

Income Fund

Monthly Performance Update as at 30 September 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 ^	-1.66%	-1.45%	1.07%	5.86%	2.98%
Gross Fund Return	-1.60%	-1.27%	1.73%	6.44%	3.53%
Composite Index**	-1.26%	-0.99%	-0.23%	6.65%	2.65%

* Annualised

Major investments

Hunter Global Fixed Interest Fund	18.97%
BNZ Transactional Account NZD	3.95%
Fisher & Paykel Healthcare Corporation Limited	3.62%
Goodman NZ Ltd & Goodman Property Services Ltd	3.24%
Precinct Properties New Zealand Limited	3.19%
Kiwi Property Group Limited	2.77%
Infratil Limited	2.03%
Vital Healthcare Property Trust	1.82%
Property for Industry Limited	1.79%
NZ Government 1.5% 15/05/2031	1.74%
Major holdings as % of total portfolio	43.09%

Manager's comments

How did your portfolio perform?

The Income Fund (Fund) delivered a gross return of -1.60% for the month of September, modestly underperforming the Fund's benchmark return of -1.26% by -0.34%.

For the 12 months to the end of September, the Fund delivered a gross return of +1.73%, strongly outperforming the Fund's benchmark return of -0.23% by +1.96%.

A rapid increase in interest rates created headwinds for most investment markets over the month, with listed property and fixed interest faring the worst. These two markets are now trading at their most attractive valuation levels since before the pandemic.

For details of the Fund's underlying single asset class funds, see the relevant commentary.

We actively manage the Fund's foreign currency exposures associated with equities and listed property and hedge the international fixed interest segment of the Fund. The New Zealand dollar fell -4.52% against the US dollar and fell -1.67% against the Australian dollar.

We calculate gross yield to maturity of the securities held within the Fund at the end of September as approximately 4.80%.

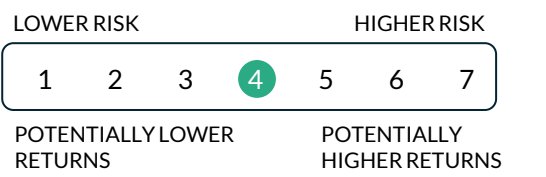
What happened in the markets that you invest in?

This month's rapid increase in longer-term interest rates flowed from the US market and was primarily attributed to investors demanding higher yields to continue financing both the Artificial Intelligence build-out and to fund rising US government deficits.

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.

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.

Tactical Asset Allocation



- Australasian equities (36.00%)
- New Zealand fixed interest (25.00%)
- International fixed interest (19.00%)
- Listed property (17.00%)
- Cash and cash equivalents (3.00%)

Currency hedging

As at 30 September 2026

% of fund exposed to FX risk	16.01%
Value of fund unhedged (after hedging)	4.29%

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.



Paul Robertshawe, CA
Director,
Chief Investment Officer



Craig Alexander,
Head of Fixed Interest & ESG

Please note that Salt Investment Funds Limited replaced Forsyth Barr Investment Management Limited as the manager and issuer of the Octagon Investment Funds on 31 July 2026.

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%).

** Current composite index: 5% S&P/NZX Bank Bills 90-Day Index, 23% Bloomberg NZBond Composite 0+Yr Index as NZ Fixed Interest, 20% Bloomberg Global Aggregate Total Return Index (100% hedged to the NZD), 19% S&P/NZX50 Gross with Imputation Index, 18% S&P/ASX 200 Accumulation Index (50% hedged to NZD), and 15% S&P/NZX All Real Estate Gross with Imputation Index. Historical composite index performances were used when there were changes to the target assets allocation or indices of each asset class.

*** 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 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.