

## Balanced Fund

### Monthly Performance Update as at 30 June 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^	1.46%	3.11%	7.73%	7.54%	3.49%
Gross Fund Return	1.55%	3.40%	8.96%	8.77%	4.69%
Composite Index	1.74%	4.04%	10.23%	8.50%	4.53%

\*Annualised

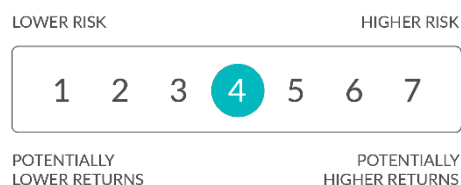
### Major investments

Hunter Global Fixed interest Fund	19.17%
Intermede Global Equity Fund	8.63%
Fisher & Paykel Healthcare Corporation Limited	1.88%
Precinct Properties New Zealand Limited	1.61%
New Zealand Government 1.5% 15/05/2031	1.58%
Goodman Property Trust	1.38%
New Zealand Government 4.50% 15/05/2030	1.35%
New Zealand Government 15/05/2032 2.00%	1.33%
New Zealand Government 15/05/2028 0.25%	1.31%
New Zealand Government 14/04/2033 3.5%	1.25%
<b>Major holdings as % of total portfolio</b>	<b>39.49%</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 1.55% for the month of June, slightly underperforming the fund's benchmark return of 1.74%, by -0.18%.

For the 12 months to the end of June, the Balanced Fund delivered a gross return of 8.96%, underperforming the fund's benchmark return of 10.23% by -1.28%.

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 rose 1.67% against the US dollar and fell -0.15% against the Australian dollar.

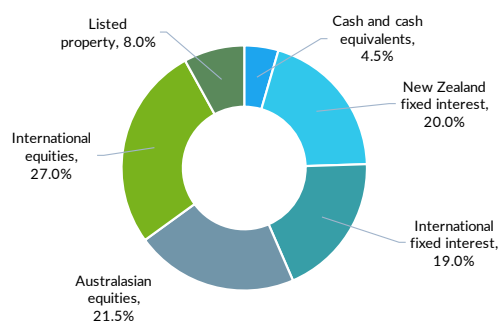
#### What happened in the markets that you invest in?

Global equity markets are taking the view that increased trade tension and threats of the 90-day tariff pause expiring will not significantly hurt earnings growth. Currency markets disagreed, however. Weaker US growth forecasts have pulled the US dollar down over 10% from their January highs. Interest rates have been more nuanced, balancing the level of inflation and growth in government debt.

US economic data in June showed corporate earnings stabilising post the tariff induced rout whilst inflation has not spiked higher, and unemployment looks benign. Middle East conflicts are broadening, and the Ukraine war shows little sign of ending, prompting European countries inside NATO to commit to materially higher military and cyber security spending.

The Australasian listed property market rallied strongly as lower interest rates are now increasing property valuations. In New Zealand, economic conditions remain weak, despite surprisingly strong economic growth in the first quarter. Inflation has stopped falling, possibly delaying the anticipated timing of further Reserve Bank of New Zealand (RBNZ) rate cuts.

## Tactical Asset Allocation



## Currency Hedging

As at 30 June 2025

Percentage of the fund exposed to FX risk	35.79%
Value of the fund unhedged (after hedging)	16.50%

## What are we thinking about the future?

Global equity markets have fully recovered from the initial April 2<sup>nd</sup> tariff announcement shock, this despite wider Middle East conflicts, inflated tariff levels compared to last year and increased risks to government debt in many large economies. We continue to believe the risks to global equity markets are greater than what is currently priced in.

The Investment Committee met in June and used the Australian equity market rebound to shift part of the fund back to New Zealand equities. This reversed the move made in April, when we increased Australian exposure due to its short-term underperformance relative to New Zealand amid the tariff uncertainty.

We favour New Zealand equities and listed property over global equities based on relative valuations, and now have a neutral stance on Australian equities. We have a modest overweight in NZ fixed interest and an underweight to cash, as the RBNZ rate cutting cycle draws to a close.



**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 30 June 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.