Octagon Investment Funds

Global Equities Fund

Monthly Performance Update as at 30 June 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/.

Return comparison	1 Month	3 Months	1 Year	3 Years*	Since inception*
Net Fund Return^	1.14%	7.10%	15.54%	14.46%	4.85%
Gross Fund Return	1.25%	7.46%	17.13%	16.04%	6.03%
MSCI ACWI Net TR Index (50% hedged to the NZD)	2.53%	15.61%	28.87%	21.56%	10.97%

*Annualised

Major investments

Microsoft Corp	3.50%
Alphabet Inc-Cl A	3.26%
Apple Inc	2.55%
Nvidia Corp	2.31%
Mastercard Inc.	1.83%
Taiwan Semiconductor Manufacturing Co. Ltd (ADR)	1.82%
BNP Paribas S.A. USD Cash Deposit	1.80%
Uber Technologies Inc	1.33%
Amazon.Com Inc	1.31%
Broadcom Inc	1.20%
Major holdings as % of total portfolio	**21.09%**

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**

LOWER RISK HIGHER RISK

1 2 3 4 **5** 6 7

POTENTIALLY LOWER RETURNS POTENTIALLY HIGHER RETURNS

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 1.25% during June, underperforming the fund's benchmark return of 2.53% by -1.28%.

For the 12 months to the end of June, the Global Equities Fund delivered a gross return of 17.13%, underperforming its benchmark return of 28.87% by -11.75%.

Global equity momentum reversed in June as the Software as a Service (SaaS) sector sold off further under the weight of AI disruption concerns. However, the June quarter still delivered one of the stronger quarterly returns in many years for Global Equities. Companies exposed to the AI supply chain - semiconductor and hardware equipment stocks - continued to lead gains. The Magnificent Seven lagged the broader market index, with stocks possessing defensives earnings outperforming.

What happened in the markets that you invest in?

Investors gained confidence in June, with risk sentiment improving on the back of a strong corporate earnings season and the ceasefire and 60-day peace deal in the Middle East war. Both developed and emerging markets rallied, with growth stocks outperforming value as the AI investment cycle continued. Commodity prices moved back towards pre-war levels, but in late June rose again after renewed Iranian attacks on shipping in the Strait of Hormuz and stronger rhetoric from the US President.

Global bond markets were mixed as investors assessed the impact of higher energy prices on inflation and growth. The front end of the yield curve rallied, while 10-year bond yields were little changed. US inflation data (from the CPI) rose 4.2% year-on-year, driven by higher gasoline prices.

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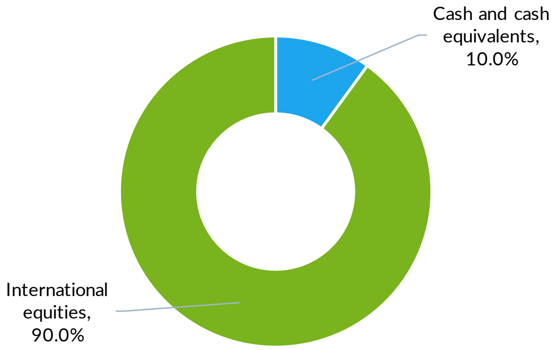
Labour market data remained resilient, and the Federal Reserve kept interest rates unchanged while maintaining a hawkish stance. Renewed tensions in the Middle East have brought inflation and growth risks back into focus late in the month.

Tactical Asset Allocation



Currency Hedging

As at 30 June 2026	
Percentage of the fund exposed to FX risk	98.76%
Value of the fund unhedged (after hedging)	38.28%

What are we thinking about the future?

We increased the Fund's allocation to the Global Factor Portfolio to 40% in June, reducing exposure to the low volatility and the thematic growth portfolios to 40% and 20%, respectively. The Fund remains defensively positioned and well diversified across the three managers, with the low volatility strategy providing downside protection in a historically expensive equity market. The thematic growth portfolio maintains its recent defensive stance with a higher allocation to healthcare stocks.

The core Global Factor Portfolio became modestly more growth-oriented following our recent rebalance. We increased exposure to Taiwan Semiconductor, BE Semiconductor Industries and Micron Technology, bringing the portfolio's semiconductor and technology hardware exposure in-line with the benchmark. These additions were funded by reduced allocations to the materials and industrials sectors.

Improving earnings and the tech sector rally have strengthened the rankings of quality technology stocks. While valuations are not cheap, these companies remain attractive, supported by strong returns on equity, price momentum, free cash flow margins and positive earnings revisions.

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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.

^ 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 2026. See more information about the risks of investing in the Product Disclosure Statement.