

New Zealand Equities Fund

Monthly Performance Update as at 30 September 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 ^	-0.58%	3.15%	6.15%	7.12%	9.89%
Gross Fund Return	-0.49%	3.37%	7.30%	8.35%	10.62%
S&P/NZX 50 Gross with Imputation Index**	-0.40%	1.86%	4.79%	7.76%	8.57%

* Annualised

Major investments

Fisher & Paykel Healthcare Corp. Limited	17.29%
Infratil Limited	8.79%
Auckland International Airport Limited	8.09%
Mainfreight Limited	4.53%
Contact Energy Limited	4.44%
Ebos Group Limited	4.44%
Meridian Energy Limited	4.17%
Spark New Zealand Limited	3.77%
The a2 Milk Company Limited	2.97%
Mercury NZ Limited	2.83%
Major holdings as % of total portfolio	61.31%

Manager's comments

How did your portfolio perform?

The New Zealand Equities Fund (Fund) delivered a gross return of -0.49% during September, modestly underperforming the Fund's benchmark return of -0.40% by -0.09%.

For the 12 months to the end of September, the Fund delivered a gross return of +7.30%, significantly outperforming the Fund's benchmark return of +4.79% by +2.51%.

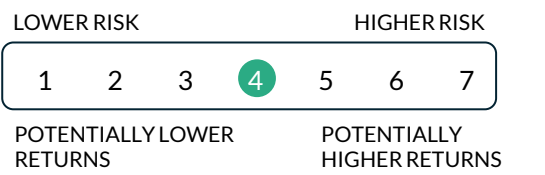
Two strong contributors to performance in September were our overweight in Tower, and our underweight in Auckland Airport. Tower announced a reduction in its reinsurance expense, with the market also anticipating a special dividend given a relative paucity of large claims over the winter months. Auckland Airport struggled given the backdrop of higher oil prices and interest rates.

Against that, our overweight in Ryman and underweight in Fonterra hurt relative performance. Ryman needs a healthy residential property market to help residents sell their houses to move into a village. Higher interest rates and election uncertainty weigh against that. Fonterra had been a key overweight for the Fund for some years, but our assessment of declining relative and absolute value has seen us reduce our exposure over the last twelve months. Stronger earnings than we expected saw the share price rise strongly in September. It also benefits from a weak New Zealand dollar.

Things to note

- Manager: Salt Investment Funds Limited
- 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/NZX 50 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.

What happened in the markets you invest in?

September includes a small reporting season, generally covering the retail sector and agricultural producers. The bigger news for financial markets was the sharp increase in longer-term interest rates. This month's increase was primarily driven by relativities in global rates, particularly US interest rates. Large financing requirements for both the Artificial Intelligence build-out and to fund rising US government deficits saw bond investors demand a higher interest rate. While the New Zealand government debt position is materially different to the US, we still need to compete for bond investors on the global stage.

Higher interest rates are particularly difficult for companies with low pricing power or those priced for high long-term growth. The first set of companies face a profit squeeze, while for the second group, the market requires a higher return (i.e. a lower price today) to take on the risk that distant earnings will be delivered.

The mini reporting season was once again solid, in our view, with Fonterra the standout on the back of strong market demand and continued cost control. Hallenstein Glassons bucked the cautious trading comments of the other retailers, with a standout performance driven by a store roll-out in Australia.

What are we thinking about the future?

Higher interest rates have hurt returns for the property sector, along with the regulated utilities such as Chorus and Vector. With ten-year interest rates above 5%, these defensive sectors look more appropriately priced to us and we are gently adding to our positions in those sectors.

The domestic cycle remains in a slow but positive uptrend. We will get an update from the reporting companies at their annual shareholder meetings this month, and then another mini reporting season in November. We assess our three largest overweights as either not directly exposed to the domestic cycle (Tower) or, where they are, are undertaking significant self-help initiatives (Sky City and Heartland Bank).

Tactical Asset Allocation



- Australasian equities (85.00%)
- Listed property (10.00%)
- Cash and cash equivalents (5.00%)

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.



Paul Robertshawe, CA
Director, Chief Investment Officer

Please note that Salt Investment Funds Limited replaced Forsyth Barr Investment Management Limited as the manager and issuer of the Octagon Investment Funds on 31 July 2026.

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. Prior to October 2022 Net Fund Returns were calculated after deduction of fund charges, trading expenses and accrued tax for a New Zealand resident paying individual tax at the highest Prescribed Investor Rate (28%).

** Please refer to the [SIPO](#) for benchmark history and the hedging calculation method, if applicable.

*** 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 2026. See more information about the risks of investing in the Product Disclosure Statement.

This publication does not contain financial advice. We recommend you review your investments and seek specialist advice on any taxation aspects. Past performance is not a reliable guide to future performance. Salt Investment Funds 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, or by calling 0800 628 246.