

## Income Fund

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



Return comparison	1 Month	3 Months	1 Year	3 Years*	Since inception*
Gross Fund Return	2.16%	-1.01%	9.39%	6.10%	3.76%
Composite Index	1.33%	-1.79%	6.30%	5.95%	2.56%

\*Annualised

### Major investments

Hunter Global Fixed Interest Fund	18.81%
Precinct Properties New Zealand Limited	2.88%
BNZ Transactional Account NZD	2.81%
Goodman NZ Ltd & Goodman Property Services Ltd	2.80%
Vital Healthcare Property Trust	2.69%
Kiwi Property Group Limited	2.32%
New Zealand Government 1.5% 15/05/2031	2.05%
Infratil Limited	1.84%
Meridian Energy Limited	1.73%
Amcor Limited	1.61%
<b>Major holdings as % of total portfolio</b>	<b>39.55%</b>

### Manager's comments

#### How did your portfolio perform?

The Income Fund delivered a gross return of 2.16% for the month of May, comfortably outperforming the fund's benchmark return of 1.33% by 0.83%.

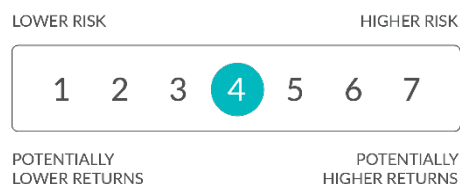
For the 12 months to the end of May, the Income Fund delivered a gross return of 9.39%, significantly outperforming the fund's benchmark return of 6.30% by 3.09%.

The fund has most of its exposure to New Zealand and Australian equities via direct investments which overall added modestly to performance during May. Holdings in KMD Brands, Tourism Holdings and Infratil added to performance, whilst holdings in Sky City, Viva Energy, and AGL Energy detracted.

### 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.

We actively manage the fund's foreign currency exposures to Australian equities and fully hedge the international fixed interest segment of the fund. In May, the New Zealand dollar was up 1.63% against the Australian dollar.

We calculate the running yield of the securities held within the fund at the end of May as 4.55%.

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

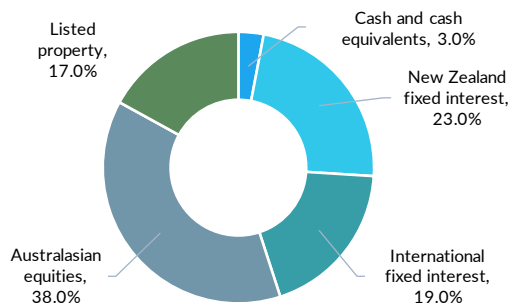
Whilst this fund does not have exposure to global equities, the US market does tend to set the tone for equity markets around the world. Despite ongoing uncertainty around oil supply from the middle east, continued strong updates on the US economy and US corporate profitability propelled global equities upwards. The rally was led by stocks broadly exposed to the Artificial Intelligence (AI) build out – from memory chips to data centre builders to power suppliers. Australasian equity markets, including listed property, followed suit, but in a less dramatic fashion.

Economic Growth and inflation readings supported a pause in the interest rate cycle which also allowed fixed interest markets to deliver positive returns. Inflation

rates are elevated however, and the longer the Iranian war continues, the more pressure there will be for central banks to raise rates.

chose to maintain our settings in the Income Fund; those being neutral the Fixed Income asset classes; underweight Australian Equities and Cash; and overweight NZ Equities and Listed Property.

## Tactical Asset Allocation



Fixed interest markets look fairly priced. Sticky inflation is our base case, limiting capital gains. Fears of a recession due to a protracted middle east conflict would boost the returns from the asset class. We see more attractive returns in Listed Property markets, as they are priced cheaply whilst being exposed to the same two-way dynamic as interest rate markets.

## Currency Hedging

As at 31 May 2026

Percentage of the fund exposed to FX risk	18.49%
Value of the fund unhedged (after hedging)	4.24%



**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.

The Octagon Investment Committee met in May and

For more information please visit [octagonasset.co.nz](http://octagonasset.co.nz), email [info@octagonasset.co.nz](mailto: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 31 May 2026. 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](http://www.octagonasset.co.nz/disclosure-information), by contacting your Investment Adviser, or by calling 0800 628 246.