



Balanced 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/balanced-fund/.

Return comparison	1 Month	3 Months	1 Year	3 Years*	Since inception*
Net Fund Return^	1.41%	1.44%	8.94%	8.76%	4.50%
Gross Fund Return	1.49%	1.73%	10.16%	10.00%	5.71%
Composite Index	1.77%	2.03%	10.81%	10.01%	5.67%

*Annualised

Major investments

Hunter Global Fixed interest Fund	17.87%
Fisher & Paykel Healthcare Corporation Limited	2.10%
Vanguard ESG US Stock ETF	2.01%
ANZ transactional bank account	1.49%
Goodman Property Trust	1.41%
Precinct Properties New Zealand Limited	1.39%
Argosy Property Limited Green Bonds 27/03/2026 4.00%	1.35%
New Zealand Government 1.5% 15/05/2031	1.31%
New Zealand Government 14/04/2033 3.5%	1.24%
Kiwi Property Group Limited	1.21%
Major holdings as % of total portfolio	31.37%

Manager's comments

How did your portfolio perform?

The Balanced Fund delivered a gross return of 1.49% for the month of February, fractionally underperforming the fund's benchmark return of 1.77% by -0.28%.

For the 12 months to the end of February, the Balanced Fund delivered a gross return of 10.16%, underperforming the fund's benchmark return of 10.81% by -0.65%.

In local currency terms, global equities returned 1.29%, with strong performances from emerging markets and Asia. Our Australian and New Zealand equity managers underperformed their benchmarks over the month, whilst our multi manager global equity strategy outperformed. Our cash and fixed interest managers performed in-line with their benchmarks.

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 0.79% against the US dollar and 2.48% against the Australian dollar.

What happened in the markets that you invest in?

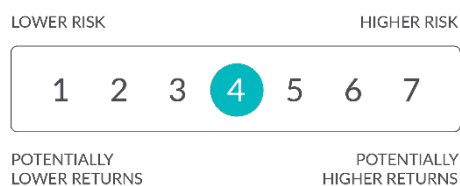
The February reporting season showed that domestic recoveries in NZ and Australia continue to progress, whilst US and European growth indicators were also generally positive.

The Artificial Intelligence (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.

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

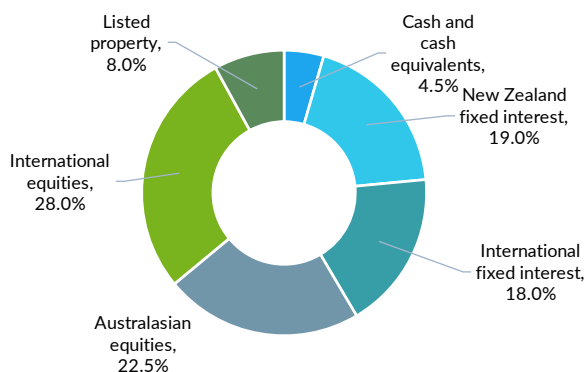
Risk indicator**



View the [Product Disclosure Statement](#) for detailed information about this Fund and Octagon Investment Funds Scheme.

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	36.71%
Value of the fund unhedged (after hedging)	13.85%

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 increase the Balanced funds exposure to global equities, funded from lowering our exposure to New Zealand Equities and Listed Property. With the de-rating of some of the highest priced global equities and a very strong international reporting season, the relative valuation of global equities to NZ equities has improved. Listed Property remains attractively priced and its yield premium to bonds has expanded, however we elected to use some of our overweight to fund the move into global equities.



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 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.