

Enhanced Cash Fund

Monthly Performance Update as at 30 November 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^	0.20%	0.79%	4.04%	n/a	5.22%
Gross Fund Return	0.22%	0.89%	4.41%	n/a	5.57%
S&P/NZX Bank Bills 90-Day Index	0.21%	0.76%	3.74%	n/a	4.92%

*Annualised

Major investments

Tax Management NZ Tributum Trust CP 28/01/2026	5.29%
Bank of China Call Account	4.79%
Kiwibank FRN 13/06/2028	4.20%
ANZ transactional bank account	4.07%
WATERC CP 14/01/2026	3.18%
SBS CP 08/04/2026	3.16%
CBA FRN 18/10/2027	3.09%
Auckland International Airport Ltd FRN 13/10/2028	2.67%
Christchurch City Holdings CP 20/02/2026	2.64%
Tax Management NZ Tributum Trust CP 27/02/2026	2.64%
Major holdings as % of total portfolio	35.73%

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 0.22% for the month of November, in-line with the fund's benchmark return of 0.21%.

For the 12 months to the end of November the Enhanced Cash Fund delivered a gross return of 4.41% significantly outperforming the Fund's market index return of 3.74% by 0.67%.

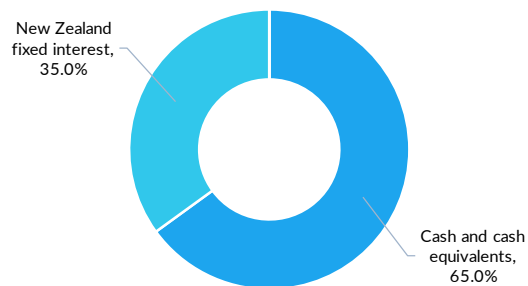
New Zealand interest rates moved significantly higher over the month, leading to small capital losses on the fund's bond positions. Performance was maintained through the fund's strong yield.

What happened in the markets that you invest in?

New Zealand short-term interest rates moved higher over the month, with the two-year swap rate up 0.30%. This move was driven by the Reserve Bank of New Zealand's (RBNZ) November Monetary Policy Statement (MPS) which strongly signaled the end of the monetary easing cycle. Despite cutting the Official Cash Rate (OCR) by 0.25%, as widely expected by market participants, the published forward OCR track indicated only a small chance of a further cut and the bank's commentary suggested no directional bias for the OCR.

Economic data released during the month generally signaled a recovery. Crucially, the RBNZ's Kiwi-GDP model (a weekly-updated estimate of GDP) showed an uptick to 0.8% for the September quarter and 0.5% for the December quarter, both of which are much stronger than data had previously suggested.

Target Asset Allocation



What are we thinking about the future?

At the end of November, the fund's gross yield to maturity was 2.91%, which represented a premium over the current OCR of 2.25%, and the fund's modified duration was around 0.22 years. Prior to the MPS the fund's duration was around 0.15 years (in-line with the fund's market index) and we used the subsequent sell-off in interest rates to increase duration through buying short-dated New Zealand Government Bonds.

Market pricing for the future OCR (vis the Overnight Index Swap market) is now significantly higher than what the RBNZ signaled at the MPS, pricing in hikes for next year. We think this move higher was largely driven by market positioning, as it is too early to say with any confidence that the OCR needs to rise. We take opportunities like this to conservatively trade duration within strict limits. Regardless of the future direction of interest rates, we believe there are still opportunities in quality short-term corporate bonds to earn yields substantially above the current OCR of 2.25%.



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 30 November 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.