

## Global 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/global-equities-fund/](http://www.octagonasset.co.nz/our-funds/global-equities-fund/).



| Return comparison                                 | 1 Month | 3 Months | 1 Year | 3 Years* | Since inception* |
|---------------------------------------------------|---------|----------|--------|----------|------------------|
| Net Fund Return^                                  | 2.34%   | 5.65%    | 12.95% | 18.87%   | 4.52%            |
| Gross Fund Return                                 | 2.46%   | 6.01%    | 14.50% | 20.51%   | 5.70%            |
| MSCI ACWI Net TR Index<br>(50% hedged to the NZD) | 4.44%   | 10.15%   | 22.58% | 22.34%   | 10.47%           |
| *Annualised                                       |         |          |        |          |                  |

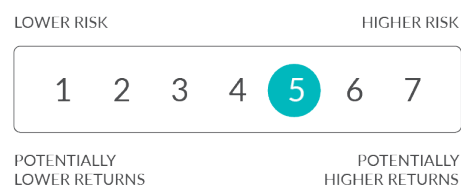
### Major investments

|                                               |               |
|-----------------------------------------------|---------------|
| Microsoft Corp.                               | 4.09%         |
| Alphabet Inc.                                 | 4.05%         |
| Apple Inc.                                    | 3.22%         |
| Amazon.com Inc.                               | 2.84%         |
| Uber Technologies Inc.                        | 2.01%         |
| NVIDIA Corp.                                  | 1.86%         |
| Siemens AG                                    | 1.60%         |
| Nestle SA                                     | 1.58%         |
| Thermo Fisher Scientific Inc.                 | 1.57%         |
| Heineken NV                                   | 1.56%         |
| <b>Major holdings as % of total portfolio</b> | <b>24.38%</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: 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.

### Manager's comments

#### How did your portfolio perform?

The Global Equities Fund delivered a gross return of 2.46% during September, underperforming the fund's benchmark return of 4.44% by -1.98%.

For the 12 months to the end of September, the Global Equities Fund delivered a gross return of 14.50%, underperforming its benchmark return of 22.25% by -8.08%.

The fund underperformed as value and low-risk stocks lagged while growth and technology stocks outperformed. Our underweight positions in U.S. technology and overweights in healthcare detracted. Healthcare holdings—Alcon, Dexcom, Boston Scientific, and Baxter—fell on concerns over US healthcare subsidies, drug-pricing reforms, and potential Medicare reimbursement cuts. Dexcom faced FDA quality issues and product recalls; after addressing these concern shares partially recovered off the month's low. The stock retains its position in the portfolio given its attractive fundamentals; 27.5x forward earnings with projected 20% annual earnings growth.

The portfolio remains fully invested with 45% allocated to the minimum volatility manager, 25% to our thematic Growth manager and 30% to the Transition Manager via broad-market ETFs. We are in the final phase of due diligence ahead of a new manager appointment.

We actively manage the fund's foreign currency exposures. Over the month the New Zealand dollar fell against the US dollar and the Euro but rose against the Japanese Yen.

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

Global equity markets continued last month's positive run with a further 3.6% gain in US dollar terms in September, reaching a new end-month record high. Gains were led by US equities and Asian regional stocks, with growth stocks outperforming their value

peers as AI euphoria continued. Chinese tech stocks rallied sharply, with the Hang Seng Tech Index and Taiwan Index outperforming helped by domestic policy support for chipmaker TSMC and accelerated AI adoption and capex spend.

The MSCI Europe ex-UK Index disappointed, with lacklustre performance from German equities dragging on the overall index. Higher inflation and rising bond yields, together with new tariffs on heavy-duty truck exports to the US, dented Germany's automobile industry. A slowing consumer backdrop and weak retail outlook also weighed on market performance.

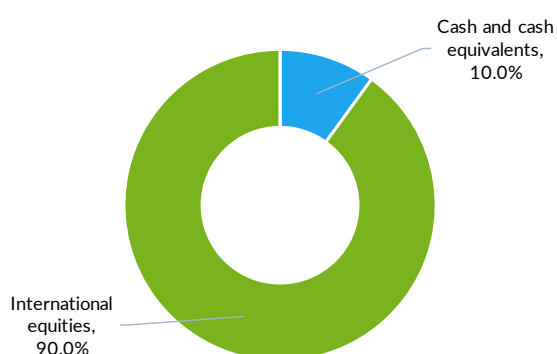
In the United States, short-term Treasury yields fell as investors' attention shifted from upside inflation risks to downside growth risks. While manufacturing activity remained resilient, labour market data showed signs of cooling, with lower payroll growth and fewer monthly job gains. Markets now expect a rate cut from the Federal Reserve this month.

## What are we thinking about the future?

Global equities remain at all-time highs amid continued debate over tariffs, potential (and lately real) Federal Reserve rate cuts, and the sustainability of AI-driven investment returns. Earnings expectations held steady in September following the material downgrades seen in April. Consensus forecasts point to a solid 11% growth in forward 12-month earnings. Market sentiment remains positive, suggesting continued support for equities. Macro data—including services PMIs, consensus GDP forecasts, and surprise indices—point to improving economic momentum. However, inflation remains sticky. The gap between manufacturing input costs and output prices is widening, alongside a firm Core CPI, highlights persistent price pressures.

Monetary and financial conditions remain broadly supportive for equities, as they were in August. Valuations, however, continue to pose a headwind. The S&P 500 is trading 2.7 standard deviations above its long-term fair value. As a result, a more cautious, slightly bearish long-term outlook is warranted—an assessment we share.

## Target Asset Allocation



**Christine Smith-Han**  
Strategy Analyst

## Currency Hedging

As at 30 September 2025

|                                            |        |
|--------------------------------------------|--------|
| Percentage of the fund exposed to FX risk  | 99.39% |
| Value of the fund unhedged (after hedging) | 37.76% |

## 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](https://octagonasset.co.nz), email [info@octagonasset.co.nz](mailto:info@octagonasset.co.nz), or call 0800 628 246

<sup>^</sup> 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.

<sup>\*\*</sup> 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/disclosure-information](https://www.octagonasset.co.nz/disclosure-information), by contacting your Investment Adviser, or by calling 0800 628 246.