

Balanced 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/balanced-fund/.



Return comparison	1 month	3 months	1 year	3 years*	Since inception*
Net Fund Return ^	0.99%	2.99%	6.78%	8.14%	4.46%
Gross Fund Return	1.09%	3.29%	8.01%	9.38%	5.66%
Composite Index	1.07%	1.62%	8.71%	9.94%	5.93%

* Annualised

Major investments

Hunter Global Fixed Interest Fund	16.57%
Fisher & Paykel Healthcare Corporation Limited	2.10%
New Zealand Government 1.5% 15/05/2031	1.37%
Goodman NZ Ltd & Goodman Property Services Ltd	1.24%
Precinct Properties New Zealand Limited	1.24%
Infratil Limited	1.22%
New Zealand Government 3.5% 14/04/2033	1.18%
Nvidia Corp	1.17%
Apple Inc	1.12%
BNZ Transactional Account NZD	1.12%
Major holdings as % of total portfolio	28.33%

Manager's comments

How did your portfolio perform?

The Balanced Fund delivered a gross return of 1.09% for the month of August, in-line with the Fund's benchmark return of 1.07%.

For the 12 months to the end of August, the Fund delivered a gross return of 8.01% modestly underperforming the Fund's benchmark return of 8.71% by -0.70%.

Investment market returns were generally positive over August, with trans-Tasman equity markets, fixed interest and cash all delivering positive results. Global Equities and Fixed Interest were also positive for the month. Listed property was an outlier as interest rate trends and low dividend growth saw that market deliver a modestly negative return. Other than in Global Equities, our portfolio managers outperformed their benchmarks over the month.

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

We actively manage the fund's foreign currency exposures and hedge the international fixed interest segment of the fund. The New Zealand Dollar rose 0.64% against the US Dollar and fell -1.35% against the Australian Dollar.

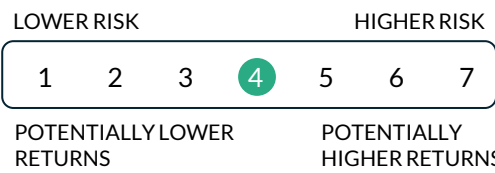
What happened in the markets you invest in?

Longer-term interest rates rose to cycle highs in August, driven by persistent inflation, government deficits and AI-related investment.

Things to note

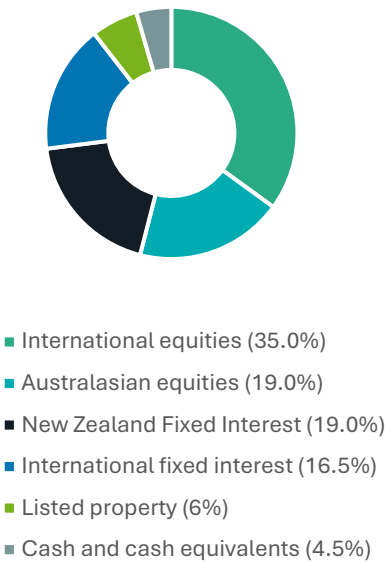
- Manager: Salt Investment Funds Limited
- Investment manager: Octagon Asset Management Ltd
- Date the fund started: 11 December 2020
- Tax status: Portfolio Investment Fund (PIE)
- Minimum suggested investment time frame: At least five years
- Market Index: A composite benchmark relating to the fund's 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



Currency hedging

As at 31 August 2026

% of fund exposed to FX risk	40.11%
Value of fund unhedged (after hedging)	15.29%

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.

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

Earnings growth across local and global equity markets remained strong over the past two months, partly reflecting easier comparatives from the 2025 tariff shock. Revenue growth and margin expansion were broad-based, led by companies exposed to AI infrastructure spend. Earnings revisions were generally positive, and demand indicators remained resilient.

What are we thinking about the future?

Strong global earnings growth has exceeded share price gains, reducing headline market valuations from approximately 23x to 20x forward earnings. Higher interest rates also tend to temper equity valuations.

We remain at strategic asset allocation weight in global equities, balancing strong earnings momentum against historically elevated profit margins. Demand remains resilient, but competitive pressure should limit margin expansion over time. AI may provide a productivity tailwind, but we do not assume current competitive advantages are enduring for all.

The listed property overweight continues to detract from relative performance. Recent reporting supports our view that weakness is primarily rate-driven, while sector fundamentals and valuation support remain intact. We therefore retain the overweight.

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.



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Chief Investment Officer



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Equity and Strategy Analyst

For more information, please visit [octagonasset.co.nz](https://www.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.