

Australian Equities Fund

Monthly Performance Update as at 30 June 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^	1.75%	6.14%	7.45%	11.44%	4.13%
Gross Fund Return	1.85%	6.45%	8.71%	12.73%	5.45%
S&P/ASX Accumulation 200 Index (50% Hedged to the NZD)	1.46%	8.39%	12.98%	13.54%	6.89%
*Annualised					

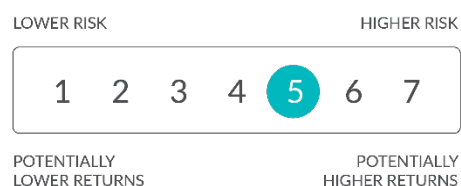
Major investments

Commonwealth Bank of Australia Limited	7.09%
BHP Group Limited	6.78%
CSL Limited	5.84%
Westpac Banking Corporation	4.34%
National Australia Bank Limited	3.64%
Australia and New Zealand Banking Group Limited	3.48%
Macquarie Group Limited	2.90%
Telstra Group	2.53%
Wesfarmers Limited	2.47%
Goodman Group	2.24%
Major holdings as % of total portfolio	41.32%

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 1.85% during June, modestly outperforming the fund's benchmark return of 1.46% by 0.39%.

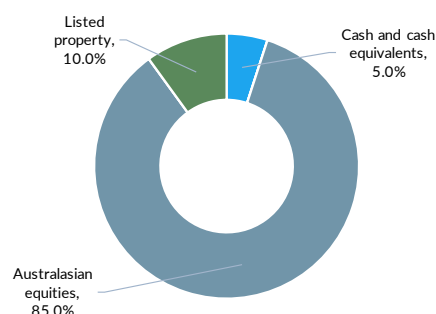
For the 12 months to date, the Australian Equities Fund delivered a gross return of 8.71%, underperforming the fund's benchmark return of 12.98% by -4.27%.

Key positive contributors to performance in June were our overweight positions in fuel retailer, Viva Energy (VEA) and oil and gas producer, Santos (STO). VEA shares rose strongly as the Iran/Israel conflict drove increased volatility in energy markets and improved refining margins are positive for the company's earnings. STO shares rallied after it announced it had received a non-binding takeover proposal from a consortium led by the Abu Dhabi National Oil Company for A\$8.89 per share, a 28% premium to prior close.

Key detractors from performance in June were our overweight position in CSL and underweight position in Goodman Group. CSL underperformed on fears the US 'Most Favoured Nation' policy presents a downside risk to earnings as the US government seeks to reduce drug prices by 30-80% in key CSL markets. Goodman Group outperformed in June with recent data showing a rise in industrial asset values, improving sentiment around data centre demand from Hyper-scalers, and potential capital partnering in the space.

We actively manage the fund's foreign currency exposures associated with Australian equities. During the month the NZD fell -0.15% against the Australian dollar (AUD).

Target Asset Allocation



Currency Hedging

As at 30 June 2025

Percentage of the fund exposed to FX risk	99.16%
Value of the fund unhedged (after hedging)	67.07%

What happened in the markets that you invest in?

The Australian equity market rose in June, led by the Financial and Energy sectors. In terms of macroeconomic data, monthly CPI (Inflation) data slowed from 2.4% to 2.1%. GDP came in at a measly 0.2% for the quarter which was below recent trends, with public sector demand easing after multiple years of spending growth. Modest gains were made in total jobs delivering a flat unemployment rate over a year. In general, the Australian economy looks healthy enough through the multiple lenses of growth, employment and inflation.

What are we thinking about the future?

The market continues to shake off, or simply ignore, the worst-case scenarios of US government trade policy. There are few signs of a sharp rise in inflation or a meaningful slow-down in US economic growth; both were viewed as likely outcomes by market commentators. The risk of escalation to the Middle East region from the Iran/Israel conflict, and any related inflation shock from the oil price, has also eased given the peace deal struck late in June and with oil futures paring back most of its June gains.

In terms of a base case, we don't expect any major shock to either local or global growth in the near term which should continue to support risk-on markets. In June we lowered our conviction overweight in Energy stocks given recent oil price strength and continue to favour names across the Insurance, Healthcare and Industrial sectors.



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 30 June 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.