

New Zealand Equities Fund

Monthly Performance Update as at 30 June 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^	2.67%	3.52%	9.07%	4.95%	9.94%
Gross Fund Return	2.77%	3.81%	10.36%	6.18%	11.24%
S&P/NZX 50 Gross with Imputation Index	1.54%	2.79%	8.35%	5.91%	9.39%

*Annualised

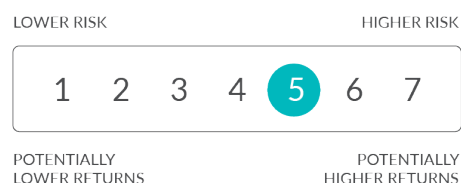
Major investments

Fisher & Paykel Healthcare Corporation Limited	14.41%
Auckland International Airport Limited	7.66%
Infratil Limited	7.05%
Contact Energy Limited	6.05%
Meridian Energy Limited	5.11%
Spark New Zealand Limited	5.04%
Ebos Group Limited	4.76%
Mainfreight Limited	4.47%
The a2 Milk Company Limited	3.35%
Fletcher Building Limited	3.32%
Major holdings as % of total portfolio	61.22%

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 2.77% during June, significantly outperforming the fund's benchmark return of 1.54% by 1.23%.

For the 12 months to the end of June, the New Zealand Equities Fund delivered a gross return of 10.36%, comfortably outperforming the fund's benchmark return of 8.35% by 2.01%.

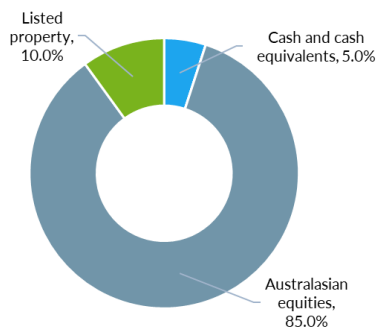
Positive attribution came from our overweight positions in Tourism Holdings (THL), Tower and Sky Television (SKT). THL received a takeover bid, backed by an existing executive, whilst Tower continues to deliver strong operating results. SKT drifted higher as the market anticipates a successful rugby renewal in the next few months. Our modest overweight in Fletcher Building (FBU) hurt performance as their investor day provided little in the way of bankable short-term improvements.

What happened in the markets that you invest in?

June is "confession" season for many NZX companies, as they update guidance ahead of their release of full results in August. Silence means prior guidance still holds. Those companies that did update guidance, including Kathmandu and Vulcan Steel, are exposed to the still weak domestic economy and reduced earnings forecasts.

The proposed takeover of THL dominated corporate news during the month. The company has been struggling with a downturn in demand in the US and slower sales of ex-fleet motor homes – not uncommon for this point in the cycle. The bid is at a material premium to the last traded price, but we would not be surprised in the independent valuation came in at a higher level.

Target Asset Allocation



What are we thinking about the future?

Consumer confidence surveys indicate people are uncertain about their job prospects, and this is driving their behaviour in both the retail and housing markets. Most hard data (rather than survey responses) indicate the NZ economy is past the bottom and a recover is just around the corner. However, we realise we have been saying that for the last nine months and it has failed to materialise so far.

The takeover bid for THL has endorsed our philosophy of looking for mispriced, medium-term earnings and cash flows. If listed market investors "give up" at the

bottom of the cycle, private capital often steps in. Waiting for earnings to turn can feel like the right thing to do, particularly as value signals often appear before a cyclical bottom in earnings has been reached, but we believe higher returns are possible from the patient pursuit of strong medium-term valuation support.

Our conviction investment positions remain largely unchanged. As Tower, Sky Tv and Channel Infrastructure get closer to our view of fair value, we have been rotating into Ryman Healthcare and Heartland Bank where current uncertainties are more than reflected in their share prices.



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 30 June 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.