



Enhanced Cash Fund

Monthly Performance Update as at 28 February 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 [^]	0.24%	0.65%	3.49%	n/a	4.98%
Gross Fund Return	0.27%	0.75%	3.87%	n/a	5.35%
S&P/NZX Bank Bills 90-Day Index	0.19%	0.60%	3.23%	n/a	4.69%

*Annualised

Major investments

Bank of China Call Account	5.11%
Argosy Property Limited Green Bonds 27/03/2026 4.00%	4.65%
Kiwibank FRN 13/06/2028	4.29%
Powerco CP 15/04/2026	3.91%
Tax Management NZ Tributum Trust CP 24/04/2026	3.91%
Rabobank FRN 05/04/2027	3.17%
Meridian Energy Limited CP 13/04/2026	3.13%
Investore Property Limited 2.40 %31/08/2027	2.49%
Transpower New Zealand FRN 31/07/2028	2.36%
Genesis Energy Limited CP 02/03/2026	2.36%
Major holdings as % of total portfolio	35.38%

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 0.27% for the month of February, fractionally outperforming the fund's benchmark return of 0.19% by 0.08%.

For the 12 months to the end of February the Enhanced Cash Fund delivered a gross return of 3.87% significantly outperforming the Fund's market index return of 3.23% by 0.63%.

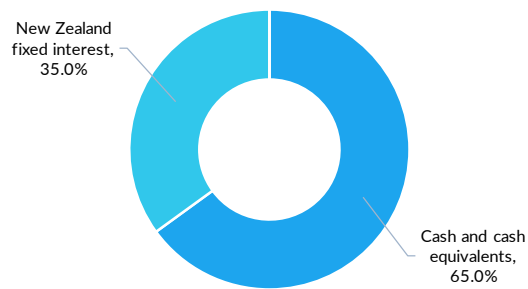
New Zealand interest rates moved lower over the month, providing capital gains for the fund's bond positions.

What happened in the markets that you invest in?

Short-term interest rates in New Zealand moved lower over the month, with the two-year swap rate -0.22% lower. The Reserve Bank of New Zealand (RBNZ) released its February Monetary Policy Statement, where it held the Official Cash Rate (OCR) steady at 2.25%, and modestly increased its forward OCR track, which indicated a high probability of an OCR hike by December 2026.

Economic data was generally positive. Employment rose 0.5% q/q in Q4, its strongest gain in two and a half years (albeit the unemployment rate also rose to 5.4%). Retail sales exceeded expectations with volumes up 0.9% q/q in Q4, after a strong 1.9% increase in Q3. Both the Performance of Manufacturing (PMI) and Performance of Services (PSI) indices indicated economic expansion, albeit the PSI remained below its historical average.

Target Asset Allocation



What are we thinking about the future?

At the end of February, the fund's gross yield to maturity was 2.90%, which represented a premium over the current OCR of 2.25%, and the fund's modified duration was around 0.15 years.

Our view remains that the next move in the OCR is likely to be a hike, albeit we do not expect this until towards the end of the year. 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.

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 28 February 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.