

New Zealand Equities Fund

Monthly Performance Update as at 30 April 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 [^]	0.33%	-4.99%	10.32%	2.58%	9.63%
Gross Fund Return	0.42%	-4.73%	11.61%	3.78%	10.93%
S&P/NZX 50 Gross with Imputation Index	-0.07%	-3.68%	9.14%	3.18%	9.12%

*Annualised

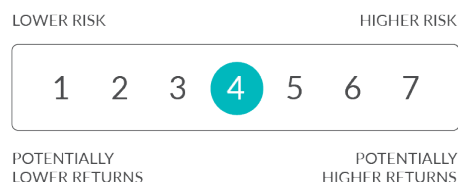
Major investments

Fisher & Paykel Healthcare Corporation Limited	14.41%
Auckland International Airport Limited	8.14%
Infratil Limited	7.83%
Contact Energy Limited	5.31%
Ebos Group Limited	4.82%
Meridian Energy Limited	4.31%
Spark New Zealand Limited	4.17%
Mainfreight Limited	3.96%
The a2 Milk Company Limited	3.39%
Mercury NZ Limited	2.98%
Major holdings as % of total portfolio	59.32%

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 0.42% during April, modestly outperforming the fund's benchmark return of -0.07% by 0.49%.

For the 12 months to the end of April, the New Zealand Equities Fund delivered a gross return of 11.61%, considerably outperforming the fund's benchmark return of 9.14% by 2.47%.

Key positive contributors to performance in April came from our significant underweight in A2 Milk, and overweight in Genesis Energy. A2 Milk noted disruptions in supplying its key China market, leading to a 15% decline in the share price. Genesis upgraded earnings and announced a further investment in grid scale batteries.

Key detractors from performance in April were again concentrated in domestic cyclical names, Sky City Entertainment (SKC) and Kathmandu. Less discretionary spending due to higher fuel prices and higher interest rates are already impacting on these companies' profits.

What happened in the markets that you invest in?

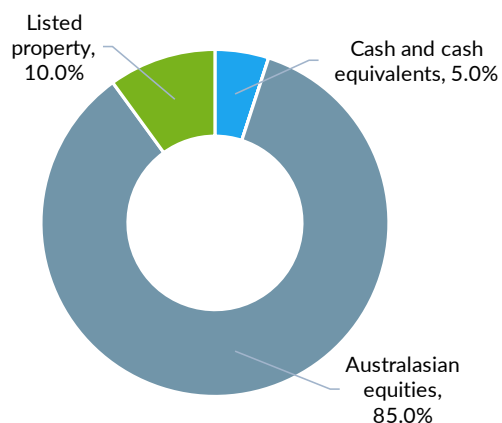
Consumer and business confidence have fallen materially in the wake the Middle East hostilities. Hopes of a quick resolution are fading, with the risk increasing that we see escalation to try and force both parties to the negotiating table.

The market will continue to be dominated by global macro news flow in the short term. The economic recovery was only just beginning with the two key cushions to international headwinds – interest rate cuts and government spending – likely to be in short supply. Inflation was already at the top end of the RBNZ's band, and despite it being an election year, the government is already carrying more debt that it would like.

The market has reacted in classical fashion to the deteriorating domestic outlook. Eight of the top ten worst performing stocks since the end of January are exposed to the domestic consumer and all those eight are down over 20%.

The outperformers have either been defensive stocks, like Chorus, Infratil and Mercury, or those exposed to strong commodity prices or a resilient US market, like Scales and Skellerup.

Target Asset Allocation



What are we thinking about the future?

As active managers we are always looking for opportunities where the market has mispriced risk. The current backdrop of heightened macro-economic risk often causes investors to extrapolate forward recent performance far into the future. We also see herding into sectors with defensive earnings, temporarily ignoring valuation in the pursuit of certainty.

All our stock positions are backed by valuations that are driven by medium term expectations of achievable earnings and returns. We then control for risk. Our position in Kathmandu is a good example of these risk controls. On reasonable medium-term earnings, the stock is trading at half of fair value – i.e. 100% share price upside. Our position is small, less than 0.5% of the portfolio, as we control for the risks in that valuation. Current earnings are negative, margins are under pressure, there is new management and a new board chair, and the balance sheet is still not pristine. As our confidence in our assumptions improve, the position size will get bigger. If we are proven wrong, we can exit at a low, but disappointing, cost to fund performance.



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 April 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.