

Responsible Investment

New Zealand Equities Fund (as at 30 September 2025)

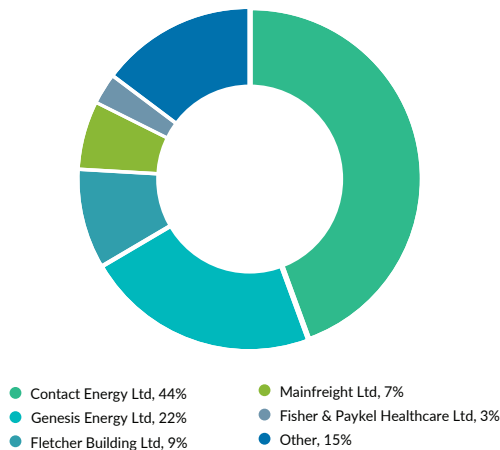
	Fund	Benchmark
% of Portfolio reporting Scope 1 and 2 emissions (by market value)	99%	100%
Weighted Average Carbon Intensity (WACI), tCO ₂ e	47	46
Portfolio Emissions (Scopes 1+2), tCO ₂ e per \$1m invested	24	25

Listed Property Fund (as at 30 September 2025)

	Fund	Benchmark
% of Portfolio reporting Scope 1 and 2 emissions (by market value)	99%	100%
Weighted Average Carbon Intensity (WACI), tCO ₂ e	10	6
Portfolio Emissions (Scopes 1+2), tCO ₂ e per \$1m invested	1	0

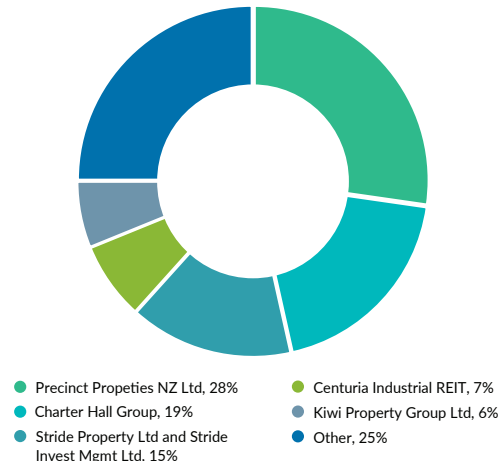
New Zealand Equities Fund

LARGEST CONTRIBUTORS TO PORTFOLIO
WEIGHTED AVERAGE CARBON INTENSITY



Listed Property Fund

LARGEST CONTRIBUTORS TO PORTFOLIO
WEIGHTED AVERAGE CARBON INTENSITY



Industry Consultation

Recently, there have been a larger than normal number of consultations and surveys on the topic of responsible or ethical investment.

As an active and engaged investment manager, we generally take time to consider and respond to consultations and surveys.

Indeed, we've just replied to a survey currently being undertaken by the Climate and Energy Finance Group at The University of Otago, entitled **Effectiveness Evaluation of the Climate-Related Financial Disclosures Framework**: pleasingly, we've been invited to participate in a follow-up interview.

Right now, we're reviewing the Financial Markets Authority's (FMA) draft on **Ethical Investing Disclosure Guidance**, (September 2025) with the intention of providing responses to each of the eight consultation questions.

As explained in the FMA's September guidance note, the primary purpose of the FMA is to "promote and facilitate the development of fair, efficient, and transparent financial markets, and to promote the confident and informed participation of businesses, investors and consumers in those markets".

Specifically, the regulator's consultation on ethical investing is around fostering conduct that "will help issuers prevent greenwashing in their disclosure, and improve the confidence of those participating in ethical finance markets".

The FMA is very clear in that it isn't directing participants on how to invest ethically. What the regulator is advocating for is lifting the quality of disclosure associated with ethical investment.

We're big fans of high-quality disclosure and are keen advocates of the principles-based approach promoted by the FMA.

In our view, prescriptive regulations in such a nuanced domain as responsible or ethical investment risks compliance-style, tick-the-boxes reporting. Whereas we believe it should be up to the offerors of financial products to at least, or ideally exceed, information reporting standards that better assist investors in their decision-making.

We also like the idea of nailing down fundamental words, terms and definitions as well as guiding on the type, context, readability, comparability and placement of information that should be disclosed.

And right-off-the-bat, the FMA has set the tone in its current guidance note by highlighting “green washing”, which are false, misleading or confusing claims that deliberately overstate ethical attributes. However, the regulator is well nuanced in its thinking, in our view, by also acknowledging that an overly burdensome disclosure regime could result in “green hushing”, the understating of ethical attributes, so as not to inadvertently breach regulations with overzealous disclosure.

A fine line, indeed

We’ve taken a quick assessment of the four principles outlined in *Ethical Investing Disclosure Guidance* and compared to what we currently do.

1. Claims need to be clear

The investment objectives and strategies of our funds are set out in the Octagon Investment Funds Statement of Investment Policy and Objectives (SIPO).

In this document we also detail our Responsible Investment Policy, explaining the use of product involvement exclusion screening, consideration of ESG factors, controversies, along with how we consider investments into schemes we don’t directly manage, as well as monitoring.

Additionally, we note processes, risks (further explained in the Octagon Investment Funds’ Product Disclosure Statement (PDS)), limitations, the role of third-party involvement and who undertakes compliance along with activities and consequences of non-compliance

2. Substantiate your claims

Simply put, we do what we say we do! And the activities outlined above, under monitoring and compliance, provide the assurance that we do what we say we do!

3. Messages need to be consistent

We’ve ensured that messaging across the Octagon Investment Funds offer documents – SIPO, PDS and Other Material Information (OMI) – is consistent with website information and any other advertising material provided to investors. Documents are well-linked, in our view, and we believe the overall impression is consistent if documents are read singularly or collectively

4. Third-party involvement is effectively managed

In order for us to do the best job we possibly can, from time-to-time we do need to rely on third-party providers. However, we’re very clear that while we can out-source some of our workload to them, we retain the accountability. Where we use third-party providers, we note who they are, and in what capacity.

Submissions are due to the FMA by 7 November; we’ll ensure that a copy of our responses is made available.

ESG Team



Craig Alexander
Head of Fixed Interest and ESG



Liam Donnelly, CFA
Fixed Interest and ESG, Analyst