Octagon

Responsible Investing

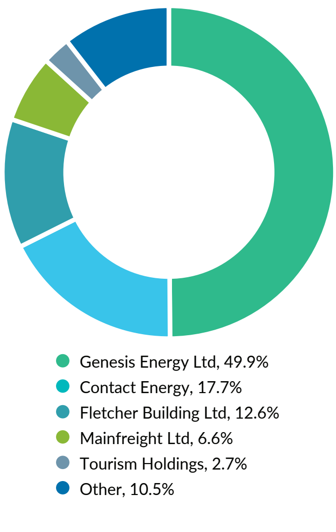
New Zealand Equities Fund (as at 31 March 2026)	Fund	Benchmark
% of Portfolio reporting Scope 1 and 2 emissions (by market value)	99%	100%
Weighted Average Carbon Intensity (WACI), tCO2e	53	45
Portfolio Emissions (Scopes 1+2), tCO2e per $1m invested	**29**	**22**

Australian Equities Fund (as at 31 March 2026)	Fund	Benchmark
% of Portfolio reporting Scope 1 and 2 emissions (by market value)	99%	100%
Weighted Average Carbon Intensity (WACI), tCO2e	119	99
Portfolio Emissions (Scopes 1+2), tCO2e per $1m invested	**59**	**42**

Listed Property Fund (as at 31 March 2026)	Fund	Benchmark
% of Portfolio reporting Scope 1 and 2 emissions (by market value)	97%	98%
Weighted Average Carbon Intensity (WACI), tCO2e	7	5
Portfolio Emissions (Scopes 1+2), tCO2e per $1m invested	**1**	**0**

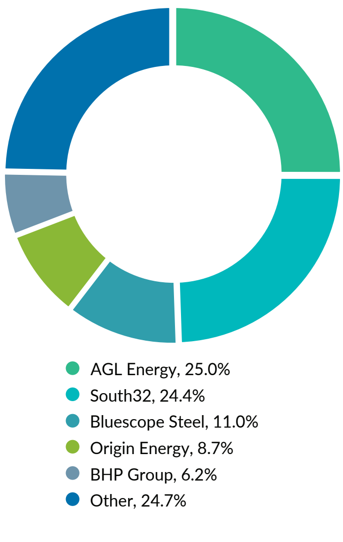
New Zealand Equities Fund

LARGEST CONTRIBUTORS TO PORTFOLIO EMISSIONS



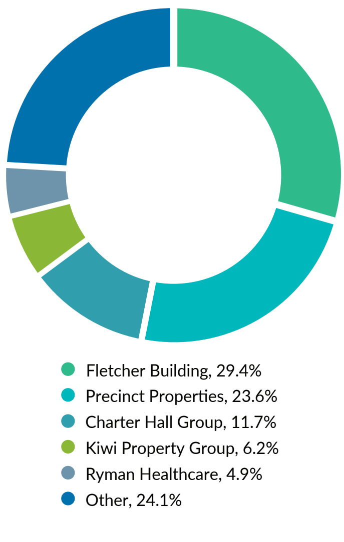
Australian Equities Fund

LARGEST CONTRIBUTORS TO PORTFOLIO EMISSIONS



Listed Property Fund

LARGEST CONTRIBUTORS TO PORTFOLIO EMISSIONS



The current conflict in the Middle East is likely to be a world game changer, at many levels, in our view. We see the human tragedy of the loss of life and imposition of a new daily normal – whatever that may be – as leading to further challenging questions for society.

While the first-round effects of the war on participants not immediately involved are easy to observe – higher fuel and fuel related costs, along with hikes to the prices of lightly processed natural resources, such as fertiliser and a host of other chemicals – we're already thinking about the fourth and fifth round effects.

As professional investors we use a variety of tools to assist us in our decision-making process.

Our Responsible Investment policy is a foundation document, where for moral and ethical reasons, we list the industry sectors where we don't and won't invest.

To summarise, and as more comprehensively detailed in our SIPO under product involvement exclusion screening, we prohibit investments in controversial and nuclear weapons, production of tobacco and the manufacture or sale of automatic weapons to civilians.

As a member of Responsible Investment Association Australasia (RIAA), we use its annual survey of the attitudes of Kiwi investors as key guide when reviewing the construction of our exclusions' list.

Indeed, Voice of Aotearoa: Demand for Ethical Investment in New Zealand 2025, a collaboration between RIAA and Mindful Money, is well worth a read.

While updating our ESG Risk Assessment register — used to collate information to help us identify material ESG risks and opportunities — this year, we discovered that the Nordic Investment Bank (NIB) had recently made a significant change to its ESG policies, permitting investment into entities associated with conventional weapons and ammunition.

This was done midway through last year at the direction of the NIB's owners — the Nordic and Baltic governments of Denmark, Iceland, Finland, Sweden, Norway, Estonia, Lithuania and Latvia — to incorporate security and defence into NIB's lending mandate

Prior to 2024, the notion of funding defence was broadly excluded by the Nordic lender, but driven by concerns over the Russian invasion of Ukraine, the wider European requirement to re-arm NATO and supply concerns around the quality and availability of weapons and ammunition during times of actual conflict, NIB's government owners pushed for the concept of security and resilience to be elevated alongside the NIB's climate and innovation goals.

In NIB's 2025 survey seeking public responses to the proposed amendments to its Sustainability Policy Exclusion List, the banks' President and CEO, André Küüsvek, stated: "In response to the geopolitical developments and the growing demand for defence investments in our region, our Board of Directors has decided that NIB can start financing conventional weapons and ammunition. Our mission to provide long-term sustainable finance to improve productivity and benefit the environment in the Nordic-Baltic region remains core to NIB."

As an outsider looking in, the significant amendments to the NIB's ESG policy to permit funding to entities that are associated with conventional weapons and ammunition appear rational, logical and well-consulted, simply an executable solution to a real-world problem, in our mind.

However, we're also pragmatic enough to acknowledge that further changes are possible. A shift from no weapons to some weapons is a tectonic shift, in our opinion. We will monitor the real-world acceptance of a softening stance on controversial weapons where we think debate could be stronger.

On another note, we were recently contacted by a consultant employed by a large global tobacco company. Discussion was around the smoke-free and reduced risk alternatives to traditional tobacco products. While we won't be changing our tobacco prohibition in our exclusion list any time soon — the production of tobacco products (including traditional and alternative tobacco smoking products) — it was a good stress test of our thinking around ESG and our current exclusions' list

As an active investment manager, we never set- and-forget an investment strategy. Same goes for our approach to responsible investment: nothing is hard-coded in-perpetuity and bright-lines do need to change as investors proactively respond to real world problems.

ESG Team

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