

New Zealand Equities Fund

Monthly Performance Update as at 31 January 2026

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^	-0.74%	0.09%	6.22%	4.42%	10.09%
Gross Fund Return	-0.64%	0.39%	7.46%	5.64%	11.39%
S&P/NZX 50 Gross with Imputation Index	-0.91%	-0.82%	4.05%	4.73%	9.48%

*Annualised

Major investments

Fisher & Paykel Healthcare Corporation Limited	14.26%
Auckland International Airport Limited	7.92%
Infratil Limited	6.60%
Spark New Zealand Limited	5.07%
Ebos Group Limited	5.02%
Contact Energy Limited	4.73%
Meridian Energy Limited	4.48%
Mainfreight Limited	4.28%
Ryman Healthcare Limited	3.22%
The a2 Milk Company Limited	3.13%
Major holdings as % of total portfolio	58.70%

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 -0.64% during January, modestly outperforming the fund's benchmark return of -0.91% by 0.27%.

For the 12 months to the end of January, the New Zealand Equities Fund delivered a gross return of 7.46%, considerably outperforming the fund's benchmark return of 4.05% by 3.41%.

Key positive contributors to performance in January were overweight positions in Michael Hill International (MHJ), Tower and Sky City (SKC), along with underweights in A2Milk and the property sector. MHJ and SKC rallied on improved macro-economic prospects for consumers; Tower paid a ~12% gross dividend during the month. A2Milk reacted to weak birth numbers in China, whilst the property sector has quickly derated on the back of higher medium-term interest rates.

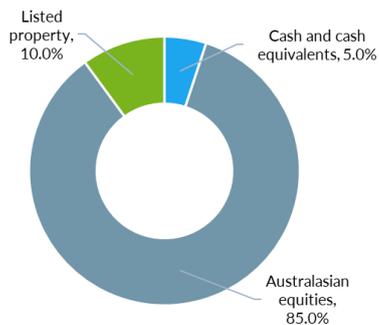
Key detractors from performance in January were an underweight in Fisher and Paykel Healthcare (FPH) and a modest overweight in Vista Group, which fell 28%. FPH rallied on a strong start to the Northern Hemisphere flu season, whilst Vista failed to confirm a large contract win pre-Christmas.

What happened in the markets that you invest in?

January is a typically a quiet month for announcements. The most significant this month being that Fletcher Building has agreed to sell its highly volatile construction division, in-line with its announced strategy under new management. Later in the month, the listed retail sector updated the market on Christmas trading. Sales were generally better than we expected but were driven by greater discounting. Profit margins were therefore a little softer than anticipated.

Economic data generally came in on the positive side across business confidence, building consents and manufacturing production. Global prices for most of our agriculture and horticulture products continued to improve also.

Target Asset Allocation



What are we thinking about the future?

Evidence continues to build that a domestic economic recovery is getting underway. The February reporting season will be crucial with regards to company outlook statements. The reported period to December is unlikely to be stellar, but we would hope to see accelerating revenues into the next half. Encouragingly, there have been very few companies downgrading their expectations ahead of their result day.

Rising interest rates, driven by both stronger expected growth but also still sticky inflation, saw the aged care and property sectors struggle over the month. In property we see Stride Property and Vital Healthcare offering attractive risk adjusted returns relative to other defensive stocks, whilst we think aged care looks attractive, but earnings growth will be delivered over a longer timeframe.



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 January 2026. 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.