

Octagon Investment Funds

Balanced Fund

Monthly Performance Update as at 30 November 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/balanced-fund/.



Return comparison	1 Month	3 Months	1 Year	3 Years*	Since inception*
Net Fund Return^	1.67%	2.15%	13.27%	3.85%	3.55%
Gross Fund Return	1.76%	2.43%	14.57%	5.05%	4.76%
Composite Index	2.30%	3.55%	15.75%	4.65%	4.58%

*Annualised

Major investments

Hunter Global Fixed interest Fund	20.1%
Intermede Global Equity Fund	9.0%
ANZ transactional bank account	2.1%
Fisher & Paykel Healthcare Corporation Limited	1.7%
New Zealand Government 4.50% 15/05/2030	1.5%
Goodman Property Trust	1.3%
Precinct Properties New Zealand Limited	1.3%
New Zealand Government 1.5% 15/05/2031	1.2%
Infratil Limited	1.1%
New Zealand Government 14/04/2033 3.5%	1.0%
Major holdings as % of total portfolio	40.48%

Manager's comments

What happened in the markets that you invest in?

It was a strong month for Global equity markets, led by the US with President-elect Trump being seen as positive for business and growth. Asian markets were generally much weaker as they will endure the worst of any proposed tariff increases from a Trump presidency and already have generally weaker economies.

Political upheaval continues with France and South Korea also facing political crises whilst armed conflicts in the Ukraine and Middle East continue. For now, markets are seeing these events as not material for market returns but we continue to watch for escalation.

How did your portfolio perform?

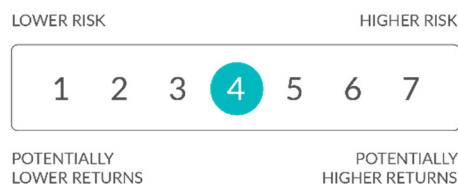
The Balanced Fund delivered a gross return of 1.76% for November, modestly underperforming the fund's market index return of 2.30% by -0.54%.

For the 12 months to the end of November, the Balanced Fund delivered a gross return of 14.57%, underperforming the fund's market index return of 15.75% by -1.18%.

Of the funds utilised within the Balanced Fund, all our equity funds bar the Listed Property Fund underperformed their respective market indices, whilst our cash and fixed interest funds bettered their market indices. For further information on each of the single asset class funds used by the Balanced Fund, refer to the relevant single asset class fund commentary.

We actively manage the fund's foreign currency exposures associated with global and Australian equities and hedge foreign currency exposures associated with global bonds. As of 30 November 2024, these exposures represented around 36% of the value of the fund. After allowing for

Risk indicator for the Balanced Fund*



foreign currency hedges in place, approximately 16% of the value of the fund was unhedged and exposed to foreign currency risk. The NZ dollar, relevant for our portfolios with unhedged foreign currency exposures, rose 0.60% against the US dollar, and 0.06% against the Australian dollar.

What are we thinking about the future?

Of the investment markets your fund invests in, we see better than average returns available in listed property and NZ equities, and below average returns from international equities. Again, we need to separate our view on valuations from the underlying economy. For listed property and NZ equities, we think improving outlooks for earnings supported by falling interest rates are not reflected in market valuations. For international equities, the key US economy continues to be robust, but we think that backdrop is more than reflected in market valuations. The potential introduction of trade tariffs, along with US growth and budget deficits, could lead to a temporary rebound in inflation which would negatively impact returns in fixed interest and listed property. The Octagon

investment committee met recently and maintained our overweight exposure (versus strategic asset allocation) to listed property, and New Zealand equities, funded with an underweight position to Australian equities and cash. The Australian economy is performing solidly with government spending and tax cuts supportive, but interest rates have little room to fall, and valuations are full. The committee also chose to increase our exposure to NZ fixed interest as inflation continues to fall, funded from international fixed interest where US inflation may stop falling on the back of tax cuts, tariffs and higher government borrowing

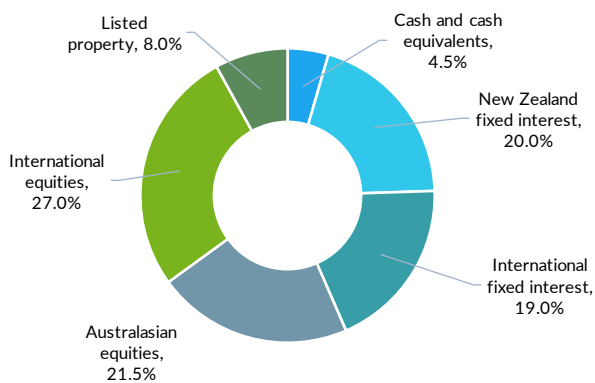


Paul Robertshawe, CA
Director, Chief Investment Officer



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
- Market Index: 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 1.15% 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 November 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.