

## Income Fund

### Monthly Performance Update as at 30 September 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/](http://www.octagonasset.co.nz/our-funds/income-fund/).



Return comparison	1 Month	3 Months	1 Year	3 Years*	Since inception*
Net Fund Return^	2.34%	5.35%	8.02%	6.26%	3.37%
Gross Fund Return	2.33%	5.44%	8.58%	6.78%	3.92%
Composite Index	2.01%	5.55%	8.25%	7.75%	3.05%

\*Annualised

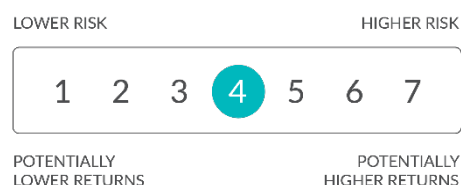
### Major investments

Hunter Global Fixed interest Fund	20.14%
ANZ transactional bank account	3.86%
Vital Healthcare Property Trust	2.65%
Precinct Properties New Zealand Limited	2.65%
Goodman Property Trust	2.63%
Kiwi Property Group Limited	2.32%
New Zealand Government 1.5% 15/05/2031	2.15%
Genesis Energy Limited	1.75%
Amcor Limited	1.74%
Heartland Groupd Holdings Limited	1.59%
<b>Major holdings as % of total portfolio</b>	<b>41.48%</b>

### 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 (PIF)
- 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 2.33% for the month of September, modestly outperforming the fund's benchmark return of 2.01% by 0.32%.

For the 12 months to the end of September, the Income Fund delivered a gross return of 8.58%, outperforming the fund's benchmark return of 8.25% by 0.33%.

The New Zealand Fixed Interest Fund and Enhanced Cash Fund modestly outperformed their benchmarks, whilst the Listed Property Fund underperformed. For details on the Income Fund's single asset class funds' performance, see the relevant fund commentary. Almost 40% of your fund's exposure is from directly held New Zealand and Australian Equities. Holdings in Heartland Group, Tourism Holdings, and Freightways added to performance whilst holdings in Santos (due to a withdrawn takeover bid), Viva Energy, and Ebos 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 September, the New Zealand dollar fell -2.82% against the Australian dollar.

We calculate the running yield of the securities held within the fund at the end of September as 4.23%.

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

Broadly speaking, financial market activity was dominated by central banks in September. And while your fund does not invest in global equities, they do set the tone for market sentiment.

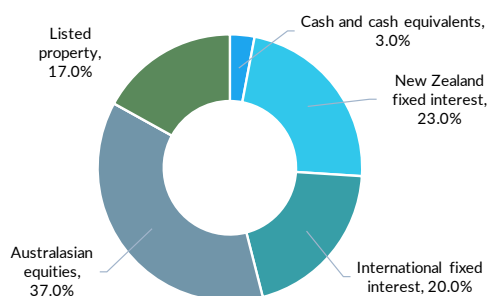
In September, global equities continued its series of incremental gains as the US Federal Reserve (the FED) cut rates 0.25%. The market is now comfortable that the FED is on-track to move monetary settings from tight to neutral.

However, we caution that further moves lower are likely to be gradual as the FED Chair balances the dual mandate of employment and inflation.

New Zealand's June quarter GDP result was significant, showing a -0.90% drop that quickly recalibrated market expectations for more official cash rate (OCR) cuts before the year end. The RBNZ also re-forecast the terminal rate to around 2.25% to 2.50% by year-end. Not surprisingly, the interest rate sensitive New Zealand equity market, and in particular the listed property sector, responded with healthy positive returns for the month. In Australia, stronger than expected inflation data led to some market commentators suggesting that recent monetary policy easing may be over. Australian equity returns, while positive, were the weakest of the growth asset classes that we follow.

It was business-as-usual for international and New Zealand fixed interest, along with cash. All three asset classes continued to benefit from investment opportunities presented by current global monetary policy settings. Simply put, the recent run of delivering positive monthly performance continued over September.

## Tactical Asset Allocation



## 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.

## Currency Hedging

As at 30 September 2025

Percentage of the fund exposed to FX risk	16.20%
Value of the fund unhedged (after hedging)	6.63%

### What are we thinking about the future?

Tactically, we continue the fund's overweights to New Zealand equities and listed property, balanced by underweights to Australian equities and Cash.

We continue to believe that New Zealand's current monetary policy settings favour our largely interest rate-sensitive equity and listed property markets and are encouraged by companies' balance sheet health, at what we think is the end of a very traumatic down cycle in economic performance. Renewed talk of the "rockstar" economy could be premature, but maybe, just maybe, the RBNZ's GDP Nowcast predications of a 0.7% rebound in the September quarter GDP could be a sign of better times ahead!



**Jason Lindsay, CA**  
Head of Equities



**Craig Alexander**  
Head of Fixed Interest

For more information please visit [octagonasset.co.nz](https://octagonasset.co.nz), email [info@octagonasset.co.nz](mailto:info@octagonasset.co.nz), or call 0800 628 246

<sup>^</sup> 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.

<sup>\*\*</sup> 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 September 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](https://www.octagonasset.co.nz/disclosure-information), by contacting your Investment Adviser, or by calling 0800 628 246.