

## Australian Equities Fund

### Monthly Performance Update as at 28 February 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/australian-equities-fund/](http://www.octagonasset.co.nz/our-funds/australian-equities-fund/).



| Return comparison  | 1 Month | 3 Months | 1 Year | 3 Years* | Since inception* |
|--|---------|----------|--------|----------|------------------|
| Net Fund Return^   | 3.43%   | 6.07%    | 15.28% | 11.44%   | 4.68%            |
| Gross Fund Return  | 3.53%   | 6.39%    | 16.61% | 12.72%   | 6.00%            |
| S&P/ASX Accumulation 200 Index (50% Hedged to the NZD)<br>Annualised | 5.38%   | 9.27%    | 19.73% | 14.08%   | 7.46%            |

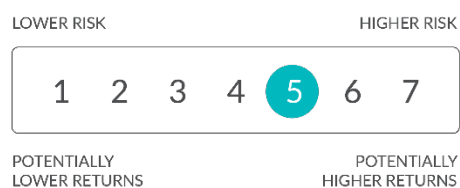
### Major investments

|   |               |
|---|---------------|
| BHP Group Limited                               | 10.68%        |
| Commonwealth Bank of Australia Limited          | 6.92%         |
| Westpac Banking Corporation                     | 4.79%         |
| Australia and New Zealand Banking Group Limited | 4.08%         |
| National Australia Bank Limited                 | 3.66%         |
| CSL Limited                                     | 3.40%         |
| Rio Tinto Limited                               | 2.68%         |
| Macquarie Group Limited                         | 2.58%         |
| Goodman Group                                   | 2.30%         |
| Telstra Group                                   | 2.17%         |
| <b>Major holdings as % of total portfolio</b>   | <b>43.27%</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: 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 3.53% during February, underperforming the fund's benchmark return of 5.38% by -1.86%.

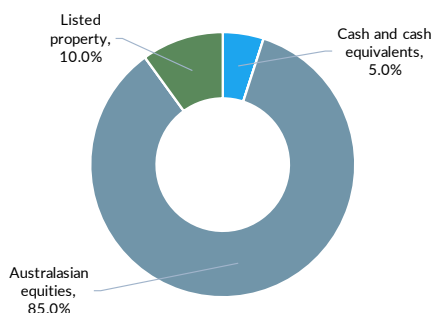
For the 12 months to the end of February, the Octagon Australian Equities Fund delivered a gross return of 16.61%, underperforming the fund's benchmark return of 19.73% by -3.11%.

Key positive contributors to performance in February were our underweight position in hearing implant maker, Cochlear and our overweight position in non-bank lender, Resimac group. Cochlear fell ~19% after posting its fourth consecutive earnings miss at the February result. Management also downgraded full year FY26 guidance. In our view, the company's increasingly unpredictable earnings growth does not support its rich valuation multiple. Our overweight position in Resimac performed well after the company rallied strongly at its half year result in February, posting earnings above market expectations. Pleasingly, Resimac announced another special dividend of 9cps at the result, bringing total dividends to 32cps over 12 months, a compelling 44% yield on the share price a year ago.

Key detractors from performance in February were our underweight position in Commonwealth Bank (CBA), and our overweight position in travel agency, Flight Centre. CBA printed a strong result that was ahead of market expectations. Lending growth was robust, margins were resilient and credit quality remained in good shape. Flight Centre sold off sharply after sector peer, Webjet, disclosed Spanish tax authorities were auditing its Spanish subsidiary. This, along with a risk-off theme in markets, saw Flight Centre sell off 10% that same day in sympathy.

We actively manage the fund's foreign currency exposures associated with Australian equities. During the month the NZD fell -2.48% against the Australian dollar (AUD).

## Target Asset Allocation



## Currency Hedging

As at 28 February 2026

|  |         |
|--|---------|
| Percentage of the fund exposed to FX risk  | 100.59% |
| Value of the fund unhedged (after hedging) | 28.93%  |

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

The Australian equity market rose 4.11% in February, led higher by strong performances in the Materials and Financial sectors with both up more than 9% during the month. The tone of economic data during February remained firm, with the monthly CPI running at 3.8% YoY and unemployment flat at 4.1%. The Reserve Bank of Australia (RBA) finally took signal from the persistently high inflation numbers and raised the cash rate target 0.25% to 3.85%.

## What are we thinking about the future?

Recent commentary from the RBA suggests they are becoming uncomfortable with persistently high inflation. Upcoming meetings appear now to be 'live' with largely one-sided risk of further interest rate increases. Underlying economic momentum, persistent inflation and potential interest rate hikes have driven the AUD sharply higher, rising to 13-year highs against the NZD. This AUD strength was also a meaningful drag on performance during the month given our above benchmark hedge position.

The February reporting season highlighted this positive economic backdrop with earnings upgrades for the year to 30 June 2026 of nearly ~2% flowing through over recent weeks. Higher nominal GDP growth remains positive for the banking sector, and we continue to selectively add to our banking exposure. We also see opportunities in the technology sector where investor concerns around AI business model disruption has driven a sharp multiple de-rating.



**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.

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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

^ 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 28 February 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/disclosureinformation](http://www.octagonasset.co.nz/disclosureinformation), by contacting your Investment Adviser, or by calling 0800 628 246.