

Australian Equities Fund

Monthly Performance Update as at 31 August 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^	3.43%	8.92%	11.17%	10.93%	4.51%
Gross Fund Return	3.53%	9.25%	12.47%	12.21%	5.83%
S&P/ASX Accumulation 200 Index (50% Hedged to the NZD)	3.96%	8.49%	15.93%	13.29%	7.23%
*Annualised					

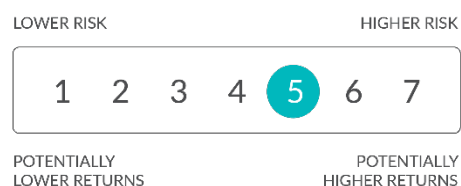
Major investments

BHP Group Limited	8.08%
Commonwealth Bank of Australia Limited	6.32%
Westpac Banking Corporation	5.01%
CSL Limited	4.91%
Australia and New Zealand Banking Group Limited	3.94%
National Australia Bank Limited	3.57%
Macquarie Group Limited	2.84%
Telstra Group	2.43%
Wesfarmers Limited	2.43%
Goodman Group	2.43%
Major holdings as % of total portfolio	41.96%

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 August, underperforming the fund's benchmark return of 3.96% by -0.43%.

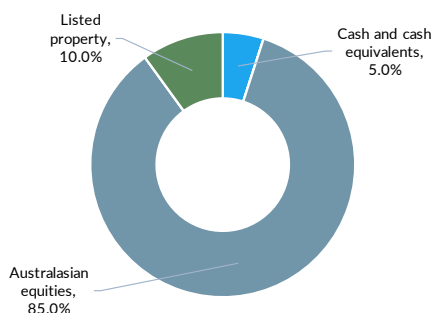
For the 12 months to date, the Octagon Australian Equities Fund delivered a gross return of 12.47%, underperforming the fund's benchmark return of 15.93% by -3.46%.

Key positive contributors to performance in August were our overweight positions in mining services company, Emeco Holdings and diagnostic imaging firm, Integral Diagnostics. Emeco Holdings produced another strong result, with the market recalibrating their forecasts for continued earnings growth and higher returns on capital. The shares outperformed as investors gain confidence in the new management team who have restored discipline at the company. After a soft result earlier in the year, Integral Diagnostics saw an uptick in margin and an upgrade to expected synergies from the Capitol Health acquisition.

Key detractors from performance in August were our overweight positions in biotech firm, CSL and packaging manufacturer, Amcor. CSL shares fell in August after releasing a messy full year result with indicating significant restructuring and announcing a de-merger. The market was clearly disappointed by guidance around margin recovery in their Behring division, with management walking back their FY28 target to restore pre-covid margins. Amcor delivered a modest 2% miss to consensus FY25 earnings but noted weak operational details. The exit run rate for earnings in the final quarter and weak core result (ex the recently acquired Berry Global) were enough to drive negative earnings revisions from analysts and a weak share price.

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 31 August 2025

Percentage of the fund exposed to FX risk	100.11%
Value of the fund unhedged (after hedging)	57.90%

What happened in the markets that you invest in?

The Australian equity market rose 3.10% in August, led by the Materials and Consumer Discretionary sectors. There was little change in the key macroeconomic data during August. House price inflation accelerated to its highest monthly level since 2022, suggesting rate cuts are already driving higher activity. Unemployment remains low at 4.2%, inflation is slightly above target and the Reserve Bank of Australia (RBA) delivered a 0.25% rate cut, signalling two more cuts over the next six months.

What are we thinking about the future?

Reporting season produced an extreme level of volatility in August, with a large selection of stocks across multiple sectors delivering both positive and negative price reactions of 10% to 30% on results day. The market multiple was already elevated going into August and expanded further through the month as the market rose, whilst earnings expectations were pared back.

Despite relatively full valuations the backdrop for earnings across many of the domestically exposed companies in the ASX200 looks reasonably positive. With rate cuts coming through, rising house prices and real incomes now increasing, we expect to see further earnings improvement for those companies most exposed to Australian households, including the consumer discretionary sector, real estate and banks. The latter are benefiting from higher credit growth and more benign competition whilst in real estate, we are increasingly confident a recovery in asset prices and capital market demand is underway.



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 31 August 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.