

Enhanced Cash Fund

Monthly Performance Update as at 31 July 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^	0.35%	0.94%	4.85%	n/a	5.50%
Gross Fund Return	0.38%	1.04%	5.22%	n/a	5.85%
S&P/NZX Bank Bills 90-Day Index	0.29%	0.88%	4.50%	n/a	5.19%

*Annualised

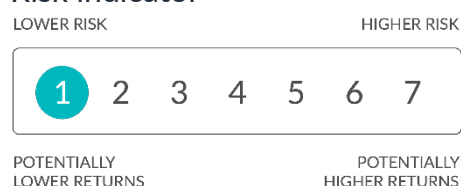
Major investments

Bank of China Call Account	5.47%
New Zealand Local Government Funding Agency Ltd 15/04/2027 4.50%	4.07%
NZ Government Treasury Bill 24/09/2025	4.07%
CBA FRN 18/10/2027	3.94%
Tax Management NZ Tributum Trust CP 28/08/2025	3.40%
Kiwibank FRN 13/06/2028	3.30%
Kiwi Property Group Limited 11/12/2025	3.16%
Summerset Group Holdings Limited 24/09/2025	3.14%
Property for Industry Limited 01/10/2025	3.11%
New Zealand Government 15/04/2027	2.82%
Major holdings as % of total portfolio	36.48%

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 0.38% for the month of July, modestly outperforming the fund's benchmark return of 0.29% by 0.09%.

For the 12 months to the end of July the Enhanced Cash Fund delivered a gross return of 5.22% significantly outperforming the Fund's benchmark return of 4.50% by 0.72%.

New Zealand interest rates were largely stable over the month, as a result most of the fund's outperformance came from its higher yield to maturity. Credit spreads on commercial paper continued to tighten in July, which was also supportive of the fund's return.

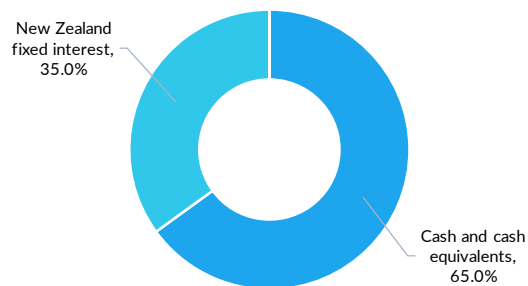
What happened in the markets that you invest in?

New Zealand short-term interest rates moved lower over the month, with 1-year and 2-year swap rates down -0.05% and -0.03% respectively as market participants assessed the timing of the low-point in the Official Cash Rate (OCR).

Economic data was generally weak: Q2 Consumer Price Index (CPI) inflation data printed close to expectations of the market and the Reserve Bank of New Zealand (RBNZ), while the June Performance of Manufacturing and Performance of Services indices remained in contraction territory.

At the July RBNZ meeting there was no change to the OCR, the first 'pause' since the easing cycle began in August last year. This outcome was largely expected by market participants and left open the door for further cuts to the OCR if economic data evolved as the RBNZ expected.

Target Asset Allocation



What are we thinking about the future?

At the end of July, the fund's gross yield to maturity was 3.7%, which represented a premium over the current OCR of 3.25%, and the fund's modified duration was around 0.38 years. As market pricing for the OCR falls, pulling short-term interest rates down with it, we will look to reduce the fund's duration.

Our current thinking is that with inflation still within target and the New Zealand economic recovery struggling to materialise, the OCR may need to be reduced below current market pricing. Regardless of the future direction of interest rates, we believe there are still opportunities in quality corporate bonds to earn yields substantially above the current OCR of 3.25%.



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 July 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.