

Income 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/income-fund/.



Return comparison	1 Month	3 Months	1 Year	3 Years*	Since inception*
Net Fund Return^	1.39%	1.14%	10.80%	6.13%	3.60%
Gross Fund Return	1.42%	1.30%	11.34%	6.65%	4.16%
Composite Index	1.86%	1.64%	9.01%	6.75%	3.04%

*Annualised

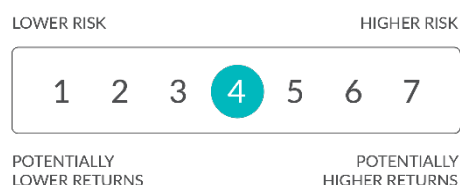
Major investments

Hunter Global Fixed Interest Fund	18.80%
ANZ transactional bank account	4.88%
Precinct Properties New Zealand Limited	2.68%
Vital Healthcare Property Trust	2.66%
Goodman Property Trust	2.59%
Kiwi Property Group Limited	2.22%
Ancor Limited	1.91%
Infratil Limited	1.60%
New Zealand Government 1.5% 15/05/2031	1.59%
Meridian Energy Limited	1.57%
Major holdings as % of total portfolio	40.50%

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 Income Fund delivered a gross return of 1.42% for the month of February, modestly underperforming the fund's benchmark return of 1.86% by -0.44%.

For the 12 months to the end of February, the Income Fund delivered a gross return of 11.34%, comfortably outperforming the fund's benchmark return of 9.01% by 2.33%.

All income asset classes (NZ Fixed Interest, Global Fixed Interest and Cash) used within the Fund performed in-line or fractionally outperformed their respective benchmarks. The Listed Property Fund underperformed its benchmark. The fund has exposure to New Zealand and Australian equities via direct investments. Holdings in Ramsay Healthcare, BHP, and Skellerup added to performance, whilst holdings in IAG, KMD Brands, and Sky City 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 February, the New Zealand dollar was down 2.48% against the Australian dollar.

We calculate the running yield of the securities held within the fund at the end of February as 4.39%.

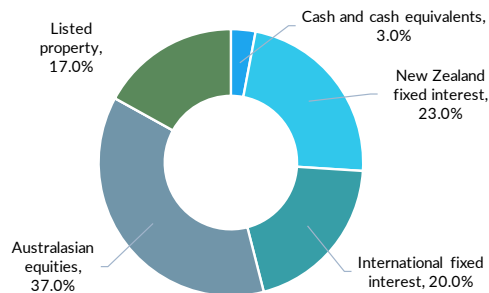
What happened in the markets that you invest in?

The February reporting season showed that domestic recoveries in NZ and Australia continue to progress, whilst US and European growth indicators were also generally positive.

The Artificial Investment (AI) boom continued, with material increases in capital expenditure for data centres and supporting power infrastructure announced. The increased capability of the AI models to provide both efficiency gains and spawn competing business models saw performance of stocks exposed to that spend diverge. The builders of infrastructure performed relatively well, whereas many software

businesses fell sharply on the prospect of more competition. The US Supreme Court ruled the first round of trade tariffs as largely illegal, prompting the US government to invoke other legal provisions to keep them in place.

Tactical Asset Allocation



Currency Hedging

As at 28 February 2026

Percentage of the fund exposed to FX risk	15.75%
Value of the fund unhedged (after hedging)	1.18%

What are we thinking about the future?

The Iranian war is now dominating headlines and short-term market returns. Higher commodity prices and lower tourism spend are the first-round effects. Should the oil price stay high for a prolonged period it could negatively impact on both inflation and growth.

The general economic backdrop in most major economies pre the hostilities were generally solid. Growth concerns are now likely to influence central bank concerns more, particularly as they cannot influence the inflation that may result from a supply shock in the oil market.

The history of military conflicts on financial markets is that impacts are limited, provided the war is contained and doesn't escalate into a major global conflict. Remaining diversified across regions and asset classes remains the best way to manage risk, in our opinion.

The Octagon Investment Committee met in early March and chose to maintain our settings in the Income Fund being neutral the Fixed Income asset classes, underweight Australian Equities, and Cash, and overweight NZ Equities, and Listed Property. Listed Property remains attractively priced and its yield premium to bonds has expanded.



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 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.