

Listed Property Fund

Monthly Performance Update as at 28 February 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/listed-property-fund/.



Return comparison	1 Month	3 Months	1 Year	3 Years*	Since inception*
Net Fund Return^	-3.00%	-3.87%	-0.28%	-5.00%	5.54%
Gross Fund Return	-2.92%	-3.59%	0.88%	-3.88%	6.80%
S&P/NZX All Real Estate Gross Index	-2.74%	-3.38%	0.23%	-4.72%	7.02%

*Annualised

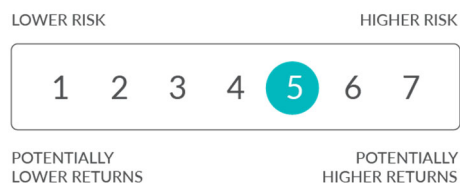
Major investments

Precinct Properties New Zealand Limited	18.09%
Goodman Property Trust	17.67%
Kiwi Property Group Limited	13.97%
Vital Healthcare Property Trust	8.64%
Argosy Property Limited	8.43%
Stride Property Group	8.07%
Property For Industry Limited	6.79%
Investore Property Limited	2.76%
New Zealand Rural Land Company	2.61%
Summerset Group Holdings Limited	1.65%
Major holdings as % of total portfolio	88.70%

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/NZX All Real Estate 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 Listed Property Fund delivered a gross return of -2.92% for February, fractionally underperforming the fund's benchmark return of -2.74% by -0.18%.

For the 12 months to the end of February, the Listed Property Fund delivered a gross return of 0.88% outperforming the fund's benchmark return of 0.23% by 0.65%.

The top contributors to relative performance were out of index positions in **Fletcher Building (FBU)**, **Charter Hall Group**, and **Marsden Maritime Holdings (MMH)** and an underweight position in **Goodman Property Trust (GMT)**. Relative underperformers were dominated by the aged care sector including **Ryman Healthcare (RYM)** and **Oceania Healthcare (OCA)**, along with an exposure to **Goodman Group (GMG)** in Australia.

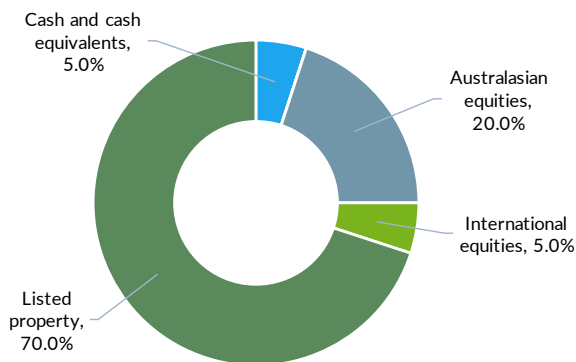
We actively manage the fund's foreign currency exposures associated with listed property and Australasian equities. The NZ dollar fell -0.58% against the Australian dollar during the month.

What happened in the markets that you invest in?

February was a challenging month for the NZ listed property sector, down -2.8%, in line with the broader market. **Kiwi Property Group** and **Investore** were the only two listed property companies to end the month in positive territory, whilst on the other side of the ledger, industrial landlord **GMT** and prime office landlord **Precinct Properties** were the weakest performers. The NZ 10yr Government bond yield held steady in February, ending the month at ~4.6%, in line with January.

FBU reported an in-line first half result with no new negative surprises. Forward indicators are improving, enough for **FBU** shares to continue their recovery, up 17% this year. A small position in **MMH** delivered positive performance as a consortium offered to acquire the remaining shares at a 73% premium to its last close price.

Target Asset Allocation



Currency Hedging

As at 28 February 2025

Percentage of the fund exposed to FX risk	5.03%
Value of the fund unhedged (after hedging)	2.71%

RYM announced an unexpected, and very large, NZ\$1Bn underwritten equity raising to provide more resilience to current market conditions. With the shares now trading below the capital raise price it seems investors are yet to be convinced on the recovery plan. With its own balance sheet concerns, sector-peer **OCA** shares also declined.

Four property companies reported first-half results in February. Earnings faced pressure from higher interest and tax costs, partly offset by rental growth and increased fee income. Vacancy rates are rising slightly, and gearing has inched up. However, with interest costs peaking and asset values stabilizing, some positive trends are emerging.

What are we thinking about the future?

We believe the sector continues to look attractive given: (1) solid earnings outlook with tax and interest rate headwinds behind us, (2) stable portfolio metrics, (3) high replacement cost limiting new supply, and (4) a stabilisation in asset values. Falling interest rates should support asset valuations and sentiment towards the sector.



Jason Lindsay, CA
Head of Equities



Tobias Newton
Equity Analyst

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 28 February 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.