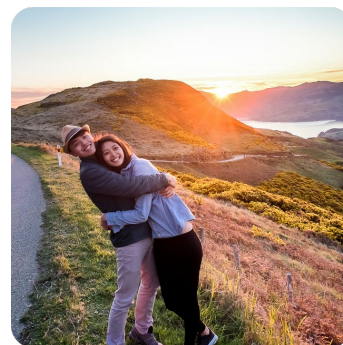


New Zealand Fixed Interest Fund

Monthly Performance Update as at 28 February 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/new-zealand-fixed-interest-fund/.



Return comparison	1 Month	3 Months	1 Year	3 Years*	Since inception*
Net Fund Return [^]	1.52%	1.00%	5.50%	6.04%	4.45%
Gross Fund Return	1.59%	1.20%	6.30%	6.86%	5.35%
Bloomberg NZBond Composite 0+ Yr Index	1.54%	1.11%	5.77%	5.90%	n/a
S&P/NZX Investment Grade Corporate Bond Index	1.14%	1.19%	6.02%	6.69%	5.10%

[^]Annualised

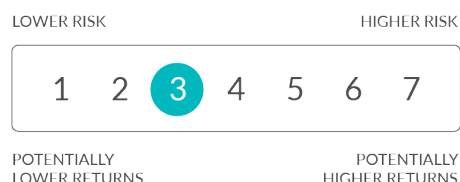
Major investments

New Zealand Government 1.5% 15/05/2031	6.91%
New Zealand Government 14/04/2033 3.5%	6.53%
New Zealand Government 15/05/2032 2.00%	5.33%
NZ Government 4.25% 15/05/2034 Green Bond	5.13%
New Zealand Government 4.5% 15/05/2035	5.11%
New Zealand Government 4.25% 15/05/2036	4.76%
New Zealand Government 4.50% 15/05/2030	4.31%
New Zealand Government 3% 20/04/2029	4.22%
ANZ Bank New Zealand Limited 17/09/2031	3.66%
2.99%	
New Zealand Government 15/05/2028 0.25%	3.62%
Major holdings as % of total portfolio	49.57%

Things to note

- Manager: Forsyth Barr Investment Management Ltd
- Investment manager: Octagon Asset Management Ltd
- Date the fund started: 26 June 2008
- Tax status: Portfolio Investment Fund (PIE)
- Minimum suggested investment time frame: At least three years
- Market Index: Bloomberg NZBond Composite 0+ Yr Index
- 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 New Zealand Fixed Interest Fund delivered a gross return of 1.59% for February, in-line with the fund's benchmark return of 1.54%.

For the 12 months to the end of February, the New Zealand Fixed Interest Fund delivered a gross return of 6.30%, comfortably outperforming the fund's market index return of 5.77% by 0.54%.

What happened in the markets that you invest in?

The month of February was a good month for fixed interest investors in the fund.

In its February Monetary Policy Statement (MPS), the Reserve Bank of New Zealand (RBNZ) took the opportunity to recalibrate market expectations as to how soon and how fast it was likely to increase the Official Cash Rate (OCR): its statement was more dovish than anticipated

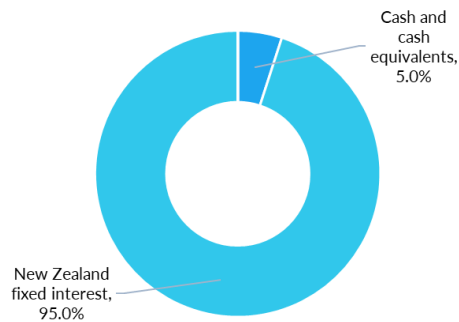
Acknowledging the RBNZ's desire to look through current, sticky inflation in favour of allowing the economy more time to build on positive economic sentiment, market participants re-priced term interest rates and bond yields lower, delivering significant capital gains to investors in the fund.

What are we thinking about the future?

The war in the Middle East began on 28 February and we have no updated view on the likely outcome. Our broad thesis was that the risks of an oil price shock and associated inflation would be tempered by the potential negative impact on global economic growth.

We also predicted that the interpretation of discrete media updates, actions and rhetoric would determine the travel of bond yields and terms interest rates. Typically, this a tougher than normal trading environment and we expect portfolio performance to be commensurately more volatile over the shorter term.

Target Asset Allocation



The fund's gross yield to maturity, calculated as the weighted-average gross yield of all securities in the portfolio, was 3.90%. The fund's weighted-average credit quality was AA-. Where a security does not have an external credit rating, we assign an internal credit rating based on our assessment. We use the lowest available credit rating for New Zealand Government bonds, Fitch's AA+.

The fund's duration was 4.70 years, approximating the benchmark's duration of 4.68 years. Our current target duration positioning range is +/- 0.5 years around the benchmark, which we will use if we assess interest rate moves as directionally and temporarily overstretched.

With around 70% of the portfolio invested in New Zealand Government bonds or proxies, the fund is well positioned to manage through any market dysfunction. Indeed, with uncertainty and volatility comes opportunities and ultimately, we anticipate returns to be attractive over the full year.

We will continue to target New Zealand Government inflation-linked bonds and other short-dated corporate bonds that provide yields well in excess of the current inflation rate of 3.10%.



Craig Alexander
Head of Fixed Interest and ESG

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](https://www.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 28 February 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, by contacting your Investment Adviser, or by calling 0800 628 246.