

Australian Equities Fund

Monthly Performance Update as at 31 March 2025

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/australian-equities-fund/.



Return comparison	1 Month	3 Months	1 Year	3 Years*	Since inception*
Net Fund Return [^]	-3.62%	-3.91%	0.13%	5.62%	3.83%
Gross Fund Return	-3.53%	-3.65%	1.30%	6.84%	5.14%
S&P/ASX Accumulation 200 Index (50% Hedged to the NZD)	-3.82%	-3.04%	3.54%	6.43%	6.48%
*Annualised					

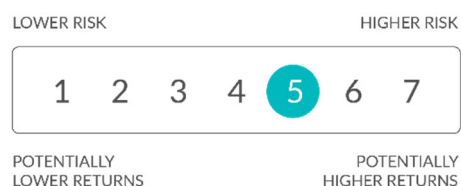
Major investments

BHP Group Limited	7.40%
CSL Limited	6.55%
Commonwealth Bank of Australia Limited	6.52%
Westpac Banking Corporation	4.61%
National Australia Bank Limited	3.67%
Australia and New Zealand Banking Group Limited	3.35%
Macquarie Group Limited	2.73%
Telstra Group	2.61%
Rio Tinto Limited	2.47%
Wesfarmers Limited	2.42%
Major holdings as % of total portfolio	42.34%

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/ASX 200 Accumulation Index, 50% hedged to the NZD
- Currency: New Zealand dollars

Risk indicator**



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

Manager's comments

How did your portfolio perform?

The Australian Equities Fund delivered a gross return of -3.53% during March, modestly outperforming the fund's benchmark return of -3.82% by 0.29%.

For the 12 months to the end of March, the Australian Equities Fund delivered a gross return of 1.30%, underperforming the fund's benchmark return of 3.54% by -2.24%.

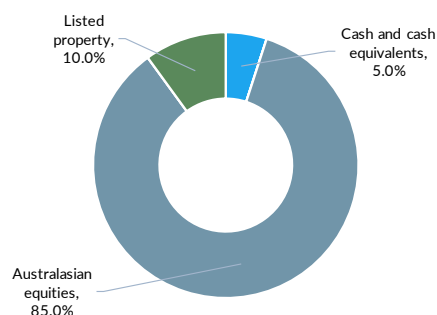
Key positive contributors to performance in March were our overweight positions in oil and gas company, Santos and investment manager, Challenger. Challenger shares rose in March despite a sharp fall in the broader market. The company released a discussion pack to investors revealing excess capital, beyond regulatory requirements, with a potential share buyback on the cards. The buyback would be accretive to EPS and was taken as a sign of strong financial health by the market.

Santos shares recovered in March, following a weak February, largely on the back of a strengthening crude oil price.

Key detractors were our overweight positions in game developer, Light and Wonder and data centre operator, NextDC. Light and Wonder sold off on news that its game 'Jewel of the Dragon' may face copyright litigation. If found liable, the company could face material damages and reputational risk. NextDC shares underperformed, being caught up in the recent negativity surrounding AI investments. More recent announcements from big US tech firms suggest some risk that too much data centre capacity has been brought online recently pressuring profits and growth.

We actively manage the fund's Australian dollar exposures. During the month the New Zealand dollar rose 0.87% against the Australian dollar.

Target Asset Allocation



Currency Hedging

As at 31 March 2025

Percentage of the fund exposed to FX risk	99.58%
Value of the fund unhedged (after hedging)	54.71%

What happened in the markets that you invest in?

The broader Australian equity market fell -3.39% in February, with the sharpest declines in the Technology and Consumer Discretionary sectors. February employment data showed a modest decline, though the unemployment rate held steady at 4.1%. February's consumers' price index (CPI) showed the annual rate of inflation running at 2.4%, well inside the Reserve Bank of Australia's (RBA) target range.

What are we thinking about the future?

A gradual disinflation process remains underway in Australia with declines in the core inflation rate lagging behind those in the headline rate, which is affected by government subsidies and temporary factors. Our assessment is that wholesale interest rates can continue to fall modestly this year with CPI around the RBA's target, with employment remaining strong and growth accelerating toward trend rates. This backdrop is supportive for economically sensitive sectors.

Risk appetite has fallen sharply this year with concerns around global growth, softer AI sentiment, and tariff uncertainty. In this environment our strategy remains focused on those stocks which we expect to perform well through the cycle, where valuations do not reflect the quality and growth on offer.



Jason Lindsay, CA
Head of Equities

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 March 2025. 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.