

Octagon Investment Funds

Balanced Fund

Monthly Performance Update as at 30 June 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 [^]	0.92%	-0.62%	7.31%	1.57%	2.32%
Gross Fund Return	1.00%	-0.34%	8.54%	2.76%	3.51%
Composite Index	0.78%	-0.41%	7.55%	2.16%	2.97%

*Annualised

Major investments

Hunter Global Fixed interest Fund	19.7%
Intermede Global Equity Fund	8.7%
ANZ transactional bank account	1.8%
New Zealand Government 3% 20/04/2029	1.7%
New Zealand Government 4.50% 15/04/2027	1.4%
New Zealand Government 15/05/2028 0.25%	1.3%
New Zealand Government 14/04/2033 3.5%	1.3%
Fisher & Paykel Healthcare Corporation Limited	1.3%
New Zealand Government 4.50% 15/05/2030	1.3%
Westpac New Zealand 1.439% 24/02/2026	1.2%
Major holdings as % of total portfolio	39.50%

Manager's comments

What happened in the markets that you invest in?

June was a strong month for fixed interest returns. After three or four months of higher than expected inflation numbers, May and June saw many countries report falling inflation and weaker growth expectations.

Global equity markets were driven higher once again by the US, and particularly the technology sector. Other regional markets were more mixed. France fell heavily on the news of an unexpected snap election; Australia performed solidly whilst New Zealand fell on yet more signs of economic weakness.

The NZ listed property market, which normally performs well when interest rates fall, had a poor month. Rental growth rates are slowing with the weakening economy and dividend growth has stalled as higher interest costs and new taxes impact earnings.

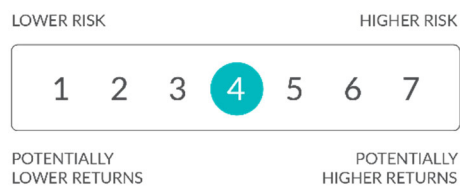
The NZ dollar, relevant for our portfolios with unhedged foreign currency exposures, fell -0.8% against the US dollar, and -1.2% against the Australian dollar.

For further commentary on each asset class in the Balanced Fund, refer to the relevant single-asset class funds.

How did your portfolio perform?

The Fund delivered a gross return of 1.00% for June, modestly outperforming the fund's market index return of 0.78% by 0.22%

Risk indicator for the Balanced Fund*



For the 12 months to the end June, the Fund delivered a gross return of 8.54% comfortably outperforming the fund's market index return of 7.55% by 0.99%

Our Listed Property and Global Equities Managers bettered their market indices during the month, whilst cash, Australian equities and fixed interest performed in line. Our NZ equities fund lagged its market index during the month.

We actively manage the fund's foreign currency exposures. As of 30 June 2024, these exposures represented about 37% of the value of the fund. After allowing for foreign currency hedges in place, around 19% of the value of the fund was unhedged and exposed to foreign currency risk.

What are we thinking about the future?

Inflation is falling and slowing economic growth should support the portfolio's current position of holding more than its usual share of fixed interest investments. We continue to see fixed interest as attractively valued, both in its own right and relative to the value of most equity markets.

Global equity markets continue to deliver attractive returns, dominated by robust returns from the huge technology leaders in the US. Your portfolio, however, remains modestly underweight global equities as we see risks around valuation in the US. Earnings growth forecasts are running well ahead of expected economic growth. The

next earnings season starts in July, and we expect solid results, but more cautious outlook statements from the companies reporting.

We think New Zealand remains a laggard as high interest rates have stalled the growth in our economy.

In early July we completed the move to our new long-term asset allocations. As we communicated to you in April, we have increased our exposure to global equities and fixed interest, funded by lowering our allocation to NZ and Australian asset classes. While we continue to tactically underweight global equities, we think long-term prospects remain positive, and are attracted to the diversification and liquidity on offer in those markets.

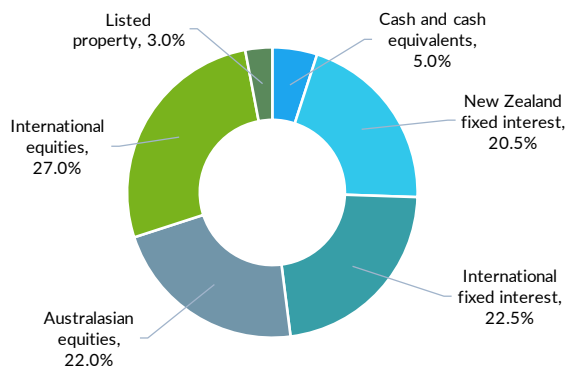


Paul Robertshawe, CA
Director, Chief Investment Officer



Christine Smith-Han
Strategy Analyst

Tactical Asset Allocation



Things to note

- Manager: Forsyth Barr Investment Management Limited
- Investment manager: Octagon Asset Management Limited
- Date the fund started: 11 December 2020
- Tax status: Portfolio Investment Fund (PIE)
- Minimum suggested investment time frame: At least five years
- Benchmark: None
- 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 September 2022. 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/disclosureinformation, by contacting your Investment Adviser, or by calling 0800 628 246.