SIL Mutual Fund (SIL)

Monthly Report

September 2026

September was a mixed month for markets in New Zealand and overseas, as persistent inflation pressures and raising interest rates weighed on investor sentiment. Performance varied across asset classes, with movements in the New Zealand dollar also influencing returns from overseas investments.

New Zealand shares fell 0.4% during September, outperforming overseas shares, which declined 0.8% in local currency terms. However, the weaker New Zealand dollar supported returns from unhedged overseas shares, which gained 3.5% in NZD terms. Fixed interest markets also declined as rising bond yields weighed on bond prices, while listed property and infrastructure experienced further weakness.

The Reserve Bank of New Zealand (RBNZ) raised the Official Cash Rate again by 0.25 percentage points to 2.75%, reflecting ongoing inflation pressures, particularly from higher fuel and energy prices. The economy continued to show signs of recovery with GDP increasing 0.2% in June quarter. However, unemployment remained at 5.6%, while house prices continued to soften.

Internationally, markets were also affected by tighter monetary policy. Central banks in major economies kept raising rates, while bond yields remained elevated. The US economy stayed relatively resilient, supported by improving business activity, but inflation pressures are still a concern.

Looking ahead, New Zealand's economic recovery is expected to continue, elevated unemployment and inflation pressures may constrain the pace of improvement globally. Globally, there is some optimism around longer-term growth, particularly from the AI supercycle, but inflation and interest rates are likely to stay important headwinds in the near term.

Overall, September reflected a cautious environment for investors, with modest or negative returns across many asset classes and little sign yet of a broad market recovery.

Significant developments include:

September 2026

Global

Global economic outlook despite ongoing inflation and interest rate uncertainty, global growth prospects remain relatively positive, supported by resilient economic activity and continued investment in artificial intelligence.

Global

Central banks stayed cautious about inflation. They kept interest rates high, which put pressure on bonds, property, and other investments that are sensitive to borrowing costs.

New Zealand

The RBNZ is still focused on fighting inflation. The rate hike signals that monetary policy remains tight, so borrowing costs are likely to stay a drag on the local economy for a while longer.

SIL Mutual Fund

September 2026

Personal Scheme

	1 month	3 months	1 year	5 years	10 years
Cash Plus	0.22%	0.63%	2.45%	3.62%	2.58%
New Zealand Fixed Interest	-0.96%	-1.86%	-0.32%	1.07%	1.78%
Balanced Plus	0.01%	0.05%	8.56%	5.01%	7.21%
New Zealand Share	-1.08%	0.80%	3.32%	0.49%	6.40%
International Share	3.85%	2.86%	22.42%	12.08%	13.78%

Employer Scheme

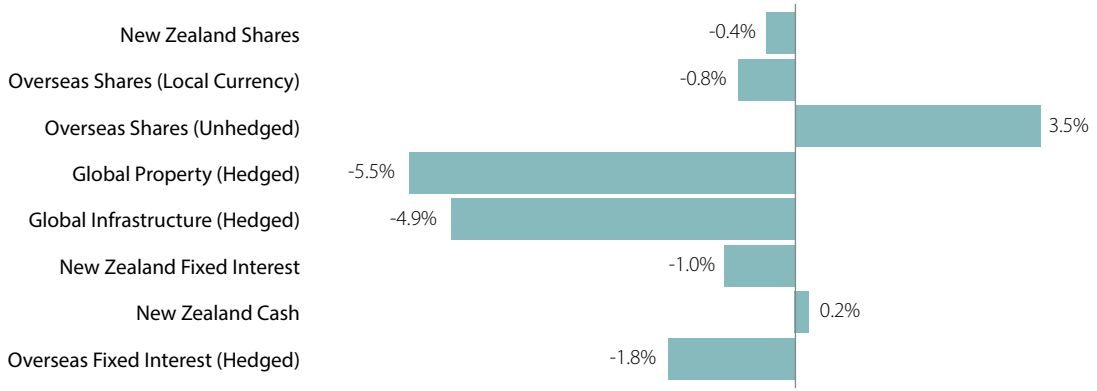
	1 month	3 months	1 year	5 years	10 years
Employer Cash	0.22%	0.63%	2.40%	3.50%	2.24%
Cash Plus	0.22%	0.63%	2.45%	3.62%	2.58%
Employer Conservative	-0.84%	-1.28%	1.55%	1.71%	3.05%
Employer Conservative Balanced	-0.40%	-0.59%	4.12%	2.75%	4.39%
Employer Balanced	0.01%	0.08%	7.13%	3.99%	5.80%
Balanced Plus	0.01%	0.06%	8.51%	5.00%	7.21%
Employer Balanced Growth	0.01%	0.06%	8.48%	4.84%	7.03%
Employer Growth	0.44%	0.80%	11.54%	6.01%	8.37%
New Zealand Fixed Interest	-0.96%	-1.84%	-0.30%	1.08%	1.78%
New Zealand Share	-1.07%	0.82%	3.30%	0.49%	6.40%
International Share	3.83%	2.85%	22.34%	12.06%	13.77%

The investment returns shown are after fees and before tax. The investment management fees are charged within unit prices.

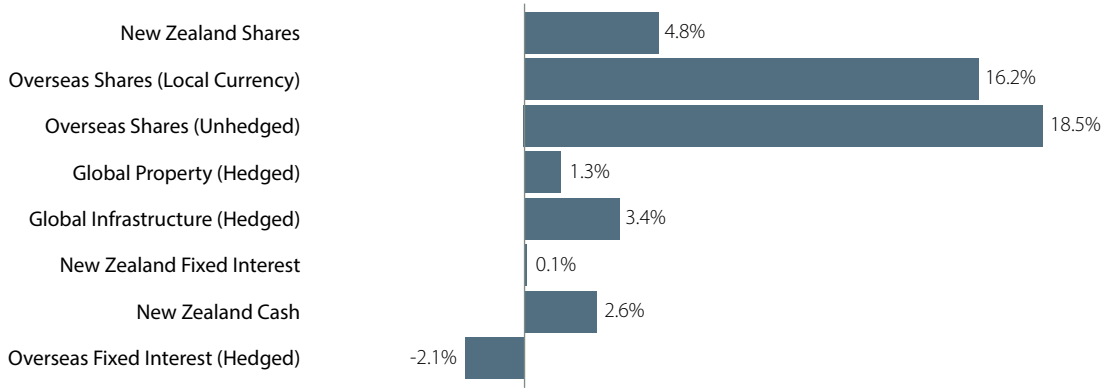
Financial markets

September 2026

1 month



1 year



Key

New Zealand Shares	S&P/NZX 50 (with ICs)
Overseas Shares (Local Currency)	MSCI World (Local Currency)
Overseas Shares (Unhedged)	MSCI World (Unhedged)
Global Property (Hedged)	FTSE EPRA NAREIT Developed
Global Infrastructure (Hedged)	FTSE Global Core Infrastructure 50/50
New Zealand Fixed Interest	Bloomberg NZ Bond
New Zealand Cash	S&P/NZX 90 Day Bank Bills
Overseas Fixed Interest (Hedged)	Bloomberg Global Agg

Monthly Report – for more information, call 0800 405 845 or visit www.silfunds.co.nz.

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