

## Global Equities Fund

### Monthly Performance Update as at 31 January 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/global-equities-fund/](http://www.octagonasset.co.nz/our-funds/global-equities-fund/).



Return comparison	1 Month	3 Months	1 Year	3 Years*	Since inception*
Net Fund Return <sup>^</sup>	0.49%	2.35%	10.82%	16.62%	4.70%
Gross Fund Return	0.60%	2.70%	12.34%	18.23%	5.89%
MSCI ACWI Net TR Index (50% hedged to the NZD)	0.15%	0.77%	15.99%	20.56%	10.50%

<sup>^</sup>Annualised

### Major investments

Microsoft Corp.	4.03%
Alphabet Inc.	3.83%
NVIDIA Corp.	2.06%
Apple Inc.	2.01%
Amazon.com Inc.	1.94%
Mastercard Inc.	1.74%
General Motors Co. Inc.	1.68%
Verizon Communications Inc.	1.54%
Nestle SA	1.50%
Veolia Environnement SA	1.45%
<b>Major holdings as % of total portfolio</b>	<b>21.78%</b>

### Manager's comments

#### How did your portfolio perform?

The Global Equities Fund delivered a gross return of 0.60% during January, modestly outperforming the fund's benchmark return of 0.15% by 0.45%.

For the 12 months to the end of January, the Global Equities Fund delivered a gross return of 12.34%, underperforming its benchmark return of 15.99% by -3.65%.

Our minimum volatility manager outperformed the index over the month, while the Growth thematic manager lagged. The largest positive contributors to the fund's relative performance were underweights in Apple and Palantir, which underperformed the index, and an overweight position in ASML. ASML gained ~30%, driven by revenues beating expectations and record-breaking forward orders for its silicon photolithography systems (the process that 'etches' circuits onto silicon wafers for the semiconductor industry). Salesforce, Nestlé and Mastercard were key detractors, each experiencing single-digit share price declines.

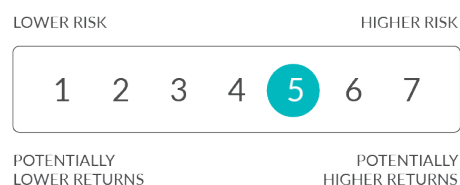
In January the fund switched to a core, global factor portfolio to enhance our multi-manager approach. The global factor portfolio builds stock positions based on strong cash-flow generation and robust earnings fundamentals. Combined with market-reaction factors, these positions are optimised to create a diversified portfolio with a clear focus on risk control. More detail about the new Octagon Global Factors Portfolio can be found on the GEF page: [www.octagonasset.co.nz/our-funds/global-equities-fund/](http://www.octagonasset.co.nz/our-funds/global-equities-fund/)

We actively manage the fund's foreign currency exposures. During the month, the New Zealand dollar rose strongly against the US dollar, up 5.18% and also up against the Euro and the Japanese Yen. Overall, our active hedging added to portfolio performance.

### Things to note

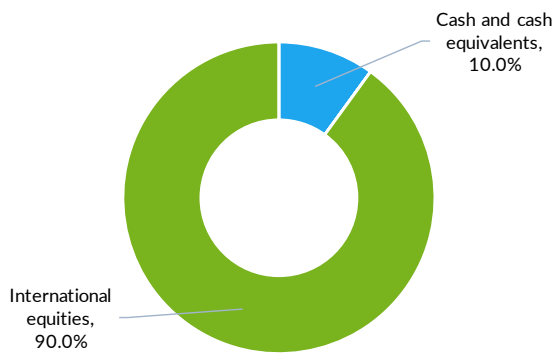
- Manager: Forsyth Barr Investment Management Ltd
- Investment manager: Octagon Asset Management Ltd
- Date the fund started: 26 June 2008
- Tax status: Portfolio Investment Fund (PIE)
- Minimum suggested investment time frame: At least five years
- Market Index: MSCI ACWI Net Total Return Index, 50% 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.

## Tactical Asset Allocation



## Currency Hedging

As at 31 January 2026

Percentage of the fund exposed to FX risk	99.31%
Value of the fund unhedged (after hedging)	39.15%

### What happened in the markets that you invest in?

Global equities started the year on a strong but volatile footing. The MSCI All Country World Index (ACWI) returned ~3% in US dollar terms, supported by improved growth expectations amid ongoing geopolitical tensions. Macroeconomic data mostly surprised to the upside, with stronger economic activity data and moderating inflation pressures. Cyclical stocks outperformed defensives. Emerging markets and developed Asian markets (including a strong Japanese equities market) led gains.

Global bonds sold off on the back of the stronger economic data. US short-term rates moved higher as expectations for Federal Reserve rate cuts were pushed out. As uncertainty around the US monetary and fiscal outlook persisted, the US dollar weakened against G10 currencies, including the New Zealand dollar. US equity market performance also broadened beyond the technology sector.

Small-cap stocks rallied ~5%, while the 'Mag-7' stocks collectively rose just ~1% over the month.

The strong performance in equities outside the US has been driven primarily by earnings rather than valuation expansion. Emerging markets, Japan's TOPIX and materials stocks have seen upgrades to 2026 EPS revisions.

In the US, the fourth-quarter earnings season is now around halfway through, with earnings beating estimates by ~6%, marginally above the long-term average surprise of 4.9%. Forward year-on-year EPS growth is 14.9%, with growth expectations in the technology sector continuing to outpace that of the broader index.

### What are we thinking about the future?

The US equity market continues to look expensive and imbalanced to us. While the recent price run-up has been significant, momentum factors alone have accounted for around 40% of total market returns over the past two years. This has been driven largely by data-centre investment and AI-related enthusiasm, against a backdrop of stimulative financial conditions. Many of these momentum stocks are companies with rising earnings estimates but little or no free cash flow, rapidly increasing capital spending and generally weak earnings quality.

Our bottom-up managers focus on selecting companies with high-quality earnings trends, disciplined capital allocation and attractive valuations. They continue to find opportunities outside the US, particularly in developed Asia, Japan, Europe and the UK.



**Christine Smith-Han**  
Strategy Analyst

## Fees

Annual fund charges are currently 1.35% 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](http://octagonasset.co.nz), email [info@octagonasset.co.nz](mailto:info@octagonasset.co.nz), or call 0800 628 246

<sup>^</sup> 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.

<sup>\*\*</sup> 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 January 2026. 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/disclosure-information](http://www.octagonasset.co.nz/disclosure-information), by contacting your Investment Adviser, or by calling 0800 628 246.