Octagon Investment Funds

New Zealand Equities Fund



Monthly Performance Update as at 31 October 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 ^	-0.27%	1.65%	2.83%	8.36%	9.82%
Gross Fund Return	-0.17%	1.95%	4.02%	9.63%	10.56%
S&P/NZX 50 Gross with Imputation Index**	-0.26%	0.99%	2.53%	9.44%	8.51%

** Annualised*

Major investments

Fisher & Paykel Heatlhcare Corp. Limited	18.73%
Auckland International Airport Limited	8.44%
Infratil Limited	8.39%
Contact Energy Limited	5.36%
Mainfreight Limited	4.76%
Ebos Group Limited	4.62%
Meridian Energy Limited	4.32%
Spark New Zealand Limited	3.57%
The a2 Milk Company Limited	3.06%
Heartland Group Holdings Limited	2.83%
Major holdings as % of total portfolio	**64.08%**

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***

LOWER RISK HIGHER RISK

1 2 3 **4** 5 6 7

POTENTIALLY LOWER RETURNS

POTENTIALLY HIGHER RETURNS

View the **Product Disclosure Statement** for detailed information about this Fund and Octagon Investment Funds.

Manager's comments

How did your portfolio perform?

The New Zealand Equities Fund delivered a gross return of -0.17% during October, in line with the fund's benchmark return of -0.26%.

For the 12 months to the end of October, the fund delivered a gross return of +4.02%, significantly outperforming the fund's benchmark return of +2.53% by +1.49%.

Our overweight in Tower, and our underweight in Infratil were strong contributors to relative performance. Tower provided an update on large claims, reporting another below average year. This will boost reported profit and support a higher dividend. Infratil struggled after a fellow data centre builder reported problems with a development. Near term demand is strong, but all development contains risk and there are many builders chasing the same customers.

Our underweight positions in F&P Healthcare and A2 Milk detracted from relative performance. There was little direct news from F&P Healthcare, although the healthcare sector often acts as a safe harbour for investors during volatile markets. For A2 Milk, the market is anticipating a positive update at its annual shareholders' meeting in November. Our reading of the current data is more mixed than that optimism suggests.

Octagon

What happened in the markets you invest in?

Longer-term interest rates declined modestly during October. The Reserve Bank of New Zealand also surprised markets by not raising short-term rates despite still-elevated inflation. Employment reports released in early November showed slowing wage growth and higher-than-expected unemployment. These data may support the Reserve Bank's patient approach.

June year end companies hold their annual shareholders' meetings over October and November. To date we have seen continued caution and a very gentle lowering of short-term earnings expectations – reflecting a weak domestic economy and still elevated oil prices.

Precinct shelved its large development plan for downtown Auckland and will return capital to shareholders instead, reflecting both the demand backdrop and the impact of higher interest rates. The property sector has been very weak. If higher interest rates persist, they will begin to affect valuations. Despite these pressures, we continue to see strong fundamentals and are adding to our positions.

What are we thinking about the future?

There are policy differences between the "right" and "left" leaning political parties coming into the November 7 election. Retirement living, fishing practices, electricity markets, housing, and tax policies could see significant changes depending on where coalition talks settle.

Amongst the economically sensitive stocks reporting in November are Mainfreight and Turners Automotive. They will give us the best read on domestic economic conditions. The largest stock in the market, F&P Healthcare also reports, with another strong result anticipated by the market.

We took the opportunity to close our underweight in Infratil on the back of its fall and we also reduced our exposure to Tower after two months of robust performance. Tower remains one of our largest active positions. Contact Energy has been weak, particularly relative to Genesis Energy, and we have switched some of our electricity sector exposure between the two.

Tactical Asset Allocation



- Australiasian 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.

** 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 31 October 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.