

Global 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/global-equities-fund/.



Return comparison	1 Month	3 Months	1 Year	3 Years*	Since inception*
Net Fund Return^	1.37%	3.49%	10.76%	14.79%	4.25%
Gross Fund Return	1.49%	3.85%	12.30%	16.37%	5.42%
MSCI ACWI Net TR Index (50% hedged to the NZD)	3.31%	6.60%	15.29%	18.02%	10.00%

*Annualised

Major investments

Alphabet Inc.	3.87%
Apple Inc.	3.01%
Amazon.com Inc.	2.91%
Microsoft Corp.	2.88%
Uber Technologies Inc.	2.68%
Salesforce Inc.	2.39%
Siemens AG	1.73%
Meta Platforms Inc.	1.65%
Thermo Fisher Scientific Inc.	1.43%
Verizon Communications Inc.	1.43%
Major holdings as % of total portfolio	23.97%

Manager's comments

How did your portfolio perform?

The Global Equities Fund delivered a gross return of 1.49% during June, underperforming the fund's benchmark return of 3.31% by -1.82%.

For the 12 months to the end of June, the Global Equities Fund delivered a gross return of 12.30%, underperforming its benchmark return of 15.29% by -2.99%.

Equity market returns have broadened across all sectors and regions since last year's 'Magnificent 7' rally. However, in June the Magnificent 6 (the Mag-7 ex-Tesla) re-asserted itself and drove markets higher as Technology and Artificial Intelligence names regained momentum. Growth stocks drove markets higher whilst defensive sectors and value stocks underperformed.

All three of our managers are significantly underweight the Magnificent 7 on valuation grounds, so whilst Tesla's 14% decline helped performance, Nvidia was a drag on relative performance as it approached new all-time highs. As expected, with risk appetite returning, our low-volatility manager underperformed whilst the conviction positions of our two growth managers did not keep up with the market leaders.

We actively manage the fund's foreign currency exposures. Our active currency hedging made a marginal contribution as the New Zealand dollar rose 1.67% against the US dollar over the month.

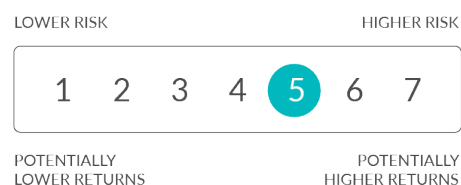
What happened in the markets that you invest in?

Global equity markets continued last month's gains as the negative sentiment from trade tensions abated. The impact of tariffs on corporate margins looks to be less than feared, but it is still early days. Following modest earnings downgrades in April and May, on the back of the tariff announcements, analysts have started upgrading again, assisted by a weaker US dollar. The US direct entry into the Iran/Israel conflict saw a spike in unwound with a ceasefire and ongoing diplomatic talks.

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**

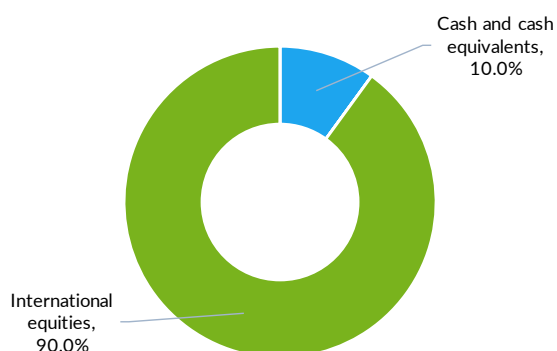


View the [Product Disclosure Statement](#) for detailed information about this Fund and Octagon Investment Funds Scheme.

Developed markets rose 4% over the period with US and Asia (ex-Japan) outperforming while growth stocks outpaced value, and emerging markets also performed well.

US interest rates fell during the month, supporting equity markets, but US dollar weakness and increasing US government debt remain risks to that market. In our view, current pricing in fixed interest and currency markets reflect a balance of risks, whilst equity markets are pricing in very favourable outcomes.

Target Asset Allocation



Currency Hedging

As at 30 June 2025

Percentage of the fund exposed to FX risk	99.71%
Value of the fund unhedged (after hedging)	39.50%

What are we thinking about the future?

We continue to believe the risks to global equity market are greater than what is currently priced in. Despite persistent tariff tensions, budget risks and global conflicts, investors appear overly optimistic about future earnings prospects. Following the market's rebound, sentiment in the US is once again at euphoric levels, on the measures we use.

Global earnings revisions have only been modestly negative, and markets are taking the view that whatever risks arise, governments and central banks will underwrite equity market returns. We are more cautious, and our managers are tilted away from the most expensive regions.

The Global Equities Fund remains underweight US equities and overweight Europe and Japan. In aggregate, we remain underweight the Magnificent 7. Our managers continue to adjust portfolio positions in response to evolving fundamentals and valuation dynamics.



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, 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/disclosure-information, by contacting your Investment Adviser, or by calling 0800 628 246.