

# Monthly report

For the period ended 30 June 2025

## Market performance summary

### – June in a snapshot

- The New Zealand economy showed signs of recovery in Q1 2025, with GDP increasing by 0.8% compared to the previous quarter, slightly exceeding expectations.
- The NZDF Savings Schemes delivered positive investment returns across all options during this period. Funds in the Schemes have reached the highest level ever, at over \$750m. NZDF set goals for the growth of the funds at launch of the Force Financial Hub ten years ago, and is confident that the Schemes are on track to achieve those.
- A powerful benefit provided through the Force Financial Hub is the access to robust financial advice and education services. 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**.
- Members of NZDF Savings Schemes will receive Annual Reports for each of the Schemes in August. Please ensure your contact details are up to date and if you haven't already, please read your annual member statement issued in May. It is available when you sign into your online account.



# Monthly Commentary Ended 30 June 2025

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## **There is a lot going on in the markets globally and locally which is impacting investments and investors.**

The New Zealand economy showed signs of recovery in Q1 2025, with GDP increasing by 0.8% compared to the previous quarter, slightly exceeding expectations. However, recent geopolitical tensions post March, as well as declining business confidence has introduced new headwinds. The BusinessNZ Performance of Manufacturing Index (PMI) fell back in May after four months of expansion, signalling a slowdown in activity. Consumer confidence has also been impacted by ongoing trade uncertainties and regional instability.

On the international front, tensions in the Middle East increased in June, with military strikes on Iran's nuclear sites, followed by a ceasefire. In the United States, the Federal Reserve kept interest rates unchanged, lowering growth and inflation forecasts. The European Central Bank also cut interest rates for the eighth time, making borrowing slightly cheaper. In the UK, wages grew more slowly, and unemployment rose to 4.6%, the highest in four years.

In June, overseas shares with currency risk hedged increased by 3.8%, supported by positive developments as the technology and telecommunications sectors recovered drastically. Emerging market shares(unhedged) rose by 4.3%, mainly driven by a strong performance in Korea's stock market. Shares in New Zealand saw a modest increase of 1.5%. Bond markets also performed well, with both government bonds and international credit gaining.





# Monthly Commentary Ended 30 June 2025



## Middle East

Tensions in the Middle East escalated in June, with military strikes on Iran’s nuclear sites, followed by a ceasefire. Oil prices surged 23.4% to US\$79 per barrel after the strikes, then retreated to US\$67, ending the month up 7.9%.

## Global

The US Federal Reserve kept interest rates steady at 4.25-4.5% but lowered its growth forecast to 1.4% and inflation to 3.1%. Meanwhile, the European Central Bank cut rates for the eighth time, lowering the deposit rate to 2%.

## United States

The US dollar experienced its worst half-year since 1991, falling 2.5% in June, amid ongoing geopolitical and economic uncertainties.

## New Zealand

Despite strong growth in Q1 2025, with GDP exceeding expectations, ongoing geopolitical tensions and slowing confidence pose challenges for future growth.



# Become Wealth Monthly Commentary Ended 30 June 2025

## Decumulation: Shifting Gears for Retirement

For years, your focus has likely been on accumulating assets: accumulation. Diligently building your investment nest egg with superannuation or KiwiSaver funds.

Then, as you approach retirement, the conversation shifts from growing your wealth to drawing it down. This phase, known as “decumulation”, is just as crucial as accumulation, and comes with its own unique set of considerations.

Think of it like shifting gears in a car. During your working life, you've been in high gear, accelerating towards your financial goals. Now, as retirement nears, it's time to downshift, not to stop, but to ensure a smooth, controlled, and sustainable journey. The goal is to create a reliable income stream that supports your lifestyle throughout your retirement years, while also managing longevity risk and market fluctuations.

This requires careful planning, then reevaluating and re-planning, as no plan survives H-Hour!

It's about understanding how to convert your accumulated wealth into a steady flow of income, considering factors like inflation, potential healthcare costs, and your desired legacy. Just as small differences in accumulation rates can lead to monumental wealth gaps, differing decumulation approaches can significantly impact the longevity and comfort of your retirement.

If you'd like to conduct some initial planning on your own, here's a great new tool from Sorted: <https://sorted.org.nz/tools/retirement-calculator/>

