

New Zealand Equities Fund

Monthly Performance Update as at 31 December 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 [^]	0.76%	3.81%	5.74%	6.05%	10.19%
Gross Fund Return	0.86%	4.12%	6.97%	7.29%	11.49%
S&P/NZX 50 Gross with Imputation Index	0.50%	2.02%	4.08%	6.54%	9.59%

*Annualised

Major investments

Fisher & Paykel Healthcare Corporation Limited	13.90%
Auckland International Airport Limited	7.92%
Infratil Limited	6.95%
Spark New Zealand Limited	5.09%
Ebos Group Limited	5.04%
Contact Energy Limited	4.71%
Meridian Energy Limited	4.34%
Mainfreight Limited	4.26%
Ryman Healthcare Limited	3.40%
The a2 Milk Company Limited	3.06%
Major holdings as % of total portfolio	58.65%

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 0.86% during December, outperforming the fund's benchmark return of 0.50% by 0.36%.

For the 12 months to the end of December, the New Zealand Equities Fund delivered a gross return of 6.97%, significantly outperforming the fund's benchmark return of 4.08% by 2.89%.

Positive performance was driven by the fund's overweight in Sky City (SKC) and underweight positions in A2 Milk (A2M) and Gentrack (GTK). Our overweight in Sky Tv (SKT) and underweight in Auckland International Airport (AIA) dragged on relative performance.

SKC continues to recover from its August downgrade and equity raise, whilst A2M gave up some of its recent performance on slightly softer export data. GTK is proving very volatile at present, as it looks too assure investors of its growth rate in the face of customer wins by its key competitor.

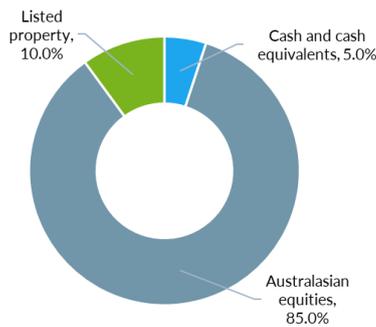
SKT fell on the proposed merger between Netflix and Warner Brothers as access to content may become harder for the company. AIA rallied despite the High Court rejecting their application to review the pricing mechanism used by the regulator.

What happened in the markets that you invest in?

December is a typically quiet month for company announcements and 2025 was no exception. Serko and Oceania Healthcare lead market performance, whilst GTK, Investore Property and SKT were the main laggards.

It is perhaps easier to understand the short term moves in Gentrack and SKT, than it is the upward moves in Oceania and Serko, where news flow has been particularly light. Announcements by key GTK competitor, Kraken, relating to valuation and client wins highlighted the competitiveness of the industry, which saw the GTK share price fell steeply. As noted above, for SKT, the proposed merger of Warner Brothers with either Netflix or Paramount creates uncertainty.

Target Asset Allocation



What are we thinking about the future?

Nothing in December changed our view that evidence is building in favour of a recovery in the NZ economy after a long recession.

Despite the expected sale of Warner Brothers to either Netflix or Paramount, we believe SKT will be able to obtain enough content to maintain its entertainment offer on both Sky and Neon. By far the majority of value in SKT rests with its rights to key local sports content.

We have increased our underweight positions in some of the most expensive, yet high quality, NZ businesses. Market prices seem to assume very positive earnings growth outcome for Chorus and A2 Milk, raising the bar for further outperformance from here. We see better valuations and earnings growth elsewhere.

Whilst we expect the economic backdrop to be supportive of cyclical businesses, we remain diversified with overweight positions in select stocks within the defensive sectors of property (Stride) and utilities (Genesis). We are also building a position in healthcare conglomerate Ebos.



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 December 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.