

## Global Equities Fund

### Monthly Performance Update as at 31 December 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/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^	0.57%	4.09%	14.58%	18.85%	4.69%
Gross Fund Return	0.69%	4.45%	16.16%	20.50%	5.88%
MSCI ACWI Net TR Index (50% hedged to the NZD)	0.77%	3.82%	19.13%	22.76%	10.54%

\*Annualised

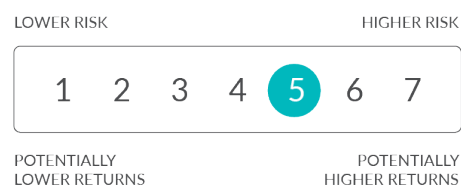
### Major investments

Microsoft Corp.	4.34%
Alphabet Inc.	3.69%
Apple Inc.	2.57%
Amazon.com Inc.	2.50%
NVIDIA Corp.	1.93%
Salesforce Inc.	1.69%
Mastercard Inc.	1.68%
Nestle SA	1.68%
Verizon Communications Inc.	1.51%
Uber Technologies Inc.	1.49%
<b>Major holdings as % of total portfolio</b>	<b>23.08%</b>

### 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.

### Manager's comments

#### How did your portfolio perform?

The Global Equities Fund delivered a gross return of 0.69% during December, broadly in-line with the fund's benchmark return of 0.77%.

For the 12 months to the end of December, the Global Equities Fund delivered a gross return of 16.16%, underperforming its benchmark return of 19.13% by -2.96%.

Our two active managers marginally underperformed the index over the month. The biggest positive contributors to the fund's relative performance were our overweight position in Salesforce (SFDC) and the underweight position in Broadcom. SFDC rallied over the month, yet the stock remains well below its earlier 2025 highs. AI giant Nvidia was the biggest relative detractor due to the fund's underweight position, with the stock rising 5.2%.

Market returns were strongest in the Financials and Materials sectors and weakest in Utilities. The December year-end saw a rotation of capital as investors repositioned into financial stocks that had lagged earlier in the year during strong technology-led rallies. This rotation was funded by selling utility stocks, after their recent strong performance, which in turn had been driven by expectations that AI-driven data-centre growth would boost electricity demand.

We actively manage the fund's foreign currency exposures. During the month, the New Zealand dollar was broadly flat against the US dollar and the Euro and appreciated against the Japanese Yen.

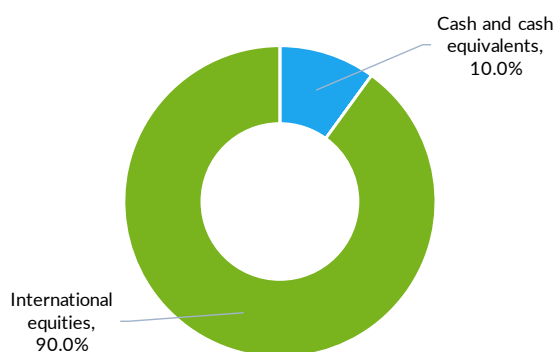
#### What happened in the markets that you invest in?

Global equities were mixed in December. US stocks oscillated to a flat close, while Japan, the UK, and Europe posted gains. China and Hong Kong lagged.

European equities benefitted as a lower-valuation alternative to the US, supported by expectations of monetary policy easing by the European Central Bank as Eurozone inflation moderated towards target. Fund manager flows during December shifted toward Europe and the UK, and away from the more highly valued US market.

Japan equities delivered solid gains relative to Asian regional peers. Ongoing corporate governance improvements and a weaker Yen supported exporters' earnings outlook. Chinese equities were weaker in December, but for the year they performed well, supported by advances in domestic AI technology.

## Target Asset Allocation



## Currency Hedging

As at 31 December 2025

Percentage of the fund exposed to FX risk	99.47%
Value of the fund unhedged (after hedging)	35.92%

## What are we thinking about the future?

US economic activity softened slightly over the month. Global manufacturing orders and freight activity deteriorated slightly, while weaker services PMI readings reinforce a more cautious growth outlook. Inflation remained largely unchanged. Although the decline in the unemployment rate is a positive sign for labour market resilience, weakening consumer sentiment and rising long-term bond yields and slower credit growth weighed on the US market.

Our bottom-up managers continue to identify more attractive opportunities outside the US, particularly in Europe, Japan and developed Asia, where valuations are more reasonable. US reporting season kicks off in mid-January, and we expect high single-digit earnings growth.

We actively manage the risk exposure of the fund. Over January, we increased allocations to active stock positions while reducing exposure to the broader global equity market. Stock selection is focused on companies with higher free cash flow yields, more disciplined capital allocation and quality earnings greater than the broader market. Active risk remains within the target range.



**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](https://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 December 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/disclosure-information](https://www.octagonasset.co.nz/disclosure-information), by contacting your Investment Adviser, or by calling 0800 628 246.