

Australian Equities Fund

Monthly Performance Update as at 30 April 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/.



Return comparison	1 Month	3 Months	1 Year	3 Years*	Since inception*
Net Fund Return^	2.24%	-1.40%	12.84%	9.44%	4.36%
Gross Fund Return	2.33%	-1.12%	14.15%	10.72%	5.67%
S&P/ASX Accumulation 200 Index (50% Hedged to the NZD) Annualised	2.98%	1.24%	16.61%	12.22%	7.14%

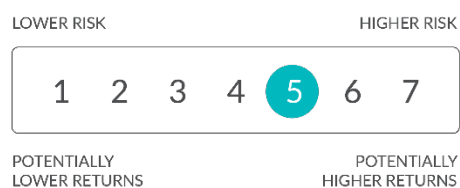
Major investments

BHP Group Limited	10.22%
Commonwealth Bank of Australia Limited	7.18%
Westpac Banking Corporation	4.53%
Australia and New Zealand Banking Group Limited	4.24%
National Australia Bank Limited	3.30%
CSL Limited	3.17%
Macquarie Group Limited	2.96%
Rio Tinto Limited	2.80%
Goodman Group	2.44%
Telstra Group	2.19%
Major holdings as % of total portfolio	43.01%

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 2.33% during April, modestly underperforming the funds benchmark return of 2.98% by -0.65%.

For the 12 months to the end of April, the Octagon Australian Equities Fund delivered a gross return of 14.15%, underperforming the funds benchmark return of 16.61% by -2.46%.

The key positive contributors to performance in April were our overweight position in datacentre operator, NextDC along with holding no shares in medical device maker, Cochlear.

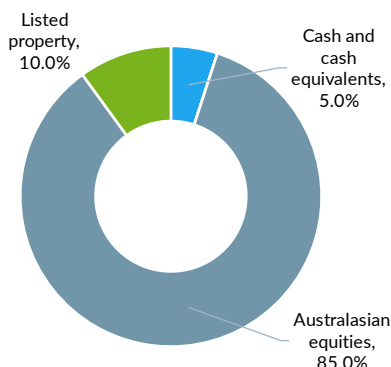
NextDC performed strongly during April after successfully completing a A\$1.5bn equity raising. The funding was needed to support a significant increase in contracted capacity, now 60% higher than it was at the end of the calendar year, a sign of exceptional demand. The raising was completed at \$12.70 a share with the stock closing the month at \$14.24. Cochlear cut its FY26 earnings guidance by 30% at the midpoint with weaker demand, soft trading in the Middle East and gross margin compression among the factors called out by management. Your fund does not own Cochlear, preferring higher quality sector-peer Resmed in the medical device space.

The key detractors from performance were our overweight positions in two healthcare companies, CSL and Integral Diagnostics. Both stocks continued to drift lower during April.

After delivering soft results in February, CSL and Integral Diagnostics both require higher earnings run rates in the second half to hit their FY26 guidance. Given an increasingly challenging operating backdrop, the market has shown less willingness to give them the benefit of the doubt.

We actively manage the fund's foreign currency exposures associated with Australian equities. During the month, the NZD fell -1.68% against the Australian dollar (AUD).

Target Asset Allocation



Currency Hedging

As at 30 April 2026

Percentage of the fund exposed to FX risk	101.03%
Value of the fund unhedged (after hedging)	21.16%

What happened in the markets that you invest in?

The Australian equity market rose 2.18% in April, with a significant rebound from prior month losers in the Technology and Real Estate sectors. Real Estate rose 8.6% and Technology surged by 13.3% over the month.

Economic data released through April continued to point to an economy operating near its productive limits. The labour force data showed the unemployment rate remained flat at 4.3% with job creation still positive. Previous momentum in inflation stepped up yet again as early impacts of the current fuel shock showed up in the data, headline inflation was 4.6% for the year to 31 March.

What are we thinking about the future?

Rising interest rates, ongoing inflation pressure and potentially weaker economic growth bode poorly for activity levels in more cyclical parts of the Australian economy. Key sector exposures which are at greatest risk of EPS downgrades are concentrated in the consumer, retail and real estate space.

We are also wary of cost headwinds across some industrials, particularly related to fuel and other petrochemical related cost inputs. Those with limited pricing power and lagged cost recovery may see their margins suffer. Others with the right contractual structures should be able to pass this cost on.

Provided there is just a slowing (rather than collapse) in economic growth we continue to see a positive earnings backdrop for banks and insurers and have been adding to these positions.



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 April 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, by contacting your Investment Adviser, or by calling 0800 628 246.