

Octagon Investment Funds

Growth Fund

Monthly Performance Update as at 31 July 2024

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/growth-fund/.



Return comparison	1 Month	3 Months	1 Year	3 Years*	Since inception*
Net Fund Return^	3.20%	3.61%	9.70%	3.42%	4.15%
Gross Fund Return	3.32%	3.93%	11.09%	4.73%	5.45%
Composite Index	3.72%	4.98%	10.57%	4.13%	5.34%

*Annualised

Major investments

Intermede Global Equity Fund	13.8%
Hunter Global Fixed interest Fund	8.3%
ANZ transactional bank account	2.8%
Fisher & Paykel Healthcare Corporation Limited	1.8%
BHP Group Limited	1.3%
Infratil Limited	1.3%
CSL Limited	1.2%
Contact Energy Limited	1.1%
Spark New Zealand Limited	1.1%
Auckland International Airport Limited	1.0%
Major holdings as % of total portfolio	33.58%

Manager's comments

What happened in the markets that you invest in?

Both global and domestic fixed interest markets racked up a second month of strong gains in July. Economic growth appears to be stalling, and recent inflation figures suggest many central banks will see inflation return into their target ranges by year end. Both outcomes support fixed interest market returns.

NZ and Australian equity markets outperformed their Global peers. In NZ's case it was the signal of lower rates that will eventually stimulate an economic recovery that drove the market. In other markets, growth is currently stronger, but that strength appears to be falling.

The NZ listed property market also performed well. A decline in interest rates offers valuation support in the physical property market and lowers the risk that some companies may need to raise equity to repay debt.

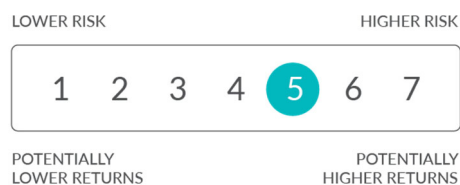
The NZ dollar, relevant for our portfolios with unhedged foreign currency exposures, fell -2.5% against the US dollar, and -0.3% against the Australian dollar.

For further commentary on each of the asset classes within the Growth Fund, please refer to the commentaries for each of the relevant single-asset class funds.

How did your portfolio perform?

The Growth fund delivered a gross return of 3.32% for July, fractionally underperforming the fund's market index return of 3.72% by -0.40%.

Risk indicator for the Growth Fund*



For the 12 months to the end July, the Growth fund delivered a gross return of 11.09% comfortably outperforming the fund's market index return of 10.57% by 0.53%.

All the funds that make up the Growth fund, except the Global Equities fund, performed in line with or slightly ahead of their market indices.

We actively manage the fund's foreign currency exposures. As of 31 July 2024, these exposures represented around 55% of the value of the fund. After allowing for foreign currency hedges in place, approximately 24% of the value of the fund was unhedged and exposed to foreign currency risk.

What are we thinking about the future?

Of the global economists we subscribe to, all but one is predicting a gradual decline in economic growth for the US economy with falling inflation and a stable employment market. Recent data releases have supported the falling

inflation story, but growth in manufacturing has disappointed and unemployment is rising faster than most expected. Should a recession eventuate, company profit expectations for global shares could fall materially. NZ was back in recession in the June quarter we think, but this has been reflected in earnings forecasts and market returns for some time.

The Investment Committee met in early August and reduced its allocation to fixed interest investments on the back of strong returns over the last three months. We used this money to add to the listed property sector, which whilst having low earnings growth, should deliver strong returns as interest rates fall and discounts to asset backing decline.

After these moves, the portfolios now have modest overweight positions in fixed interest and listed property, and modest underweights in global equities, relative to their long-term target allocations.

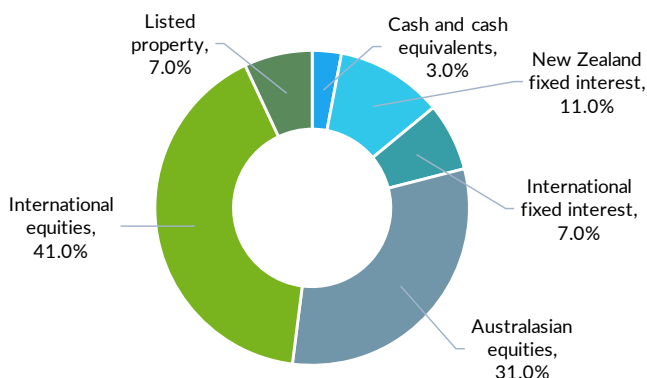


Paul Robertshawe, CA
Director, Chief Investment Officer



Christine Smith-Han
Strategy Analyst

Tactical Asset Allocation



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
- A composite benchmark relating to the fund's target investment mix
- Currency: New Zealand dollars

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

Fees

Annual fund charges are currently 1.25% 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 31 July 2024. 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.