

New Zealand Equities Fund

Monthly Performance Update as at 31 July 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^	1.83%	9.09%	4.69%	4.04%	10.00%
Gross Fund Return	1.93%	9.41%	5.92%	5.26%	11.30%
S&P/NZX 50 Gross with Imputation Index	1.78%	7.83%	4.13%	4.56%	9.46%

*Annualised

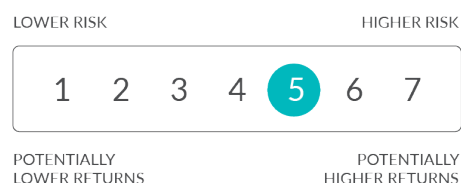
Major investments

Fisher & Paykel Healthcare Corporation Limited	14.16%
Infratil Limited	7.67%
Auckland International Airport Limited	7.30%
Contact Energy Limited	5.63%
Spark New Zealand Limited	4.99%
Ebos Group Limited	4.99%
Meridian Energy Limited	4.68%
Mainfreight Limited	4.42%
The a2 Milk Company Limited	3.25%
Fletcher Building Limited	3.13%
Major holdings as % of total portfolio	60.22%

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 1.93% during July, slightly outperforming the fund's benchmark return of 1.78% by 0.16%.

For the 12 months to the end of July, the New Zealand Equities Fund delivered a gross return of 5.92%, comfortably outperforming the fund's benchmark return of 4.13% by 1.79%.

The biggest positive contributors to the fund's outperformance were overweight positions in Sky City Entertainment (SKC) and Ryman Healthcare (RYM), assisted by an underweight in Auckland Airport (AIA). Against that, our overweight in Tourism Holdings dragged on relative performance.

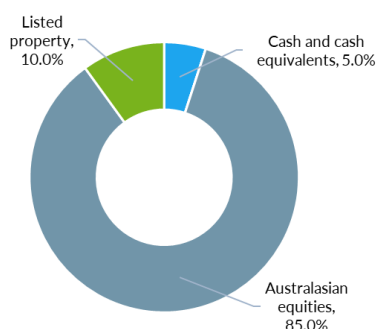
SKC shares lifted slightly after some significant falls in prior months. The next six months is critical for the casino operator as they will incur a regulatory fine in Australia, roll out mandatory carded play in their NZ operations and look to sell a property asset to improve balance sheet settings. RYM announced a better-than-expected sales number at their shareholder meeting, whilst AIA saw a slightly weaker outlook. Tourism Holdings gave back some of its material gains from the prior month as the market awaits the next steps from the new 20% shareholders and their M&A plans for the company.

What happened in the markets that you invest in?

July is a generally a quiet month for news flow as companies prepare for results season. There were a few annual shareholder meetings, with RYM's announcement of increasing sales momentum the most market moving. Sky TV acquired Warner Brothers Discovery NZ for NZ\$1. The market rewarded Sky TV's acquisition with a pop in its share price as it sees upside from improved market positions in both advertising and streaming markets. However, significant synergies will be required to turn around this loss-making business and bringing the two businesses together effectively and efficiently will be key.

NZ Inflation and economic data were generally in-line with expectations, and the RBNZ kept short term interest rates unchanged at its early July meeting. The US-led trade war rolls on, with numerous announcements and delays and policy U-turns, but culminated in a worse than expected 15% tariff on NZ goods exported to the USA.

Target Asset Allocation



What are we thinking about the future?

Reporting season starts in earnest in August. We sense a further delay in economic recovery as confidence takes a hit from rising unemployment and tariff uncertainty. Companies have been hunkering down for some time. Offsetting this gloomy mood, effective interest rates are still falling, and government austerity should start to lift soon, so the market is set up for better profits ahead.

The portfolio continues to see material upside to earnings and share prices for several domestically exposed stocks – not in the next result, but over the medium term. We apply our research effort to understand a business' risks and opportunities, form an unbiased view on likely outcomes and then allocate your capital to companies where we identify the best returns for risks taken.

In aggregate, the significant interest rate cuts and over two years of poor economic growth, position the portfolio for a rebound. Defensive sectors of the market, outside of property, look fully valued to us while domestic cyclical business valuations look attractive once again. We are very selective in our exposure to high growth names as the risks of missing financial delivery look high to us.



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 July 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.