

New Zealand Equities Fund

Monthly Performance Update as at 31 May 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^	2.42%	-3.80%	8.28%	3.98%	9.33%
Gross Fund Return	2.51%	-3.53%	9.55%	5.20%	10.46%
S&P/NZX 50 Gross with Imputation Index	2.65%	-3.32%	7.37%	4.67%	9.23%

*Annualised

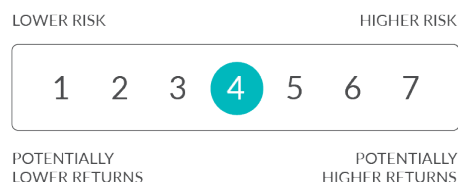
Major investments

Fisher & Paykel Healthcare Corporation Limited	14.39%
Infratil Limited	10.23%
Auckland International Airport Limited	7.80%
Contact Energy Limited	5.29%
Meridian Energy Limited	4.37%
Ebos Group Limited	4.34%
Mainfreight Limited	4.18%
Spark New Zealand Limited	4.02%
Mercury NZ Limited	3.09%
Sky Network Television Limited	2.83%
Major holdings as % of total portfolio	60.54%

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 2.51% during May, modestly underperforming the fund's benchmark return of 2.65% by -0.14%.

For the 12 months to the end of May, the New Zealand Equities Fund delivered a gross return of 9.55%, considerably outperforming the fund's benchmark return of 7.37% by 2.18%.

May saw some very material price moves within the portfolio. On the positive side, Tourism Holdings received a revised takeover bid, Kathmandu delivered a positive trading update and Vista benefited from contract wins and a solid start to the year for US cinema attendance.

Against these 'wins' for the portfolio, performance was negatively impacted by our underweight position in Infratil (IFT), where a very material data centre contract win saw the price go up 26%. Tower (TWR) delivered an in-line result, but the market didn't like the revenue slowdown and Sky City fell to new lows on general economic malaise.

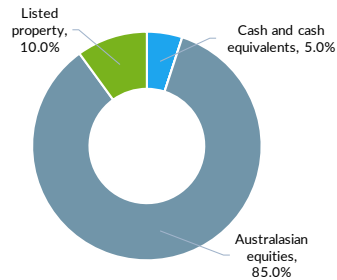
What happened in the markets that you invest in?

May, along with November, is one to the two 'minor' reporting seasons for NZ equities – minor by number of companies, but important as it includes large names like Fisher and Paykel Healthcare (FPH), Mainfreight and Ryman.

From our perspective the reporting season was modestly disappointing. We forecast weakness and uncertainty in company outlook statements, but on average they were slightly worse than what we had expected. From a market reaction standpoint, FPH and TWR were a good illustration of how market sentiment impacts short term returns vs dispassionate interpretation of the results. FPH's share price had been weak going into its earnings announcement on fears of tariffs, fuel and plastic costs, and a benign flu

season. The result was in-line as was guidance, yet the share price rebounded nearly 11% over the next few days. TWR had been strong into the result, with domestic insurance being seen as relatively immune from the Iran war. The result was in-line and full year guidance confirmed, yet the share price fell 9% over the next few days.

Target Asset Allocation



What are we thinking about the future?

Information on the domestic economy is coming in fractionally weaker than most forecasters expected, driven by the uncertainty and cost of living impacts of the Iranian war. This is a short-term headwind for our positions exposed to the domestic economy.

Whilst we are always testing our investment thesis on new information, the new takeover bid for THL reminds us that valuation dominates in the long run, overwhelming short-term profit announcements and sentiment. Whilst we have used price falls in FPH and A2Milk to add defensive quality to the portfolio, we remain heavily overweight valuation metrics, and right now, the most attractive valuations are in the domestic cyclical sectors.



Paul Robertshaw, 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 May 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.