



TE OPE KĀTUA O AOTEAROA
DEFENCE FORCE

New Zealand Defence Force
Savings Schemes

Monthly report

For the period ended 31 August 2025

Market performance summary

– August in a snapshot

- The Reserve Bank of New Zealand cut its official cash rate to 3%, signalling potential further cuts amid a slowing economy and geopolitical uncertainties that are expected to keep growth subdued and dampen business investment.
- The NZDF Savings Schemes delivered positive investment returns across all options during this period.
- As we enter spring, it's a great time to give your investment savings a thorough spring clean! Take a moment to log in to your online account, review your investment choices and adjust your contribution rates to stay on track with your financial goals.
- If you are considering changing your investment options, pausing contributions, or making a withdrawal, it is very important that you seek financial advice. A fund withdrawal in times of volatility may not be the best move for many wanting to withdraw funds. Please contact the Become Wealth team on **0508 BECOME (0508 232 663)** or email hello@become.nz.



HEI MANA MŌ AOTEAROA
A FORCE FOR NEW ZEALAND

FOR MORE INFORMATION CALL **0800 333 787** OR VISIT WWW.NZDFSavings.MIL.NZ

Monthly Commentary Ended 31 August 2025

The Reserve Bank of New Zealand (RBNZ) lowered its official cash rate (OCR) by 0.25% to 3%, signalling further rate cuts to come due to a slowing economy and external challenges.

Two of the six Reserve Bank OCR committee members supported a larger 0.5% reduction, reflecting a more cautious, accommodative stance among policymakers.

Although there are indications of economic improvement, we anticipate growth will remain subdued as geopolitical concerns such as the war in Ukraine and the Palestine/Israel conflict replace high interest rates as the key thing to watch for businesses, consumers and investors. These geopolitical uncertainties are likely to make businesses more cautious about investing.

The US economy is likely to slow in the near term, mostly due to sharp fiscal tightening caused by increased tariffs. The increased uncertainty around tariff changes is also likely to slow investment, although positive impact of developments in the AI space should continue.

US fiscal policy, which refers to the government's use of spending and taxation to influence the economy, is expected to become more supportive later this year and into 2026 following the passage of the One Big Beautiful Bill Act. This should help boost economic activity in 2026.





Monthly Commentary Ended 31 August 2025



United States

After the initial 25% tariff on India, US President Trump imposed an additional 25% tariff on imports of Russian crude oil and warned that similar actions could be taken against other countries purchasing from Russia.

Global

Most central banks are expected to keep easing their policies. The US Federal Reserve will likely focus on slowing growth instead of inflation. The European Central Bank may cut rates once more in 2025 if the euro stays strong. The Bank of Japan is expected to raise rates above 1%, while China will maintain a supportive monetary policy.

Australia

Alongside an RBNZ rate cut, the Reserve Bank of Australia cut interest rates by 0.25% to 3.60%. They also indicated that they are prepared to cut interest rates further, if necessary, focusing on the data to guide their future policy responses.

Become Wealth Monthly Commentary Ended 31 August 2025

Build Your Investment House

If you're building a house, you don't start with the paint colours and fancy furniture. You start with the foundations. A strong foundation in the form of:

- steady savings,
- an emergency buffer, and
- clear financial goals.

Together they will ensure that everything you build on top won't collapse when there's a bit of market shaking.

Then comes the framing: your investment structure. This could be your asset allocation across shares, bonds, property, and a little cash. Just like in a house, the framing determines the strength, balance, and flexibility of the entire build.

Walls and roofing come next: these are your diversification strategies and protections against storms. You don't put all your resources into one wall or one corner of the roof — you spread materials wisely to make sure the whole house is sheltered.

Finally, the paint and furnishings: these are the finer details. Tactical investment decisions, market timing, or niche ideas. They can make things feel more exciting, but they're cosmetic. Without the foundations and structure, they don't last.

Most often, professionals will handle these matters for us. And just like a house, building wealth takes time. You can't rush it. If you try and cut corners it might look fine in the short term, but you will be left vulnerable to cracks, leaks, or worse.

When it comes to investing, as in building a house, the foundations and structure matter far more than the paint and décor. Get those right, and the rest will take care of itself.

We can provide advice to help you with establishing the foundations you require and to use the NZDF Saving Schemes to build a great investment structure.

What Next?

To help you on your way to financial freedom, including how you can make the most of investments with one-or-more NZDF Savings Schemes, book your complimentary initial consultation today:

0508 BECOME (0508 232 663)

hello@become.nz

Joseph Darby
Chief Executive
Become Wealth



Become Wealth Limited believes the information in this publication is correct, and it has reasonable grounds for any opinion or recommendation found within this publication on the date of this publication. However, no liability is accepted for any loss or damage incurred by any person as a result of any error in any information, opinion or recommendation in this publication. Nothing in this publication is, or should be taken as, an offer, invitation or recommendation to buy, sell or retain any investment in or make any deposit with any person. The information contained in this publication is general in nature. It may not be relevant to individual circumstances. Before making any investment, insurance or other financial decisions, you should consult a professional financial adviser. This publication is for the use of persons in New Zealand only.

