

Enhanced Cash Fund

Monthly Performance Update as at 31 May 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 [^]	0.23%	0.57%	3.10%	n/a	4.75%
Gross Fund Return	0.26%	0.65%	3.46%	n/a	5.11%
S&P/NZX Bank Bills 90-Day Index	0.23%	0.64%	2.90%	n/a	4.51%

*Annualised

Major investments

BNZ Transactional Account NZD	6.43%
Bank of China Call Account	4.84%
Kiwibank FRN 13/06/2028	4.66%
Tax Management NZ Tributum Trust CP 28/07/2026	3.71%
Rabobank FRN 05/04/2027	3.01%
BNZ FRN 11/05/2029	2.99%
Watercare CP 16/06/2026	2.68%
SBS Bank CP 29/07/2026	2.60%
New Zealand Local Government Funding Agency Ltd CP 04/11/2026	2.58%
Investore Property Limited 2.40% 31/08/2027	2.36%
Major holdings as % of total portfolio	35.84%

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 0.26% for the month of May, largely in-line the fund's benchmark return of 0.23%.

For the 12 months to the end of May the Enhanced Cash Fund delivered a gross return of 3.46% significantly outperforming the Fund's market index return of 2.90% by 0.57%.

New Zealand short-end interest rates moved slightly lower over the month, providing a tailwind to the capital value of fund's short-dated bonds.

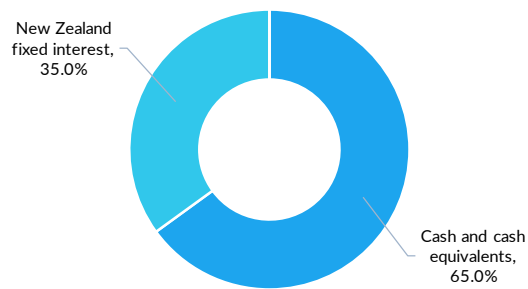
What happened in the markets that you invest in?

Short-term interest rates in New Zealand declined during May, with the two-year swap rate -0.05% lower. The move lower reflected some paring back of expectations for hikes to the Official Cash Rate (OCR).

The Reserve Bank of New Zealand (RBNZ) kept the OCR on-hold at its May Monetary Policy Statement. This was despite three Monetary Policy Committee members voting to hike. Members that wanted to hike emphasised the threat of rising inflation, exacerbated by the ongoing Middle East conflict. Members that voted to hold the OCR were concerned about the outlook for growth and wanted to see more data before the first hike.

Performance of Manufacturing and Services indices for April indicated the manufacturing sector 'just' in expansion (and a lower result than the last four) while the services sector remained in contraction.

Target Asset Allocation



What are we thinking about the future?

At the end of May, the fund's gross yield to maturity was 3.04%, which represented a premium over the current OCR of 2.25%, and the fund's modified duration was around 0.16 years. Current market volatility supports maintaining a relatively short duration position. 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 May 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.