

Global 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/global-equities-fund/.



| Return comparison | 1 Month | 3 Months | 1 Year | 3 Years* | Since inception* |
|---|---------|----------|--------|----------|------------------|
| Net Fund Return^ | 2.26% | 4.65% | 11.38% | 15.20% | 4.40% |
| Gross Fund Return | 2.37% | 5.00% | 12.91% | 16.79% | 5.58% |
| MSCI ACWI Net TR Index (50% hedged to the NZD) | 2.23% | 8.96% | 18.89% | 18.48% | 10.24% |
| *Annualised | | | | | |

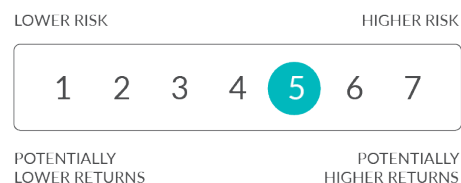
Major investments

| | |
|---|---------------|
| Alphabet Inc. | 4.13% |
| Microsoft Corp. | 2.99% |
| Apple Inc. | 2.98% |
| Amazon.com Inc. | 2.97% |
| Uber Technologies Inc. | 2.68% |
| Salesforce Inc. | 2.24% |
| Heineken NV | 1.84% |
| Siemens AG | 1.79% |
| Thermo Fisher Scientific Inc. | 1.74% |
| General Motors Co. Inc. | 1.72% |
| Major holdings as % of total portfolio | 25.08% |

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 2.37% during August, marginally outperforming the fund's benchmark return of 2.23% by 0.14%.

For the 12 months to the end of August, the Global Equities Fund delivered a gross return of 12.91%, underperforming its benchmark return of 18.89% by -5.97%.

Our managers produced mixed results but in combination beat the benchmark. Developed markets (ex-US) and Asia-Pacific solidly outpaced US equities, which supported our underweight US position. Lower-risk stocks outperformed, whilst growth sectors including Information Technology underperformed.

We are actively managing our 'Growth at a Reasonable Price' manager after a period of underperformance, lowering our allocation to the manager whilst maintaining exposure to the broader global equity market. The active share within the portfolio remains within our target range.

We actively manage the fund's foreign currency exposures. Over the month the New Zealand dollar fell -0.05% against the US dollar, as well as falling against the Euro and Japanese Yen.

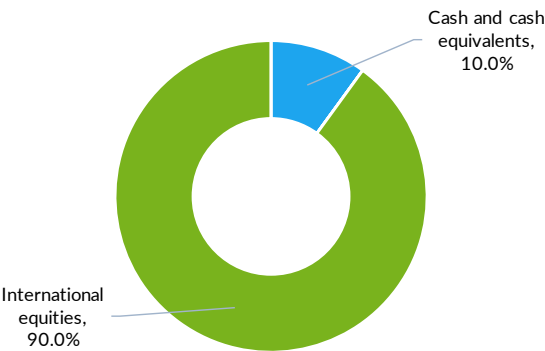
What happened in the markets that you invest in?

Global equity markets continued last month's positive run, with developed markets ex-US posting solid gains. Second-quarter earnings reports to the end of June supported US share prices with the S&P 500 gaining 2% for the month. Around 75% of the S&P500 constituents beat earnings estimates, based on revised, lower forecasts after April's tariff announcements. A softer US labour market has shifted the US Fed's tone towards further easing, and the fixed-income market quickly priced in a 0.25% cut to the fed-funds rate for

September. Meanwhile, a report from a prominent US University indicated that AI pilot programmes are not yet boosting corporate revenue growth in the technology sector, challenging some AI capex forecasts.

European manufacturing expanded for the first time in over three years, while China’s manufacturing sector remained contractionary. Japan’s auto sector weakened, with lower factory production and falling car prices.

Target Asset Allocation



Currency Hedging

As at 31 August 2025

| | |
|--|--------|
| Percentage of the fund exposed to FX risk | 99.21% |
| Value of the fund unhedged (after hedging) | 36.34% |

What are we thinking about the future?

Policy uncertainty remains elevated. However, tariff measures in the US, China, Japan, and Europe have reduced the risk of a global recession. The base case still points to gradually rising inflation and a softer employment outlook.

US real GDP growth is expected to be 1.5% annualised, better than feared three months ago but still well below last year and prior years, reflecting the drag from uncertainty on economic momentum.

We believe high US equity valuations will limit the potential for markets to repeat the strong double-digit gains of recent years. Both risk and valuations have risen since the start of the year. Historically, when Price-to-Earnings ratios reach 1.6–1.7 standard deviations above average (above the 90th percentile), future returns have typically settled in the mid-single digits. This is against the backdrop of an economy growing only modestly below average.

Our managers continue to position portfolios toward attractive opportunities across sectors and regions to enhance risk-adjusted outcomes. We balance complementary multi-manager styles to ensure alignment with the Fund’s overall target risk and return objectives.



Christine Smith-Han
Strategy Analyst

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, 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/disclosure-information, by contacting your Investment Adviser, or by calling 0800 628 246.