listed on the NZX or dual-listed on the NZX and ASX, is (in the reasonable opinion of the Manager) expected to be listed on the NZX or dual-listed on the NZX and ASX within one year (or such longer period as the Manager determines is reasonable from time to time whether generally or in relation to any particular category or case) from the date of purchase or subscription;
- derivatives (either exchange traded or over-the-counter) including but not limited to swaps, interest rate and forward rate contracts, forward foreign exchange contracts, options, and futures contracts;
- units and other prescribed interests in unit trusts, managed investment schemes (or funds within managed investment schemes) or other pooled funds that invest in the Investments referred to above, including (subject to clause 15 of the Trust Deed) managed investment schemes (or funds within managed investment schemes) or unit trusts managed by the Manager or an Associated Person of the Manager; irrespective of whether the scheme, trust or fund is listed on the NZX or dual-listed on the NZX and ASX;
- cash or cash equivalent securities;
- sub-underwriting arrangements in respect of shares only that will be listed on an exchange managed or administered by the NZX or ASX; and
- any other investment, right, interest, obligation or property of any nature nominated by the Manager and approved by the Supervisor from time to time.

**Investment strategy:** The Fund targets a portfolio of shares of New Zealand companies that may, in the Manager's opinion, pay high and sustainable dividends.

**Frequency of Valuation Days:** Valuation Days for the Fund will occur each Business Day, or on any other day whether periodical or otherwise specified by the Manager in writing to the Supervisor from time to time:

**Effective Valuation Day for the issue of Units:**

Valid applications received by the Manager:

- a before 1.00 pm on a Valuation Day will be processed at the Unit Value applicable to that Valuation Day; or
- b on or after 1.00 pm will be processed using the Unit Value applicable to the next Valuation Day,

unless the Manager considers it necessary or desirable to defer processing of that application until a subsequent Valuation Day.

The Unit Value applicable to a Valuation Day will be determined using the Market Values of the Fund's Investments on that Valuation Day.

**Period for processing withdrawals:**

Withdrawals will become effective and be processed as soon as possible following receipt by the Manager of a valid Withdrawal Notice in the prescribed form, and in any case will be processed within 10 Business Days of receipt of that Withdrawal Notice.

Valid Withdrawal Notices received by the Manager:

- a on a Valuation Day before 1.00 pm will be processed at the Unit Value applicable to that Valuation Day; or
- b on a Valuation Day on or after 1.00 pm will be processed at the Unit Value applicable to the following Valuation Day,

unless in the opinion of the Manager it is not practical or desirable to calculate the Withdrawal Amount on that Valuation Day by reason of any of the circumstances set out in clauses 8.8 and/or 8.11 of the Trust Deed arising, in which case the Manager will calculate the Withdrawal Amount based on the Unit Value applicable on the first Valuation Day it considers practicable.

The Unit Value applicable to a Valuation Day will be determined using the Market Values of the Fund's Investments on that Valuation Day.

**Borrowing:**

The Fund does not intend to Borrow unless for settlement purposes. For the purposes of clause 19.4a of the Trust Deed, no Borrowing may be made if the total amount of principal moneys Borrowed by the Fund and outstanding would exceed 25% of the Net Fund Value unless otherwise agreed with the Supervisor.

**Distributions:**

The Manager intends to make distributions from the Fund of such amounts of the Income of the Fund as the Manager sees fit in accordance with clause 24 of the Trust Deed and the following provisions:

- a the Distribution Dates for the Fund shall be:
  - iii 30 April; and
  - iv 31 October,

in each year, or any other date or dates that the Manager may fix from time to time for the purpose of distributing an



Amount to Unit Holders of the Fund;

- b each Unit Holder's Entitlement will be calculated and distributed in accordance with clause 24.5 of the Trust Deed in proportion to the number of Units in the Fund held by them as set out in the Register as at the close of business on the Business Day immediately preceding the day that the Amount is calculated for the relevant Distribution Period in accordance with clause 24.2; and
- c Entitlements shall be distributed in accordance with clause 24.4 of the Trust Deed within 5 Business Days of the date on which the relevant Amount is determined in accordance with paragraph a,

**provided that** if in the opinion of the Manager it is not practical or desirable to calculate and / or pay Amounts or Entitlements in accordance with the above provisions by reason of any of the circumstances set out in clauses 8.8 and/or 8.11 of the Trust Deed arising, the Manager may defer such calculation and / or payment (as applicable) until the first day thereafter it considers practicable.

The Manager reserves the right to amend the above policy in the future.

**Performance Fee:**

None.

**Variation of the Trust Deed specifically applicable to the Fund:**

The Trust Deed is varied in respect of the Fund as follows:

- a By replacing clause 24.2 of the Trust Deed with the following clause:

**24.2 Determination on Distribution Dates**

On or within seven Business Days after each Distribution Date the Manager, after giving prior notice to the Supervisor, will determine the Amount for the Distribution Period ending on that Distribution Date, and in respect of each Unit Holder, the Unit Holder's Entitlement calculated in accordance with this clause 24.

- b By replacing clause 24.6a of the Trust Deed with the following clause:
  - a Unit Holders may, if reinvestment of Entitlements is permitted by the Manager from time to time in its absolute discretion, elect to reinvest their Entitlements (less any tax which the Manager is obliged or permitted to deduct, but subject to such relief in

relation to Transaction Costs as the Manager sees fit, if at all) by purchasing further Units in the relevant Fund by making a written request in that behalf to the Manager in their initial application or in such other form as may from time to time be agreed by the Manager including Electronic Communication. Any request (whether in an initial application or at a later date) may be varied or terminated by giving at least 10 Business Days' (or such other period as the Manager determines and notifies to Unit Holders from time to time) notice to the Manager. The Manager may at any time at its discretion waive the requirement for Unit Holders to provide notice of such a variation or termination in accordance with this clause, either generally or in a particular case or cases.