

Enhanced Cash Fund

Monthly Performance Update as at 31 March 2025

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/enhanced-cash-fund/.



Return comparison	1 Month	3 Months	1 Year	3 Years	Since inception*
Net Fund Return^	0.34%	1.04%	5.63%	n/a	5.77%
Gross Fund Return	0.36%	1.13%	5.99%	n/a	6.12%
S&P/NZX Bank Bills 90-Day Index	0.34%	1.05%	5.22%	n/a	5.48%

*Annualised

Major investments

CBA FRN 18/10/2027	5.12%
ANZ transactional bank account	4.76%
Westpac New Zealand 3.696% 16/02/2027	4.50%
Meridian Energy Limited CP 12/06/2025	3.72%
Tax Management NZ Tributum Trust CP 28/05/2025	3.28%
SBS CP 04/04/2025	3.00%
Port of Tauranga CP 24/04/2025	2.99%
Auckland Intl Airport Ltd CP 15/05/2025	2.98%
Powerco CP 15/05/2025	2.98%
Kiwi Property Group Limited 11/12/2025	2.96%
4.06%	
Major holdings as % of total portfolio	36.29%

Things to note

- Manager: Forsyth Barr Investment Management Ltd
- Investment manager: Octagon Asset Management Ltd
- Date the fund started: 7 June 2023
- Tax status: Portfolio Investment Fund (PIE)
- Minimum suggested investment time frame: Less than 12 months
- Market Index: S&P/NZX Bank Bills 90-Day Index
- Currency: New Zealand dollars

Risk indicator**



View the [Product Disclosure Statement](#) for detailed information about this Fund and Octagon Investment Funds Scheme.

Manager's comments

How did your portfolio perform?

The Enhanced Cash Fund delivered a gross return of 0.36% for the month of March, in-line with fund's benchmark return of 0.34%.

For the 12 months to the end of March the Enhanced Cash Fund delivered a gross return of 5.99% significantly outperforming the Fund's benchmark return of 5.22% by 0.77%.

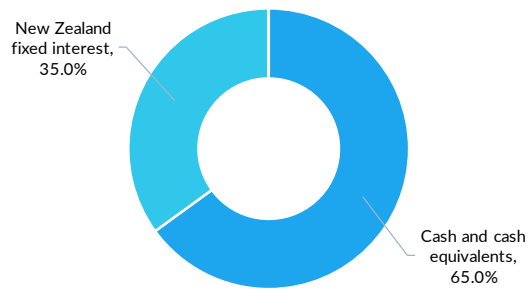
The main positive contributor to performance for the month was the fund's gross yield to maturity (a function of the fund's investments in commercial paper and short-dated bonds (both fixed and floating rate)), with some capital gains provided by the fund's longer-than-benchmark duration position.

What happened in the markets that you invest in?

New Zealand short-term interest rates moved slightly lower over the month, with the 2- year swap rate down -0.07%. There was not much New Zealand-centric news driving interest rates over the month, with no Reserve Bank of New Zealand (RBNZ) meeting.

Economic data was generally mixed, with gross domestic product (GDP) data for Q4 2024 coming in stronger than expected. More recent data such as the NZ Westpac Consumer Confidence Index and the Performance of Services Index indicated a weak economy, while the Performance of Manufacturing Index indicated expansion.

Target Asset Allocation



What are we thinking about the future?

At the end of March, the fund's gross yield to maturity was 4.14%, which represents a premium over the current OCR of 3.75%. The fund's portfolio modified duration (interest rate sensitivity to generalised movement in wholesale interest rates) was 0.40 years. We assess New Zealand monetary policy easing cycle as mostly priced-in; we continue with our strategy of buying short-dated corporate bonds that provide yields significantly above the OCR, while also trading duration within pre-determined risk limits as opportunities arise.



Craig Alexander
Head of Fixed Interest and ESG

Fees

Annual fund charges are currently 0.35% 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.

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.

** 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 March 2025. See more information about the risks of investing in the Product Disclosure Statement.

This publication does not contain financial advice - for financial advice, please speak to your Investment Adviser. We recommend you review your investments and seek specialist advice on any taxation aspects. Past performance is not a reliable guide to future performance. Forsyth Barr Investment Management 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 by contacting your Investment Adviser, or by calling 0800 628 246.