

## Balanced Fund

### Monthly Performance Update as at 31 July 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/balanced-fund/](http://www.octagonasset.co.nz/our-funds/balanced-fund/).



Return comparison	1 Month	3 Months	1 Year	3 Years*	Since inception*
Net Fund Return^	1.29%	4.91%	6.13%	6.72%	3.71%
Gross Fund Return	1.39%	5.20%	7.32%	7.94%	4.91%
Composite Index	1.77%	6.30%	8.64%	7.62%	4.84%

\*Annualised

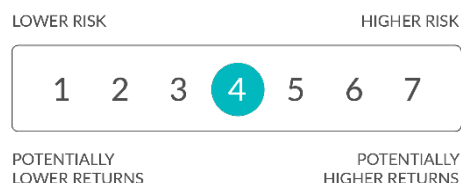
### Major investments

Hunter Global Fixed interest Fund	19.05%
Intermede Global Equity Fund	8.39%
New Zealand Government 1.5% 15/05/2031	2.19%
Fisher & Paykel Healthcare Corporation Limited	1.85%
Precinct Properties New Zealand Limited	1.59%
New Zealand Government 4.50% 15/05/2030	1.53%
Goodman Property Trust	1.38%
New Zealand Government 14/04/2033 3.5%	1.34%
Kiwi Property Group Limited	1.29%
New Zealand Government 15/05/2032 2.00%	1.26%
<b>Major holdings as % of total portfolio</b>	<b>39.87%</b>

### Things to note

- Manager: Forsyth Barr Investment Management Ltd
- Investment manager: Octagon Asset Management Ltd
- Date the fund started: 11 December 2020
- Tax status: Portfolio Investment Fund (PIE)
- Minimum suggested investment time frame: At least five years
- Market Index: A composite benchmark relating to the fund's target investment mix
- 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 Balanced Fund delivered a gross return of 1.39% for the month of July, slightly underperforming the fund's benchmark return of 1.77%, by -0.38%.

For the 12 months to the end of July, the Balanced Fund delivered a gross return of 7.32%, underperforming the fund's benchmark return of 8.64% by -1.31%.

All the funds used in the Balanced fund performed in-line or better than their benchmarks apart from the Global Equities Fund. For details on the Balanced Fund's single asset class funds, see the relevant fund commentary.

We actively manage the fund's foreign currency exposures and hedge the international fixed interest segment of the fund. The New Zealand dollar fell -2.75% against the US dollar and fell -1.01% against the Australian dollar.

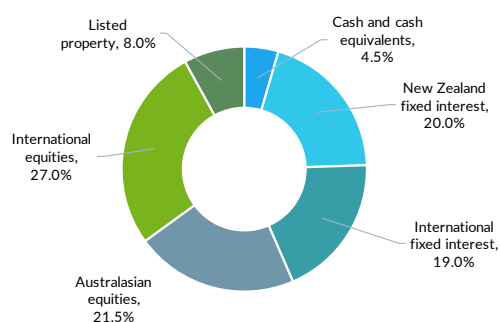
#### What happened in the markets that you invest in?

July was a solid month for almost all the asset classes that make up the Balanced Fund. The Global Fixed Interest Fund fractionally underperformed on the back of continued trade and geopolitical uncertainty. NZ cash and fixed interest continued to benefit from stable inflation and weak economic growth, allowing the RBNZ room to lower short-term interest rates over the period ahead. NZ and Australian equity markets continued their rally from April's lows, with NZ listed property having a very strong month.

The global reporting season has largely exceeded market expectations. However, this is after notable downgrades to forecasts in April and May, and full year 2025 profit estimates are still below where they were at the start of the year. NZ and Australia are likely to produce results in line with guidance, but risk remains to expectations for 2026.

Global news was dominated by the ongoing trade war and the conflicts in Israel and Ukraine. Oil markets have settled after regional conflict in the middle east expanded to Iran.

## Tactical Asset Allocation



## Currency Hedging

As at 31 July 2025

Percentage of the fund exposed to FX risk	35.37%
Value of the fund unhedged (after hedging)	15.46%

## What are we thinking about the future?

We continue to see pricing in cash and fixed interest markets anticipating modest economic growth, but also a lingering concern around the outlook for inflation. In New Zealand's property and listed equity markets, we see potential for improving returns following two years of subdued economic growth and only a gradual transmission of interest rate cuts into household and business spending. This slow pass-through largely reflects a lack of investment confidence, driven by ongoing concerns around trade conditions, fiscal policy, and rising unemployment.

The Australian economy is slowing, but so is inflation and the Australian central bank has room to cut rates. Government support is strong, whilst the Chinese economic slowdown has been offset by a very robust banking sector. Overall, we see the market as overvalued and have an underweight exposure on a tactical basis.



**Paul Robertshawe, CA**  
Director, Chief Investment Officer



**Christine Smith-Han**  
Strategy Analyst

## 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.

For more information please visit [octagonasset.co.nz](https://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 July 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.