

Income Fund

Monthly Performance Update as at 30 April 2025

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^	-0.52%	-2.55%	2.23%	1.00%	1.51%
Gross Fund Return	-0.46%	-2.47%	2.77%	1.50%	2.05%
Composite Index	0.03%	-2.87%	4.42%	2.40%	1.22%

*Annualised

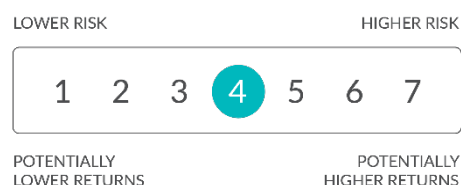
Major investments

Hunter Global Fixed interest Fund	20.38%
ANZ transactional bank account	3.72%
Precinct Properties New Zealand Limited	2.56%
Vital Healthcare Property Trust	2.52%
Goodman Property Trust	2.48%
Spark New Zealand Limited	2.33%
Genesis Energy Limited	2.14%
Kiwi Property Group Limited	1.98%
New Zealand Government 1.5% 15/05/2031	1.96%
Amcor Limited	1.77%
Major holdings as % of total portfolio	41.84%

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 -0.46% for the month of April, in line with the fund's benchmark return of -0.49%.

For the 12 months to the end of April, the Income Fund delivered a gross return of 2.77%, underperforming the fund's benchmark return of 4.42% by -1.65%.

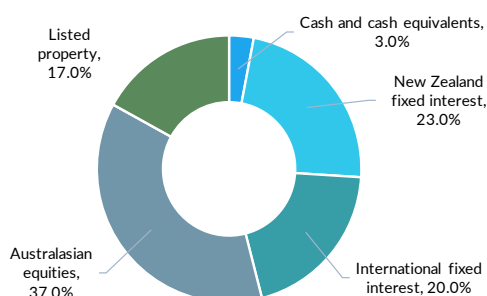
The Listed Property Fund, NZ Fixed Interest Fund and Enhanced Cash Fund outperformed their respective benchmarks while others lagged. For details on the Income Fund's single asset class funds, see the relevant fund commentary.

Almost 40% of the fund is invested in directly held Australasian equities. Holdings in Telstra, Atlas Arteria, and Oceania Healthcare added to performance, while holdings in Tourism Holdings, KMD Brands, and Santos detracted.

We actively manage the fund's currency exposures associated with Australian and listed property equities, and we hedge the international fixed interest segment of the fund to the New Zealand dollar (NZD). During the month the NZD rose 2.05% against the Australian dollar (AUD).

We calculated the running yield of the securities held within the fund at the end of April as 4.47%.

Tactical Asset Allocation



Currency Hedging

As at 30 April 2025

Percentage of the fund exposed to FX risk	16.73%
Value of the fund unhedged (after hedging)	9.52%

What happened in the markets that you invest in?

April was a month of significant investment market volatility, and while your fund does not invest in equity markets outside Australasia, global equities' sentiment sets the tone for our regional markets.

The US efforts to rebalance its trade flows has created material uncertainty for many nations and companies. As noted last month, we anticipated that some of the newly imposed tariffs would be amended. This expectation has been met for all countries except China, as the US implemented a 90-day pause to enable country-by-country negotiations. Even in the case of US-China trade, where significant tariffs have already been applied, certain products have been carved out and exempted.

Recent economic data can broadly be divided into two categories. Reports covering actual global activity during the March quarter were generally solid. In contrast, forward-looking indicators were notably weak. As a result, many economic forecasts are now factoring in a combination of slower growth and rising inflation. The situation remains highly fluid, and we expect meaningful developments to unfold over the coming months.

Fixed interest markets were nearly as volatile as equity markets during the period. A tug-of-war emerged between expectations of higher inflation, which would push interest rates up, and concerns over weaker growth, which would exert downward pressure on rates. We believe that slower growth is likely to dominate this dynamic. Consequently, long-term interest rates ended the month with only modest changes.

What are we thinking about the future?

Despite frequent announcements related to the trade war, we continue to view the current environment as slightly negative for global economic growth. Even if tariffs are eventually rolled back, the prevailing uncertainty alone can cause businesses to delay activity, which in turn dampens growth.

The US economy was in a strong position before the trade war began. Going forward, the direction of markets will hinge on whether the currently weak sentiment translates into a real decline in activity, or if it merely reflects dissatisfaction with policy settings—without materially impacting output.

The Octagon Investment Committee met in early and late April. Given Australia's lower direct exposure to US tariffs and its relatively stronger short-term growth outlook compared to New Zealand, we reallocated some equity exposure between the two markets.

We were surprised by the sharp rebound in the US equity market, along with the strength shown in parts of Europe. However, we remain firmly of the view that risks have risen, and that many equity market valuations do not yet fully reflect this. In contrast, we continue to find the valuation of the lower-risk listed property sector attractive.



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 30 April 2025. 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.