



## Enhanced Cash Fund

### Monthly Performance Update as at 31 January 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/](http://www.octagonasset.co.nz/our-funds/enhanced-cash-fund/).

Return comparison	1 Month	3 Months	1 Year	3 Years	Since inception*
Net Fund Return <sup>^</sup>	0.18%	0.61%	3.59%	n/a	5.04%
Gross Fund Return	0.22%	0.70%	3.96%	n/a	5.40%
S&P/NZX Bank Bills 90-Day Index	0.21%	0.63%	3.38%	n/a	4.76%

\*Annualised

### Major investments

Bank of China Call Account	5.17%
Argosy Property Limited Green Bonds 27/03/2026 4.00%	5.08%
Kiwibank FRN 13/06/2028	4.69%
Powerco CP 15/04/2026	4.28%
Tax Management NZ Tributum Trust CP 24/04/2026	4.27%
New Zealand Government 15/05/2028 0.25%	4.01%
Meridian Energy Limited CP 13/04/2026	3.42%
Investore Property Limited 2.40 %31/08/2027	2.72%
Rabobank FRN 05/04/2027	2.60%
Wellington International Airport Limited 14/08/2026 2.5%	2.58%
<b>Major holdings as % of total portfolio</b>	<b>38.80%</b>

### Manager's comments

#### How did your portfolio perform?

The Enhanced Cash Fund delivered a gross return of 0.22% for the month of January, in-line with fund's benchmark return of 0.21%.

For the 12 months to the end of January the Enhanced Cash Fund delivered a gross return of 3.96% significantly outperforming the Fund's market index return of 3.38% by 0.59%.

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

#### What happened in the markets that you invest in?

Short-term interest rates in New Zealand rose over January, the third consecutive month of rising rates, with the two-year swap rate 0.22% higher over the month.

There was no Reserve Bank of New Zealand (RBNZ) meeting in January. Economic data released during the month generally indicated a stronger New Zealand economy, with the Quarterly Survey of Business Opinion, as well as the Performance of Services and Manufacturing Indices all suggesting expansion. New Zealand CPI data, for the last quarter of 2025, came in at the top-end of economist and market expectations, up 3.1% year-on-year. This data appeared to support the move higher in short-term rates as, all else equal, they suggested that the RBNZ may need to raise the Official Cash Rate (OCR) sooner than they had previously signalled, in order to combat stronger inflation.

### Things to note

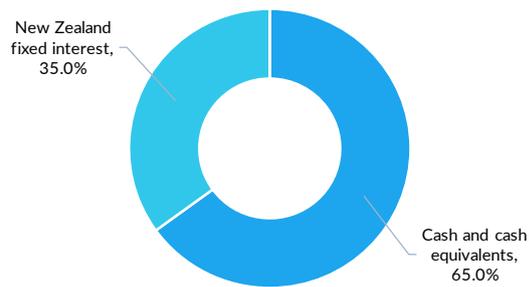
- Manager: Forsyth Barr Investment Management Ltd
- Investment manager: Octagon Asset Management Ltd
- Date the fund started: 7 June 2023
- Tax status: Portfolio Investment Fund (PIE)
- Minimum suggested investment time frame: Less than 12 months
- Market Index: S&P/NZX Bank Bills 90-Day Index
- Currency: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

### Risk indicator\*\*



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

## Target Asset Allocation



## What are we thinking about the future?

At the end of January, the fund's gross yield to maturity was 2.97%, which represented a premium over the current OCR of 2.25%, and the fund's modified duration was around 0.26 years. Our view is that there are unlikely to be further cuts to the OCR this cycle, and that the next move in the OCR is likely a hike. With a bias towards short-term rates increasing, over the medium-term, the fund will maintain a relatively short duration position (relative to the positions it has held in the last few years). Having said that, we will continue to take opportunities 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



**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.

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For more information please visit [octagonasset.co.nz](http://octagonasset.co.nz), email [info@octagonasset.co.nz](mailto: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 January 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](http://www.octagonasset.co.nz/disclosure-information), by contacting your Investment Adviser, or by calling 0800 628 246.