Octagon Investment Funds

Income Fund

Monthly Performance Update as at 31 October 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 ^	1.09%	0.17%	0.48%	6.97%	3.13%
Gross Fund Return	1.15%	0.36%	1.14%	7.56%	3.68%
Composite Index**	1.11%	0.41%	0.06%	7.92%	2.80%

** Annualised*

Major investments

Hunter Global Fixed Interest Fund	18.99%
Fisher & Paykel Healthcare Corporation Limited	3.91%
Precinct Properties New Zealand Limited	3.44%
BNZ Transactional Account NZD	3.28%
Goodman NZ Ltd & Goodman Property Services Ltd	3.27%
Kiwi Property Group Limited	2.76%
Infratil Limited	1.91%
NZ Government 1.5% 15/05/2031	1.86%
Vital Healthcare Property Trust	1.84%
Auckland International Airport Limited	1.76%
Major holdings as % of total portfolio	**43.01%**

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***

LOWER RISK HIGHER RISK

1 2 3 **4** 5 6 7

POTENTIALLY LOWER RETURNS — POTENTIALLY HIGHER RETURNS

View the **Product Disclosure Statement** for detailed information about this Fund and Octagon Investment Funds.

Manager's comments

How did your portfolio perform?

The Income Fund delivered a gross return of +1.15% for the month of October, in line with the fund's benchmark return of +1.11%.

For the 12 months to the end of October, the fund delivered a gross return of +1.14%, strongly outperforming the fund's benchmark return of +0.06% by +1.07%.

For details on the fund's 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 -0.19% against the US dollar and fell -1.31% against the Australian dollar.

We calculate gross yield to maturity of the securities held within the fund at the end of September as approximately 4.75%.

What happened in the markets that you invest in?

After last month's dramatic, by bond market standards, sell-off in longer-term interest rates, markets retraced some of those moves, sufficient to deliver positive bond market returns for the rolling three months.

There was no primary driver, with inflation readings and funding requirements by governments and the Artificial Intelligence buildout close to market expectations.

Octagon

Driving New Zealand interest rates moves relative to global, the Reserve Bank of New Zealand surprised the market by holding the overnight interest rate flat, against a widely anticipated increase. Forward guidance remains for at least two more hikes in the current effort to bring inflation back to target levels.

Real estate markets also rallied with interest rates, but not enough to move the rolling three-month returns into positive territory.

Despite monthly volatility, New Zealand and Australian equity markets have had a positive rolling three-month return ahead of another reporting season in November.

What are we thinking about the future?

The economic backdrop in both New Zealand and Australia is soft, and the risk remains for further modest downgrades to near-term expectations for listed companies. We will get updates over November and December as we enter another reporting season and the June year end companies host their annual shareholders' meetings.

New Zealand also elects a new government in early November. Polls are indicating a very close race, with coalition discussions likely required, the results of which might be known when you read this. From a New Zealand equities' market perspective, capital gains taxes, aged care regulation and funding, fishing regulation and competition law are perhaps the areas with the most significant differences between the right and left blocs.

We made no changes to the Income Fund's tactical asset allocation settings in October.

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 31 October 2026	
% of fund exposed to FX risk	16.14%
Value of fund unhedged (after hedging)	4.90%

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.

** 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. Target asset allocation changes to the weightings of market index constituents have been applied prospectively to calculate historic composite market index returns; where changes have been made to any of the constituent market indices, the returns of the new market indices have been applied retrospectively.

*** 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 October 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.