

# Monthly report

For the period ended 31 July 2025

## Market performance summary

### – July in a snapshot

- The New Zealand economy shows continued resilience, with steady growth and cautious optimism amid global trade tensions.
- The NZDF Savings Schemes delivered positive investment returns across all options during this period.
- 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**.
- Mercer records show that almost 700 members of the NZDF Savings Schemes are aged 60 and above. It is important for all those members to have a retirement plan ready for when they ultimately stop working. There are a range of tools that can help you plan how to use your superannuation in retirement. Check the Retirement Income Simulator for the NZDF Savings Schemes **here** and the new Sorted Retirement Navigator **here**. Also contact Become Wealth for assistance with plans.
- The Annual Report and Annual Statements have now been distributed, we would like to remind those who haven't read their statement to log into their account at **www.nzdfsavings.mil.nz**.



# Monthly Commentary Ended 31 July 2025

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## **The New Zealand economy continued to recover in Q2, with Gross Domestic Product growth positive and consumer confidence improving.**

The Reserve Bank of New Zealand (RBNZ) held the Official Cash Rate at 3.25%, hinting at possible easing if inflation stays in check. Consumer price index, which measures inflation for New Zealand households, fell to 0.5% Quarter on Quarter, below expectations. Meanwhile, annual inflation rose slightly to 2.7%. The August RBNZ survey showed inflation expectations declining, with a forecast that rates could drop to 3.0% by September.

Global trade tensions persisted. The end of the US tariff delay saw President Trump announce tariffs on 21 countries, with a 50% tariff on copper and threats of high tariffs on semiconductors and pharmaceuticals. The US signed new trade deals with the EU, Vietnam, Japan, and Indonesia, supporting cautious optimism.

Both the US Federal Reserve (the Fed) and European Central Bank (ECB) kept rates steady in July. The Fed revised down its growth outlook, noting moderation in activity, while the ECB highlighted inflation was at its 2% target. The Bank of Japan is expected to raise rates above 1%, and monetary policy in China is expected to remain accommodative.

Equity markets performed well. Overseas shares rose 2%, supported by stabilising trade tensions. Emerging markets outperformed, up 4.8%. New Zealand shares increased by 1.8%. Bond yields rose slightly, and the US dollar strengthened by 3.2%. Copper prices fell sharply by 14.3%, impacted by tariff changes.





# Monthly Commentary Ended 31 July 2025



## Tariffs

President Trump announced tariffs on 21 countries, with additional tariffs on copper and threats on semiconductors. US trade deals with the EU, Vietnam, Japan, and Indonesia provided some relief.

## Central banks

The Fed and ECB held rates steady; the Fed downgraded growth prospects. The BoJ is expected to raise rates above 1%.

## New Zealand

Recovery continues, but geopolitical risks and trade tensions remain. We prefer NZ sovereign bonds to cash for yield and defensive properties.

## Global

Growth is likely to slow further, with central banks easing policy. Markets face uncertainty, and bond yields may stay rangebound. The US dollar could continue to strengthen amid risk aversion.



# Become Wealth Monthly Commentary Ended 31 July 2025

## Don't Let Short-Term Noise Derail Your KiwiSaver Trajectory

In times of rapid technological change, it might seem easy to feel anxious about your KiwiSaver balance. Headlines amplify economic uncertainty by roaring about the latest war, disaster, outbreak, political development, or something else. This creates an atmosphere where everything seems like a pending calamity, which can tempt even the hardest investors to switch to conservative funds (or make other financial adjustments) in search of short-term safety. However, history shows that reacting to short-term headlines and volatility can be costly.

Take 2020 as an example. When the pandemic hit, a minority of investors moved their KiwiSaver savings into low-risk funds. Unfortunately, most didn't switch back when markets rebounded, missing out on significant gains. Aggressive funds commonly delivered around 10% returns in 2020 and 15% in 2021, while conservative funds lagged far behind. Over time, these differences compound, meaning a hasty decision could cost thousands.