Investment Returns For Periods Ended 31 August 2025

New Zealand Defence Force FlexiSaver Scheme

PIR	Fund	1 Month %	3 Months %	FYTD [*] %	1 Year %	5 Years %
28% prescribed investor rate (PIR)	Cash	0.20	0.57	1.00	2.87	2.13
	Conservative	0.75	1.97	2.80	3.84	1.96
	Moderate	0.98	2.97	4.46	6.21	3.47
	Balanced	1.26	4.08	6.09	8.37	5.03
	Growth	1.48	5.07	7.60	10.34	6.69
	High Growth	1.74	5.98	9.09	12.58	7.94
	Shares	1.82	6.86	9.85	13.53	8.39
PIR	Fund	1 Month %	3 Months %	FYTD [*] %	1 Year %	5 Years %
17.5% prescribed investor rate (PIR)	Cash	0.23	0.66	1.13	3.30	2.42
	Conservative	0.85	2.11	3.14	4.29	2.17
	Moderate	1.04	3.12	4.64	6.45	3.65
	Balanced	1.31	4.24	6.38	8.61	5.27
	Growth	1.53	5.28	7.83	10.52	7.04
	High Growth	1.75	6.06	9.25	12.78	8.28
	Shares	1.89	6.96	9.95	13.58	8.66
PIR	Fund	1 Month %	3 Months %	FYTD [*] %	1 Year %	5 Years %
10.5% prescribed investor rate (PIR)	Cash	0.25	0.72	1.23	3.54	2.63
	Conservative	0.88	2.22	3.30	4.53	2.23
	Moderate	1.10	3.23	4.81	6.61	3.83
	Balanced	1.34	4.29	6.41	8.58	5.40
	Growth	1.54	5.26	7.77	10.36	7.16
	High Growth	1.69	6.07	9.32	12.44	8.43
	Shares	1.79	7.01	10.05	13.48	8.85

Notes

- The investment returns shown on this page are based on the unit price movements of each investment portfolio and are after tax at the rate indicated and after fund charges that are charged within the unit prices.
- Each investor's returns within an investment portfolio will depend on timing of contribution payments and actual fees charged allowing for any fee rebates. The after tax and fees returns shown are therefore indicative of investment results but June differ from the actual after fees and tax returns achieved by individual investors.

* FYTD means Financial Year to Date, which is from 1 April 2025

Investment Returns For Periods Ended 31 August 2025

New Zealand Defence Force KiwiSaver Scheme

PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %
28% prescribed investor rate (PIR)	Cash	0.20	0.59	1.01	2.92	2.13
	Conservative	0.82	2.25	3.27	4.68	2.26
	Moderate	1.06	3.15	4.63	6.21	3.52
	Balanced	1.35	4.30	6.32	8.16	4.91
	Growth	1.50	5.21	7.57	9.79	6.48
	High Growth	1.77	6.25	9.03	12.14	7.78
	Shares	1.81	6.88	9.88	13.61	8.48
PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %
17.5% prescribed investor rate (PIR)	Cash	0.22	0.66	1.15	3.33	2.44
	Conservative	0.90	2.37	3.48	4.95	2.33
	Moderate	1.12	3.28	4.83	6.42	3.59
	Balanced	1.39	4.41	6.52	8.39	5.07
	Growth	1.51	5.27	7.75	9.80	6.71
	High Growth	1.80	6.29	9.14	12.23	7.97
	Shares	1.85	7.05	10.15	13.90	8.83
PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %
10.5% prescribed investor rate (PIR)	Cash	0.26	0.72	1.25	3.61	2.63
	Conservative	0.97	2.49	3.62	5.11	2.72
	Moderate	1.13	3.33	4.88	6.58	3.88
	Balanced	1.38	4.45	6.54	8.34	5.15
	Growth	1.62	5.43	8.08	10.30	6.97
	High Growth	1.78	6.34	9.35	12.36	8.36
	Shares	1.87	7.04	10.10	13.79	9.04

Notes

- The investment returns shown on this page are based on the unit price movements of each investment portfolio and are after tax at the rate indicated and after fund charges that are charged within the unit prices.
- Each investor's returns within an investment portfolio will depend on timing of contribution payments and actual fees charged allowing for any fee rebates. The after tax and fees returns shown are therefore indicative of investment results but June differ from the actual after fees and tax returns achieved by individual investors.

