Octagon Investment Funds

Growth Fund

Monthly Performance Update as at 31 July 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/growth-fund/.

Return comparison	1 Month	3 Months	1 Year	3 Years*	Since inception*
Net Fund Return^	1.56%	4.56%	10.11%	8.98%	5.70%
Gross Fund Return	1.67%	4.88%	11.50%	10.35%	7.04%
Composite Index	-1.09%	3.85%	12.91%	11.41%	7.61%

*Annualised

Major investments

Hunter Global Fixed Interest Fund	2.78%
Fisher & Paykel Healthcare Corporation Limited	2.41%
Microsoft Corp	1.69%
Precinct Properties New Zealand Limited	1.63%
BNZ Transactional Account NZD	1.62%
Infratil Limited	1.62%
Apple Inc	1.59%
Goodman NZ Ltd & Goodman Property Services Ltd	1.55%
Alphabet Inc-Cl A	1.51%
Nvidia Corp	1.50%
Major holdings as % of total portfolio	**17.90%**

Things to note

- Manager: Salt Investment Funds Limited
- 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**

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 Scheme.

Manager's comments

How did your portfolio perform?

The Growth Fund delivered a gross return of 1.67% for the month of July, significantly outperforming the fund's benchmark return of -1.09%, by 2.76%.

For the 12 months to the end of July, the Growth Fund delivered a gross return of 11.50%, underperforming the fund's benchmark return of 12.91%, by -1.41%.

Higher interest rates weighed on fixed income and listed property markets in July. A stronger NZ dollar turned flat local currency global equities returns negative, but our significant currency hedge offset much of that impact. Australasian equities generated modest positive returns, while our investment managers outperformed their respective benchmarks for the month.

For details on the Growth Fund's single asset class funds, see the relevant commentary.

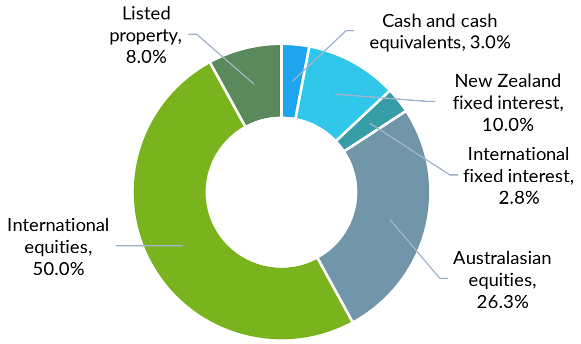
We actively manage the fund's foreign currency exposures and hedge the international fixed interest segment of the fund. The New Zealand dollar rose 3.32% against the US dollar and rose 1.89% against the Australian dollar.

What happened in the markets that you invest in?

At the time of publishing, tensions in the Middle East remained with no lasting peace deal achieved. This contributed to higher global oil prices, adding to domestic inflationary pressures and ongoing cost-of-living challenges.

Inflation measures in NZ continued to point towards further rate hikes, but there is an offset from weaker domestic demand as unemployment hit a new cyclical high and wage growth remained subdued. Australian inflation data came in slightly lower than expected, with market commentators anticipating only one more rate hike in the near term.

Tactical Asset Allocation



Currency Hedging

As at 31 July 2026	
Percentage of the fund exposed to FX risk	58.49%
Value of the fund unhedged (after hedging)	21.14%

Australian Federal budget changes impacting the housing and residential construction markets are yet to flow to actual activity, but lead indicators suggest a loss of confidence in the sector with risk to consumer spending if house prices flatten or decline.

The US earnings season was exceptionally strong, led by the Energy (Oil and Gas) and AI sectors. Profits feel much stronger than the underlying economic momentum, and profit margins continue to expand to levels not seen for decades.

What are we thinking about the future?

The Reserve Bank of Australia (RBA) is widely expected to leave interest rates unchanged at its mid-August meeting. In New Zealand, the Reserve Bank of New Zealand (RBNZ) is likely to remain focused on inflation trends, as pricing pressures continue to persist despite weak economic activity.

Listed property continues to appear attractively valued, with recent asset sales across the sector providing support for reported book values. However, elevated interest rates and limited growth in earnings and dividends remain headwinds for the sector.

August is a key reporting season for Australasian equity markets, although we do not expect earnings results to match the strength of the recent US reporting season. Local markets have less exposure to the Energy sector and AI-related capex that have been driving US earnings growth. Despite a geopolitically challenging June quarter, most companies appear to have navigated conditions reasonably well. Domestic demand remains subdued, however, and we expect outlook statements to be relatively cautious. Companies reporting during the first week of August have generally met expectations, providing an encouraging start to the season.

Global equities continue to deliver strong earnings growth. However, we believe much of this strength is already priced into current valuations. Given the risks posed by elevated debt levels, interest rates, and historically high profit margins, we maintain a neutral allocation to global equities.

The Investment Committee met in early August and made no changes.

Paul Robertshawe, CA
Director, Chief Investment Officer

Christine Smith-Han
Strategy Analyst

Fees

Annual fund charges are currently 1.25% 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 July 2026. See more information about the risks of investing in the Product Disclosure Statement.