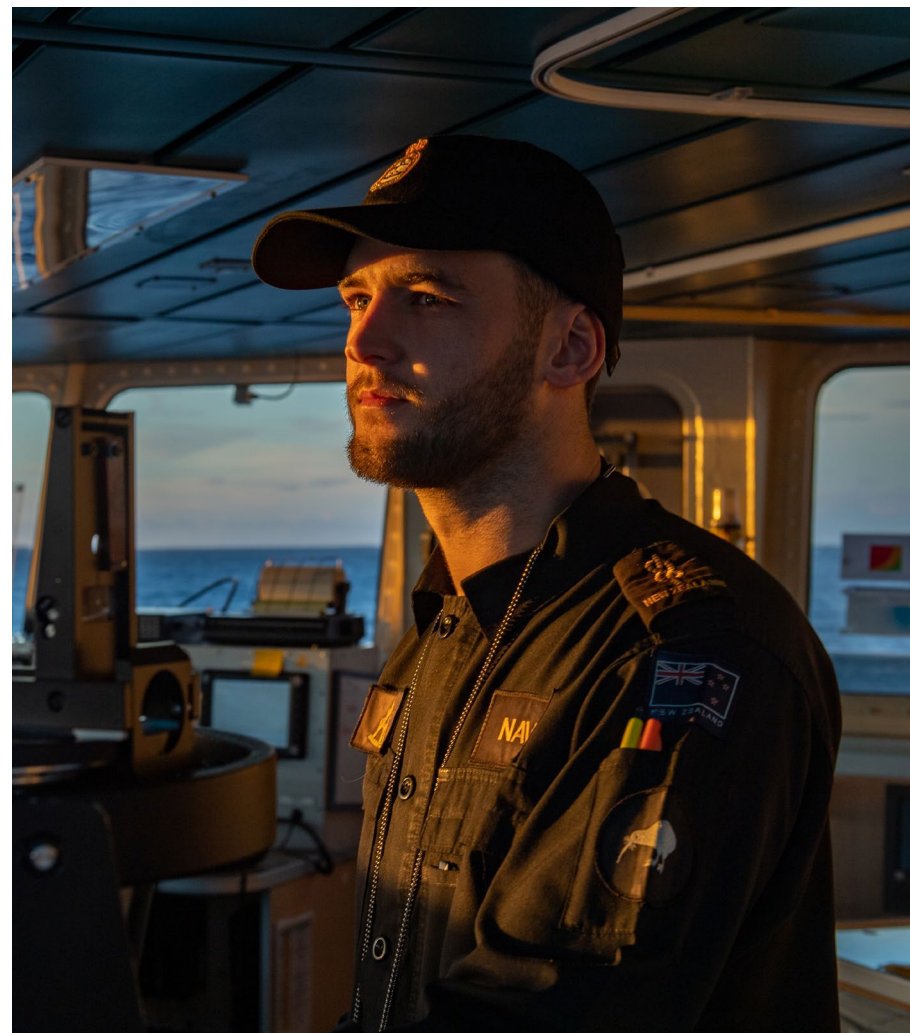
### What Next?

Alternatively, we would be delighted to assist you explore how to navigate this exciting new phase of your life, ensuring your investments continue to work for you. This will probably include your investments in one or more NZDF Savings Schemes, and can encompass other areas of your financial life, too. Book your complimentary initial consultation today:

**0508 BECOME (0508 232 663)**

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# Investment Returns For Periods Ended 30 June 2025

## New Zealand Defence Force FlexiSaver Scheme

PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %
28% prescribed investor rate (PIR)	Cash	0.17	0.61	0.61	3.16	2.05
	Conservative	0.75	1.58	1.58	4.60	2.02
	Moderate	1.10	2.55	2.55	6.44	3.52
	Balanced	1.51	3.47	3.47	8.17	5.16
	Growth	1.88	4.33	4.33	9.67	6.92
	High Growth	2.18	5.18	5.18	11.16	8.21
	Shares	2.60	5.47	5.47	11.51	8.77
PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %
17.5% prescribed investor rate (PIR)	Cash	0.22	0.69	0.69	3.61	2.33
	Conservative	0.78	1.80	1.80	5.18	2.23
	Moderate	1.15	2.65	2.65	6.81	3.71
	Balanced	1.58	3.66	3.66	8.53	5.41
	Growth	1.95	4.42	4.42	9.86	7.27
	High Growth	2.24	5.31	5.31	11.48	8.57
	Shares	2.64	5.52	5.52	11.53	9.06
PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %
10.5% prescribed investor rate (PIR)	Cash	0.23	0.75	0.75	3.89	2.53
	Conservative	0.81	1.88	1.88	5.43	2.30
	Moderate	1.19	2.74	2.74	7.14	3.89
	Balanced	1.61	3.68	3.68	8.63	5.55
	Growth	1.97	4.40	4.40	9.93	7.42
	High Growth	2.28	5.41	5.41	11.25	8.77
	Shares	2.75	5.66	5.66	11.63	9.29