* FYTD means Financial Year to Date, which is from 1 April 2025

Investment Returns For Periods Ended 31 August 2025

Defence Force Superannuation Scheme

PIR	Fund	1 Month %	3 Months %	FYTD [*] %	1 Year %	5 Years %
28% prescribed investor rate (PIR)	Cash	0.20	0.58	1.01	2.92	2.16
	Conservative	0.81	2.20	3.21	4.65	2.26
	Moderate	1.07	3.12	4.57	6.13	3.51
	Balanced	1.36	4.33	6.33	8.17	4.97
	Growth	1.48	5.16	7.58	9.68	6.51
	High Growth	1.77	6.23	9.00	12.11	7.77
	Shares	1.80	6.88	9.86	13.51	8.41
PIR	Fund	1 Month %	3 Months %	FYTD [*] %	1 Year %	5 Years %
17.5% prescribed investor rate (PIR)	Cash	0.23	0.64	1.03	2.87	2.37
	Conservative	0.89	2.40	3.52	5.05	2.41
	Moderate	1.11	3.27	4.81	6.54	3.75
	Balanced	1.39	4.41	6.45	8.21	5.21
	Growth	1.53	5.30	7.90	10.06	6.79
	High Growth	1.76	6.30	9.23	12.33	8.13
	Shares	1.84	7.00	10.03	13.88	8.95
PIR	Fund	1 Month %	3 Months %	FYTD [*] %	1 Year %	5 Years %
10.5% prescribed investor rate (PIR)	Cash	0.25	0.72	1.26	3.62	-
	Conservative	0.95	2.52	3.58	5.06	-
	Moderate	1.15	3.35	4.91	6.51	-
	Balanced	1.42	4.50	6.66	8.48	5.19
	Growth	1.54	5.33	7.88	10.01	6.93
	High Growth	1.80	6.37	9.25	12.38	8.25
	Shares	1.84	7.01	10.11	13.83	8.97

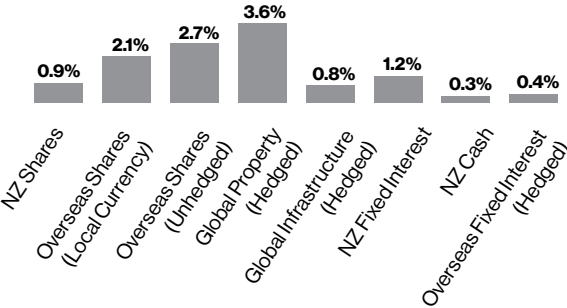
Notes

- The investment returns shown on this page are based on the unit price movements of each investment portfolio and are after tax at the rate indicated and after fund charges that are charged within the unit prices.
- Each investor's returns within an investment portfolio will depend on timing of contribution payments and actual fees charged allowing for any fee rebates. The after tax and fees returns shown are therefore indicative of investment results but June differ from the actual after fees and tax returns achieved by individual investors.
- '-' indicates that investment option was not operating for the full period or did not have funds invested for the full period.

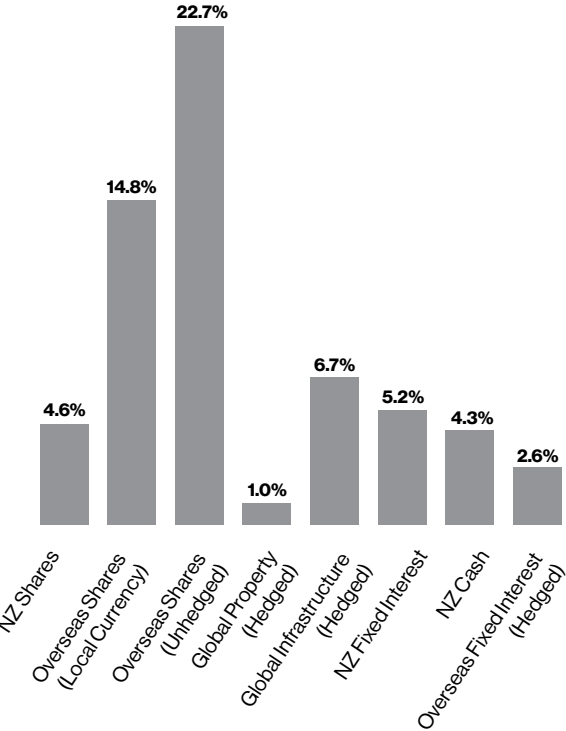
* FYTD means Financial Year to Date, which is from 1 April 2025

Investment Returns For Periods Ended 31 August 2025

One Month



One Year



Key

- NZ Shares**
S&P/NZX 50 (with ICs)
- Overseas Shares (Local Currency)**
MSCI World (Local Currency)
- Overseas Shares (Unhedged)**
MSCI World (Unhedged)
- Global Property (Hedged)**
FTSE EPRA NAREIT Developed
- Global Infrastructure (Hedged)**
FTSE Global Core Infrastructure 50/50
- NZ Fixed Interest**
Bloomberg NZ Bond Composite
- NZ Cash**
ANZ 90 Day Bank Bills
- Overseas Fixed Interest (Hedged)**
Bloomberg Global Aggregate

This document was prepared by New Zealand Defence Force (NZDF), Become Wealth and Mercer (N.Z.) Limited (Mercer). The document has been published as a general information service and does not take account of the investment objectives, financial situation and/or particular needs of any person. Before making any investment decision, you should refer to the Product Disclosure Statement or consult an appropriately qualified financial adviser. For information about this product, please refer to the Product Disclosure Statement which is available free of charge on www.nzdfsavings.mil.nz. More information can also be found in the latest fund updates available on www.nzdfsavings.mil.nz. Neither NZDF, Become Wealth, nor Mercer or any related parties accepts any responsibility for any inaccuracy. Past performance should not be relied upon as an indicator of future performance.

Copyright 2025 Mercer (N.Z.) Limited. All rights reserved.