

Octagon Investment Funds

Listed Property Fund

Monthly Performance Update as at 30 June 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/listed-property-fund/.



Return comparison	1 Month	3 Months	1 Year	3 Years*	Since inception*
Net Fund Return^	-2.95%	-8.91%	-7.92%	-7.30%	5.43%
Gross Fund Return	-2.86%	-8.65%	-6.85%	-6.20%	6.69%
S&P/NZX All Real Estate Gross Index	-3.13%	-8.55%	-7.57%	-7.15%	6.96%

*Annualised

Major investments

Goodman Property Trust	18.7%
Precinct Properties New Zealand Limited	15.5%
Kiwi Property Group Limited	13.7%
Vital Healthcare Property Trust	10.1%
Argosy Property Limited	8.7%
Stride Property Group	7.4%
Property For Industry Limited	6.6%
Investore Property Limited	3.7%
New Zealand Rural Land Company	3.2%
Asset Plus Limited	1.5%
Major holdings as % of total portfolio	89.02%

Manager's comments

What happened in the markets that you invest in?

The NZ 10yr government bond yield was down to ~4.6% in June from ~4.9% in May. Notwithstanding this, the NZ REIT index ended June down 3.20% underperforming the wider market.

After the busy May reporting season, June was a quieter month. Precinct Properties (PCT) announced a couple of small land acquisitions to support its living strategy (build-to-sell apartment and student accommodation). The living strategy was the focus of its Investor Day held in June, with PCT presenting its plans, and setting expectations for its strategy in this market niche.

Kiwi Property (KPG) opened New Zealand's first build-to-rent project at Sylvia Park with leasing slow so far. Vital Healthcare (VHP) announced pleasing progress on its capital recycling programme with NZ\$87m of non-core asset sales being contracted for sale since April 2024 at a 2% discount to book.

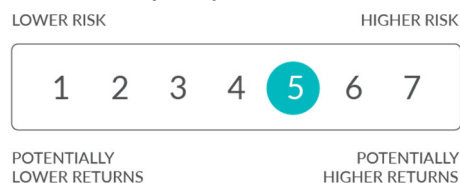
How did your portfolio perform?

The Listed Property Fund delivered a gross return of -2.86% for the month of June, fractionally outperforming the funds benchmark return of -3.13% by 0.27%.

For the 12 months to the end of June, the Listed Property Fund delivered a gross return of -6.85%, modestly outperforming the fund's market index return of -7.57% by 0.71%.

Positive performance came from an underweight position in Goodman Property Trust (GMT) and an overweight

Risk indicator for the Listed Property Fund*



position in Asset Plus (APL). The key detractor to performance was an underweight position in Property for Industry (PFI). There are some signs that the economic backdrop is starting to weigh on industrial demand with CBRE (a commercial real estate company) highlighting softening Auckland rents in the June quarter, significant new supply being built, and anecdotal evidence tenants are beginning to push back on material rental increases.

We actively manage the fund's foreign currency exposures. As at 30 June 2024, these exposures represented about 5% of the value of the fund. After allowing for foreign currency hedges in place, around 3% of the value of the fund was unhedged and exposed to foreign currency risk.

What are we thinking about the future?

The listed sector continues to dispose of assets at or around book value, although transaction numbers are low, suggesting they are only selling if they are getting the "right" price. Share prices imply further cap rate expansion is expected.

Interest rate relief will likely provide a boost for the sector however this will be partially offset by a weakening rental growth outlook. Excluding GMT and PFI, the rest of the sector is trading on a gross yield spread above its long-run average. We continue to see more attractive opportunities outside of the Industrial property space.

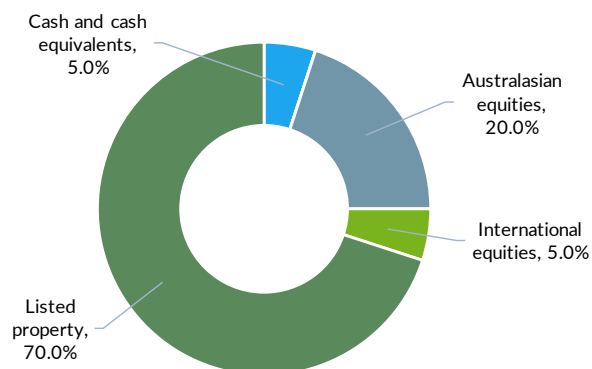


Jason Lindsay, CA
Head of Equities



Tobias Newton
Equity Analyst

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
- Benchmark: None
- 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 30 September 2022. 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/disclosureinformation, by contacting your Investment Adviser, or by calling 0800 628 246.