Octagon Investment Funds

Income Fund

Monthly Performance Update as at 30 June 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/income-fund/.

Return comparison	1 Month	3 Months	1 Year	3 Years*	Since inception*
Net Fund Return^	1.17%	4.08%	8.06%	5.45%	3.37%
Gross Fund Return	1.23%	4.27%	8.63%	5.98%	3.93%
Composite Index	1.35%	3.47%	6.36%	6.08%	2.77%

*Annualised

Major investments

Hunter Global Fixed Interest Fund	19.04%
Precinct Properties New Zealand Limited	2.86%
Goodman NZ Ltd & Goodman Property Services Ltd	2.82%
Vital Healthcare Property Trust	2.73%
Kiwi Property Group Limited	2.31%
BNZ Transactional Account NZD	2.13%
Amcor Limited	1.91%
Infratil Limited	1.81%
New Zealand Government 1.5% 15/05/2031	1.81%
Meridian Energy Limited	1.72%
Major holdings as % of total portfolio	**39.14%**

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**

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 Income Fund delivered a gross return of 1.23% for the month of June, modestly underperforming the fund's benchmark return of 1.35% by -0.11%.

For the 12 months to the end of June, the Income Fund delivered a gross return of 8.63%, significantly outperforming the fund's benchmark return of 6.36% by 2.27%.

The fund has most of its exposure to New Zealand and Australian equities via direct investments which overall detracted modestly to performance during June. Holdings in Ramsay Healthcare, Amcor, and Sky City added to performance whilst holdings in Vulcan Steel, Rio Tinto, and Santos detracted.

We actively manage the fund's foreign currency exposures to Australian equities and fully hedge the international fixed interest segment of the fund. In June, the New Zealand dollar fell -1.34% against the Australian dollar.

We calculate the running yield of the securities held within the fund at the end of June as 4.43%.

What happened in the markets that you invest in?

Progress in the Middle East war saw significant commodity price falls over the month, including oil and gold. If sustained, this will lower inflationary pressures around the world. Bond markets have generally been slow to reflect lower inflation risks, partly due to tight labour markets in some geographies.

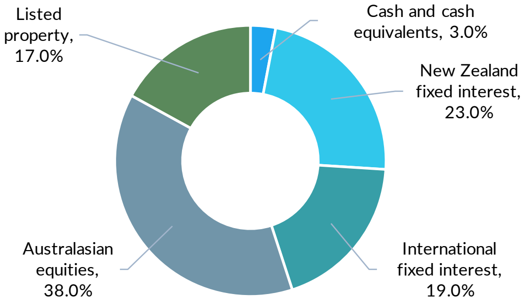
NZ bonds performed strongly on oil price relief, but also expectations of lower domestic inflation due to weak domestic growth, spare capacity in the NZ economy and persistent unemployment.

Equity markets were mixed. The extraordinary strength in stocks exposed to the artificial intelligence trade unwound somewhat, particularly in Taiwan and South Korea.

Australia is suffering from rising interest rates and a budget which indicates weaker returns for residential real estate investors.

Meanwhile NZ equities performed well but still lagged global equity returns when exchanged back to NZ dollars as the economy absorbs the prior oil price spike into cost-of-living pressures.

Tactical Asset Allocation



Currency Hedging

As at 30 June 2026

Percentage of the fund exposed to FX risk	18.60%
Value of the fund unhedged (after hedging)	3.94%

What are we thinking about the future?

Oil price relief is welcome for returns generally, but each asset class also responds to its own dynamics. Real (adjusted for inflation) interest rates are high by recent standards, which should allow for respectable capital gains if inflation is truly under control. Of course, that resets the interest rate earned into the future lower. We currently prefer listed property to fixed interest. Listed property will benefit from lower rates but also can hold and grow their dividend yields.

In the equities space, lower oil prices reinforce our confidence in our overweight stance towards NZ where an economic recovery is now more likely. Australia looks more challenging, as higher interest rates and changes to the tax treatment of property investing is likely to see that economy slow down.

We made no changes to our asset allocation over June.

Jason Lindsay, CA
Head of Equities

Craig Alexander
Head of Fixed Interest

Fees

Annual fund charges are currently 0.75% 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 30 June 2026. See more information about the risks of investing in the Product Disclosure Statement.