Octagon Investment Funds

Balanced 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/balanced-fund/.

Return comparison	1 Month	3 Months	1 Year	3 Years*	Since inception*
Net Fund Return^	1.23%	4.44%	7.89%	7.64%	4.26%
Gross Fund Return	1.33%	4.73%	9.12%	8.87%	5.48%
Composite Index	1.61%	6.85%	12.39%	10.04%	5.91%

*Annualised

Major investments

Hunter Global Fixed Interest Fund	16.31%
BNZ Transactional Account NZD	1.91%
Fisher & Paykel Healthcare Corporation Limited	1.81%
New Zealand Government 1.5% 15/05/2031	1.47%
Infratil Limited	1.35%
New Zealand Government 14/04/2033 3.5%	1.27%
Precinct Properties New Zealand Limited	1.24%
Microsoft Corp	1.22%
Goodman NZ Ltd & Goodman Property Services Ltd	1.19%
Alphabet Inc-Cl A	1.13%
Major holdings as % of total portfolio	**28.91%**

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 Balanced Fund delivered a gross return of 1.33% for the month of June, slightly underperforming the fund's benchmark return of 1.61% by -0.28%.

For the 12 months to the end of June, the Balanced Fund delivered a gross return of 9.12%, underperforming the fund's benchmark return of 12.39% by -3.27%.

NZ equities topped the returns table over June. However, once the significant decline in the NZ dollar is captured, Global equities delivered a strong positive return for both the month and quarter. All the asset classes making up the fund delivered positive returns (in NZD terms) over the month.

For details on the Balanced 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 fell 5.02% against the US dollar and fell 1.34% against the Australian dollar.

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.

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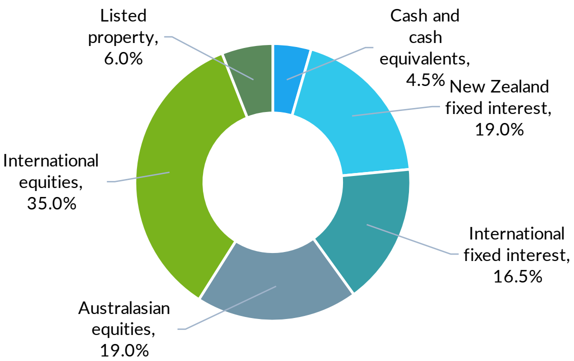
Australia is suffering from rising interest rates and a budget which indicates weaker returns for residential real estate investors. Meanwhile NZ equities performed well but still lagged global equity returns when exchanged back to NZ dollars as the economy absorbs the prior oil price spike into cost-of-living pressures.

Tactical Asset Allocation



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.

Currency Hedging

As at 30 June 2026	
Percentage of the fund exposed to FX risk	41.04%
Value of the fund unhedged (after hedging)	14.75%

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, 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.