



## Enhanced Cash Fund

### Monthly Performance Update as at 28 February 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 <sup>^</sup>	0.33%	1.18%	5.79%	n/a	5.85%
Gross Fund Return	0.36%	1.28%	6.15%	n/a	6.21%
S&P/NZX Bank Bills 90-Day Index	0.33%	1.10%	5.37%	n/a	5.55%

\*Annualised

### Major investments

Tax Management NZ Tributum Trust CP 28/05/2025	4.22%
Westpac New Zealand 3.696% 16/02/2027	3.86%
SBS CP 04/04/2025	3.85%
Port of Tauranga CP 24/04/2025	3.85%
Toyota NZ FRN 30/09/2027	3.84%
Auckland Intl Airport Ltd CP 15/05/2025	3.84%
Powerco CP 15/05/2025	3.84%
Wellington International Airport Limited 16/06/2025 5%	3.70%
ANZ transactional bank account	3.32%
Rabobank FRN 16/06/2025	2.94%
<b>Major holdings as % of total portfolio</b>	<b>37.25%</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\*\*



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 0.36% for the month of February, in-line with the fund's benchmark return of 0.33%.

For the 12 months to the end of February the Enhanced Cash Fund delivered a gross return of 6.15% significantly outperforming the fund's benchmark return of 5.37% by 0.78%.

The main positive contributor to performance for the month was the fund's yield to maturity, thanks to the fund's combination of commercial paper and short-dated bonds (both fixed and floating rate), with limited contribution from capital gain over the month.

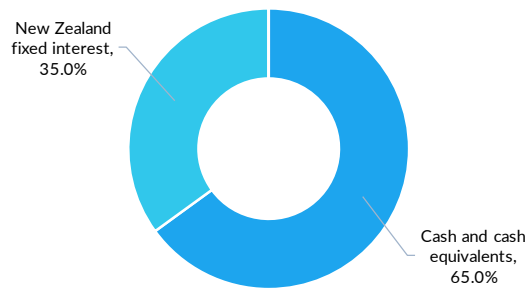
#### What happened in the markets that you invest in?

The Reserve Bank of New Zealand (RBNZ) delivered on market expectations at its February Monetary Policy Statement by 1) lowering the Official Cash Rate (OCR) by 0.50% and 2) lowering the 'OCR track' (the model output of the possible trajectory of the OCR) to more closely align with market pricing.

Interest rates were broadly flat in New Zealand over the month and economic data releases didn't deliver many surprises. The Performance of Services Index, Performance of Manufacturing Index and retail sales all pointed towards a recent rebound in economic activity in New Zealand. We note our equity market friends are yet to see these green shoots show up in profits as yet.

Labour market data for the fourth quarter showed the unemployment rate rising to 5.1%, an outcome that was consistent with economist's expectations.

## Target Asset Allocation



## What are we thinking about the future?

At the end of February, the fund's estimated yield to maturity was 4.25%, which represents a premium over the current OCR of 3.75% and the fund's portfolio modified duration was 0.43 years. With the New Zealand monetary policy easing cycle mostly priced-in, we continue with our strategy of buying short-dated corporate bonds that provide yields significantly above the OCR, while also trading duration within the funds risk limits if opportunities arise.



**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](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 28 February 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](http://www.octagonasset.co.nz/disclosure-information), by contacting your Investment Adviser, or by calling 0800 628 246.