Global Equities Fund

Monthly Performance Update as at 31 August 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/global-equities-fund/.

Return comparison	1 month	3 months	1 year	3 years*	Since inception*
Net Fund Return ^	1.66%	5.56%	16.82%	15.48%	5.05%
Gross Fund Return	1.77%	5.92%	18.43%	17.07%	6.24%
MSCI ACWI Net TR Index (50% hedged to the NZD)	2.16%	2.49%	22.14%	20.57%	9.87%

** Annualised*

Major investments

Nvidia Corp	3.34%
Apple Inc	3.21%
Microsoft Corp	2.96%
Alphabet Inc-Cl A	2.82%
Taiwan Semiconductor Manufacturing Co Ltd (ADR)	1.93%
Nordson Corp	1.43%
Verizon Communications Inc	1.32%
NetApp Inc	1.26%
ASML Holding NV	1.10%
Adobe	1.09%
Major holdings as % of total portfolio	20.46%

Things to note

- Manager: Salt Investment Funds Limited
- 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**

LOWER RISK						HIGHER RISK
1	2	3	4	5	6	7
POTENTIALLY LOWER RETURNS				POTENTIALLY HIGHER RETURNS		

View the **Product Disclosure Statement** for detailed information about this Fund and Octagon Investment Funds.

Manager's comments

How did your portfolio perform?

The Global Equities Fund delivered a gross return of 1.77% during August, modestly underperforming the Fund's benchmark return of 2.16% by -0.39%.

For the 12 months to the end of August, the Fund delivered a gross return of 18.43%, underperforming its benchmark return of 22.14% by -3.71%. Both our global managers lagged the broader market during August.

The biggest contributors for our minimum-volatility manager were Microsoft, Mixi and LG Electronics, which saw further positive price reactions following their initial earnings surprises in July.

For the Global Factors Portfolio, the top contributors were software stocks Adobe, Autodesk and Intuit, which rebounded after the "SaaSacre" sell-off earlier this year driven by fears around AI disruption. Travel-platform stocks such as Airbnb and Expedia also improved on expanding margins. Not owning Palantir and Salesforce detracted for both managers.

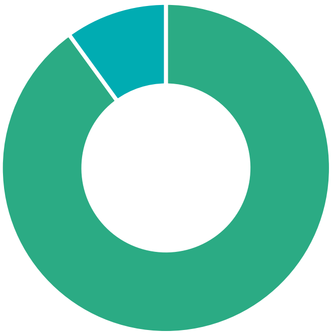
We actively manage the Fund's foreign currency exposures. During the month, the New Zealand Dollar rose against the US Dollar and Japanese Yen but traded flat with the Euro. Active hedging added to overall portfolio performance.

What happened in the markets you invest in?

Global equity markets rebounded in August following July's sell-off, supported by healthy corporate earnings growth.

Octagon

Tactical Asset Allocation



- International equities (90%)
- Cash and cash equivalents (10%)

Currency hedging

As at 31 August 2026	
% of fund exposed to FX risk	95.55%
Value of fund unhedged	39.35%

Gains were broad-based, with developed markets rising 2.6% and emerging markets up 3.4%. Value and growth stocks both returned 2.6% over the month.

Within technology, gains broadened across semiconductor and hardware stocks, while the software-as-a-service (SaaS) sector led performance.

Strong earnings helped ease concerns that AI could undermine the sector's long-term growth outlook, reversing some of the sharp declines seen during the earlier "SaaSacre" sell-off.

US equities continued to advance, with the S&P500 rising 2.0% in local currency terms. The rally was supported by earnings that exceeded expectations and improved market breadth, with a broader range of stocks contributing to returns.

Economic data also remained supportive, as payroll growth exceeded forecasts and unemployment stayed low. Markets are now pricing in two further Federal Reserve rate hikes by year-end, although much of this expectation has already been reflected in longer-term bond yields.

What are we thinking about the future?

August reporting season produced one of the biggest earnings booms in US market history. S&P 500 earnings rose 31% last quarter with the trailing one-year growth rate ranking in the all-time top 20%, posting a growth rate not seen since the 1900s. Markets were driven by company specific announcements rather than macro drivers.

Our managers remain diversified and disciplined. They do not heavily tilt towards momentum or deep value, instead backing company fundamentals whilst controlling for risk. In markets, trends can go much further than you think in the short term, hence why diversification, rather than large single stock or thematic concentration, is the best way to manage risk in our view.

The Global Factors Portfolio continues to overweight software stocks, selected for their attractive valuations, strong free cash flow generation, consistent growth and positive price trends. At the peak of the AI sell off early this year, these stocks collectively offered free cash flow yields above 9%, more than double the average large-cap stock.

Christine Smith-Han
Equity and 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. Prior to October 2022 Net Fund Returns were calculated after deduction of fund charges, trading expenses and accrued tax for a New Zealand resident paying individual tax at the highest Prescribed Investor Rate (28%).

** 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 2026. See more information about the risks of investing in the Product Disclosure Statement.