

## Balanced Fund

### Monthly Performance Update as at 31 August 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/](http://www.octagonasset.co.nz/our-funds/balanced-fund/).



Return comparison	1 Month	3 Months	1 Year	3 Years*	Since inception*
Net Fund Return^	1.49%	4.30%	6.87%	7.49%	3.97%
Gross Fund Return	1.57%	4.59%	8.05%	8.71%	5.17%
Composite Index	1.60%	5.19%	9.65%	8.52%	5.11%

\*Annualised

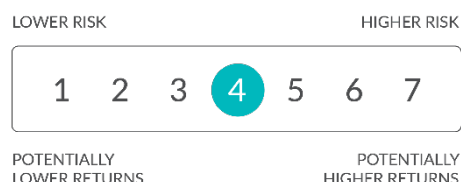
### Major investments

Hunter Global Fixed interest Fund	19.01%
Intermede Global Equity Fund	5.37%
New Zealand Government 1.5% 15/05/2031	2.14%
Vanguard ESG US Stock ETF	1.91%
Fisher & Paykel Healthcare Corporation Limited	1.80%
ANZ transactional bank account	1.51%
New Zealand Government 4.50% 15/05/2030	1.49%
Precinct Properties New Zealand Limited	1.49%
Goodman Property Trust	1.41%
Kiwi Property Group Limited	1.36%
<b>Major holdings as % of total portfolio</b>	<b>37.49%</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 (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 1.57% for the month of August, in line with the fund's benchmark return of 1.60%.

For the 12 months to the end of August, the Balanced Fund delivered a gross return of 8.05%, underperforming the fund's benchmark return of 9.65% by 1.60%.

The Global Equities, Listed Property, Global Fixed Interest, NZ Fixed Interest and Enhanced Cash components of the Growth Fund performed in-line or better than their benchmarks while other funds lagged. 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 -0.05% against the US dollar and fell -1.68% against the Australian dollar.

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

August saw strong returns from all the major asset classes the Balanced fund invests in.

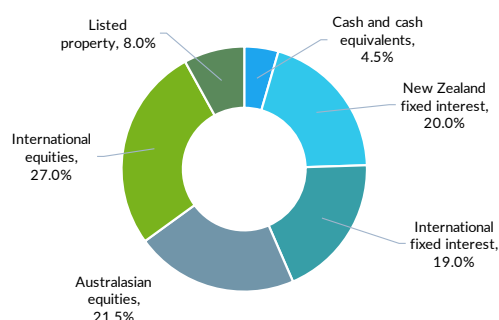
NZ fixed interest and listed property markets benefited from the Reserve Bank indicating more rate cuts were likely to help restart the economy. Whilst inflation is not yet in the low half of their target band, indicators of demand and disinflation from China exports having to find a home outside of the US gave the RBNZ confidence to lower rates.

Global fixed interest rates absorbed higher US inflation as tariffs work their way into consumer prices but still delivered a positive return.

The NZ and Australian equities markets produced strong results through the critical August reporting season. In NZ, whilst outlook comments were cautious, trading has stopped getting worse and there was a further interest rate cut to buoy market sentiment. In Australia, reporting season was mixed, but the economy

continues to show a level of resilience that was not expected by the market. Globally, markets built in more interest rate support and reported solid earnings growth relative to expectations. Japan was the best of the major markets.

## Tactical Asset Allocation



## Currency Hedging

As at 31 August 2025

Percentage of the fund exposed to FX risk	35.39%
Value of the fund unhedged (after hedging)	14.64%

## What are we thinking about the future?

The dramatic recovery in global equity markets since the April tariff shock has driven many regional markets to multi decade highs. A lot of this strength has come from an increase in valuation, not just strong earnings growth. High valuations are not a good guide to short term returns, but they have been a very good indicator of long-term returns. On average, whenever the US market has traded at 23x earnings, as it does now, the next 10 years price return has been low single digit per annum. The current group of market leading companies are very profitable, but so were the leaders in most of the prior episodes.

Interest rate markets are finely poised. If global economies trundle along at about average growth rates, they look around fair value. If there is a tariff induced inflation shock there is some downside to fixed interest returns, but if the US economy were to falter, they have a lot of room to fall to cushion the economy.

Our large overweight position in NZ listed property has delivered very strong returns over the last quarter, and that position will be a key topic for discussion at our upcoming Investment Committee meeting.



**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](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 31 August 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.