

Consolidated Establishment Deed

Salt Long Short Fund

Salt Investment Funds Limited

**The New Zealand Guardian Trust Company
Limited**

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Deed dated *7 September* 2016

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 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 (**'Existing Establishment Deed'**) for a fund within the Scheme known as the Salt Long Short 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 30.1a 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) if:
- a the Supervisor and the Manager agree the Amendment will not have a material adverse effect on Unit Holders generally; or
 - b a change in any law affecting the Funds occurs and as a result in the Supervisor and Manager's opinion a change to the Existing Establishment Deed is necessary or desirable to make any provision of the Existing Establishment Deed consistent with such law,
- and the Manager notifies affected Unit Holders in the next communication to be sent to those Unit Holders (which may be after the Amendment takes effect).
- D The Manager and the Supervisor wish to amend the Existing Establishment Deed by way of amendment and consolidation to:
- a reflect the requirements of the Financial Markets Conduct Act 2013 (**'FMCA'**) and allow the Scheme to become registered as a managed investment scheme under the FMCA; and
 - b make a number of other amendments that the Supervisor and the Manager consider appropriate in connection with the Scheme becoming registered as a managed investment scheme under the FMCA.
- E The Manager and the Supervisor have agreed that the amendments to be made by this Deed will not have a material adverse effect on Unit Holders generally, and that those amendments

are necessary or desirable to make the provisions of the Existing Establishment Deed consistent with the FMCA.

- F Accordingly, the Manager and the Supervisor have agreed to enter into this Deed. Prior to executing this deed, the Supervisor obtained a certificate from its solicitor to the effect that this Deed complies with sections 135 to 137 of the FMCA. It is intended that the amendments recorded in this Deed will take effect immediately prior to the amendments to be made to the Trust Deed on the Effective Date.

Covenants

In accordance with clause 30.1a of the Trust Deed, it is declared that with effect on and from immediately prior to the amendments to be made to the Trust Deed on the Effective Date taking effect, 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 the Effective 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

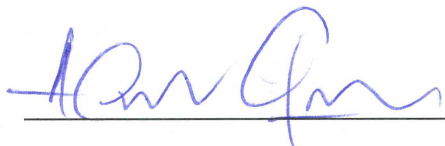


Authorised signatory

HRVOJE KOPRIVCIC

Name

ACT 909

Witness to both signatures: 

Print name: **ASIF SALEEM**

Occupation: **RELATIONSHIP MANAGER**

Address: **ANGUARDS**

Schedule 1 Fund particulars

Name of Fund:	Salt Long Short Fund, or such other name as the Manager may determine from time to time.
Authorised Investments:	<p>The Authorised Investments for the Fund are:</p> <ul style="list-style-type: none">▪ ordinary shares, ordinary units, stapled securities, preference shares, convertible and converting notes, capital notes, debt instruments, warrants, options, rights and other securities in corporations listed on the NZX operated by NZX Limited ('NZX') and/or the Australian Securities Exchange ('ASX'), or if not then listed on the NZX and/or ASX, is (in the reasonable opinion of the Manager) expected to be listed on the NZX and/or 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 and/or 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;▪ any other investment, right, interest, obligation or property of any nature nominated by the Manager and approved by the Supervisor from time to time; and▪ stock borrowing, repos, short selling, or other derivative positions taken in respect of the above.
Investment strategy:	<p>The Fund aims to deliver positive absolute returns in all market environments.</p> <p>In addition to holding "long-only" New Zealand and Australian securities, at the discretion of the Manager the Fund may short sell securities, hold cash, lever its assets, and utilise active currency management to generate returns.</p>
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 15 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:

There is no limitation on Borrowings for the purposes of clause 19.4a of the Trust Deed.

Distributions:

The Fund does not intend to make distributions although the Manager reserves the right to amend this policy and distribute Amounts in the future. The relevant terms for any distributions, including the Distribution Dates and date or dates for distribution of Entitlements, will be agreed with the Supervisor.

Performance Fee:

The Manager shall be entitled to accrue in the Fund a Performance Fee and this is only paid one month after the Relevant Performance Period subject to outperforming the RBNZ Official Cash Rate plus 5% per annum in the Relevant Performance Period.

The Performance Fee is calculated as follows:

Term	Abbreviation	Definition
Performance Fee Payable	PFP	= CPF on the Relevant Performance Valuation Day.
Cumulative Performance Fee on the Valuation Day	CPF	= greater of 0 and CPF on the previous Valuation Day + DPF. If the previous Valuation Day is a High Water Mark Day then CPF on the previous Valuation Day = 0.
Daily Performance Fee on the Valuation Day	DPF	= number of units on issue on the Valuation Day x PF x DEP + any applicable GST.
Performance Fee Margin	PF	= 15%.
Daily Excess Performance	DEP	= CEP on the Valuation Day – CEP on the previous Valuation Day. If the previous Valuation Day is a High Water Mark Day then CEP on the previous Valuation Day = 0.
Cumulative Excess Performance	CEP	= greater of 0 and AGUP – (HWUP x COR).
Adjusted Gross Unit Price	AGUP	= Unit Value on the Valuation Day plus the per unit value of imputation credits received since the last High Water Mark Day plus the per unit value of distributions paid since the last High Water Mark Day plus the per unit value of the performance fee accrued since the last High Water Mark Day.
High Water Mark Unit Price	HWUP	= Unit Value on High Water Mark Day
Cumulative OCR+5% Return on the Valuation Day	COR	= COR on the previous Valuation Day * (1 + ODR) ^(number of days since previous Valuation Day/365) , in every case rounded to four decimal places. If the previous Valuation Day is a High Water Mark Day then COR on the previous Valuation Day = 1.
OCR+5% Daily Return	ODR	= (The RBNZ Official Cash Rate on the Valuation Day expressed as a decimal fraction +0.05).
Valuation Day		A day in the Relevant Performance Period for which a Unit Value is calculated for the Fund.
High Water Mark Day		The last Relevant Performance Valuation Day on which the Manager is entitled to receive a performance fee or if the High Water Mark Day has not occurred then the inception date of the Fund.
Relevant Performance Period		The period commencing on the High Water Mark Day and ending

		on, and including, the next Relevant Performance Valuation Day.
Relevant Performance Valuation Day		The Valuation Day occurring on 31 March in each year or if 31 March is not a Valuation Day the immediately prior Valuation Day.

The Performance Fee is accrued and adjusted on a daily basis and paid in arrears.

Variation of the Trust Deed specifically applicable to the Fund:

None.