Octagon Investment Funds

New Zealand Equities Fund

Monthly Performance Update as at 30 June 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^	2.63%	5.46%	8.25%	4.52%	9.44%
Gross Fund Return	2.73%	5.76%	9.51%	5.75%	10.57%
S&P/NZX 50 Gross with Imputation Index	2.92%	5.58%	8.83%	5.35%	9.36%

*Annualised

Major investments

Fisher & Paykel Healthcare Corporation Limited	14.44%
Infratil Limited	10.18%
Auckland International Airport Limited	7.73%
Contact Energy Limited	5.02%
Ebos Group Limited	4.63%
Mainfreight Limited	4.46%
Meridian Energy Limited	4.20%
Spark New Zealand Limited	3.92%
The a2 Milk Company Limited	3.27%
Mercury NZ Limited	2.95%
Major holdings as % of total portfolio	**60.80%**

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**

LOWER RISK						HIGHER RISK
1	2	3	**4**	5	6	7
POTENTIALLY LOWER RETURNS						POTENTIALLY HIGHER RETURNS

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 2.73% during June, modestly underperforming the fund's benchmark return of 2.92% by -0.19%.

For the 12 months to the end of June, the New Zealand Equities Fund delivered a gross return of 9.51%, comfortably outperforming the fund's benchmark return of 8.83% by 0.68%.

The fund's modest under-performance during June was driven by a dramatic bounce in A2 Milk. Concerns around additional fall-out from the US product recall abated over time, and no change to current year earnings guidance saw a strong share price bounce. The stock is still down 23% from its high in March. Performance was helped by SkyCity; it rallied 10% as it reached agreement with the South Australian regulator over historic compliance breeches, agreeing to pay an AU $21 million fine.

Stocks with defensive earnings generally outperformed those directly exposed to the economic cycle.

What happened in the markets that you invest in?

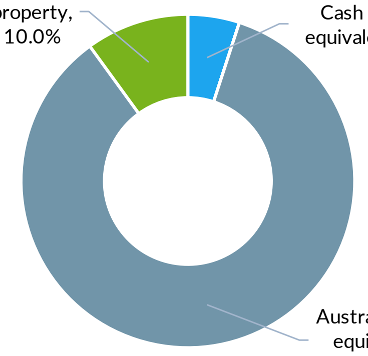
There was a near 55% spread in stock returns over June. A2 Milk had a dramatic 40% bounce over the month, whilst Serko fell 15%. Whilst not strong, economic data largely came in slightly better than expected during the month. Coupled with the dramatic fall in oil prices as Iran and the US enter a 60-day ceasefire negotiation, market sentiment improved.

Given the global backdrop over the June quarter was very negative, there were relatively few companies downgrading earnings for the June period end.

Octagon

THL was a notable exception as 'end of useful rental life' vehicle sales continue to be depressed. The stock price was up in June however, as a new bidder for the business trumped the current offer price. The THL board is discussing due diligence terms, and we expect both parties to be given enough access to allow them to firm up their acquisition offers.

Target Asset Allocation



What are we thinking about the future?

Lower oil prices feed through to the underlying economy in many positive ways. From lower inflation pressures, reduced cost of living impacts to improved business and consumer confidence. Combined with relatively few recent profit warnings, we have upgraded our short-term outlook for the economy and domestically exposed companies.

We still expect net downgrades to market profit expectations for 2027 earnings. However, the economic recovery in train at the start of the year is likely to get back on track sooner than otherwise expected - provided the 60-day ceasefire negotiation holds and turns into a stable relationship.

July is a quiet month before the flood of earnings over August. Throw in a general election in November with polls indicating no clear winning coalition in the lead, we expect a muted and cautious market backdrop for the period immediately ahead. From a valuation standpoint, we continue to view recent market winners in the defensive earnings space as fully valued, whilst many domestic cyclicals have become even more attractively priced.

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 2026. See more information about the risks of investing in the Product Disclosure Statement.