

Global Equities Fund

Monthly Performance Update as at 28 February 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 [^]	0.19%	4.11%	15.93%	8.06%	4.33%
Gross Fund Return	0.29%	4.45%	17.53%	9.55%	5.50%
MSCI ACWI Net TR Index (50% hedged to the NZD)	-0.26%	3.35%	21.02%	13.91%	10.11%

[^]Annualised

Major investments

Microsoft Corp.	3.91%
Alphabet Inc.	3.37%
Amazon.com Inc.	3.07%
Uber Technologies Inc.	2.40%
Salesforce Inc.	2.20%
Apple Inc.	1.75%
Siemens AG	1.71%
Nestle SA	1.71%
Meta Platforms Inc.	1.60%
Visa Inc.	1.58%
Major holdings as % of total portfolio	23.30%

Manager's comments

How did your portfolio perform?

The Global Equities Fund delivered a gross return of 0.29% during February, outperforming the fund's benchmark return of -0.26% by 0.55%.

For the 12 months to the end of February, the Global Equities Fund delivered a gross return of 17.53%, underperforming the fund's benchmark return of 21.02% by -3.49%.

Unlike recent months, European and emerging markets outperformed the US, including the "Magnificent 7" large-cap stocks.

Our investment managers had mixed results. Our low-volatility manager **Te Ahumairangi** outperformed, as growth stocks declined due to economic concerns and falling bond yields boosted defensive stocks. The **WMR Model Portfolio**, a global growth thematic portfolio, benefited from investments in consumer staples and healthcare, including **Nestlé**, **Siemens**, and **Heineken**. Finally, our GARP manager **Intermede** underperformed due to the sell-off in tech and semiconductor stocks, including **Taiwan Semiconductor**, **Broadcom**, and **Salesforce**. New US tariffs on high-tech exports to China negatively impacted these stocks.

Our active currency hedging was neutral to performance over the month. The NZ dollar fell -0.88% against the US dollar and -3.5% against the Japanese yen, where we hold an underweight position.

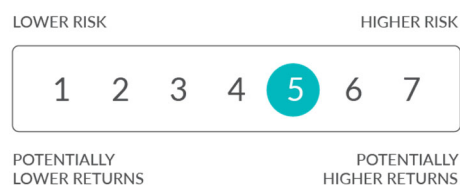
What happened in the markets that you invest in?

U.S. markets declined in February, giving up some of their year-to-date gains. Equities weakened while long-term interest rates fell, driven by the tension between slowing growth and negative inflation surprises. Growth momentum declined in February, but inflation remained high. The market has now priced in two interest rate cuts this year, up from one last month.

Things to note

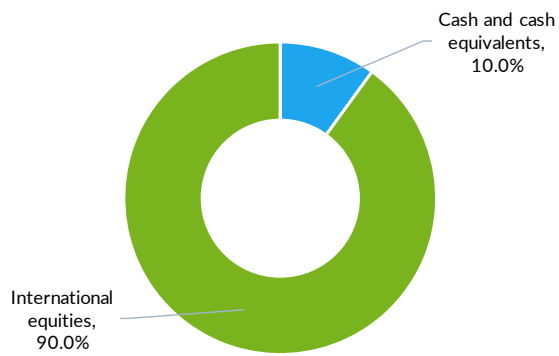
- Manager: Forsyth Barr Investment Management Ltd
- Investment manager: Octagon Asset Management Ltd
- Date the fund started: 26 June 2008
- Tax status: Portfolio Investment Fund (PIE)
- Minimum suggested investment time frame: At least five years
- Market Index: MSCI ACWI Net Total Return Index, 50% 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.

Target Asset Allocation



Currency Hedging

As at 28 February 2025

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

The latest U.S. earnings season was strong; average year-on-year EPS growth to the end of Q4 2024 was up 14.2% and more than two thirds of companies positively surprised. Interestingly, forecasts for 2025 earnings have been revised down modestly since August 2024, and despite the February beat, that trend has continued.

European stocks continued to rise, with renewed optimism around domestic production and earnings recovery. Asian markets performed well, driven by a rally in Chinese tech stocks. Enthusiasm around Japanese equities fell as the yen appreciated by 2.8% against the US dollar.

What are we thinking about the future?

The new U.S. government swiftly introduced major policy changes, both domestically and internationally. While U.S. policies and geopolitical tensions dominated headlines, economic data revealed signs of weakness, particularly in consumer confidence and investor sentiment. However, government messaging has been unclear, frequently revised, and sometimes contradictory, contributing to increased market volatility.

The Global Equities Fund is underweight U.S. equities, where high valuations leave little room for earnings disappointment. Other markets offer better value but would also be impacted by widespread tariffs, which typically raise prices and slow growth. If February's trends persist, our managers may reassess U.S. stock valuations more favourably.



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 28 February 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.