

Australian 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/australian-equities-fund/.



Return comparison	1 month	3 months	1 year	3 years*	Since inception*
Net Fund Return ^	2.28%	6.36%	7.45%	10.89%	4.66%
Gross Fund Return	2.38%	6.67%	8.68%	12.16%	5.93%
S&P/ASX Accumulation 200 Index (50% Hedged to the NZD)	2.16%	4.74%	8.35%	13.17%	6.79%

* Annualised

Major investments

BHP Group Limited	11.17%
Commonwealth Bank of Australia Limited	6.55%
Australia and New Zealand Banking Group Limited	4.41%
Westpac Banking Corporation	3.77%
CSL Limited	3.43%
National Australia Bank Limited	3.26%
Macquarie Group Limited	3.00%
Rio Tinto Limited	2.77%
Goodman Group	2.33%
ResMed Inc	2.03%
Major holdings as % of total portfolio	42.73%

Manager's comments

How did your portfolio perform?

The Australian Equities Fund delivered a gross return of 2.38% during August, modestly outperforming the Fund's benchmark return of 2.16% by 0.22%. For the 12 months to the end of August, the Fund delivered a gross return of 8.68%, marginally outperforming the Fund's benchmark return of 8.35% by 0.33%.

The main positive contributors in August were the Fund's underweight positions in Commonwealth Bank of Australia (CBA) and Wesfarmers, and overweight positions in Light & Wonder (LNW) and Emeco Holdings.

CBA underperformed as its result highlighted sector issues around weaker home loan applications and pressure on bank earnings from softer credit growth. Wesfarmers reported a solid result, led by Bunnings, but weaker sales momentum at Kmart and higher capital expenditure and borrowing costs weighed on free cash flow expectations.

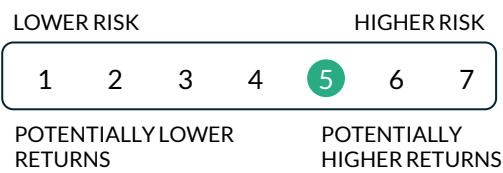
LNW's second-quarter result benefited from stronger cost reductions and sales mix leading to stronger earnings on weaker-than-expected revenues. Emeco's result was consistent with guidance, while its strong net cash position supported the announcement of a buyback of up to 10% of shares on issue.

The main detractors were underweight positions in gold miners Evolution Mining (EVN) and Genesis Minerals (GMD), and an overweight position in Flight Centre. EVN and GMD both benefited from the rally in the gold price with strong cash earnings, while GMD is also advancing its acquisition of Vault Minerals.

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: S&P/ASX 200 Accumulation Index, 50% hedged to NZD
- Currency: New Zealand dollars

Risk indicator**



View the [Product Disclosure Statement](#) for detailed information about this Fund and Octagon Investment Funds.

Tactical Asset Allocation



- Australiasian equities (85.0%)
- Listed property (10.0%)
- Cash and cash equivalents (5.0%)

Currency hedging

As at 31 August 2026

% of fund exposed to FX risk	99.38%
Value of fund unhedged	22.96%

Flight Centre’s result was towards the bottom of guidance following an estimated A\$60 million impact from the Middle East conflict. July trading reached a record level, but a softer outlook for the higher-value corporate division led to earnings downgrades.

We actively manage the fund's foreign currency exposure associated with Australian equities. During the month, the NZ Dollar fell -1.35% against the Australian Dollar.

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.

What happened in the markets you invest in?

Resources outperformed during August as commodity prices strengthened, while healthcare continued to recover as reporting season results suggested an end to the sector’s earnings downgrade cycle. Financials, Consumer Discretionary and Real Estate underperformed as concerns increased around housing activity, household demand and the impact of higher interest rates.

Australian companies generally delivered better results than feared during reporting season, supported by cost control and margins rather than strong revenue growth. Resources accounted for much of the market’s earnings growth, while updates from domestically exposed companies pointed to softer underlying demand.

Unemployment increased to 4.5% in July, while headline inflation eased to 3.5% but remained above expectations. The Reserve Bank of Australia left the cash rate unchanged, leaving investors to balance the risk of further tightening against growing signs that economic activity is slowing.

What are we thinking about the future?

Reporting season reinforced the notion that household-facing activity is slowing as higher mortgage costs, weaker housing turnover and pressure on household budgets weigh on demand. By contrast, business lending and investment in infrastructure, defence, mining services and data centres remain relatively resilient.

We remain cautious on the domestic outlook. Household spending was resilient in July, rising 7% over the year, but softer employment, a weaker housing market and the possibility of further monetary tightening create a difficult backdrop for companies exposed to the domestic cycle. Credit losses remain low, but weaker employment and hiring could place further pressure on consumer spending and the banks. We therefore continue to favour less economically sensitive areas, including telecommunications and infrastructure-exposed companies.



Paul Robertshawe, CA
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Chief Investment
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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.

This publication does not contain financial advice. We recommend you review your investments and seek specialist advice on any taxation aspects. Past performance is not a reliable guide to future performance. Salt Investment Funds 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, or by calling 0800 628 246.