

Balanced 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/balanced-fund/.



Return comparison	1 Month	3 Months	1 Year	3 Years*	Since inception*
Net Fund Return^	1.86%	4.71%	8.12%	9.58%	4.30%
Gross Fund Return	1.96%	5.00%	9.32%	10.82%	5.51%
Composite Index	2.39%	5.87%	11.31%	10.71%	5.54%

*Annualised

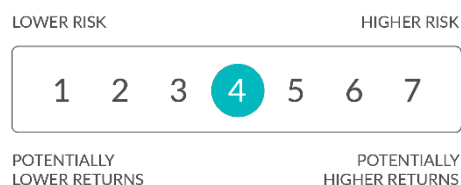
Major investments

Hunter Global Fixed interest Fund	18.87%
Vanguard ESG US Stock ETF	5.29%
Vanguard ESG International Stock ETF	2.46%
ANZ transactional bank account	2.24%
New Zealand Government 1.5% 15/05/2031	1.86%
Fisher & Paykel Healthcare Corporation Limited	1.82%
Goodman Property Trust	1.42%
Precinct Properties New Zealand Limited	1.42%
Kiwi Property Group Limited	1.33%
New Zealand Government 14/04/2033 3.5%	1.25%
Major holdings as % of total portfolio	37.97%

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 Balanced Fund delivered a gross return of 1.96% for the month of September, marginally underperforming the fund's benchmark return of 2.39% by -0.43%.

For the 12 months to the end of September, the Balanced Fund delivered a gross return of 9.32%, underperforming the fund's benchmark return of 11.31% by -1.99%.

The New Zealand equities, New Zealand fixed interest and cash funds beat their respective benchmarks while other asset classes underperformed versus their benchmarks.

What happened in the markets that you invest in?

Broadly speaking, financial market activity was dominated by central banks in September. Global equities continued its series of incremental gains over the month as the US Federal Reserve (the FED) prioritised low unemployment over inflation. The FED's 0.25% cut in September was a controversial affair with President Trump's recent appointment to the FED dissenting and instead opting for a 0.50% cut. Notwithstanding the politics, the market is now comfortable that monetary settings are moving 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, rather than being swayed by political imperative.

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.

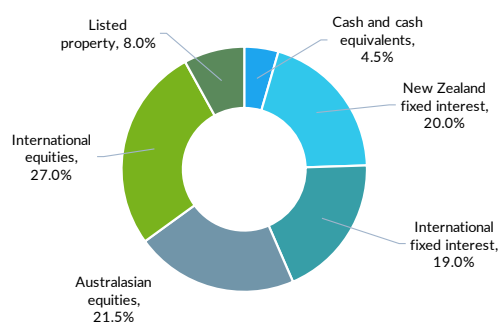
Australian equity returns, while positive, were the weakest of the growth asset classes that we follow.

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.

For details on the Balanced Fund's single asset class funds, see the relevant fund 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 -1.59% against the US dollar and fell -2.82% against the Australian dollar.

Tactical Asset Allocation



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 Global and Australian equities.

We continue to believe that New Zealand's current monetary policy settings favour our domestic equity and listed property markets. We are also encouraged by companies' balance sheet health, at the end of what we believe has been 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 predictions of a 0.7% rebound in the September quarter GDP could be a sign of better times ahead!

This is in a contrast to our thinking on international and Australian equity markets. The widely expected US Government shutdown, adding yet another bout of uncertainty, and stretched US equity valuations validates our Global equities underweight. We also believe that the Reserve Bank of Australia is most likely done, or close to done, in cutting its official cash rate any further.



Paul Robertshawe, CA
Director, Chief Investment Officer



Christine Smith-Han
Strategy Analyst

Currency Hedging

As at 30 September 2025

Percentage of the fund exposed to FX risk	35.32%
Value of the fund unhedged (after hedging)	14.38%

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 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, by contacting your Investment Adviser, or by calling 0800 628 246.