Market downturns aren't just setbacks; they can be opportunities. Regular contributions made during market dips buy more units at lower prices, setting you up for greater growth when markets recover.

*Think of it like shopping during a sale: you get more for your money.*

That said, a growth- or share-oriented fund isn't suitable for everyone. If you're nearing retirement or planning to withdraw soon, a conservative approach may help protect your savings from sharp declines. The key is aligning your fund choice with your aims, time horizon, and risk tolerance.

If uncertainty has you second-guessing your strategy, please get in touch - we can help. Avoid making decisions based on fear or headlines. KiwiSaver is a long-term investment. So, stay focused on the bigger picture, and you'll be better positioned to achieve your dreams.

### 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](mailto:hello@become.nz)

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# Investment Returns For Periods Ended 31 July 2025

## New Zealand Defence Force FlexiSaver Scheme

PIR	Fund	1 Month %	3 Months %	FYTD <sup>*</sup> %	1 Year %	5 Years %
28% prescribed investor rate (PIR)	Cash	0.20	0.56	0.80	3.00	2.09
	Conservative	0.45	1.91	2.04	3.65	1.92
	Moderate	0.87	3.64	3.44	5.40	3.45
	Balanced	1.25	5.45	4.77	7.04	5.07
	Growth	1.63	7.24	6.03	8.46	6.83
	High Growth	1.95	9.65	7.23	9.98	8.13
	Shares	2.29	10.24	7.89	10.52	8.68
PIR	Fund	1 Month %	3 Months %	FYTD <sup>*</sup> %	1 Year %	5 Years %
17.5% prescribed investor rate (PIR)	Cash	0.20	0.62	0.90	3.43	2.37
	Conservative	0.47	1.95	2.28	4.16	2.11
	Moderate	0.89	3.71	3.56	5.75	3.62
	Balanced	1.29	5.61	5.00	7.43	5.31
	Growth	1.71	7.41	6.21	8.79	7.18
	High Growth	1.96	9.70	7.37	10.41	8.48
	Shares	2.28	10.25	7.92	10.62	8.94
PIR	Fund	1 Month %	3 Months %	FYTD <sup>*</sup> %	1 Year %	5 Years %
10.5% prescribed investor rate (PIR)	Cash	0.23	0.69	0.98	3.70	2.58
	Conservative	0.51	2.03	2.40	4.41	2.17
	Moderate	0.90	3.76	3.67	5.96	3.79
	Balanced	1.27	5.59	5.00	7.49	5.43
	Growth	1.66	7.36	6.13	8.73	7.30
	High Growth	1.99	9.82	7.51	10.27	8.65
	Shares	2.32	10.48	8.12	10.88	9.16

### 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 July 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	0.57	0.80	3.07	2.09
	Conservative	0.57	2.29	2.43	4.47	2.20
	Moderate	0.91	3.84	3.53	5.52	3.48
	Balanced	1.33	5.70	4.90	6.94	4.93
	Growth	1.72	7.44	5.99	8.05	6.61
	High Growth	2.04	9.17	7.13	9.65	7.96
	Shares	2.29	10.33	7.93	10.64	8.77
PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %
17.5% prescribed investor rate (PIR)	Cash	0.22	0.64	0.93	3.53	2.39
	Conservative	0.57	2.34	2.56	4.81	2.28
	Moderate	0.94	3.92	3.66	5.82	3.54
	Balanced	1.34	5.75	5.06	7.35	5.10
	Growth	1.69	7.51	6.15	8.33	6.85
	High Growth	2.04	9.17	7.21	9.98	8.15
	Shares	2.36	10.42	8.15	11.10	9.13
PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %
10.5% prescribed investor rate (PIR)	Cash	0.23	0.69	0.99	3.79	2.58
	Conservative	0.57	2.36	2.63	5.04	2.65
	Moderate	0.93	3.94	3.71	6.09	3.84
	Balanced	1.37	5.78	5.09	7.41	5.19
	Growth	1.74	7.67	6.36	8.84	7.10
	High Growth	2.07	9.34	7.44	10.30	8.56
	Shares	2.34	10.44	8.08	11.09	9.34

