

Octagon Investment Funds

New Zealand Equities Fund

Monthly Performance Update as at 31 December 2024

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^	0.52%	5.32%	10.15%	0.93%	10.47%
Gross Fund Return	0.62%	5.63%	11.44%	2.12%	11.77%
S&P/NZX 50 Gross with Imputation Index	0.40%	5.62%	12.24%	1.03%	9.93%

*Annualised

Major investments

Fisher & Paykel Healthcare Corporation Limited	13.0%
Auckland International Airport Limited	8.3%
Infratil Limited	8.1%
Contact Energy Limited	7.0%
Spark New Zealand Limited	5.7%
Mainfreight Limited	4.2%
Meridian Energy Limited	4.1%
SKYCITY Entertainment Group Limited	3.8%
Sky Network Television Limited	3.3%
Ebos Group Limited	3.3%
Major holdings as % of total portfolio	60.82%

Manager's comments

How did your portfolio perform?

The New Zealand Equities Fund delivered a gross return of 0.62% during December, modestly outperforming the fund's benchmark return of 0.40% by 0.22%.

For the 12 months to the end of December, the New Zealand Equities Fund delivered a gross return of 11.44%, underperforming the fund's benchmark return of 12.24% by -0.80%.

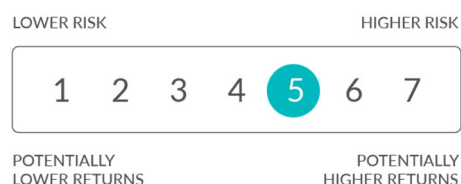
The fund's outperformance in December was supported by a recovery in Sky Television (SKT) after a drop in November and a partial pullback in Gentrak's prior gains. Our underweight position in the electricity generator sector also helped performance.

However, being underweight in Auckland Airport (AIA) was a setback, as the stock surged following the Auckland Council's sale of its stake. While this event removed some uncertainty, we believe near-term fundamentals for AIA have slightly weakened due to Air New Zealand's engine maintenance delays.

What happened in the markets that you invest in?

December lived up to its billing of low news flow and liquidity as the country moved into summer holiday mode. Apart from the Auckland Airport sale noted above, the only real news of note was the September quarter economic growth release, which confirmed NZ was still in recession at that time, with growth a little weaker than we expected.

Risk indicator for the New Zealand Equities Fund*



What are we thinking about the future?

Although economic activity lags improving consumer and business sentiment, government spending forecasts for the next year have been modestly increased. Medium-term interest rates are unexpectedly high due to strong US interest rates, which attract global investment and require New Zealand to offer competitive rates to fund its deficit.

We remain optimistic about New Zealand equities. Many companies have adapted well to reduced demand and are positioned to benefit from recovering confidence and growth. We currently favour companies with specific catalysts:

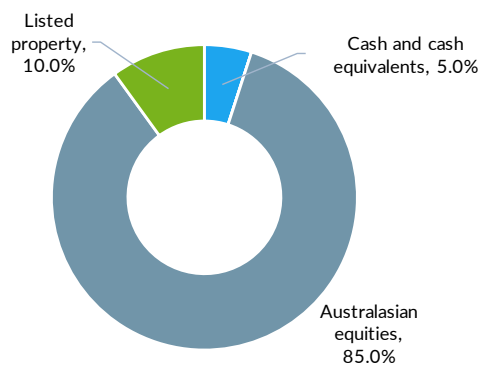
- Sky Television (SKT): Potential renegotiation of NZ rugby rights.
- SkyCity Entertainment (SKC): Introduction of carded play in June.
- Tower Insurance (TWR): Continued efficiency improvements.

We are cautious about stocks we find overvalued, like Auckland Airport and Fisher & Paykel Healthcare, despite their strong current operating performance.



Paul Robertshaw, CA
Director, Chief Investment Officer

Target Asset Allocation



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

View the [Product Disclosure Statement](#) for detailed information about this Fund and Octagon Investment Funds Scheme.

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 December 2024. 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.