

Australian Equities Fund

Monthly Performance Update as at 30 September 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^	-0.16%	6.88%	7.72%	13.04%	4.47%
Gross Fund Return	-0.08%	7.17%	8.95%	14.35%	5.80%
S&P/ASX Accumulation 200 Index (50% Hedged to the NZD)	0.63%	7.61%	12.95%	15.63%	7.24%

*Annualised

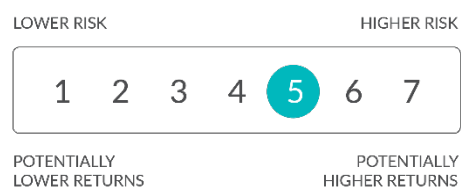
Major investments

BHP Group Limited	7.89%
Commonwealth Bank of Australia Limited	6.45%
Westpac Banking Corporation	5.10%
CSL Limited	4.81%
Australia and New Zealand Banking Group Limited	3.91%
National Australia Bank Limited	3.71%
Macquarie Group Limited	2.79%
Goodman Group	2.47%
Wesfarmers Limited	2.45%
Telstra Group	2.41%
Major holdings as % of total portfolio	42.00%

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 -0.08% during September, underperforming the fund's benchmark return of 0.63% by -0.71%.

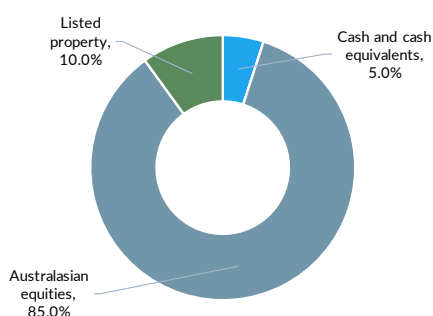
For the 12 months the end of September, the Octagon Australian Equities Fund delivered a gross return of 8.95%, underperforming the fund's benchmark return of 12.95% by -4.00%.

Key positive contributors to performance in September were our overweight positions in mining services company, Emeco Holdings and non-bank lender, Resimac Group. Emeco Holdings shares continued their strong run in September after management confirmed the company had received unsolicited interest from several potential acquirers. Resimac shares also outperformed after releasing their result in late August. Sentiment has been boosted by outperforming credit quality expectations and meaningful profit upside from accelerating loan volumes.

Key detractors from performance in September were our underweight position in gold miner, Evolution Mining and overweight position in fuel retailer, Viva Energy. Shares in Evolution Mining surged in September as the gold price continued its relentless rise. Gold prices are now up ~50% year to date on a weaker USD and geopolitical volatility. Gold producers have exceptional cash generation at current spot price and their share prices are rising accordingly. Viva Energy sold off sharply after announcing the resignation of a key retail executive during the month. Retail is a key earnings and growth driver for the company and management instability is unhelpful.

We actively manage the fund's foreign currency exposures associated with Australian equities. During the month the NZD fell -2.82% against the Australian dollar (AUD).

Target Asset Allocation



Currency Hedging

As at 30 September 2025

Percentage of the fund exposed to FX risk	98.27%
Value of the fund unhedged (after hedging)	50.25%

What happened in the markets that you invest in?

The Australian equity market fell -0.78% in September, led lower by the Energy and Consumer Staples sectors. The August CPI was the major economic catalyst during the month, increase to a 3.00% annual headline rate from 2.80% in July. The data showed a lift in prices across service industries which was firmer than expected. Most economists responded by pushing out their expectations for rate cuts, with the market now leaning to no more rate cuts this year.

What are we thinking about the future?

We see a positive outlook for the Australian economy over coming quarters, with GDP and activity returning to trend. Inflation remains sticky, with labour availability still historically tight. Markets have recalibrated and now expect fewer rate cuts. Despite this higher-rate path, housing and credit demand have strengthened, pointing to better household spending and improving investment appetite. We expect banks and other lenders to benefit, alongside homebuilders and select retailers, with the latter showing positive trends in the August reporting season. We also remain positive on our preferred domestic industrials, where pricing discipline, revenue growth, and a laser focus on capital efficiency have driven an upward rerating in earnings multiples in recent periods.



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 September 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.