

## Global Equities Fund

### Monthly Performance Update as at 31 March 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 <sup>^</sup>	-3.28%	0.68%	7.67%	7.91%	4.10%
Gross Fund Return	-3.17%	1.02%	9.17%	9.40%	5.27%
MSCI ACWI Net TR Index (50% hedged to the NZD)	-4.75%	-2.28%	10.60%	11.73%	9.74%

<sup>^</sup>Annualised

### Major investments

Apple Inc.	3.46%
Alphabet Inc.	3.24%
Amazon.com Inc.	2.87%
Microsoft Corp.	2.31%
Uber Technologies Inc.	2.19%
Salesforce Inc.	2.06%
Siemens AG	1.66%
Nestle SA	1.64%
Heineken NV	1.51%
Visa Inc.	1.46%
<b>Major holdings as % of total portfolio</b>	<b>22.39%</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 -3.17% during March, considerably outperforming the fund's benchmark return of -4.75% by 1.58%.

For the 12 months to the end of March, the Global Equities Fund delivered a gross return of 9.17%, underperforming its benchmark return of 10.60% by -1.44%.

The funds' underweight positions in the "Magnificent 7" large-cap US tech stocks were the biggest contributors to outperformance. Our low-volatility manager has performed well as market volatility has increased and as value stocks have started to outperform growth stocks.

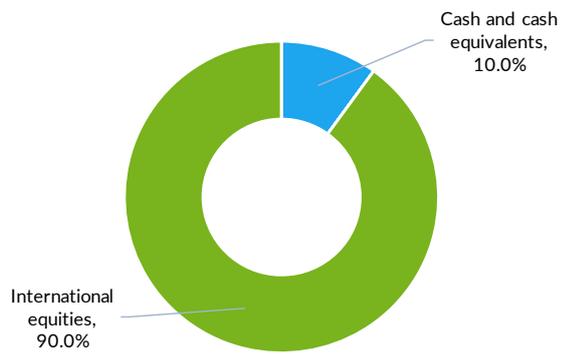
At the stock specific level, the fund's overweight positions in Nike and Novo Nordisk detracted value as both stocks are directly impacted by US tariffs. Data Centre infrastructure provider Vertiv also traded lower due to concerns over reduced building requirements from their customers.

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

The new US government's trade policy drove equity markets in March with investors moving money from equity markets into the defensive asset classes of cash and fixed interest ahead of the April "Liberation Day" announcement. These tariffs were much broader than markets had expected, both in their size and the number of countries directly targeted. Stocks sold off globally in March in anticipation of the Liberation Day announcement and have continued their downward spiral in early April.

US equities weakened while long-term interest rates rose, pricing in the stagflation risks of lower expected growth and rising inflation – the worst of both worlds. The Federal Reserve kept key interest rates unchanged and European stocks traded lower for the first time this year, led by companies exposed to US tariffs. Chinese equities benefitted from additional government stimulus and as investors reallocated funds away from the US market.

## Target Asset Allocation



## Currency Hedging

As at 31 March 2025

Percentage of the fund exposed to FX risk	99.79%
Value of the fund unhedged (after hedging)	38.59%

## What are we thinking about the future?

Uncertainty around U.S. tariffs—characterised by frequent changes and the threat of significant new tariffs—may have peaked, however, the full impact of tariffs on inflation, economic growth, and company profits remains unclear. While current economic indicators do not yet show broad weakness, markets are forward-looking and appear to have revised their outlook downward.

We believe tariffs reduce global productivity, leading to slower growth and higher inflation. While they may eventually drive innovation and new business models, this transition is often slow and unpredictable. The way tariffs are introduced and removed is important; large and abrupt policy changes, along with retaliatory responses, give businesses little time to adapt. In our view, this uncertainty prompts companies to pause investment and reposition rather than pursue growth.

The Global Equities Fund remains underweight U.S. equities, where high valuations leave little margin for earnings disappointments. In our view, other markets currently offer better value but could still be negatively affected if tariffs further dampen global growth. If the trends seen in March and April continue, our managers will reassess portfolio positioning to reflect shifts in regional and sectoral opportunities.



**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.

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For more information please visit [octagonasset.co.nz](https://www.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 31 March 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.