



Enhanced Cash Fund

Monthly Performance Update as at 31 March 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/enhanced-cash-fund/.

Return comparison	1 Month	3 Months	1 Year	3 Years	Since inception*
Net Fund Return [^]	0.13%	0.55%	3.28%	n/a	4.88%
Gross Fund Return	0.16%	0.64%	3.66%	n/a	5.24%
S&P/NZX Bank Bills 90-Day Index	0.20%	0.60%	3.09%	n/a	4.62%

*Annualised

Major investments

New Zealand Government 15/05/2028 0.25%	5.24%
Bank of China Call Account	4.42%
Kiwibank FRN 13/06/2028	4.35%
Powerco CP 15/04/2026	4.01%
Tax Management NZ Tributum Trust CP 28/04/2026	4.00%
ANZ transactional bank account	3.64%
Rabobank FRN 05/04/2027	3.22%
Meridian Energy Limited CP 13/04/2026	3.21%
Investore Property Limited 2.40% 31/08/2027	2.53%
Transpower New Zealand FRN 31/07/2028	2.42%
Major holdings as % of total portfolio	37.04%

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**

LOWER RISK HIGHER RISK



POTENTIALLY LOWER RETURNS

POTENTIALLY HIGHER RETURNS

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 0.16% for March, underperforming the fund's benchmark return of 0.20%.

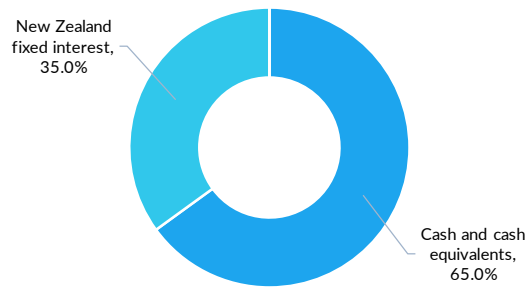
For the 12 months to the end of March the Enhanced Cash Fund delivered a gross return of 3.66% significantly outperforming the Fund's market index return of 3.09% by 0.57%. New Zealand interest rates moved significantly higher over the month, leading to capital losses for the fund's bond positions.

What happened in the markets that you invest in?

Short-term interest rates in New Zealand moved substantially higher over the month, with the two-year swap rate 0.53% higher. The move higher was generally driven by offshore moves - inflation expectations around the world have risen with the large increase in energy prices due to the escalating Middle East conflict.

Economic data prior to the escalation in the Middle East conflict was generally consistent with a fragile recovery in New Zealand - the Performance of Manufacturing Index indicated economic expansion while the Services index showed contraction. Business and Consumer confidence unsurprisingly plummeted through March and the proportion of firms expecting cost increases was at its highest level since 2023.

Target Asset Allocation



What are we thinking about the future?

At the end of March the fund's gross yield to maturity was 2.98%, which represented a premium over the current OCR of 2.25%, and the fund's modified duration was around 0.22 years. Current market volatility supports maintaining a relatively short duration position, at the same time the recent move higher in yields means New Zealand Government bonds - specifically the May 2028 maturity - are now trading at a substantial premium to the OCR (the bond's yield was 3.6% at the end of March). The fund's strategy remains the same, invest in short-dated, New Zealand debt securities issued by high quality corporates, as well as local and central government, to build a yield well above the OCR.



Craig Alexander
Head of Fixed Interest
and ESG



Liam Donnelly
Associate Portfolio Manager,
Fixed Interest Analyst

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 2026. 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.