

# New Zealand Equities Fund

## Monthly Performance Update as at 28 February 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/](http://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 <sup>^</sup>	1.15%	1.16%	10.81%	5.15%	10.12%
Gross Fund Return	1.24%	1.46%	12.11%	6.38%	11.42%
S&P/NZX 50 Gross with Imputation Index	2.27%	1.85%	9.68%	5.73%	9.58%

\*Annualised

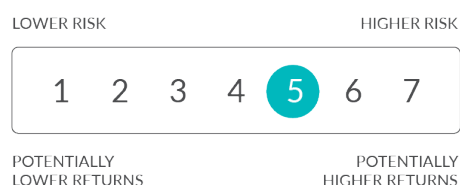
### Major investments

Fisher & Paykel Healthcare Corporation Limited	14.73%
Auckland International Airport Limited	8.17%
Infratil Limited	6.38%
Contact Energy Limited	5.09%
Spark New Zealand Limited	4.93%
Ebos Group Limited	4.74%
Meridian Energy Limited	4.26%
Mainfreight Limited	4.10%
The a2 Milk Company Limited	3.67%
SKYCITY Entertainment Group Limited	2.85%
<b>Major holdings as % of total portfolio</b>	<b>58.93%</b>

### 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 1.24% during February, underperforming the fund's benchmark return of 2.27% by -1.03%.

For the 12 months to the end of February, the New Zealand Equities Fund delivered a gross return of 12.11%, considerably outperforming the fund's benchmark return of 9.68% by 2.42%.

Key positive contributors to performance in February were our underweights in Precinct Properties and Serko, along with our overweight in Micheal Hill (MHJ). Precinct's result highlighted greater earnings volatility under their new operating model, whilst Serko was caught up in the decline of stocks globally based on risks of competition from AI models like Chat GPT and Claude. MHJ delivered a strong result and encouraging sales momentum into their second half.

Key detractors from performance in February were our overweight in Sky City (SKC) and underweights in A2 Milk and Auckland Airport (AIA). In all three cases, results were largely in-line with our expectations, yet A2 Milk and AIA rallied over 10% as investors took a more positive view of the future. In Sky City's case, reliance on a big profit uplift in the second half of the year was greeted with scepticism by investors.

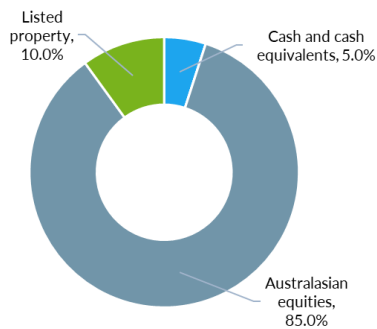
#### What happened in the markets that you invest in?

The February reporting season was the most positive in three years, yet guidance for the period ahead was still balanced. The acceleration in sales needed to drive strong uplifts in profits is still not evident, particularly for the construction and aged care sectors.

Calendar year 2025 delivered strong operating and share price performance for many mid-sized companies. February results supported that performance but was not strong enough to upgrade profit expectations in the short term. Fonterra, Heartland (HGH) and Tower (TWR) are amongst that group.

The recovery in earnings for the electricity sector after a very dry 2025 was also confirmed. Both Contact and Genesis raised new equity to help finance their new build programmes. At close to \$1billion, this put short-term pressure on the market as investors raised funds to participate.

## Target Asset Allocation



## What are we thinking about the future?

We were pleased with how reporting season played out for our key positions, despite the portfolio underperforming over the month. Fisher & Paykel Healthcare had the largest positive earnings surprise during the month, but we remain comfortable with our underweight position given the valuation implies many more years of very strong growth.

The market is rewarding delivery, rather than promise, after a three-year period of disappointments. Perhaps the best example of this was Michael Hill (MHJ), which is delivering positive sales growth after a long downcycle. We identified an attractive valuation opportunity early and MHJ was a drag on performance in 2025. It has more than made that up in the first two months of 2026 as the market reacts to delivery of improving results.

We continue to see attractive opportunities across all sectors of the market, with more upside in long held companies such as TRW, Sky TV and SKC, along with more recent additions like HGH and Tourism Holdings.



**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.

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For more information please visit [octagonasset.co.nz](http://octagonasset.co.nz), email [info@octagonasset.co.nz](mailto: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 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](http://www.octagonasset.co.nz/disclosure-information), by contacting your Investment Adviser, or by calling 0800 628 246.