### 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 30 June 2025

## New Zealand Defence Force KiwiSaver Scheme

PIR	Fund	1 Month %	3 Months %	FYTD <sup>*</sup> %	1 Year %	5 Years %
28% prescribed investor rate (PIR)	Cash	0.19	0.60	0.60	3.25	2.05
	Conservative	0.84	1.85	1.85	5.37	2.28
	Moderate	1.15	2.60	2.60	6.71	3.55
	Balanced	1.56	3.53	3.53	8.34	5.00
	Growth	1.90	4.20	4.20	9.58	6.67
	High Growth	2.32	4.99	4.99	11.08	8.02
	Shares	2.64	5.52	5.52	11.64	8.86
PIR	Fund	1 Month %	3 Months %	FYTD <sup>*</sup> %	1 Year %	5 Years %
17.5% prescribed investor rate (PIR)	Cash	0.22	0.71	0.71	3.74	2.35
	Conservative	0.89	1.98	1.98	5.77	2.38
	Moderate	1.19	2.70	2.70	6.99	3.62
	Balanced	1.61	3.67	3.67	8.70	5.18
	Growth	1.98	4.39	4.39	9.79	6.94
	High Growth	2.32	5.07	5.07	11.22	8.24
	Shares	2.68	5.65	5.65	11.83	9.23
PIR	Fund	1 Month %	3 Months %	FYTD <sup>*</sup> %	1 Year %	5 Years %
10.5% prescribed investor rate (PIR)	Cash	0.23	0.76	0.76	4.02	2.53
	Conservative	0.93	2.04	2.04	6.12	2.76
	Moderate	1.23	2.75	2.75	7.34	3.95
	Balanced	1.64	3.67	3.67	8.75	5.28
	Growth	1.97	4.54	4.54	10.22	7.19
	High Growth	2.36	5.26	5.26	11.47	8.66
	Shares	2.68	5.61	5.61	11.83	9.45

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# Investment Returns For Periods Ended 30 June 2025

## Defence Force Superannuation Scheme

PIR	Fund	1 Month %	3 Months %	FYTD <sup>*</sup> %	1 Year %	5 Years %
28% prescribed investor rate (PIR)	Cash	0.19	0.62	0.62	3.22	2.08
	Conservative	0.81	1.80	1.80	5.35	2.29
	Moderate	1.12	2.53	2.53	6.57	3.54
	Balanced	1.57	3.52	3.52	8.30	5.07
	Growth	1.89	4.23	4.23	9.47	6.72
	High Growth	2.30	4.96	4.96	10.96	8.00
	Shares	2.63	5.49	5.49	11.43	8.79
PIR	Fund	1 Month %	3 Months %	FYTD <sup>*</sup> %	1 Year %	5 Years %
17.5% prescribed investor rate (PIR)	Cash	0.21	0.60	0.60	3.22	2.29
	Conservative	0.90	2.00	2.00	5.85	2.45
	Moderate	1.19	2.70	2.70	7.14	3.80
	Balanced	1.62	3.60	3.60	8.47	5.35
	Growth	1.94	4.46	4.46	9.89	7.02
	High Growth	2.35	5.17	5.17	11.27	8.41
	Shares	2.68	5.58	5.58	11.87	9.38
PIR	Fund	1 Month %	3 Months %	FYTD <sup>*</sup> %	1 Year %	5 Years %
10.5% prescribed investor rate (PIR)	Cash	0.24	0.77	0.77	3.99	-
	Conservative	0.94	1.99	1.99	5.97	-
	Moderate	1.23	2.76	2.76	7.20	-
	Balanced	1.66	3.75	3.75	8.83	5.31
	Growth	1.96	4.42	4.42	9.93	7.17
	High Growth	2.37	5.14	5.14	11.42	8.53
	Shares	2.68	5.64	5.64	11.91	9.40

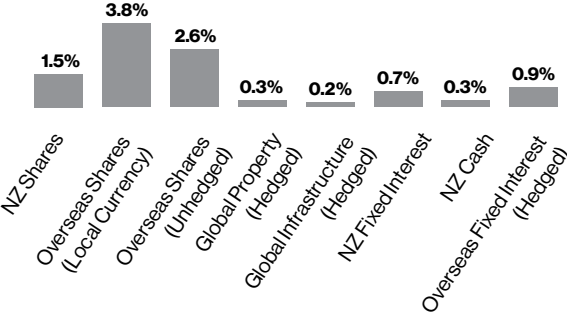
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- '-' indicates that investment option was not operating for the full period or did not have funds invested for the full period.

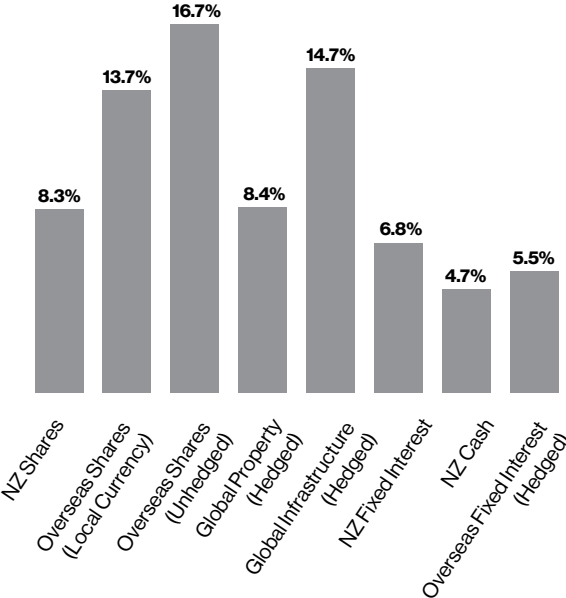
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# Investment Returns For Periods Ended 30 June 2025

## 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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