

New Zealand Equities Fund

Monthly Performance Update as at 31 March 2025

To review the fund's investment objective and strategy, fees information and risk indicator please see the funds' product disclosure statement and most recent fund update at www.octagonasset.co.nz/our-funds/new-zealand-equities-fund/.



Return comparison	1 Month	3 Months	1 Year	3 Years*	Since inception*
Net Fund Return^	-2.36%	-6.45%	-0.45%	0.50%	9.87%
Gross Fund Return	-2.27%	-6.19%	0.72%	1.69%	11.16%
S&P/NZX 50 Gross with Imputation Index	-2.43%	-6.18%	2.11%	1.27%	9.36%

*Annualised

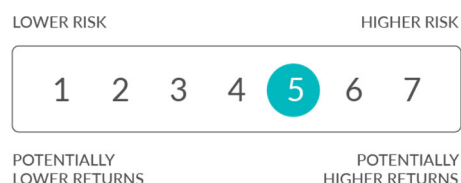
Major investments

Fisher & Paykel Healthcare Corporation Limited	13.77%
Auckland International Airport Limited	8.40%
Infratil Limited	6.99%
Contact Energy Limited	6.88%
Spark New Zealand Limited	4.71%
Meridian Energy Limited	4.37%
Mainfreight Limited	4.14%
The a2 Milk Company Limited	3.91%
Ebos Group Limited	3.90%
Fletcher Building Limited	3.65%
Major holdings as % of total portfolio	60.73%

Things to note

- Manager: Forsyth Barr Investment Management Ltd
- Investment manager: Octagon Asset Management Ltd
- Date the fund started: 26 June 2008
- Tax status: Portfolio Investment Fund (PIE)
- Minimum suggested investment time frame: At least five years
- Market Index: S&P/NZX50 Gross with Imputation Index
- Currency: New Zealand dollars

Risk indicator**



View the [Product Disclosure Statement](#) for detailed information about this Fund and Octagon Investment Funds Scheme.

Manager's comments

How did your portfolio perform?

The New Zealand Equities Fund delivered a gross return of -2.27% during March, fractionally outperforming the fund's benchmark return of -2.43% by 0.16%.

For the 12 months to the end of March, the New Zealand Equities Fund delivered a gross return of 0.72%, underperforming the fund's benchmark of 2.11% by -1.39%.

Your fund's top performers were an overweight holding in Fonterra, which reported strong profit growth despite higher input costs, and an overweight position in Sky TV, which was steady after a large fall last month.

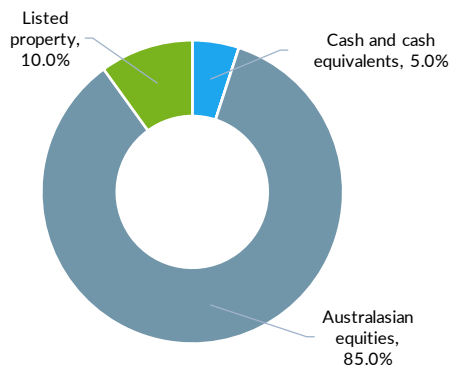
The fund's relative underperformers included an overweight holding in Auckland Airport, which delivered a positive return despite earnings downgrades on the back of a commerce commission investigation. Our overweight position in Stride Property Group detracted despite little news flow. The business has exposure to lower quality office space and a challenged retail shopping centre, but in our view, the underlying backdrop is slowly improving.

What happened in the markets that you invest in?

March is the key disclosure month for retailers as they report on Christmas and holiday sales in December. The best management teams (Hallenstein Glassons and Briscoes, in our view) managed to hold sales despite the weak consumer backdrop. The Warehouse and Kathmandu fared less well on lower revenues, and all of them suffered margin falls as they had to offer discounts to motivate shoppers to open their wallets.

The persistently weak New Zealand dollar has seen strong performances from exporters, such as Fonterra, Scales and Sanford, along with Vista and Serko. To date these companies have not been marked down on the risk of tariffs and disrupted supply chains. F&P Healthcare (FPH) on the other hand has seen its share price underperform meaningfully over the last two months given its large manufacturing base in Mexico that ships to the United States market. We have reduced our underweight position in FPH but continue to view the stock as expensive.

Target Asset Allocation



What are we thinking about the future?

While there have been few companies prepared to speak of an improving backdrop, other indicators continue to point to gradual improvement, in our view. Business sentiment remains strong, GDP growth surprised positively in the December quarter and more people are rolling onto lower mortgage interest rates every month.

Our two largest overweight positions, Sky City and Sky TV, do have some exposure to a stronger consumer, but that is not the main reason we think they are attractive investments. Sky City has some regulatory changes to work through over the next nine months, whilst Sky TV needs to either win the New Zealand Rugby broadcasting rights, or right size its business for a future without them. In both cases, we think valuations are expecting outcomes that are too pessimistic.



Paul Robertshawe, CA
Director, Chief Investment Officer

Fees

Annual fund charges are currently 1.15% p.a. of the value of your investment. We pay management and administration charges along with the Supervisor fee out of this. All fees and charges are quoted exclusive of GST.

For more information please visit octagonasset.co.nz, email info@octagonasset.co.nz, or call 0800 628 246

^ Net Fund Returns are calculated before the deduction of taxes and after deduction of fund charges and trading expenses and including imputation credits where available. Gross Fund Returns are calculated before deduction of taxes and fund charges but after deduction of trading expenses and including imputation credits where applicable. Market index returns do not have any deductions for fund charges, trading expenses or tax.

** The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the relevant fund's assets goes up and down (volatility). A higher risk generally means higher potential returns over time, but more ups and downs along the way. The risk indicator is based on the returns data for the five years to 31 March 2025. See more information about the risks of investing in the Product Disclosure Statement.

This publication does not contain financial advice - for financial advice, please speak to your Investment Adviser. We recommend you review your investments and seek specialist advice on any taxation aspects. Past performance is not a reliable guide to future performance. Forsyth Barr Investment Management Limited is the issuer, and Octagon Asset Management Limited the investment manager, of the Octagon Investment Funds. A copy of the Product Disclosure Statement for the Funds is available from www.octagonasset.co.nz/disclosure-information by contacting your Investment Adviser, or by calling 0800 628 246.