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# Investment Returns For Periods Ended 31 July 2025

## Defence Force Superannuation Scheme

PIR	Fund	1 Month %	3 Months %	FYTD <sup>*</sup> %	1 Year %	5 Years %
28% prescribed investor rate (PIR)	Cash	0.20	0.58	0.81	3.06	2.12
	Conservative	0.57	2.34	2.38	4.44	2.21
	Moderate	0.90	3.81	3.46	5.37	3.47
	Balanced	1.34	5.72	4.91	6.89	5.00
	Growth	1.71	7.43	6.02	7.96	6.65
	High Growth	2.04	9.11	7.10	9.57	7.94
	Shares	2.30	10.32	7.92	10.46	8.70
PIR	Fund	1 Month %	3 Months %	FYTD <sup>*</sup> %	1 Year %	5 Years %
17.5% prescribed investor rate (PIR)	Cash	0.20	0.57	0.80	3.01	2.33
	Conservative	0.60	2.38	2.61	4.88	2.35
	Moderate	0.93	3.92	3.65	5.90	3.72
	Balanced	1.35	5.77	5.00	7.10	5.25
	Growth	1.73	7.55	6.27	8.44	6.93
	High Growth	2.07	9.28	7.35	10.03	8.32
	Shares	2.33	10.42	8.04	11.03	9.25
PIR	Fund	1 Month %	3 Months %	FYTD <sup>*</sup> %	1 Year %	5 Years %
10.5% prescribed investor rate (PIR)	Cash	0.23	0.71	1.00	3.76	-
	Conservative	0.61	2.33	2.61	4.94	-
	Moderate	0.93	3.94	3.71	5.95	-
	Balanced	1.36	5.84	5.17	7.46	5.21
	Growth	1.73	7.58	6.23	8.53	7.06
	High Growth	2.08	9.27	7.32	10.25	8.44
	Shares	2.34	10.47	8.11	11.13	9.27

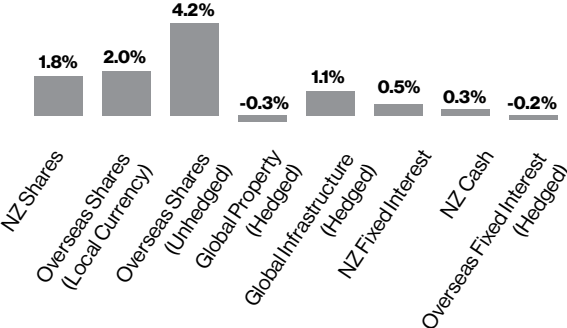
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- '-' indicates that investment option was not operating for the full period or did not have funds invested for the full period.

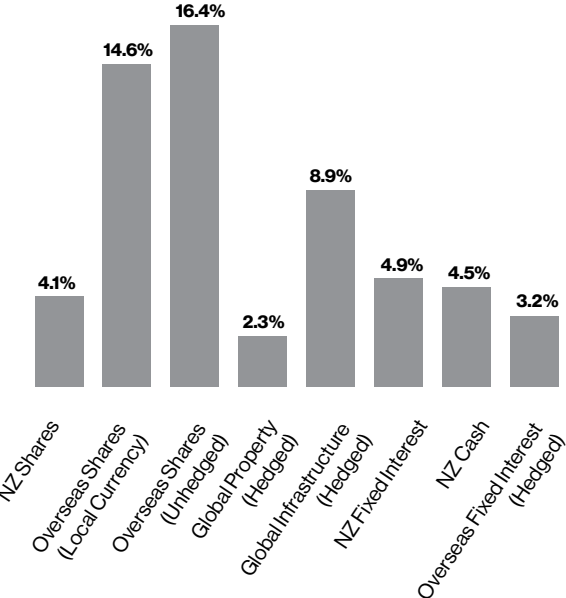
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# Investment Returns For Periods Ended 31 July 2025

## 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

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