

## Enhanced Cash Fund

### Monthly Performance Update as at 30 September 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/](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^	0.31%	1.00%	4.43%	n/a	5.38%
Gross Fund Return	0.35%	1.10%	4.80%	n/a	5.74%
S&P/NZX Bank Bills 90-Day Index	0.27%	0.85%	4.11%	n/a	5.06%

\*Annualised

### Major investments

Bank of China Call Account	5.00%
Kiwibank FRN 13/06/2028	4.89%
Property for Industry Limited 4.25% 01/10/2025	3.95%
Kiwi Property Group Limited 11/12/2025 4.06%	3.82%
New Zealand Local Government Funding Agency Ltd CP 20/11/2025	3.72%
CBA FRN 18/10/2027	3.63%
Tax Management NZ Tributum Trust CP 28/11/2025	3.10%
Investore Property Limited 2.40 %31/08/2027	3.08%
Bank of New Zealand FRN 23/11/2026	2.51%
Genesis Energy Limited CP 01/10/2025	2.49%
<b>Major holdings as % of total portfolio</b>	<b>36.19%</b>

### 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 0.35% for the month of September, modestly outperforming the fund's market index return of 0.27% by 0.08%.

For the 12 months to the end of September the Enhanced Cash Fund delivered a gross return of 4.80% significantly outperforming the Fund's market index return of 4.11% by 0.69%.

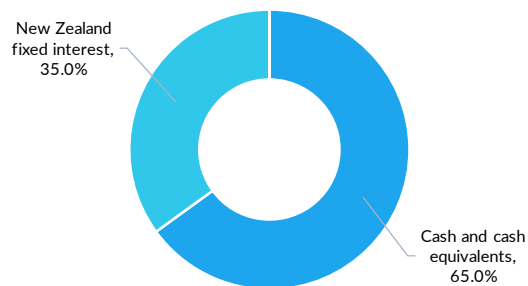
New Zealand interest rates fell during the month, so the fund benefitted from capital gains as well as excess return from the fund's yield premium to the Official Cash Rate (OCR).

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

New Zealand short-term interest rates moved lower over the month, with the two-year swap rate down -0.26% in response to the much weaker-than-expected second quarter Gross Domestic Product (GDP) print for New Zealand of -0.9%. This led market participants to revise expectations for the OCR to a low-point of 2.25%, much lower than the current level of 3.00%.

Other economic data is mixed, with the Reserve Bank of New Zealand's (RBNZ) 'Kiwi-GDP Nowcast' showing a 0.66% gain for the September quarter while Performance of Services and Performance of Manufacturing Indices (PSI and PMI respectively) were generally weak for the month of August (from data released in September) with the PSI slightly contractionary and the PMI neutral.

## Target Asset Allocation



## What are we thinking about the future?

At the end of September, the fund's gross yield to maturity was 3.4%, which represented a premium over the current OCR of 3.0%, and the fund's modified duration was around 0.20 years.

Market pricing for the OCR is now lower than what the RBNZ signaled at the August Monetary Policy Statement (MPS). We remain in wait-and-see mode as we assess what the high frequency economic data implies about the direction of the New Zealand economy - is current OCR pricing sufficient or are more cuts required? While we wait, we will keep the fund's duration close to that of the market index. 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 3.0%.



**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.

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For more information please visit [octagonasset.co.nz](https://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 30 September 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](https://www.octagonasset.co.nz/disclosure-information), by contacting your Investment Adviser, or by calling 0800 628 246.