

Income Fund

Monthly Performance Update as at 31 August 2026

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/income-fund/.



Return comparison	1 month	3 months	1 year	3 years*	Since inception*
Net Fund Return ^	0.76%	1.38%	5.19%	5.74%	3.33%
Gross Fund Return	0.82%	1.58%	5.78%	6.27%	3.88%
Composite Index	0.57%	1.63%	3.08%	6.34%	2.91%

* Annualised

Major investments

Hunter Global Fixed Interest Fund	18.71%
BNZ Transactional Account NZD	3.96%
Fisher & Paykel Healthcare Corporation Limited	3.48%
Goodman NZ Ltd & Goodman Property Services Ltd	3.41%
Precinct Properties New Zealand Limited	3.37%
Kiwi Property Group Limited	2.69%
Infratil Limited	2.10%
BHP Group Limited	1.90%
Property for Industry Limited	1.76%
Auckland International Airport Limited	1.73%
Major holdings as % of total portfolio	43.12%

Manager's comments

How did your portfolio perform?

The Income Fund delivered a gross return of 0.82% for the month of August, modestly outperforming the Fund's benchmark return of 0.57% by 0.25%.

For the 12 months to the end of August, the Fund delivered a gross return of 5.78%, significantly outperforming the Fund's benchmark return of 3.08% by 2.70%.

The Fund primarily invests in the single sector Octagon Investment Funds that make up the asset allocation of the Income Fund.

Investment market returns were generally positive over August, listed property was the outlier, posting a small decline as higher interest rate trends and low dividend growth have created a headwind. All the portfolio managers in the Fund outperformed their benchmarks over the month.

For details on the Income Fund's single asset class funds, see the relevant commentary.

We actively manage the Fund's foreign currency exposures to Australian equities and fully hedge the international fixed interest segment of the fund. In August, the New Zealand Dollar declined -1.35% against the Australian Dollar.

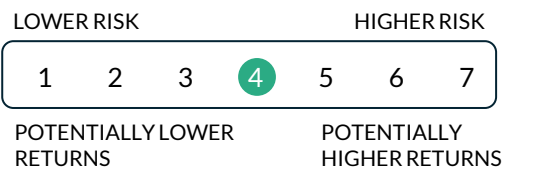
What happened in the markets that you invest in?

Longer-term interest rates rose to cycle highs in August, driven by persistent inflation and strong funding demand from governments and AI-related investment.

Things to note

- Manager: Salt Investment Funds Limited
- 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.

Tactical Asset Allocation



- Australasian equities (38.0%)
- New Zealand Fixed Interest (23.0%)
- International fixed interest (19.0%)
- Listed property (17.00%)
- Cash and cash equivalents (3.0%)

Currency hedging

As at 31 August 2026

% of fund exposed to FX risk	17.63%
Value of fund unhedged (after hedging)	3.98%

Fees

Annual fund charges are currently 0.75% 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.

Central banks maintained an anti-inflation stance, although policy tightening remained measured. Longer-term inflation expectations have remained reasonable, giving rate setters time to assess new information before acting.

Listed property underperformed despite solid rental growth and occupancy. Pandemic-era low-cost debt continues to roll onto higher market rates, pressuring earnings and dividend growth.

NZ and Australian reporting seasons were broadly in line with expectations, supporting positive market returns. Outside resources and mining, the Australian economy is slowing, which remains an important risk to earnings growth.

What are we thinking about the future?

Geopolitical risks remain elevated but have not triggered a material rotation into safe-haven bonds. Gold has recovered from recent weakness, while oil prices remain below levels likely to materially affect global growth or inflation.

Absent further geopolitical escalation, we view longer-term interest rates as close to fair value, with modest valuation support. Inflation remains persistent, but evidence of renewed acceleration is limited and we expect gradual moderation.

The fund’s listed property overweight continues to detract from relative performance. Recent reporting supports our view that weakness is primarily rate-driven, rather than a reflection of deteriorating sector fundamentals or inadequate valuation support. We therefore retain the overweight.



Paul Robertshawe, CA
Director,
Chief Investment Officer



Craig Alexander,
Head of Fixed Interest & ESG

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. Prior to October 2022 Net Fund Returns were calculated after deduction of fund charges, trading expenses and accrued tax for a New Zealand resident paying individual tax at the highest Prescribed Investor Rate (28%).

** 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 2026. See more information about the risks of investing in the Product Disclosure Statement.

This publication does not contain financial advice. We recommend you review your investments and seek specialist advice on any taxation aspects. Past performance is not a reliable guide to future performance. Salt Investment Funds 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, or by calling 0800 628 246.